IMPACT ANALYSIS REPORT

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Executive Summary

This report analyzes data based on 850 grants provided by Help in Kosovo for the period during 2015-2017. Grants were provided in the form of equipment deemed necessary by applicants. The analysis contains first hand collection of data through phone calls, as well as secondary collection of data from Help's existing database.

Help clients belong to three main sectors including crafts, agriculture, and services. Since the collection of data was conducted primarily through phone-interviews, and since the interviewer was of Albanian-descent, the report is applicable only to clients who speak Albanian. That means clients who speak only Serbian or Turkish or other languages were not included in the analysis. Numerically, around 11% of the population has been removed from the total, thus the analysis conducted only applies to 760 clients. Moreover, provided that many clients reside in remote areas, have changed their phone numbers, did not respond to phone calls or simply did not want to answer the interviewer's questions, the total number of collected surveys was 294, or around 40% of the total clients.

Methodology includes compilation of a questionnaire with 25 questions which cover demographic information, grant amount, whether the business remains functional, is registered and the registration format, as well as net profit following the year after the grant, number of employees and their gross salaries, other donations and means of financing, as well as their main problems faced during every day work, among others. STATA and Excel were mainly used to work on data.

Overall, according to information provided by the clients, 94% of businesses are still functional, which implies a positive correlation between the grant and business functionality. This goes in line with the aim of the project, which was to support new or existing businesses to operate and succeed in Kosovo. In addition, 25% of respondents claimed lack of equipment as their main concern regarding business, which supports Help's decision to provide grants in the form of equipment.

However, in order to isolate the impact of the grant, the scope of the project would have to be broadened to include a counterfactual, which would consist of a group of individuals who did not receive the grant, but are statistically identical to the clients. This is also the main recommendation provided for future evaluations of similar grants.

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1. IMPACT ANALYSIS REPORT

Impact Analysis Reports attempts to evaluate whether an intervention has a positive, negative, or neutral effect in its subjects. In this specific case, the intervention will consist of the grants provided by Help, while the subjects will consist of clients.

Although these types of analyses share a similar format, it is up to the researcher to determine the specifics. Thus, this analysis report will include an introduction, methodology, description of variables used, analysis of results, as well as conclusion and recommendations for future evaluations.
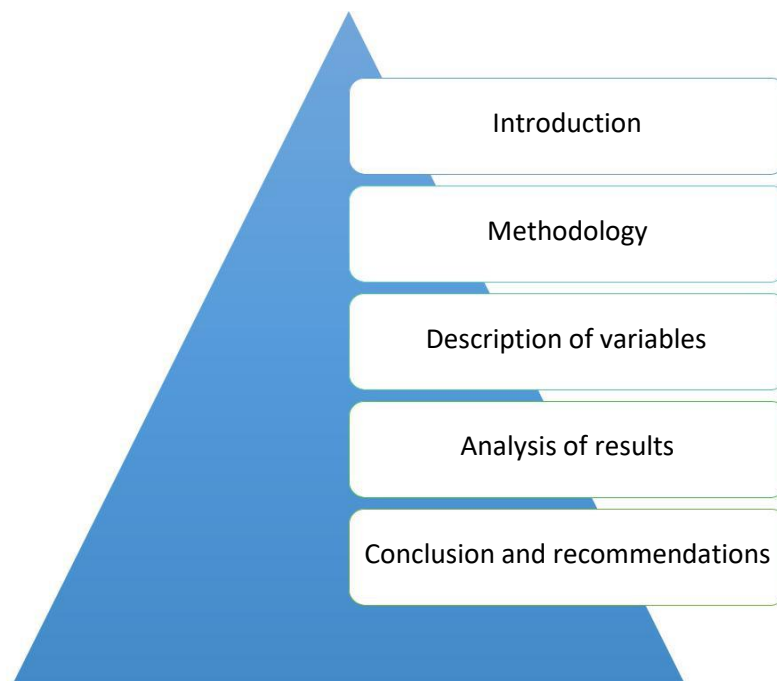
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Fig. 1.0 *Impact Analysis Report Composition*

1.1. Introduction

Help Kosovo is a non-profit, non-governmental organization based in Prishtina, Kosovo. The Help Mission in Kosovo was first established in early 2000s, immediately after the conflict. Following that period, the organization remained inactive for a while, only to appear again in May 2015 with a project called "Support to Socio-Economic Stability Through Empowerment of Micro-Business Sector in Kosovo", supported by the Ministry of Foreign Affairs of the German Government, with the aim of supporting new or existing businesses from three different sectors operate and succeed in Kosovo.

Help's ultimate mission is to help preserve human dignity by focusing in vulnerable and marginalized communities and their experiences with natural disasters or conflicts. The ways Help works is by offering support to people in need through interventions following catastrophes or provide sustainable contributions to reconstruction and rehabilitation, regardless of gender, religion or skin color.

From 2015-2017 Help provided 850 grants in form of equipment to individuals from 10 different municipalities. Moreover, grants provided were separated based on three main sectors of operation including agriculture, crafts and services. There are 294 interviews completed.

This analysis will provide a description of the questionnaire and its results; it will also offer analysis of relations between different variables, to see whether there is any relevant pattern that might aid Help in future grant programs. Finally, it contains conclusions based on results, as well as the researcher's recommendations for future evaluations of programs.

