

Strengthening capacities for economic diplomacy

Bjoern Vogler

Berlin/Pristina, August 2022

Executive summary

Many countries have recently reformed their economic diplomacy models focusing amongst others on strengthening the capacities abroad and improving the organisational effectiveness. The following success factors can be identified:

- A more open and flexible approach towards seconding and recruiting staff, e.g.:
 - Appointing attachés from different ministries and agencies or even the private sector
 - Recruiting local trade and investment advisors (without diplomatic status)
- At the same time, specifying more clearly the core tasks of the positions as well as necessary skills and qualifications for recruitment and capacity building measures
- Extending onboarding programmes for commercial attachés and complementary training formats
- Strengthening capacities also in the home country to enhance the policy making, coordination and support functions
- Exploring alternative financing and employment models (e.g. integrating international funding, relying on voluntary representatives and honorary consuls)
- Developing a coherent and cross-institutional strategic framework for economic diplomacy as a basis for an effective integration of additional capacities

Executive summary

As a basis for recruitment and capacity building measures, the core tasks of commercial attachés as well as required qualifications and personal characteristics can be specified as follows:

Key tasks and responsibilities:	<p>Promoting economic relations and interests (government-related activities):</p> <ul style="list-style-type: none">• Analysing the macroeconomic situation / trends, monitoring relevant policies / regulations• Identifying trade barriers and challenges for the promotion of Kosovo as an investment location and providing policy advice• Contributing to the conclusion and implementation of bi-/multi-lateral agreements• Supporting official visits and participating in bi-/multilateral government meetings <p>Promoting trade and investment (business-related activities):</p> <ul style="list-style-type: none">• Gathering up to date information on target groups, investment trends and export potentials• Reaching out to potential investors combining different channels• Attending (virtual) trade fairs, B2B events, market exploration tours• Handlings enquiries and providing individual information, advisory and matchmaking services for investors and exporters• Maintaining contact with head offices of existing investors to facilitate reinvestments• Liaising with Kosovar ministries and agencies involved in trade and investment promotion and collaborating with other commercial attachés• Building a network of intermediaries (e.g. chambers, associations, diaspora organisations)
Required qualifications:	<ul style="list-style-type: none">• University degree in economics, business, international relations or other relevant fields• Oral and written fluency in Albanian, English and the language of the host country• A minimum of 5 years work experience in trade or investment promotion, or in international sales, consulting or business development• Solid understanding of needs of investors and exporters and the legal, regulatory and institutional framework for FDI and exports• Familiarity with Kosovo as a business location and the local industrial base• Ideally, some knowledge of the business environment in the host country and economic relations between Kosovo and the host country• Proficiency in Microsoft Office and ideally CRM and / or project management solutions
Personal characteristics:	<ul style="list-style-type: none">• Commercial and customer-driven mind-set to ensure all activities are delivering added value and are contributing to economic growth• Very good organisational, communication and presentation skills including the ability to interact persuasively at the management level• Strong research, analytical and reporting skills• Ability to create and maintain supportive, responsive relationships with colleagues, customers and stakeholders• Ability to work quickly and reliably with attention to detail and limited supervision• Flexible and creative approach to adapt to changing tasks and requirements• Strong focus on continuous learning for oneself and the organisation• Willingness to travel in the host country / adjacent region

Executive summary

Furthermore, the following onboarding programme is proposed to ensure that commercial attachés have the necessary skills and competencies for their tasks:

Training modules

1.

Introduction to economic diplomacy (e.g. key goals and role in the policy framework; overview of main tools and activities; organisational models; role of multilateral agreements and organisations; current trends in economic diplomacy and the trade / investment environment)

2.

The role of commercial attachés in investment attraction (e.g. principles of a targeted approach; needs of investors; tools and sources of information for identifying target groups and companies; planning and implementing effective investment promotion, facilitation and aftercare measures)

3.

