

November 2025

Food Sector Development Story



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Food Sector Development Story

ACKNOWLEDGMENTS

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The views and findings presented in this publication are based on inputs from the PPSE project team and have been reviewed by **The Gallus Edge**. They do not necessarily reflect the official views of the **Swiss Agency for Development and Cooperation (SDC)** or any other associated institution.

Preface

Funded by the Swiss Agency for Development and Cooperation (SDC) and implemented by Swisscontact, the Promoting Private Sector Employment Project (PPSE) has been working to support the growth and resilience of the food sector value chain¹ in Kosovo from 2013 to 2025. Within the food sector PPSE has specifically focused on vegetables, fruits, non-wood forest products (NWFPs) and medicinal and aromatic plants (MAPs). Its work has been entirely driven by the principles of collective action and partnership engagement informed and underpinned by the market systems development approach².

This case is consistent with these principles. It is not an impact assessment or definitive statement on the workings of the PPSE programme. This is a case reflecting on the challenges, changes and contribution over time of the agricultural sector to the economic and social fabric of Kosovo. It is written primarily as a critical resource for the partners and collaborators of the PPSE programme to stimulate reflection, discussion and engagement through to the closure of the PPSE programme in late-2025.

It is a story of challenge and change. A story of collective action and partnerships. A story of innovation and investment in new practices, of new relationships and of new opportunities. Ultimately it offers an insight into the reorientation, revitalisation and renewal of the agricultural sector in Kosovo. It is hoped that by looking back and reflecting on just how, and how far the sector has changed that key partners and stakeholders can continue to move forward, post-PPSE, with confidence as they meet new and emerging challenges and respond to these in the same spirit of collaboration and collective action which has been a hallmark of the success PPSE is proud to have contributed toward over the past decade.

¹ Input supply (seeds, fertilizer), production (planting, harvesting), post-harvest handling (collection, storage, processing, packaging), distribution (transport, marketing), and final sale to the consumer.

² <https://beamexchange.org/market-systems/video/>

1. Introduction

With a population of around 1.6mn and a GDP of €11.15 billion, Kosovo's GDP per capita of approximately €7,000 remains one of the lowest in the European region. Poverty rates are running at around 20% on average, felt more in rural than urban areas, and by more marginalised communities such as the Roma, Ashkali and Egyptian.

Whilst economic growth rates have been showing at around 4% per annum this was driven more by diaspora driven consumption than domestic driven investment. Consumption demand was being met through imports which explained Kosovo's high trade deficit at approximately 32% of GDP. Low levels of domestic investment were failing to generate the scale of demand, or scope of interest for the circa 30,000 or so young people entering the labour market each year. Youth unemployment rates were running high as were outward migration statistics.

Few sectors are more reflective or representative of such dynamics and challenges than the agricultural sector in Kosovo. Whilst its share of GDP has declined from levels as high as 25% in the early 1990's to around 8% of GDP in 2023 it remains a critical source of employment and earnings for close to 25% of the population. More broadly, the majority of the population (62%) lives in rural areas and is directly or indirectly dependent on agricultural production for their livelihood. Yet the poorest rural households are those dependent on their highest share of income from farm-based activities ³.

The reasons for this indentured performance are manifest. For the purposes of this case, we will focus on three primary and interconnected reasons:

- **Low levels of on-farm productivity:** small and fragmented land ownership patterns leading to low levels of scale efficiency and high transaction costs of aggregation. Likewise low levels of technical efficiency rooted in outdated farm management practices and associated technologies reinforced by a weak and disjointed wider supporting ecosystem (services and rules).
- **Limited agri-processing capacity:** low levels of capacity underscored by low levels of investment and innovation. Weak skills alongside a lack of vertical integration and horizontal cooperation hampered efforts to meet increasing domestic and international quality standards requiring 'whole of chain' traceability and consistency.
- **Access to market and consumer acceptability challenges:** negotiating and promoting access to export markets remains a critical focus for the Government of Kosovo. Likewise, facilitating the emergence of institutions and infrastructure required by businesses to meet regulatory compliance and certification requirements and consumer (local and foreign) quality and acceptability demands.

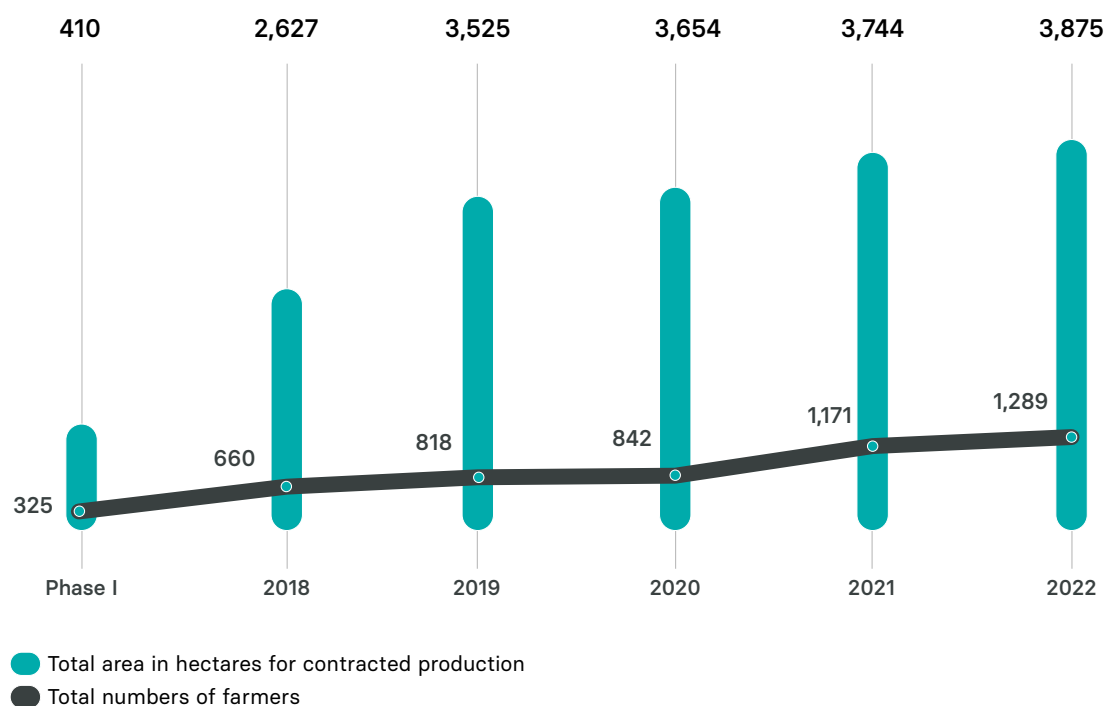
³ Prespa Ymeri & Arben Musliu & Jehona Shkodra & Iliriana Miftari & Csaba Fogarassy, 2020. "Analysis of income determinants among rural households in Kosovo," Society and Economy, Akadémiai Kiadó, Hungary, vol. 42(4), pages 442-457, December.

Whilst neither an exhaustive or definitive commentary on the state of the agricultural or wider rural economy in Kosovo at the time, the above does set the context into which PPSE began its operations in 2013.

Kosovo has come a long way over the past decade, and the current context looks very different in many critical respects. For example:

Whilst not uniform there has been a **9.3% increase in agricultural productivity rates since 2015⁴**. This is mainly driven by improved technical efficiency through increased access to quality inputs and associated skills and services. Through facilitating access to quality inputs and advisory services, and derisking access to output markets for small farmers the emergence and explosion of **contracted production models** (see figure below) demonstrates well how such gains have been made.