1.2. Methodology

Data including names, location, contact and grant amount were taken from Help Kosovo's existing database. Following that step, a questionnaire with 25 questions was compiled with questions including other demographic information, whether the business remains functional, is registered and the registration form, as well as net profit following the year after the grant, number of employees and their gross salaries, other donations and means of financing, as well as their main problems faced during every day work, among others. Based on the questionnaire, 19 variables were coded and worked on in Excel and STATA software to generate analysis. These variables include municipality, age, gender, sector, whether the business is functional, whether it is registered and if yes, in what form; number of employees (both seasonal and permanent), gross salaries, annual net profit following the grant, whether they applied for other grants elsewhere, and if yes did they win, as well as the amount; they were also asked about other means of financing, and the main problems faced during every day work.

During the period 2015-2017, Help Kosovo provided 850 grants to individuals residing in 10 main municipalities in Kosovo. Every individual from the database provided by Help was contacted via phone during every day of the week, excluding Sunday. However, due to the fact that the interviewer spoke Albanian, grant beneficiaries who do not speak the language have been left out of the analysis. Numerically, this number approaches 11% of the total number, which brings down the list to 760 beneficiaries. This is one limitation of the analysis, provided that it would be interesting to see if there is any significant difference or similarity between different communities who benefited from Help's grant program.

In addition, provided that critical information to the analysis was primarily received through phone interviews, the response rate was not 100%. This should be somewhat expected, given many reasons including changing the phone number, not answering to an unknown number, as well as due to the low sense of accountability given the low amount of grants. However, around 40% of the total number responded to most of the questions, and this is acceptable in terms of extracting correlations and descriptive analysis.

2. *Description and analysis of variables*

The first deliverable for this report was a questionnaire consisting of 25 questions (refer to Annex for full questionnaire). The questionnaire template was similar to others found in reports from other branches of Help in the region; however, the final version contains additional questions not found elsewhere. From these questions, 19 variables were created and coded for analysis in STATA. Further and throughout this section, the most important variables will be described and analyzed. Salaries, annual net profit following the grant.

2.1. Municipality

Help provided grants in 10 municipalities of Kosovo including Prishtina, Prizren, Gjilan, Ferizaj, Mitrovica, Vushtrri, Gjakova, Gracanica, Novoberda, and Peja. Numbers in table 1.1 refer to the abovementioned order. As can be seen the municipality which dominates for the sample is Prishtina with 110 beneficiaries and the lowest value is Gracanica with 2 values. Nevertheless, there is a bias in the latter value provided that the absolute majority of grant clients -minus two- in Gracanica do not speak Albanian, and were left out of the analysis. In percent terms, 37% of the grant clients reside in Prishtina, which is also the largest municipality in Kosovo, followed by 13% in Vushtrri, 11% in Prizren and Peja and 10% in Gjilan, and so on.

Table 3.1.0

Municipality	Frequency	Percent
Prishtina	110	37.41%
Prizren	33	11.22%
Gjilan	28	9.52%
Ferizaj	16	5.44%
Mitrovica	17	5,78%
Vushtrri	37	12.59%
Gjakova	13	4.42%
Gracanica	2	0.68%
Novoberda	7	2.38%
Peja	31	10.54%

2.2 Age

For Help clients of the period 2015-2017, age variable was separated in 3 groups including individuals below 35 years old, those between 35-50 years old, and grantees who were older than 50. As can be seen from figure 3.2, the second age group, or individuals from 35-50 years old, dominate the list of grant beneficiaries with 56%, followed by those are younger than 35 with 31% of the sample. The fact that people of this age group dominate, in spite of different sectors, might be a research question of its own. However, additional information regarding correlation between age, city of residence, and sector, and gender will be provided during analysis of results.

Figure 3.2 Age distribution among the sample

< 35
- 90 observations
- 30.61% of the total

35-50
- 165 observations
- 56.12% of the total

> 50
- 39 observations
- 13.3% of the total
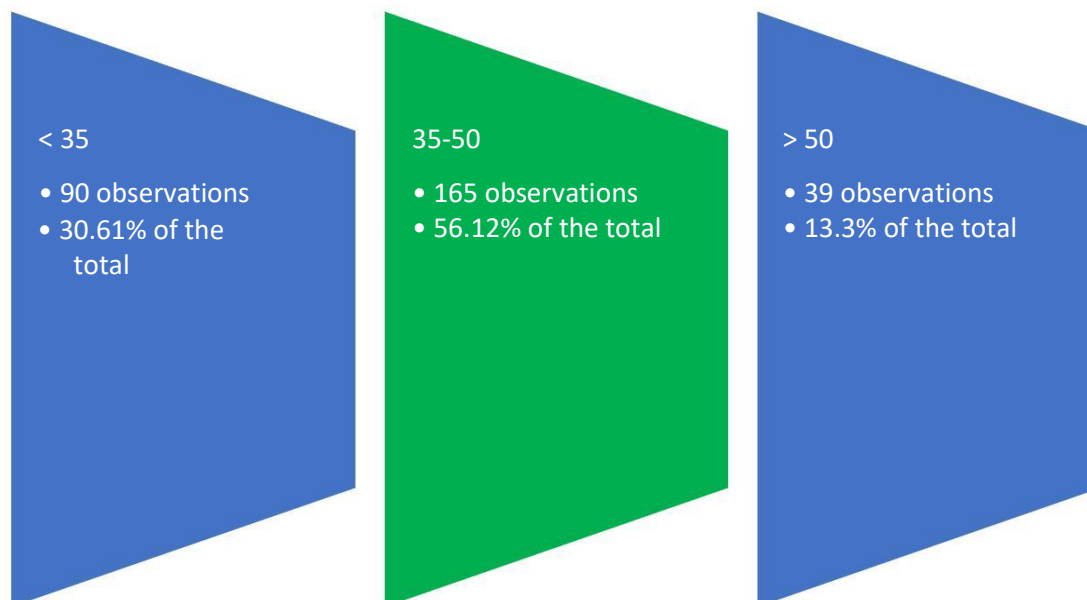
2.3 Gender

From 294 clients interviewed, 188 or 64% of the sample are male, while 106 or 36% of them are female. However, the interviewer noted frequently that women responders during the phone interviews would pass the phone onto their husbands, claiming "lack of knowledge about the business" which they confirmed they owned. This poses constraints on the verity of the reported gender dissemination of the business owners in practice.