The role of commercial attachés in export promotion (e.g. methods to identify export potentials; developing effective export information, advisory and matchmaking services; selecting and attending suitable trade fairs and B2B events; synergies between export and investment promotion)

4.

Ensuring efficient cross-organisational cooperation (e.g. spectrum of stakeholders and partners; opportunities for cooperation in core, management and support processes; designing a strategic partnership management; tapping the potential of the diaspora and honorary councils)

5.

Monitoring systems for economic diplomacy (e.g. key steps for designing monitoring systems; defining KPIs reflecting the strategic framework, core tasks and processes; aligning KPIs with the monitoring system of the embassy and key stakeholders; ensuring clearly structured monitoring processes)

Familiarisation with stakeholder landscape and business location

Meetings with / field visits to:

- **Ministries and agencies** (e.g. Ministry of Industry, Entrepreneurship and Trade; Ministry of Foreign Affairs; Ministry of Economy; KIESA)
- **Chambers & associations** (e.g. Chamber of Commerce; Manufacturing Club; STIKK ICT Association; AmCham; European Investors Council; German-Kosovar Business Association)
- **International partners** (e.g. EBRD; USAID; GIZ)
- **Economic Zones** (e.g. Drenas Business Park; Mitrovica Business Park; Industrial Park in Suhareka)
- **Technology / Innovation Parks** (e.g. ITP Prizren; TechPark Prishtina)
- **Key foreign / domestic investors** (e.g. Celonis; KIVO; Ventius)

Outline

1. Introduction
2. Review of international experience and recent reform trends
3. Proposed job profile for commercial attachés
4. Proposal for an onboarding programme for commercial attachés

1. Introduction

To assist the Government of the Republic of Kosovo in strengthening the capacities for economic diplomacy, the main focus of this policy briefing is on developing a job profile and an onboarding training programme for commercial attachés

- In light of a challenging international economic and geopolitical environment, several countries are intensifying their economic diplomacy efforts
- Economic diplomacy aims at promoting economic relations and interests. In addition to government-related activities, it comprises targeted business support services to promote trade and investment
- The Government of the Republic of Kosovo is also planning to strengthen capacities for economic diplomacy abroad
- To support the planning and implementation process, this briefing focuses on:
 - Reviewing relevant international experience and reform trends with particular emphasis on the selection process and training of commercial attachés
 - Developing a job profile for commercial attachés specifying (1) key tasks and responsibilities, (2) required qualifications and (3) personal characteristics
 - Outlining an onboarding programme, which combines tailored training modules with a familiarisation with the stakeholder landscape and investment environment in Kosovo

2. Review of international experience

In the recent past, many countries have reformed their economic diplomacy models. As illustrated by the examples below, a main focus was on strengthening the capacities abroad and improving the effectiveness of the organisational set-up

Key features of reforms of economic diplomacy models in selected countries

Armenia

- Reforming the selection procedure for commercial attachés allowing the Ministry of Economy to appoint attachés with a public or private sector background
- Setting up a network of voluntary representatives of Enterprise Armenia for investment attraction outside the embassy / consulate structure integrating the diaspora and local private sector expertise

Denmark

- Establishing a unified model allocating overall responsibility to the Ministry of Foreign Affairs
- Relevant agencies (e.g. Invest in Denmark and Trade Council) forming part of Ministry of Foreign Affairs
- In addition to diplomatic staff in embassies / consulates, recruitment of local trade, investment and trade advisors without diplomatic status

Estonia

- Strengthening collaboration and coordination between embassies / consulates and Enterprise Estonia's network of trade, investment and trade representatives
- Development of common goals and action plans and a joint CRM system based on a memorandum of understanding between key stakeholders

North Macedonia

- Introducing a multi-stakeholder model, which is coordinated by the Ministry of Foreign Affairs and integrates the expertise of further ministries, agencies, chambers and associations
- Allowing to appoint economic advisors from participating ministries and agencies, which are integrated into embassies / consulates (with diplomatic status)