Overall contracted production and farmers over time



⁴ "Raising agricultural productivity", Kosovo Country Economic Memorandum, The World Bank, November 2021.

Whilst the fundamentals of small and fragmented land holdings have changed little, **new collection centre models promoting cooperation and aggregation are helping to improve scale efficiencies and reduce transaction costs.** The first collection centres were only established in Kosovo in 2009. Between 2009-2013 six collection centres collected only around 7,000 tonnes of domestic vegetables and 200 tonnes of domestic fruits. Today, fifteen collection centres are now operating in key vegetable producing areas. Notably what previously took four years to collect is now aggregated within a single year, reflecting **greater efficiency**, improved infrastructure, and stronger coordination between producers, collection centres, and processors.

Processing capacity has expanded significantly in recent years. Increased investments into the sector were recorded as €19.38million in 2022-2023. This is creating new and improved jobs, particularly for **women** which represent close to **80% of the workforce** in the agri-processing sector currently. Sales revenues have correspondingly grown from **€31 million in 2019 to almost €60million in 2023**, driven by both domestic market growth and increased exports.

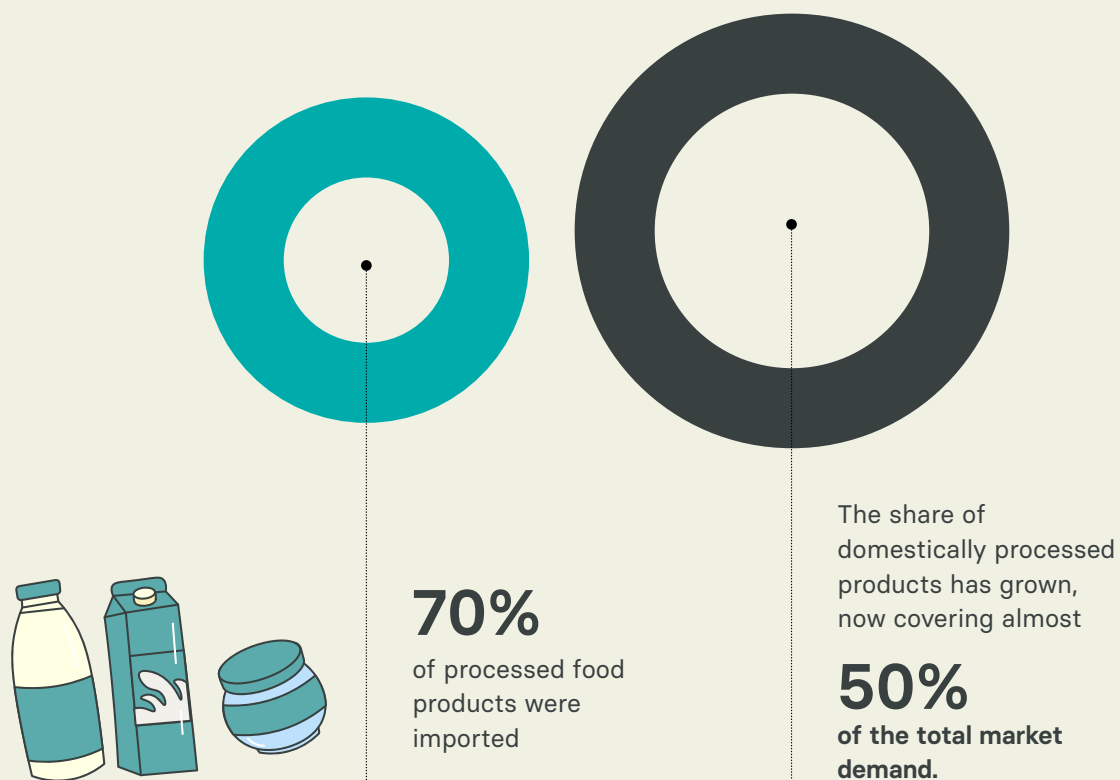
The changing face of consumerism – younger, educated, aspirational, urban and with increasing purchasing power – has represented a **significant challenge** for the agriculture and agri-processing sectors in Kosovo. Such dynamics largely explain why in 2013 estimates the share of domestic products in retail chains were **languishing at only around 10%**. The sectors are learning and responding to these challenges through upgrading quality and consistency and improved branding⁵, marketing and packaging efforts. Quantitatively the share of domestic products in retail chains **has increased to 30-35%**, signalling **growing consumer confidence and stronger market positioning** for local producers. Qualitatively one significant consumer satisfaction survey conducted by PePeKo in 2023 and 2024, showed **consumer satisfaction with domestic food products had risen** from 4.33 to 5.15 on a 7-point scale, reflecting enhanced perceptions of quality, taste, and reliability.

This impressive competitive response against imports has been further leveraged into increased penetration of high value export markets too. In 2014 Kosovo's exports of processed food products **totalled only €10million**. Over the past decade, the sector has made **significant strides, with exports surpassing €78 million in 2023** – a nearly eightfold increase. Exports in PPSE's focused sectors of MAPs and NWFPs have also grown exponentially from €0.5 million in 2016 to €17 million in 2023 **making Kosovo the seventh largest exporter of MAPs and NWFPs to the EU.**

As stated, this case is a story of challenges and changes, reflecting back over the decade since PPSE started operations, to consider context and achievement to help build a confidence and momentum amongst partners and stakeholders to continue to meet and overcome new and emerging challenges. As highlighted above, the starting context was very much one of challenge and concern. Tracking to today, as shown by the materially significant headline achievements mentioned the story is more one of innovation and improvement and of renewal and revitalisation.

As a facilitator in this change process, PPSE has worked closely with its partners and wider stakeholders to track trends and dynamics, and to decode opportunity and the innovation required to realise this. It has partnered and co-invested in these innovations through a mix of de-risking and value adding actions, piloting and proving as a first step to scaling and wider system change.

⁵ The importance of product branding - Bliff Organic: <https://www.youtube.com/watch?v=LZZwrekrAac>



31
million
euros



2019

60
million
euros



2023



80%

of jobs in this
sector held by
women

THE REMAINDER OF THIS CASE WILL DIVE MORE DEEPLY INTO THIS CHANGE PROCESS AND THE CONTRIBUTORY ROLE PPSE HAS HELPED TO PLAY IN THIS. IT IS STRUCTURED AS FOLLOWS:

1**Section 2: Sector change: structure, performance and inclusion**

Orienting the reader on issues of structure, performance and inclusion in the core markets of PPSE focus, and how changes in the wider ecosystem of supporting services and rules / norms are driving change and upgrading improvements.

2**Section 3: Intervention focus: problems, responses and results**

Drilling down into three areas of focused intervention work by PPSE to look more closely at problems, responses and results. This case will consider experience in contracted production and collection centres, product development and upgrading in agri-processing facilities, and in the area of standards and certification services opening access to new and higher value markets.

3**Section 4: Reflections from a facilitator of market system change**

Reflecting on successes and failures to help unpack key lessons across the 'science and art' spectrum of market facilitation from the perspective of the PPSE team and its partners.