Figure 3.3 Gender distribution among the sample
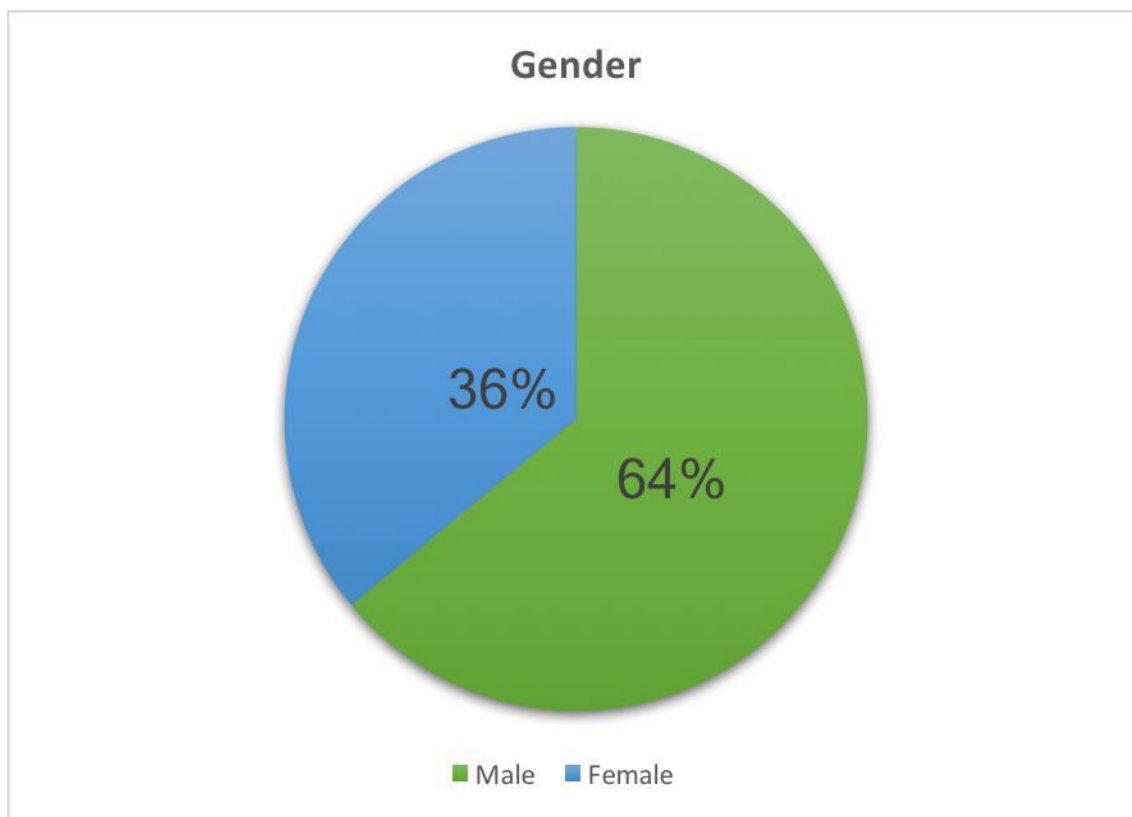
2.4 Sector

As explained earlier in the report, the grants were provided based in three main sectors including Agriculture, Crafts, and Services. As can be seen from figure 3.4, around 40% of the sample are from the agriculture sector, followed by crafts at 29% and services by 32%. As shown, all sectors were given "equal opportunities" in the sense that roughly, each shares the same amount of the pie.