Poland

- Delineating roles of different ministries and institutions more clearly distinguishing between government-related and business-related tasks
- Replacing Investment and Trade Promotion Units in embassies / consulates by foreign representative offices of the Polish Investment and Trade Agency (staff without diplomatic status)

2. Review of international experience

To strengthen capacities for economic diplomacy, several countries have reformed the selection process / criteria for commercial attachés and are placing more emphasis on onboarding training

- To integrate further expertise and improve access to the local business community, a more flexible approach towards seconding / recruiting staff for economic diplomacy tasks is increasingly used – allowing amongst others:
 - Appointing attachés from different ministries and agencies or even the private sector
 - Recruiting local trade and investment advisors (without diplomatic status)
- At the same time, selection criteria focus more strongly on an economic / business background and skills / competencies for the core tasks
- Extending onboarding training forms another common reform component

Practical example: North Macedonia

- Economic advisors need to have an economic background (e.g. degree in economics)
- The onboarding training comprises:
 - Introductory training by Ministry of Foreign Affairs
 - Familiarisation with institutional framework
 - Tailored training modules by external experts
 - Field visits to municipalities

Practical example: Denmark

In addition to diplomatic staff, Denmark's model foresees the recruitment of local investment and export advisors with fixed-term contracts

- Benefitting from lower labour costs
- Integrating local expertise and networks



2. Review of international experience

International experience indicates, that capacities should also be strengthened in the home country enhancing the policy making, coordination and support functions. Alternative financing and employment models play an increasing role

- A systematic approach also requires additional capacities at home in the ministries and agencies involved in economic diplomacy to strengthen:
 - Policy making functions
 - Supervisory and coordinating functions
 - Further support services for implementation
- In light of budget constraints, countries explore alternative financing and employment models for economic diplomacy measures such as:
 - Integrating international funding (e.g, ERDF co-funding for Enterprise Estonia's offices)
 - Relying on voluntary representatives and honorary consuls

Practical example: Moldova

Last year, a reform concept for the national investment promotion agency MIA was developed with assistance by GIZ foreseeing two dedicated positions for economic diplomacy to:

- Assist embassies implementing target group specific outreach and promotion campaigns
- Improve the operative coordination and information exchange
- Provide further support services

Practical example: Armenia

- To improve access to the local business communities in a cost-effective way, Enterprise Armenia, has established its own network of voluntary foreign representatives
- All representatives are business professionals, several have a diaspora background
- They benefit from preferred access to top level government officials, which is of particular relevance for entrepreneurs with business and investment activities in Armenia
- The collaboration is based on a code of conduct and an MoU detailing joint activities

2. Review of international experience

A coherent and cross-institutional strategy for economic diplomacy has proven critical for the success of reforms contributing to an effective integration of additional capacities

- International experience shows, that a common strategy providing guidance and directions for all institutions and staff members involved in economic diplomacy helps to mitigate challenges related to dual reporting lines
- Coherent strategies clearly define goals and KPIs, priorities in terms of tasks and regions as well as the division of roles and responsibilities
- The activities and priorities of ambassadors play a critical role for the success of economic diplomacy
- Thus, it is important that the indicators relate to the overall performance of embassies and consulates and are not limited to the work of commercial attachés
- Considering the dynamics in the external environment, a lean document, which can be updated as needed, is advisable
- Another success factor relates to involving all key stakeholders – including the private sector – in the process of drafting the strategy

3. Proposed job profile for commercial attachés

As a basis for recruitment and capacity building measures, a job profile for commercial attachés has been drafted specifying the core tasks of commercial attachés as well as the required qualifications and personal characteristics