2

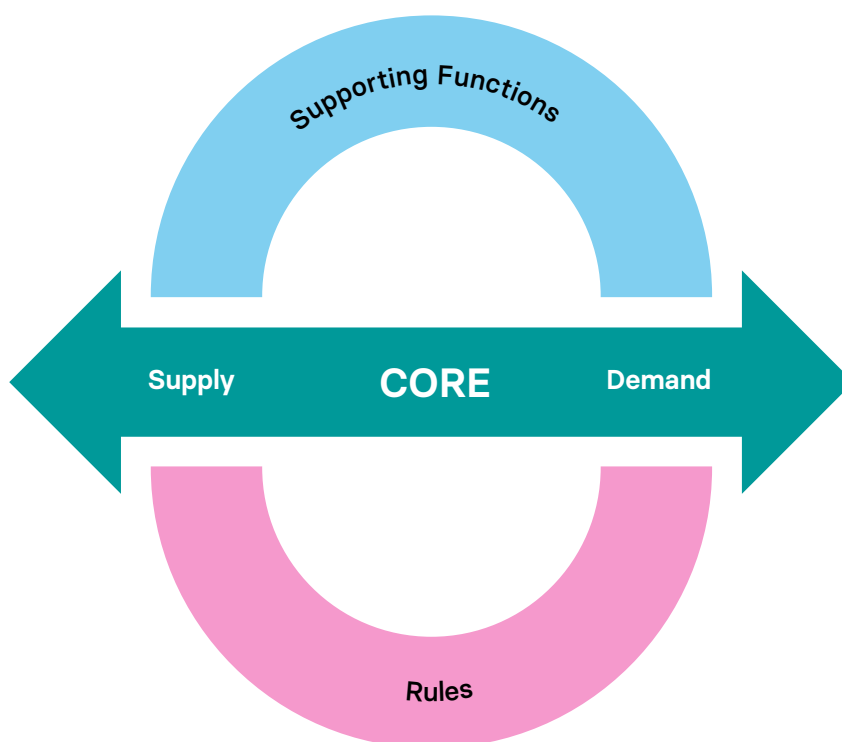
Sector structure, performance and inclusion

2

Sector structure, performance and inclusion

This case is focused on the food sector generally and specifically on those products of particular focus for PPSE which include vegetables, soft fruits, non-wood forest products (NWFPs) and medicinal and aromatic plants (MAPs). This includes spice and sauce processing, utilizing cultivated and wild-harvested herbs, as well as the production of biscuits, canned pastries, and cakes, incorporating natural ingredients. The canning and preservation of fruits and vegetables, along with juice processing, to make for natural and functional products. Additionally, it encompasses the collection of NWFPs like wild mushrooms and berries and the extraction of essential oils from MAPs for food, cosmetics, and health applications.

This section presents an overview of the structure, performance and inclusion of these products and the value chain processes that see them move from 'field to fork'. This is necessarily stylised and aggregated as highlights in figure below.



As highlighted in the figure we can consider a market system in three interconnected respects:

Core: this is the central set exchanges - from production, to processing and ultimately to domestic and foreign consumers - which happen as products move from 'field to fork'. We will consider below the basic structure of organisation in the agricultural sector in Kosovo and how this has evolved over time.

Supporting Functions: these are typically 'value adding' functions / services which connect and drive the performance of core market functions. The quality of this 'ecosystem' determines the productivity and performance of the core market. We will demonstrate some key developments in these supporting functions and how they have been positively impacting core market performance over time.

Rules: these refer to the formal and informal rules and norms which govern and regulate incentives and behaviours of all actors in the core market. These include policies, laws, regulations, standards set by Governments and membership organisations, as well as informal norms which are deeply embedded in local cultures and value systems.

Looking at each one of these categories in turn.

2.1 Core market

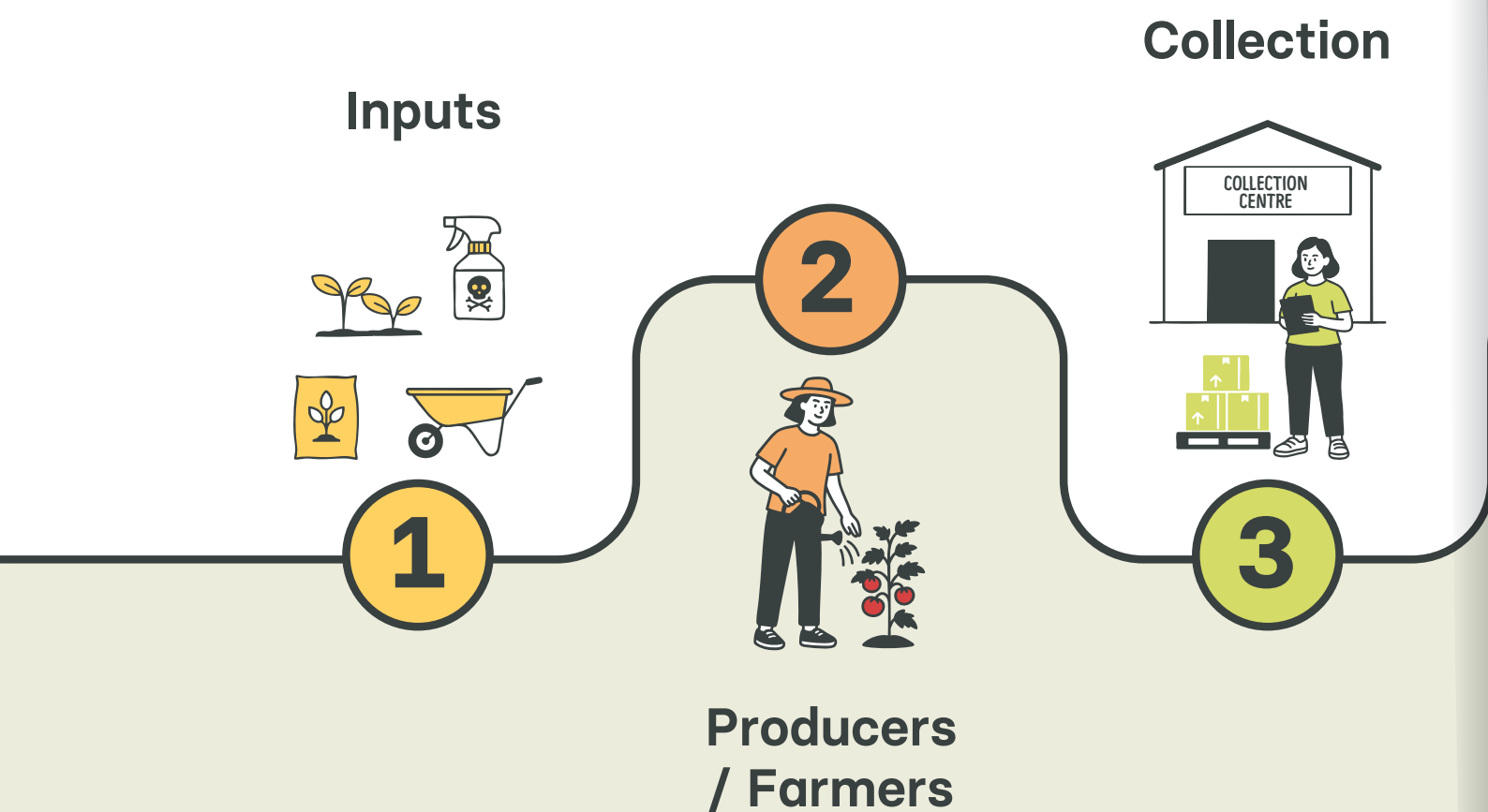
The typical core market functions connecting 'farm to fork' in Kosovan agriculture are shown in the figure below.