Figure 3.4 Sector distribution among the sample
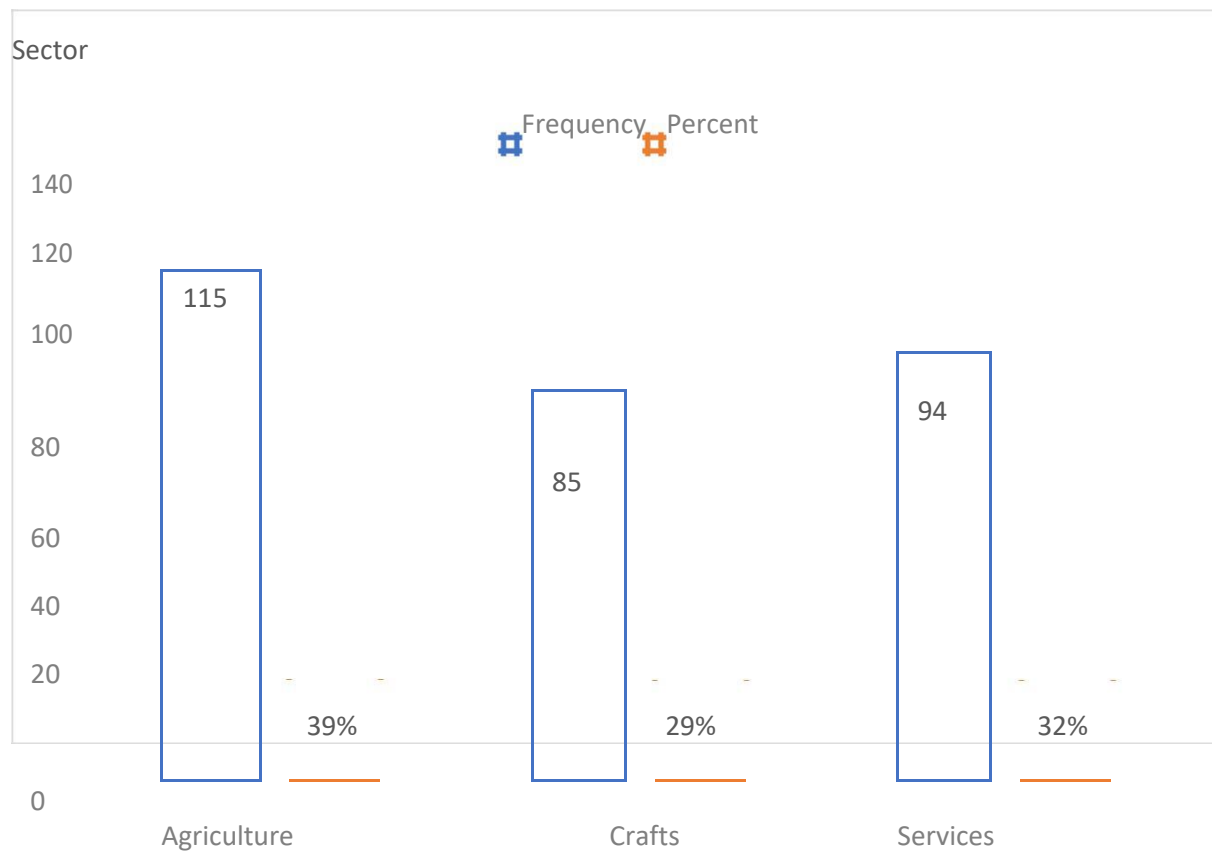
2.5 Grant amount

Although grants were provided in form of equipment to the final clients, they are registered in monetary values and range up to 4,550.00 EUR (refer to table below). As seen from figure 3.5, there are only 293 observations, however that 1 observation was lost due to technical issues. The value supposed to be registered as 0 was put as a missing value. The reason why grant amount of 0 exists is because two grant beneficiaries declared to have won the grant, however, they either

a) did not receive the equipment, or [1]

b) Received it and it was broken, and they reported to have never received one that works.[2]

On the other hand, the grant amount with the highest frequency is 2,000 Eur. In total, 49 observations, or 17% of the sample received an equipment worth of 2,000 Eur.

Figure 3.5 Grant amount distribution of values

4,550 Eur-
Maximum value

2,000 Eur-
Mode

367 Eur-
Minimum value

Grant amount

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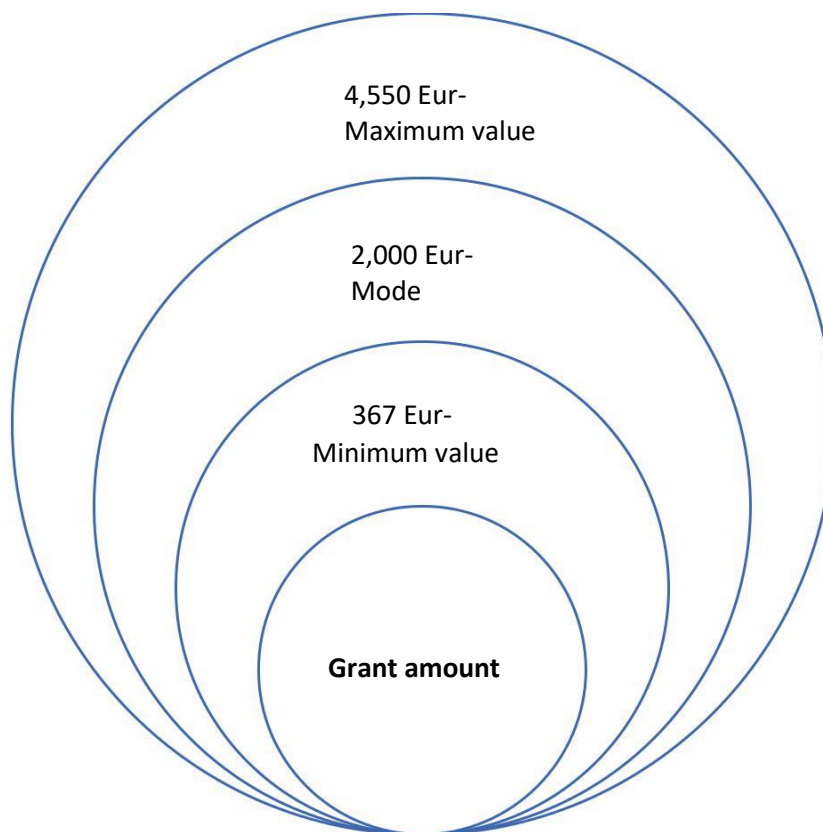
[1] The client has withdrawn from the joint project because of the misunderstandings between themselves
[2] According to the last monitoring visit the equipment were on good condition and after the visit the client did not notify Help representatives for any damages within the warranty

3. Analysis of results

When putting together amount of grant with other variables, the report finds that the maximum amount (4,550 Eur) was offered to four beneficiaries in the services sector, who belonged to the first and second age-group, that is 2 were less than 35 years old and the remaining 2 were between 35-50 years old, and they all are male and reside in the municipality of Peja.