- The proposed job profile serves multiple purposes. It can:
 - Provide a basis for the recruitment process and an orientation for the respective staff members
 - Help to focus the efforts of commercial attachés on core tasks and to ensure effective cross-organisational coordination based on a common understanding of responsibilities and requirements
 - Be used as a baseline for operational planning and management's expectations
- The job profile includes four elements:
 - Short description of the position
 - Key tasks and responsibilities
 - Required qualifications
 - Personal characteristics
- Further aspects such as working hours, compensation and benefits could be added

3. Proposed job profile for commercial attachés

The draft job profile below could be refined based on consultations with the key stakeholders:

Short description:

The commercial attaché is responsible for driving forward Kosovo's economic diplomacy agenda in the host country. The main focus of the position is on promoting Kosovo's economic interests and relations, on attracting foreign investment to Kosovo and on supporting Kosovar companies wishing to enter or expand in the market of the host country. Commercial attachés work in close collaboration with the embassy staff as well as ministries, agencies and further stakeholders involved in Kosovo's economic diplomacy to ensure a coordinated and targeted approach.

Key tasks and responsibilities:

Promoting economic relations and interests (government-related activities):

- Analysing the macroeconomic situation / trends, monitoring relevant policies / regulations
- Identifying trade barriers and challenges for the promotion of Kosovo as an investment location and providing policy advice to Kosovo's Government
- Contributing to the conclusion and implementation of bi-/multi-lateral agreements
- Supporting official visits and participating in bi-/multilateral government meetings

Promoting trade and investment (business-related activities):

- Gathering up to date information on target groups, investment trends and export potentials
- Reaching out to potential investors combining different channels
- Attending (virtual) trade fairs, B2B events, market exploration tours to pitch business opportunities in Kosovo, meet potential investors and introduce exporters
- Handlings enquiries and providing individual information, advisory and matchmaking services for investors and exporters (e.g. identifying potential buyers / partners for Kosovar companies)
- Maintaining contact with head offices of existing investors to facilitate reinvestments
- Liaising with the ministries and agencies of Kosovo's Government involved in trade and investment promotion and collaborating with other commercial attachés
- Building a network of intermediaries (e.g. chambers, associations, diaspora organisations)

3. Proposed job profile for commercial attachés

The draft job profile below could be refined based on consultations with the key stakeholders (cont.):

Required qualifications:

- University degree in economics, business, international relations or other relevant fields
- Oral and written fluency in Albanian, English and the language of the host country
- A minimum of 5 years work experience in trade or investment promotion, or in international sales, consulting or business development
- Solid understanding of needs of investors and exporters as well as of the relevant legal, regulatory and institutional framework for foreign investments and exports
- Familiarity with Kosovo as a business location and the local industrial base
- Ideally, some knowledge of the business environment in the host country and economic relations between Kosovo and the host country
- Proficiency in Microsoft Office and ideally CRM and / or project management solutions

Personal characteristics:

- Commercial and customer-driven mind-set to ensure all activities are delivering added value and are contributing to economic growth
- Very good organisational, communication and presentation skills including the ability to interact persuasively at the management level
- Strong research, analytical and reporting skills
- Ability to create and maintain supportive, responsive relationships with colleagues, customers and stakeholders
- Ability to work quickly and reliably with attention to detail and limited supervision
- Flexible and creative approach to adapt to changing tasks and requirements
- Strong focus on continuous learning for oneself and the organisation
- Willingness to travel in the host country / adjacent region

4. Proposed onboarding programme for commercial attachés

In addition to the selection mechanism, tailored onboarding and training programmes play an important role for ensuring that the commercial attachés have the necessary skills and competencies for their tasks

- Before their deployment abroad, commercial attachés should attend an onboarding programme on a mandatory basis
- Training modules focusing on the specific tasks should be combined with a familiarisation with the stakeholder landscape and business and investment environment in Kosovo (as shown in the proposed programme on the next page)
- In addition to the onboarding programme, complementary (online) training sessions should be offered throughout the year to prepare and support specific promotion measures (e.g. target group specific outreach activities)
- In that context, developing tailored training formats for Ambassadors and further diplomatic staff has proven helpful to prioritise economic diplomacy and foster cooperation within embassies
- Compact formats reflecting the needs of the different actors could be integrated into annual meetings of the diplomatic service