Looking at the kinds of observed changes evident in each of these functions over time since PPSE started operations.

1

Input Suppliers & Nurseries

In 2013 there were around 10 input dealers importing critical inputs such as **seeds, pesticides, fertilizers and equipment**. These worked through around 100 retailers who sold these inputs to farmers and farmer groups. Input dealers and retailers did often / often try to provide **some level of advisory services / information** 'around' the sales they were making. But these were **not particularly well / consciously organised or delivered** and farmers rarely valued or relied on them.

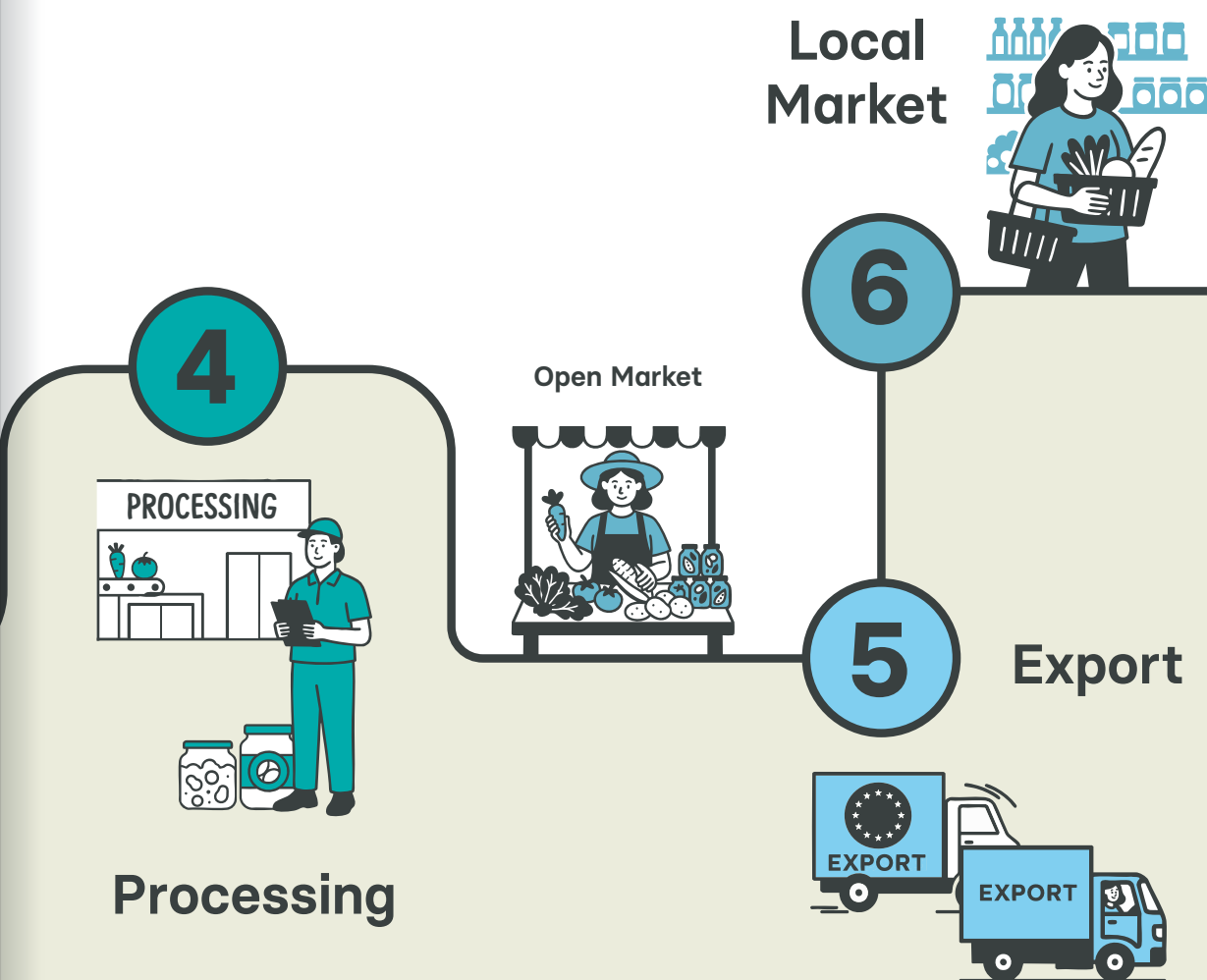


Much has changed in recent years. There are now more than 20 input dealers working through an expanded retailer network of now more than 150 outlets. Many of these dealers now represent / are agents of **larger and more specialised multinational input supply firms**. This **integration and professionalisation** of the sector have impacted in two primary ways. Firstly, the **scope and quality of available inputs has increased** and improved. Secondly, the quality and responsiveness of information and advisory inputs 'embedded' in / around the sale of inputs has increased and improved. The effects of improved inputs, and better / more valued advice has encouraged more farmers to **adopt new products and practices**. For example, there has been a measurable shift of farmers purchasing high quality hybrid seeds instead of saving seeds from traditional crops. Additionally, beyond traditional seedling production, modern nurseries emerged, offering high quality seedlings which are more **resistant in climate change effects**⁶, diseases and offering **higher yields**.⁷

These 'commercial' changes represent a **deeper a more systemic change centred on improved trust and responsiveness in the relationships between farmers and input suppliers**. These are increasingly aligned around and reinforced by an orientation toward **more efficient and market-oriented production and organisation**. This is a significant and positive change.

⁶ Case Study - Climate-smart private sector development

⁷ Advantages of modern nurseries in the vegetable seedling production industry: <https://www.youtube.com/watch?v=YwG31z-PiQp0&t>





2013

90%

of locally produced fruit and vegetables were sold in local fresh markets with only around 10% sold for processing.

2022

35%

of production is now being sold further down the value chain.

2

Producers / Farmers

The overall increase in vegetable farming points to sector strengthening, pushed by improved inputs and associated practices and pulled by shifting consumer preferences.

Around 2013 close to 90% of locally produced fruit and vegetables were sold in local fresh markets with only around 10% sold for processing. Production – varieties, organisation, technologies etc – was understandably aligned to the needs of this output market.

Tracking to today these **patterns are shifting**. An **increasing proportion of output is now being sold for upstream processing**. This shift has both push and pull factors driving it. Pull factors include the **change in consumer preferences** in what, how and where they buy their food. Fresh markets still represent a viable market for much local production albeit with increasing retailing standards and conditions. Processed markets offer new and improved market access opportunity for farmers. Responding to this new and emerging demand is being pushed by **new cooperative arrangements between processors and producers** around issues of quality (more consistent and standardised production) and quantity (using improved and more industrial varieties and inputs).

Between 2013 and 2022, **vegetable production** and cultivated area showed steady **growth from approximately 16,356 ha in 2013 to 19,571 ha in 2022** with notable trends across key crops particularly in vegetable production. Peppers and pumpkins saw consistent growth in both area and production, indicating strong market demand and improved yield potential. Cabbage and cucumbers maintained stable production, while tomatoes exhibited fluctuations, with a decline in output post-2016 but a gradual recovery in recent years. Leafy greens like spinach and leeks gained more cultivated area, suggesting diversification in production.