Table 4.0 Most repeated grant amount broken down in Age, Gender, Sector, and Municipality

Age			Gender		Sector		
<35	35-50	>50	M	D	Agriculture	Services	Crafts
18	22	9	31	18	17	10	22
Municipality							
Prishtina	Prizren	Gjilan	Ferizaj	Mitrovica	Vushtrri	Gjakova	Gracanica	Novoberda	Peja
20	10	7	3	2	3	1	0	2	1

On the other hand, because the minimum value of 0 shows individuals who stated to have not received the equipment, the lowest value of grant was taken the second one, which is 367 Eur, and was won by a male who resided in the Municipality of Peja. His job lied in the crafts sector and he is between 35-50 years old.

Finally, if put together the most repeated grant amount (2,000 Eur) with the abovementioned variables, report finds some interesting facts. First, it can be seen that 35-50 age-group dominates along with male gender and the crafts sector. In addition, the municipality with the highest number of beneficiaries of 2,000 Eur is Prishtina followed by Prishtina, Prizren, and Gjilan and so on.

3.1 Age and Gender

Apart from analyzing the questions on its own, it's also interesting to see whether there is any correlation between the variables.

Table 4.1 Relation between Age and Gender of respondents

Age	Gender		Total
	Male	Female	
< 35 years old	62	28	90
35-50 years old	101	64	165
> 50 years old	25	14	39

First thing seen by putting Age and Gender together is that, regardless of the age-group, men dominate. Figure 4.1 shows the relation in percentages and it is clear that the majority of grant beneficiaries are male. This also goes in line with general country data on business ownership.

There is no mutual trend of increase or decrease between the genders as they age; if anything, it they actually go in opposite ways. Nevertheless, it is seen that for the sectors included in the analysis, the most common age-group is 35-50 years old. This number would be different if, for example, were to analyze the ICT sector in the country, where the first category would probably prevail.

Figure 4.1 Relation between age and gender of respondents

Age-group and Gender

Male   Female
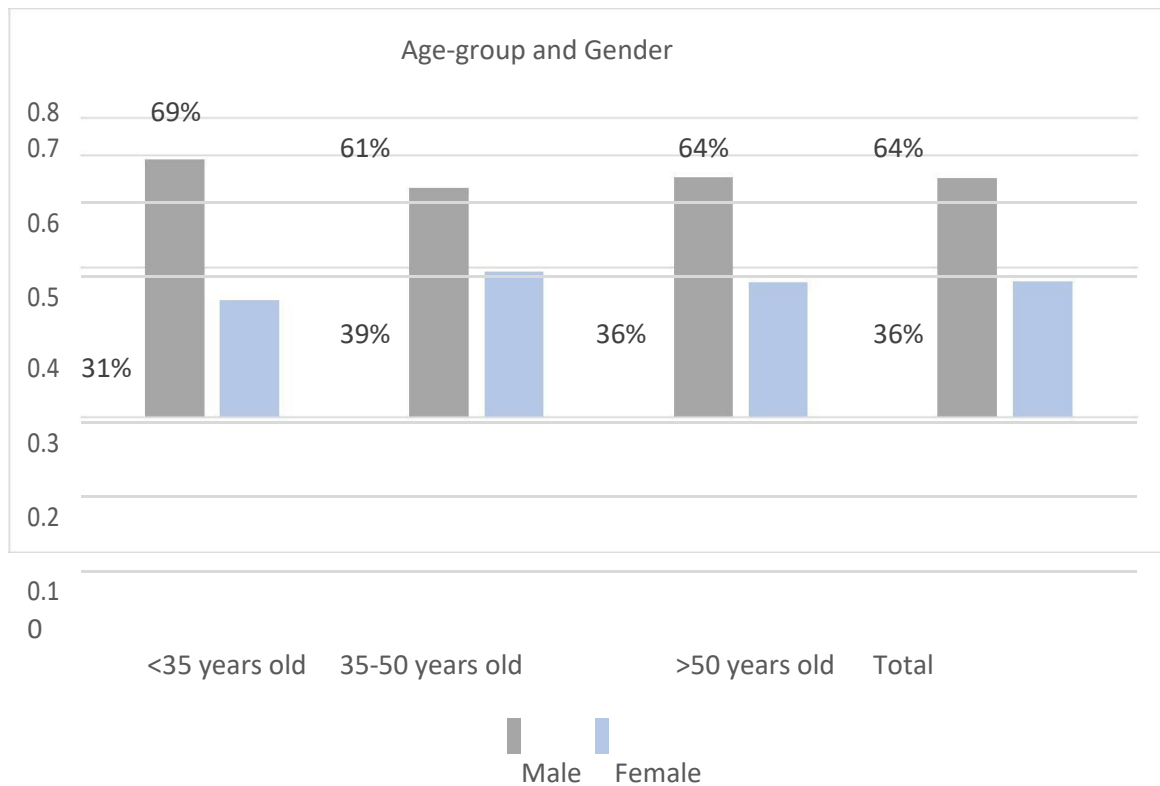
Moving on, correlation between Age and Sector is also quite interesting. Regardless of the age group, the numbers show that agriculture is the most common sector. For that reason, Gender and Sector were also put together, where it can be seen that women only slightly dominate (by one person), the service sector, while the other two, and especially agriculture, are dominated by men.