4. Proposed onboarding programme for commercial attachés

Against that background, the following onboarding programme for commercial attachés is proposed:

Training modules

1. Introduction to economic diplomacy

- Locating economic diplomacy in the policy framework
- Key goals of economic diplomacy
- Overview of government- und business-related activities
- Organisational models for economic diplomacy and specific challenges
- Role of multilateral agreements and organisations
- Current trends in economic diplomacy and the trade and investment environment

2. The role of commercial attachés in investment attraction

- The investment attraction cycle and principles of a targeted approach
- Decision processes and needs of investors
- Key steps, tools and sources of information for identifying target groups and companies
- Generating interest with effective investment promotion measures
- Needs-oriented facilitation services to secure and fast track investments
- Systematic aftercare to scale up investments

3. The role of commercial attachés in export promotion

- Understanding the needs of exporters
- Methods to identify export potentials and keep up to date with market trends
- Developing effective marketing and export information tools
- Providing individual advisory and matchmaking services and handling export enquiries
- Selecting and attending suitable trade fairs and B2B events
- Exploring synergies between export and investment promotion

Familiarisation with stakeholder landscape and business location

Meetings with key stakeholders and partners

(1) Ministries and agencies, e.g.

- Ministry of Industry, Entrepreneurship and Trade
- Ministry of Foreign Affairs
- Ministry of Economy
- KIESA

(2) Chambers and associations, e.g.

- Kosovo Chamber of Commerce
- Kosovo Manufacturing Club
- STIKK – Kosovo ICT Association
- AmCham Kosovo
- European Investors Council
- German-Kosovar Business Association

(3) International partners, e.g.

- EBRD
- USAID
- GIZ

4. Proposed onboarding programme for commercial attachés

Against that background, the following onboarding programme for commercial attachés is proposed (cont.):

Training modules

4. Ensuring efficient cross-organisational cooperation

- Spectrum of stakeholders and partners in the host and home country
- Integrating key stakeholders in management and support processes (e.g. planning, HR development)
- Involving partners in core processes (e.g. joint promotion activities with intermediaries)
- Key steps for designing a strategic partnership management
- Innovative (digital) exchange and coordination formats
- Tapping the potential of the diaspora and honorary councils

5. Monitoring systems for economic diplomacy

- Information needs of different stakeholders
- Key steps for designing monitoring systems
- Defining KPIs reflecting the strategic framework, core tasks and processes
- Aligning KPIs with the monitoring system of the embassy and key stakeholders
- Ensuring clearly structured monitoring processes
- Contribution of CRM systems to capturing and reporting on KPIs

Familiarisation with stakeholder landscape and business location

Field visits to important investment sites

- (1) Economic Zones, e.g.**
 - Drenas Business Park
 - Mitrovica Business Park
 - Industrial Park in Suhareka
- (2) Technology / Innovation Parks, e.g.**
 - ITP Prizren
 - TechPark Prishtina
- (3) Key foreign / domestic investors, e.g.**
 - Celonis
 - KIVO
 - Ventius

About the German Economic Team



Financed by the Federal Ministry for Economic Affairs and Energy, the German Economic Team (GET) advises the governments of Ukraine, Belarus, Moldova, Kosovo, Armenia, Georgia and Uzbekistan on economic policy matters. Berlin Economics has been commissioned with the implementation of the consultancy.

CONTACT

Julian Milek, Project Manager Kosovo
milek@berlin-economics.com

German Economic Team
c/o BE Berlin Economics GmbH
Schillerstraße 59
10627 Berlin

Tel: +49 30 / 20 61 34 64 0
info@german-economic-team.com
www.german-economic-team.com

Implemented by