The overall increase in vegetable farming points to sector strengthening, **pushed by improved inputs and associated practices and pulled by shifting consumer preferences**.

"Agro Celina is a center that does contracting, collection, classification, packaging, storage, export, and distribution to local processors. 12 years ago, we sat down to talk about how we would develop the sector, and this development went very fast, and as these years went by, so did our products, our qualities, and everything for the good and for the better. The connection between the input sector, collection centers, processors, and exporters went very well. It went very well, because it started well.

In the first year, we distributed about a million hybrid seeds. From these one million seeds, we got a lot of production, productivity increased, and our cooperation between processors and processing industries reached the highest possible level. When you have hybrid seeds, the amount of production also increases. All these developments went in the best possible way because there was investment in the collection center there, there was investment in farmers, in other agricultural inputs, which until then were not widely practiced in our fields and these increased both the quality and the quantity of these products.

As a common idea, there was also the need to modernize the seedling production process, and fortunately, this was also realized. This year alone, from modern nurseries (supported by PPSE and co-financed with farmers), Agro Celina has distributed around 700,000 ready-made seedlings to farmers, starting with the crop of cucumber, pepper and other hybrid varieties, which affect the growth of our production and above all in export, which is competitive even with the countries of the European Union. For example, even now, at the time we are talking, cucumber is being collected in our center, which is exported with great success in the European Union market. Now there are also analyzes that are done and there are no pesticide residues thanks to both the controls and the hybrid seeds."

FEHIM REXHEPI
AGRO CELINA



2009

The first collection
centres

2013

6

first collection
centers of them were
functional

SoT

15

collection centres
are functioning, and
particularly so in key
vegetable producing
areas.

3

Collection Centres / Aggregators

The first collection centres in Kosovo were established in 2009. By 2013 around 6 were operational. **Today around 15 collection centres** are functioning, and particularly so in **key vegetable producing areas**.

Collection Centres perform functions which aimed at **improving key aspects of both efficiency and effectiveness**. Different models exist representing the different needs and interests of their owners and the supplying farmers. But in general terms functions include **aggregation (collection and storage), post-harvest handling, quality control, transportation, advisory support and transaction facilitation**. Increasingly so such functions are 'bundled' into more formalised models of **contracted production**.⁸

Collection centres are **considered critical infrastructure** driving increases in agri-processing output in Kosovo. The services they provide are aligned with upstream processing and consumer needs. The focus on products has expanded and widened over time from gherkins, to now **peppers, tomatoes, carrots, mushrooms, and cabbage**. In volume terms what previously took four years to collect is now aggregated within a single year, **reflecting greater efficiency**, improved infrastructure, and **stronger coordination** between producers, collection centres, and processors.

⁸ Case Study - Enhancing Agricultural Market Systems



90%

of processed food products were imported

The share of domestically processed products has grown, now covering almost

50%

4

Processing

Domestically processed products covered only 30% of the total market demand, while **70% of processed food products were imported**—primarily from neighbouring countries. The kind of products produced locally were relatively limited such as pickled vegetables (various types of peppers, gherkins, and cabbage), Ajvar (a traditional pepper paste), ketchup, jams, marmalades, and squeezed fruit juices.

Processing capacity has since expanded significantly, leading to increased production volumes and a broader product portfolio. Processors now offer a more diverse range of value-added products, including organic and functional food items, ready-to-eat meals, and premium-quality traditional products tailored for both local and international markets.⁹ **The share of domestically processed products has grown, now covering almost 50% of the total market demand.**

This growth has been driven by **increased rates of investment** with planned investments for 2022/2023 reaching **€19.38 million** mainly targeting upgrades in machinery and facilities. Estimates show that this expanded processing capacity means firms are now using up to around **50% of their current total processing capacity.**

Having invested in plant and facilities the next wave of investment will likely focus more on quality, process and market access related improvements. So, whilst **turnover** and **employment** in the processing of food products have **more than tripled** since 2013 (**€500 million in turnover and 9,000 employees in 2022**), signs are that the sector will continue to offer **new and improved job opportunities**, particularly for **younger and highly skilled workers**. With around **80% of jobs in this sector held by women** it is hoped that these new opportunities will be highly inclusive of younger women too.

Growth in agri-processing has fuelled the kinds of changes reported above – in collection centres and production. For example, raw material supply has improved significantly, reaching around 85% sourced locally as opposed to importing it. These changes are all driving sales which have shown a strong upward trend, **with total sales increasing from €31 million in 2019 to nearly €60 million in 2023**, attributable to increased penetration in both domestic and export markets.

⁹ Organic honey in Kosovo: <https://www.youtube.com/watch?v=WrQrzCWg18Q&t=672s>



2013

The share of domestic products in retail chains was only around

10%

2024

The share of domestic products in retail chains had increased significantly to around

35%



5

Domestic Retailing / Consumption

A decade ago, the typical consumer in Kosovo was part of a larger household, where purchasing decisions were **driven primarily by affordability and necessity**. The market demand was largely cantered around basic food products, with limited interest in branding, differentiation, or added value. **Processed and convenience foods had a minimal presence**, as consumers prioritized staple items over specialized or premium products. Awareness of food safety, quality standards, and **health-conscious choices was relatively low**, and there **was little demand for certified**, organic, or functional food products.

Today, **consumer behaviour has evolved significantly**. With smaller family structures, there is a growing demand for smaller package sizes that cater to individual or smaller household needs. Additionally, busier lifestyles have led to an **increased preference for ready-to-eat meals and semi-processed or fully processed foods**, as consumers have less time for meal preparation. Exacerbated by COVID-19, health awareness has risen, and consumers now place greater emphasis on **healthy, high-quality products** with strict food safety standards. Moreover, with higher income levels and improved living standards, there is a noticeable shift towards premium products, with consumers increasingly following global food trends and seeking value-added, organic, and functional foods.

Reflective of these trends, **in 2013, the share of domestic products in retail chains was only around 10%. By 2024, the share of domestic products in retail chains had increased significantly to around 35%**. This is a **strong signal of growing consumer confidence** and stronger market positioning for local producers.¹⁰ According to the consumer satisfaction survey conducted by PePeKo in 2023 and 2024, consumer satisfaction with domestic food products has risen from 4.33 to 5.15 on a 7-point scale, reflecting **enhanced perceptions of quality, taste, and reliability**.

¹⁰ Afërdita Murati - an Entrepreneur in Kosovo: https://www.youtube.com/watch?v=f1FMHb_ObrE

"Agroprodukt was founded in 2002. 23 years ago, I came up with a simple but powerful vision: to utilize Kosovo's natural wealth and create employment opportunities for our community. Initially, the company started with the cultivation of 4 types of aromatic medicinal plants, later, the activity expanded to include the collection of plants in nature. Of course, the beginning was accompanied by various organizational, financial, and access to international markets difficulties.

The strategies that brought the first steps towards change were the collection and delivery on a daily basis of fresh plants from nature and the contracting of farmers for cultivation from spontaneous collection. This contracting also included various trainings for product treatment and quality assurance. In addition, the first investments were made in specialized dryers, where processing was focused on Agroprodukt. This approach brought immediate trust and interest from farmers, as the daily payment for delivered plants became an incentive great for them. Agro Produkti decided that quality should be at the center of every process.