Table 4.1.2 Relation between age and sector

Age	Sector			Total
	Agriculture	Crafts	Services	
< 35 years old	30	22	38	90
35-50 years old	62	52	51	165
> 50 years old	23	11	5	39

Table 4.1.3 Relation between gender and sector

Gender	Sector			Total
	Agriculture	Crafts	Services	
Male	90	42	56	188
Female	25	43	38	106

3.2 Functionality and registration

From 294 interviewed beneficiaries, 277 or 94% of them claim to have their business functional, following at least 1 year after the grant, and at most 3 years after the grant, while 17 or 6% claimed to have their business closed. Of those whose businesses remain functional, 86% have officially registered their business at the State Agency for Registration of Businesses in Kosovo (ARBK), while 14% did not. It is also worth noting that having a farmer's certificate from the respective municipality was also counted as registered.

Table 4.2.1 Functionality and registration of business

Is the business still functional?	Is the business registered?	
	No	Yes
No	15	21
Yes	25	252

Focusing on the 86% who did register their business, there were 9 forms of registration reported by Help clients. They include Individual Business, Limited Liability Company, Independent Craft Shop, Trading Services Company, Farmer's Certificate, Trade Shop, Production Trading Company, Service Company, and Social business. The 0 in table 4.2.2 stands for individuals who did not declare form of registration, mainly because they claimed to not know.

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[1] 2 respondents did not officially unregister their business but just stopped working for an undefined amount of time.

Table 4.2.2 Form of business registrations

Form of registration	Frequency	Percent
Individual Business	123	42%
Limited Liability Company	35	12%
Independent Craft Shop	23	8%
Trading Services Company	3	1%
Farmer's Certificate	60	20.4%
Trade Shop	2	0.7%
Production Trading Company	4	1.4%
Service Company	4	1.4%
Social business	1	0.34%
Did not declare	39	13%

As seen from table 4.2.2, the most popular form of registration was as an individual business with 40% of the sample joining the category. The winner was followed the Farmer's Certificate with half, or 20% and Limited Liability Company (LLC) with 12%, and so on.

On the other hand, 6% of the sample reported to having non-functional businesses. Usually, when people reported their business does not exist anymore, they were also not willing to answer additional questions. For that reason, when asked whether they are currently employed or unemployed only 12 people answered, while the majority did not. As a result, that statistic is not reliable.

Nevertheless, for the reported information, it can be analyzed how many of the functional and non-functional businesses are owned by men or women; and also, check what age-group are they in.

Table 4.2.3 Business functionality against gender and age group

Is the business functional	Gender		Age Group		
	Male	Female	<35	35-50	>50
No	8	9	5	9	3
Yes	180	97	85	156	36

If broken down those numbers, it is found no relation between failing a business and gender, as it is quite evenly distributed (with a slight dominance by females, by one person). In addition, it is obvious that both, those who had their business fail and those who did not, share the same most popular age-group (35-50). This also suggests there is no correlation between business functionality and age-group.

A similar situation of reluctance was faced when asked regarding duration of business life, where only 4% of the sample provided a responded, which is not reliable for analysis.

3.3 Seasonal and Permanent Employees

Around 60% of the respondents declared to not have hired any temporary employees following the grant. Provided that usually agricultural businesses are seasonal, and since 40% of the respondents work in the agriculture sector, it only makes sense that around 60% of them which includes mostly crafts and services, do not hire seasonal employees. That being said, 31% of respondents stated to have hired 1or 2 seasonal employees during the last year, 7% hired 3-5 seasonal employees and 4.4% hired above 5 seasonal employees.

On the other hand, 57% of respondents stated to not have any permanent employees. This includes agricultural businesses who only hire during more productive seasons, as well as family businesses who do not have any registered workers. Again, the repeated pattern continues with 30% having 1 or 2 permanent employees, 10 % having 3-5 and 4.4% having more than 5 permanent employees. In addition, the majority, or around 50% of respondents stated to pay their permanent employees a gross salary of up to 100 Eur, 24% 100-200 Eur, and 27% pay their workers a monthly salary of more than 200 Eur.

Table 4.3 shows an interesting relation between respondents' responses regarding these two questions. For instance, out of 172 respondents who stated to not hire any seasonal employees, 105 of them said they don't have permanent employees either; 43 said they have 1-2, 15 said they have 3-5 permanent employees, and 9 said they have more than 5. There are also respondents who have permanent employees, but also hire seasonal employees, and so on.

Table 4.3 Seasonal and permanent employees

| Do you hire Seasonal employees?	Do you have permanent employees? How many?				Total
How many?	0	1-2	3-5	>5	
0	105	43	15	9	172
1-2	41	35	10	4	90
3-5	13	5	1	0	19
>5	8	3	2	0	13
Total	167	86	28	13	294

3.4 Average Annual Profit

When respondents were asked with regards to annual profits following the grant, they were very reluctant to answer, even if they only had to state an approximated value. Thus, unfortunately, 65% of values for this question are missing due to lack of reporting from clients. The most usual answer was they don't know their profits because they never calculate them. Table 4.4 below shows the lowest, most repeated and highest value of declared profits, in the next year following the grant. On the other hand, the line graph shows the declared values.

Table 4.4 Average annual net profit

	Lowest value	Mode	Highest value
	-200 Eur	5000 Eur	27,000 Eur
Observations	3	11	1

Figure 4.4 Average annual net profit


Average Annual Net Profit
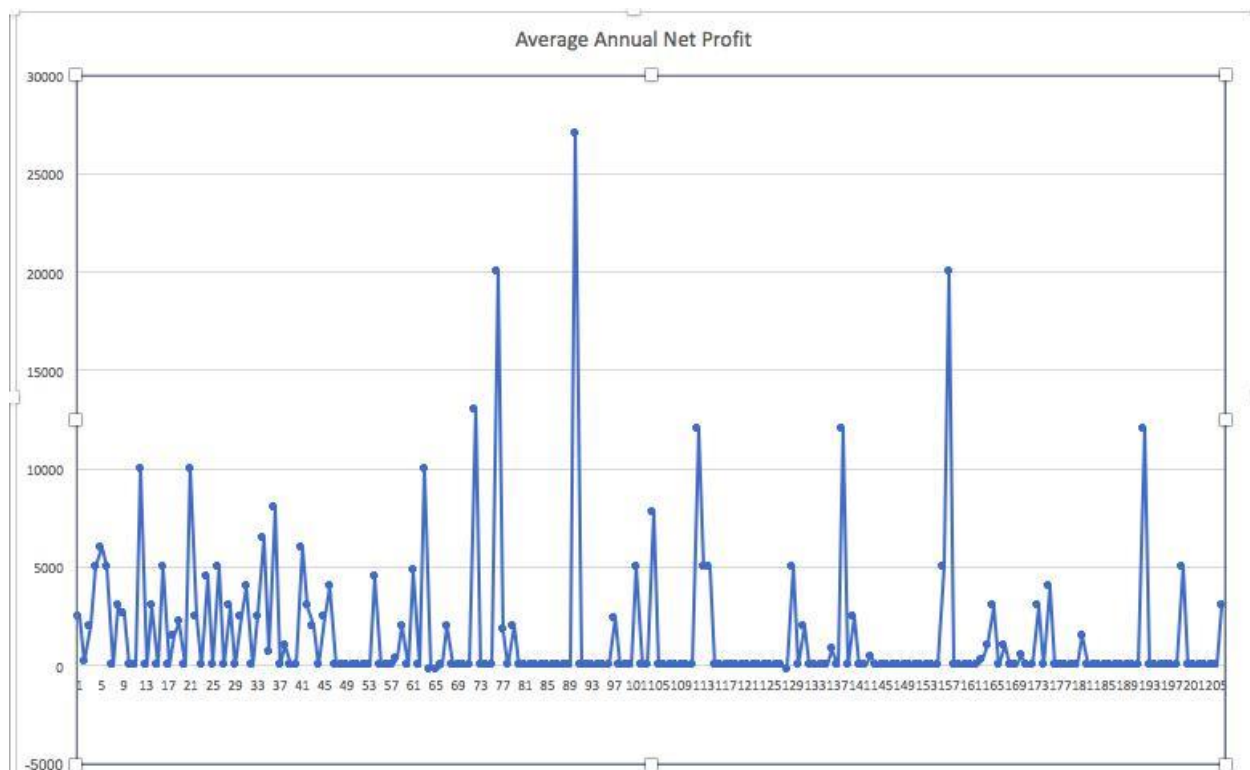
If there had been more values declared, it would be possible to run a regression to see the effect of grant in profits. However, since more than 60% of values are missing, the software will not show any effect. It would be useful if monitoring evaluators asked the clients regarding their net profit, during field visits. In that way, could be seen as a trend but also be able to run such regressions.

However, when asked about other means of financing, it was mainly those who did not report annual net profits the ones who stated to have relied more on self-financing as well as loans to continue running their businesses. More specifically, of the 189 (65% of the total sample) people who chose not to disclose average annual profit, 170 of them, or 90% said to have relied a lot on self-financing after winning the grant; 13 of them, or 7% said to have relied both on self-financing and loans; while only 6 of them or 3% said to not have relied in other means on financing, following the Help grant. Additionally, 41 clients claimed to have won other grants for the same business, be that from their respective municipalities, or other non-governmental organizations.