These steps made it possible to gain trust and start the first market entries and companies that trusted to buy their first products from us. Thus, Agroprodukti began to create a collection center, initially in Istog and then spreading throughout the territory of Kosovo. This approach was also supported by donor organizations, such as PPSE, which invested in equipment and training for farmers, as a result, the interest and commitment of the community increased, creating a sustainable, safe and long-term supply chain.

In 2009, Agroprodukt became the first company in Kosovo certified with the organic standard. This innovation opened new doors and gave the company a great advantage in international markets. In 2013, the Agroprodukt company was also certified with the HACCP standard. In 2019, Agroprodukt cultivated over 500 hectares of various organic plants throughout the territory of Kosovo. Today, we export over 700 tons of aromatic medicinal plants in European markets. The highest number of contractors in the company is 3,200 collectors with over 100 species of plants in the portfolio. Today we operate with over 35 collection points equipped with dryers and processing machinery."

HALIT AVDIAJ
AGROPRODUKT



6

Exporting

Kosovo's exports of processed food products used to be at an early stage, **totalling only €10 million in 2014**. While there was potential for export growth, several challenges limited expansion. Production capacities were small, and many processors lacked the necessary quality standards and certifications to access EU markets. Additionally, Kosovo businesses had limited participation in international trade fairs, resulting in weak market linkages and low visibility abroad.

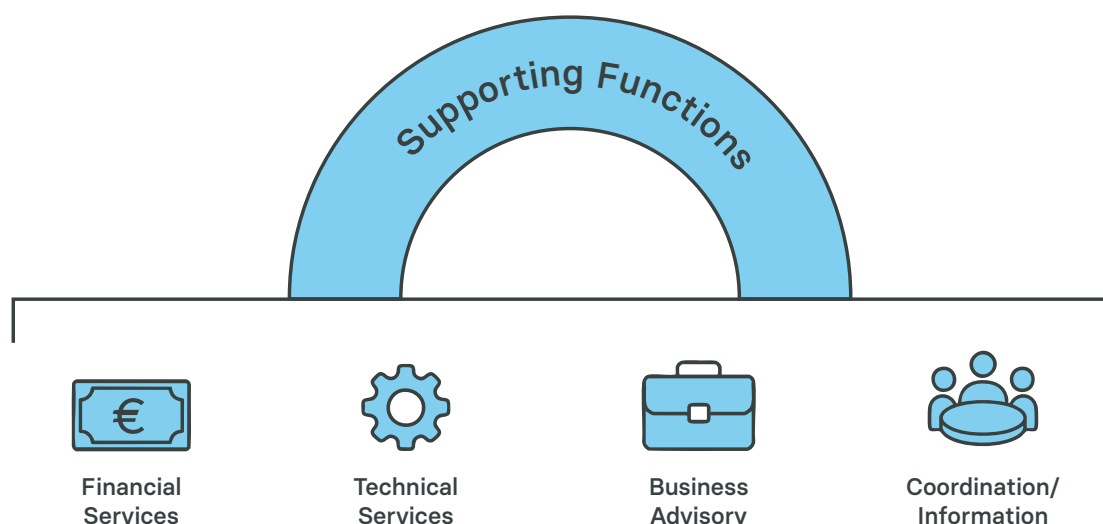
Over the past decade, the sector has made significant strides, with exports surpassing **€78 million— a nearly eightfold increase**. Exports of MAPs and NWFPs have also grown exponentially **from €0.5 million in 2016 to €17 million in 2023**. Kosovo is now **the 7th largest exporter of MAPs and NWFPs into the EU**, and is increasingly recognized as producing high quality, consistent supply by a growing number **of buyers in Switzerland, Germany, Sweden and the UK**.

This growth has been driven by expanded production capacities, improved compliance with EU quality standards, and **stronger market connections**. More businesses have obtained internationally recognized certifications, allowing them to compete in EU and regional markets. Additionally, active participation in international trade fairs has helped Kosovo processors establish valuable partnerships and expand their customer base. As a result, **Kosovo has transitioned from a small regional exporter to an emerging player in the international food industry**.



2.2 Supporting Functions

These are typically 'value adding' functions / services which connect and drive the performance of core market functions. For the purposes of this case, the typical types of supporting functions relevant to / driving change in Kosovan agriculture are shown in figure below.



Taking each one of the above in turn.



2.2.1 Commercial Finance and Public Investment

The nature of agriculture and its associated risk profile means as a sector is it often under-funded by commercial banks relative to other sectors and credit opportunities. This is true also in Kosovo where **only around 4% of total commercial finance was directed into the sector** around 2013. At around 70%, the majority of lending was directed to enterprises in the services sector. Finance into agriculture was subject to a credit risk premium with **rates typically running at around 15%** and terms (e.g. time frames and or collateral requirements) highly challenging for agriculture and agri-processing businesses.

Effectively, the majority of agricultural producers, especially smaller ones, had **extremely limited to no access to commercial bank finance**. In the development sector globally it is often said that 'the poor pay more' and this is true also in Kosovo where what finance was available, say from certain MFIs and other alternative providers, came with annual interest rates typically in the region of 20-30%.

Whilst still extremely 'sticky' in recent years **credit availability for agriculture has improved to some degree**. New financial products, including microfinance and leasing, have provided **additional options for agribusinesses**. While longer-term loans have increased, access to affordable credit continues to be a barrier for small and medium-sized farmers. The overall trend indicates that while **financial institutions have slightly eased rates**, agriculture remains one of the most expensive sectors for borrowing.

Much of the progress that has been observed has been due to more direct intervention from Government through public finance instruments like the **Kosovo Credit Guarantee Fund** which underwrites and assumes a degree of perceived risk. The Ministry of Agriculture, Forestry and Rural Development has also directed interventions in support of agriculture. For example, the introduction of the **Crop Insurance Scheme**. Whilst still modest such directed **public investment toward the agricultural sector has increased significantly over the past decade**. In 2013 the budget was €20.7 million (€12 million in direct payments and €8.7 million in investment grants). In 2022 this had increased to €83.8 million (**€57.5 million in direct payments and €26.3 million in investment grants**).



2.2.2 Technical / Extension Services

In 2014, technical support for Kosovo's food processing sector was weak and fragmented, with **enterprises failing to obtain the essential know-how**, new equipment, and certification guidance. Training options were limited, and most processors used **old methods**, making it impossible to fulfil international quality requirements and compete in stronger and larger markets.

By 2024 considerable progress has been made with firms now **have better access to critical services across areas related to skills, enhanced processing technology, and increased certification assistance**. Many services are **embedded within new and emerging commercial structures** and relationships. For example, input suppliers and/or output buyers often **'bundling' advisory and physical inputs** into their offers to producers. **Industry associations** and external development programs have played an important role in assisting businesses to **improve their capabilities and match with market demands**. As a result, more food processors are raising their standards, increasing production, and steadily expanding their presence in both domestic and foreign markets.



2.2.3 Business Advisory

Business consultancy services in Kosovo, such as marketing, business planning, and branding, were underdeveloped with **SMEs having limited access to structured advisory support**. Many relied on informal networks or donor-funded programs, prioritizing **operational survival over strategic growth**.

Over the past decade, there has been a **marked shift** with more SMEs recognizing the value of **professional consultancy services, particularly for branding, marketing, and business expansion**. Government agencies and development initiatives have introduced structured business development support, improving market presence and product diversification. **Export promotion and branding have also gained traction**, encouraging businesses to adopt more professional marketing strategies. **Willingness to pay for these services remains low** often because of valuation distortions driven by donor-subsidised support which prioritised short term access over longer term service market sustainability. **Further efforts are certainly needed** to create a more responsive and vibrant market for business advisory input to the agricultural sector.