3.5 Main problems faced on a daily basis

Figure 4.5 Main problems faced by respondents in their business

What is the main problem faced with your business on a daily basis?
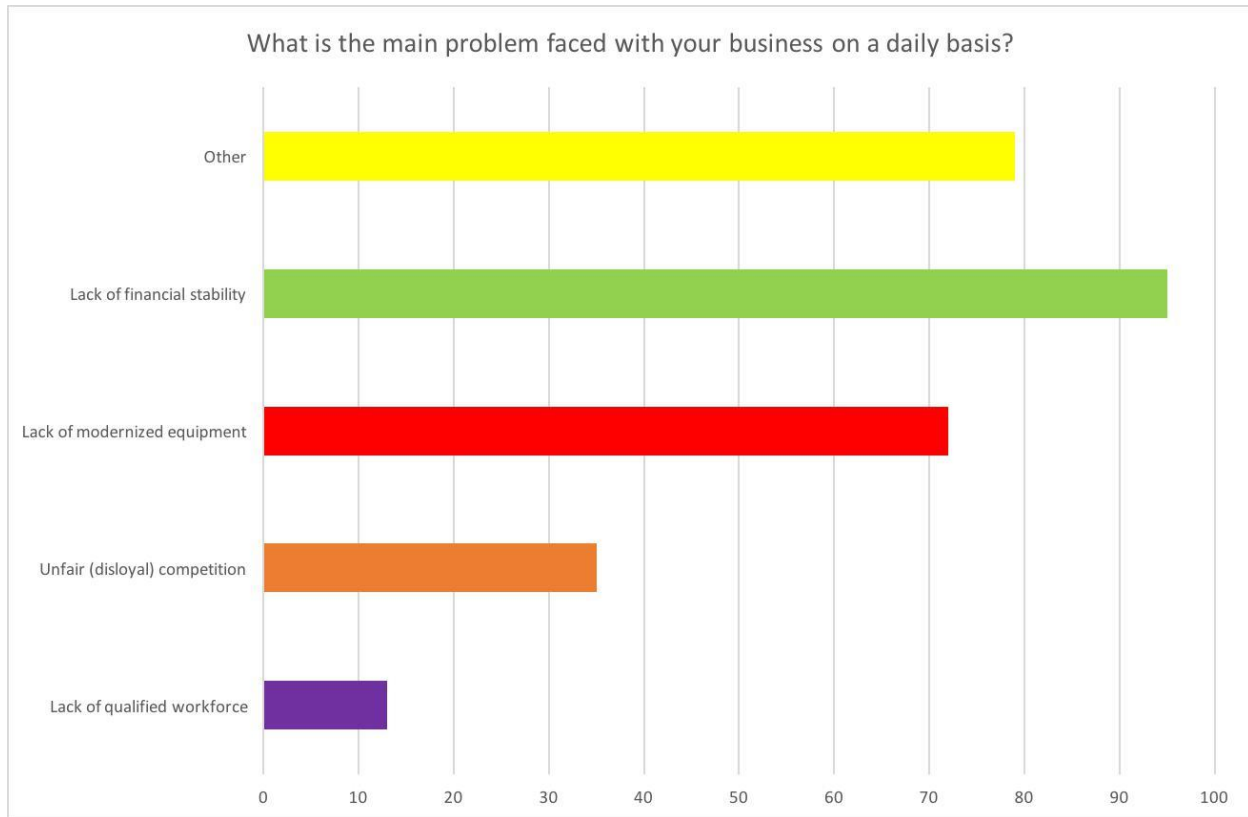
To the question as to what the main daily problems are, 32% reported Lack of financial stability as their main issue. Even if they wish to expand their business or invest it in, they showed reluctance due to this issue. 25% of the respondents claimed their main problem to be lack of more modern equipment that would facilitate work and decreases costs. This can be considered positive because it implies that what Help is offering, and this is grants in the form of equipment, matches with what grant clients are demanding. Unfair or disloyal competition seems to be a slight concern with 12%, and lack of qualified workforce even less so with 4%. Other reasons, mainly related to location, future plans and pricing issues take up 27% of respondents' answers.

4. Conclusion and recommendations

4.1 Conclusion

This report focused on analyzing grants offered by Help for the period 2015-2017. In total, there were 850 grants provided in form of equipment to clients from 10 municipalities. However, since the data was mainly collected via phone calls and due to language and other issues, the final number of the sample for this analysis reaches 40% of the total. Of this 40%, distribution of grants among gender was 64% male and 36% female; the dominating sector was agriculture with around 40% of the grants being given in that sector.

Another key result is that 94% of all interviewed grantees' businesses remain functional, while only 6% declared to have their businesses fail, even after winning the grant. This goes in line with the grant program's aim, which is supporting new or existing businesses in Kosovo to keep operating. It is also worth noting that of the 6%, there is almost an equal distribution among males and females.

In addition, 25% of the respondents consider lack of more modernized equipment as the main problem on daily basis; that can be seen positively from Help's point of view because they are providing people with what they need, and they should continue in this path.

4.2 Recommendations

Provided the reluctance of people to answer their phone or answer questions from the interviewer, it would be easier if the monitoring field officers collected more information during their regular visits to the clients. This information includes the amount of profit they have been able to earn before (if applicable) and after the grant, as well as ask them about other grants won and main problems faced during work. In this way, it would be easier to compile a final report with more information collected, which consequently, would lead to a more concise report.

Main recommendation for Help would be to include impact evaluators from the beginning of grant program. In this way, they would be able to collect the necessary information for their research, but also conduct parts of evaluation as they go. For an impact evaluation to be complete, it is needed one treatment group–which consists of clients, as well as a counterfactual-which consists of individuals who are statistically identical to clients, but who did not receive the grant. By statistically identical, I refer to demographic information including gender, age, sector, annual income, city of residence etc., and the fact that they should be similar, or statistically speaking, there should be no significant differences between the two groups. In this way, it is possible to be able to isolate the impact of the grant, and see how much of the increase in profits, or just the fact that a business remains functional can be attributed to the grant rather than something else. The treatment and the counterfactual could be selected in different ways including regression discontinuity design, or difference-in-difference, or using an instrumental variable.

For instance, if Help uses a specific criterion/line to select individuals who receive the grant, then the counterfactual would consist of those applicants who did not pass that line; however, statistically, they would probably be identical to those who won. That would mean Regression Discontinuity Design might be the most useful method for Help to measure the true impact of their grant programs. Nevertheless, further t-tests would show us whether the right counterfactual is found through this method, or through other methods mentioned earlier.

Annex – Full Questionnaire

Date:

Client Code _____

Name: _____

Surname: _____

Date of birth: _____

Gender: _____

Municipality: _____

Phone number: _____

Received donation (€): _____

Sector of business activity:

	Agriculture
	Crafts
	Services
	Other (please specify)

Is the business activity still operational? ■ Yes ■ No

Is the business registered? ■ Yes ■ No

If yes, form of registration: _____

If not, why?

_____

How long was/ is the business operational (months)? _____

If the business has failed, is the client currently: ■ Employed
■ Unemployed

What is the amount of annual net profit from the client's activity? _____€

How many seasonal/temporary employees? _____ How many permanent employees? _____

What is the employees' gross salary? _____

Did you receive any other grant/donation for this business?

If yes, what was the amount? _____

If no, why not? _____

What other means of financing have been used for this business activity? _____

What are some of the main problems you face in your day to day activities?

_____

_____

Additional comments.

_____

_____