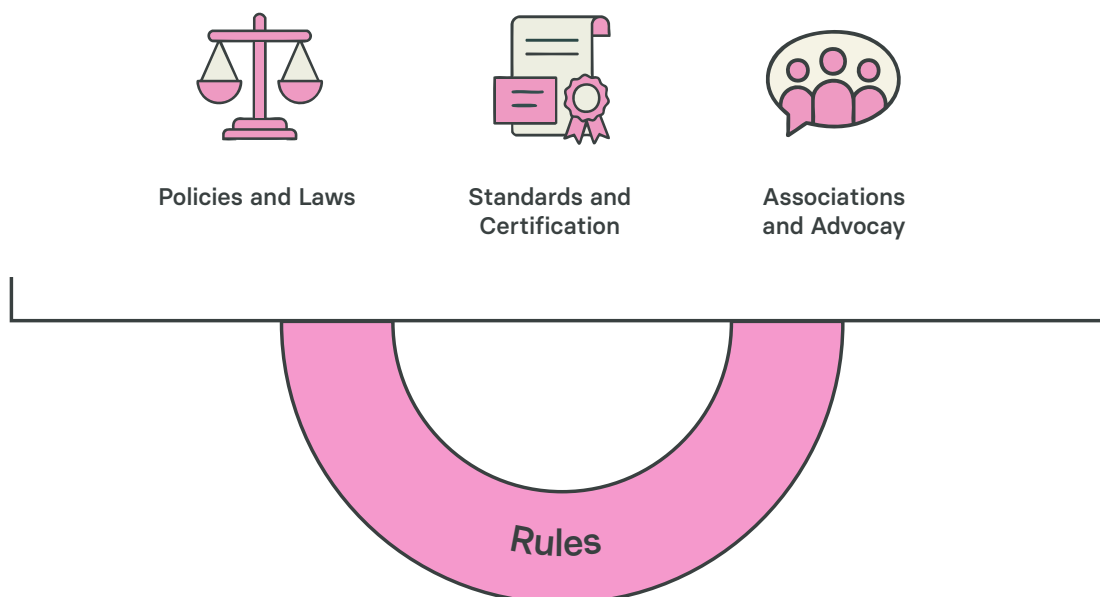
2.2.4 Coordination / Information

Coordination has improved as result of the kinds of changes in structure and organisation in the core market described in the previous section. Higher levels of vertical integration and horizontal cooperation are improving coordination and driving greater efficiencies through the value chain. **Information is central to these efforts**. On what to grow, how to grow it, where to aggregate and store it and market prices come sale time.

Further up the value chain the Government of Kosovo has supported many initiatives to help processors and exporters understand market opportunities and market access requirements. For example, **The Kosovo Investment and Enterprise Support Agency (KIESA) has been particularly active in the areas of investment and export promotion**, and schemes for service improvement. KIESA regularly arranges and covers costs of exhibition at several international trade fairs, enabling regular promotion of domestic food products in international markets. It also runs a voucher scheme enabling companies' **better access to knowledge**, certification of quality standards, improved marketing and digitalization required to **unlock the kinds of opportunities** uncovered through participation in trade fairs.

2.3 Rules

These refer to the formal and informal rules and norms which govern and regulate incentives and behaviours of all actors in the core market. For the purposes of this case, the typical types of rules relevant to / driving change in Kosovan agriculture are shown in the figure below.



Taking each one of the above in turn.



2.3.1 Policies and Laws

Ministry of Agriculture, Forestry and Rural Development (MAFRD) is responsible for the development of agriculture sector related policies, supporting primary production as well as processing in the food industry. **MAFRD has played an important role by drafting policies, strategies and development programs, providing the necessary legal framework**, and above all supporting it financially through support schemes of grants and subsidies. As confirmed above **the ministry has increased funding for agriculture** and food sector subsidies and grants on a yearly basis, contributing to an increased food production overall, be it in cultivation or processing.

Supporting agriculture is a whole of Government effort where the work of many other Ministries and Departments are actively contributing in various ways. For example, in skills development, infrastructure and industrialisation, as well as trade development and facilitation underpinned by the kind of role and investment made by the likes of KIESA as outlined in the above section.



2.3.2 Standards and Certification

Retailers used **to claim that domestic products lacked consistency in quality due to poor product standardisation**. Only a small portion of processing companies (20%) applied quality and safety standards, relying on certification services from Macedonia or Albania as Kosovo **lacked private food processing certification bodies**.

In recent years, there has been a **notable shift**, with **more companies adopting internationally recognized certifications** such as ISO 22000, HACCP, and ISO 9001, reflecting a growing commitment to food safety and quality management.¹¹ At the same time, **private certification bodies have begun to emerge in Kosovo** reducing dependency on foreign services and making certification more accessible to domestic processing companies, which further drives standardization and competitiveness in the sector.

Quality and safety standards have been crucial for the NWFP and MAP sector where approximately 98% of production is destined for export markets. In 2017, only two companies with around 170 ha of MAPs were certified organic, highlighting the sector's limited initial engagement with certification. However, in response to buyer demands, **organic certification has become the most widely implemented standard** among companies in the sector.¹² Additionally, a small number of companies have pursued Bio Suisse and NOP certifications to **access the Swiss and U.S. markets**. Some firms have adopted HACCP, IFS, and ISO 22000 to strengthen food safety compliance. Global GAP certification for cultivated products is present but limited.

¹¹ Food safety: <https://www.youtube.com/watch?v=iNu9eJHNIes>

¹² Case Study - Boosting Organic Certification to Enhance Export Market Access



2.3.3 Associations and Advocacy

As the sector has been getting more aligned with consumer and market demands it has become more integrated and organised as confirmed in this report. **Sector associations and membership organisations are playing an enhanced and expanded role** in supporting such changes. In particular they have been playing important roles in the area of **more organised and representative advocacy** toward Government and policy makers, as well as **helping with a range of coordination and information challenges** faced by its increasing membership base.

PePeKo and Organika are two associations established within a year of each other in 2013 and 2014 which have been **notably proactive and increasingly professionalised** in their various functions. For example, Organika concentrated on expanding the NWFP and MAP sectors resulting in increased organic certification and exports. PePeKo, through its members, reached over 20,000 farmers, boosting Kosovo's food processing industry and market ties. **Mjedra e Kosovës became a national value chain association**, bringing together berry producers, processors, and exporters to improve business cooperation. These associations continue to drive sectoral growth, providing a stronger market position for Kosovo's agricultural and food industries.

"Over the last ten years, the PePeKo Association has marked a significant development in terms of organization and representation. Initially established with 6 member companies, the association aimed to create a coordinated platform for the support and development of the fruit and vegetable processing sector in Kosovo. Today, after a decade of continuous activities and unwavering commitment, the number of members has increased to around 40 companies, which represent an important sector of the production industry in Kosovo. This growth proves the role of PePeKo as a key mechanism for representing the interests of the sector and a direct contributor not only to the development of the processing sector, but also to the advancement of agriculture in general."

HARTIM GASHI

ASSOCIATION OF FRUITS AND VEGETABLE PROCESSORS OF
KOSOVO "PEPEKO"

3

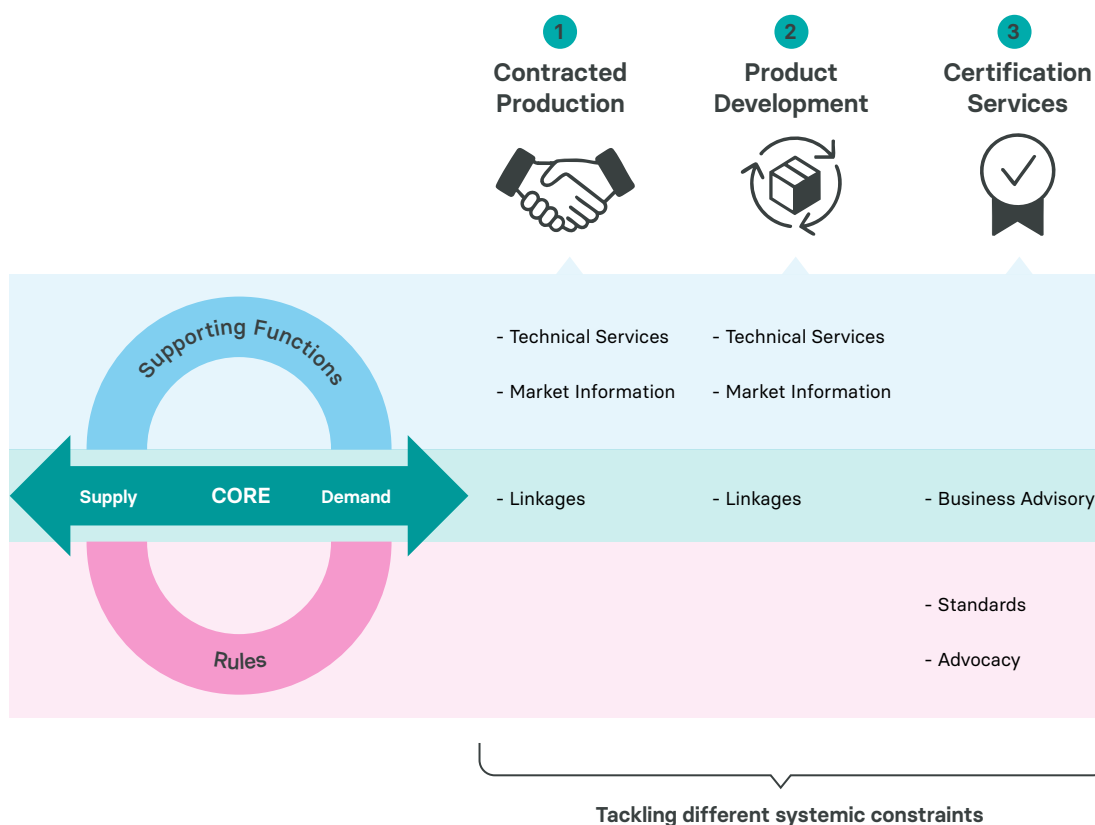
Interventions: Problems, Responses and Results



In this section the report 'drills-down' into some of the changes characterised above. It does this through looking through the prism of PPSE focused intervention engagement. As shown in the figure three key intervention areas are considered in detail:

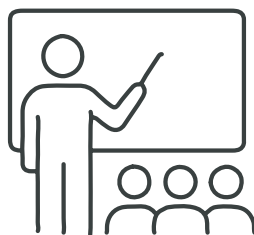
- 1 **Contracted Production** – downstream integration, linkages, and embedded services.
- 2 **Product Development** – upstream investment, innovation and market access.¹³
- 3 **Certification Services** – organic standards and certification opening new markets.

Each of these intervention areas were responses to different systemic constraints impeding issues of performance and inclusion. Some of these were rooted in the core market structure, organisation and relationships. Some lay in the area of Supporting Functions and others in the area of Rules (all as defined above). These are highlighted and demonstrated also in the figure below.

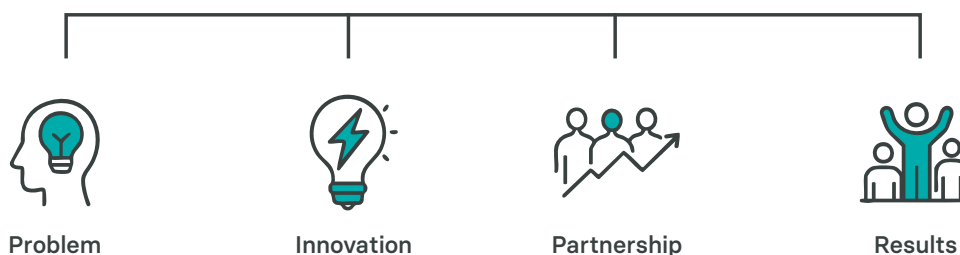


The intervention areas and types of constraints being responded to are shown above in the figure. This is 'what' we're looking at. In terms of 'how' we're looking at this – the framework through which reflection on 'approach and achievement' – is shown in the figure below.

¹³ Food product development: <https://www.youtube.com/watch?v=qNEWI5XE4u8>



Interventions: Problems, Responses and Results



The remainder of this section provides reflection from experience across the three identified intervention areas through a consideration of

- **Problem Definition:** qualifying and quantifying the problem to be addressed.
- **Innovation Response:** the design of market building solutions.
- **Partnerships and PPSE:** how these solutions were operationalised with partners.
- **Results and Reflections:** what's been achieved and evidenced.



3.1 Contracted Production

As framed above there has been a marked change in consumer preferences and power in Kosovo. The agricultural sector wasn't aligned to these changes and lost market share to imports. Contracted production models were a response to some of these changes and challenges.

3.1.1 Problem Definition

The central problem that PPSE sought to address through its contracted production intervention was **the inability of processors to secure a consistent and sufficient supply of quality raw materials aligned to consumer preferences.**

This issue **affected a wide array of stakeholders across the food value chain**, including input suppliers, collection centres, processors, farmers, and relevant institutions. At its core, the problem lay in a **mismatch between the growing processing capacity and the unreliable supply of local raw inputs**. This constraint limited production volumes, product diversification, and overall competitiveness of domestic processors—particularly in competing against imported goods that benefited from higher quality and better supply chains.

For **processors, this led to low levels of capacity utilisation** detailed earlier in this report, as well as limiting the potential for developing different product ranges. **For farmers, it meant uncertain demand**, lack of guaranteed buyers, and minimal incentives to invest in improved cultivation. The ripple effects impacted the entire value chain, curbing sector growth and holding back job and income creation—core objectives of the PPSE programme. The issue was strategic not only due to its systemic nature but also because solving it promised tangible gains in employment, income, and local production capacity, particularly for women and minority communities.

Quantitatively, the cost of the problem manifested in idle capacity among processors and lost market opportunities, while the benefits of resolving it became evident in the sector's subsequent growth. For instance, in 2021, sales in the fruit and vegetable processing subsector alone reached €34 million, a 46% increase from €23.4 million in 2017. However, **much of this growth relied on imported inputs** due to the inability of local producers to meet volume, quality, or consistency requirements. Without sufficient domestic supply, a significant portion of this €34 million in value—especially in the form of raw material purchases—was effectively lost to imports of raw material. **Redirecting even a portion of this value to local farmers** through contract farming arrangements would – it was reasoned – represent **a major opportunity for income** generation and rural development.

3.1.2 Innovation Response

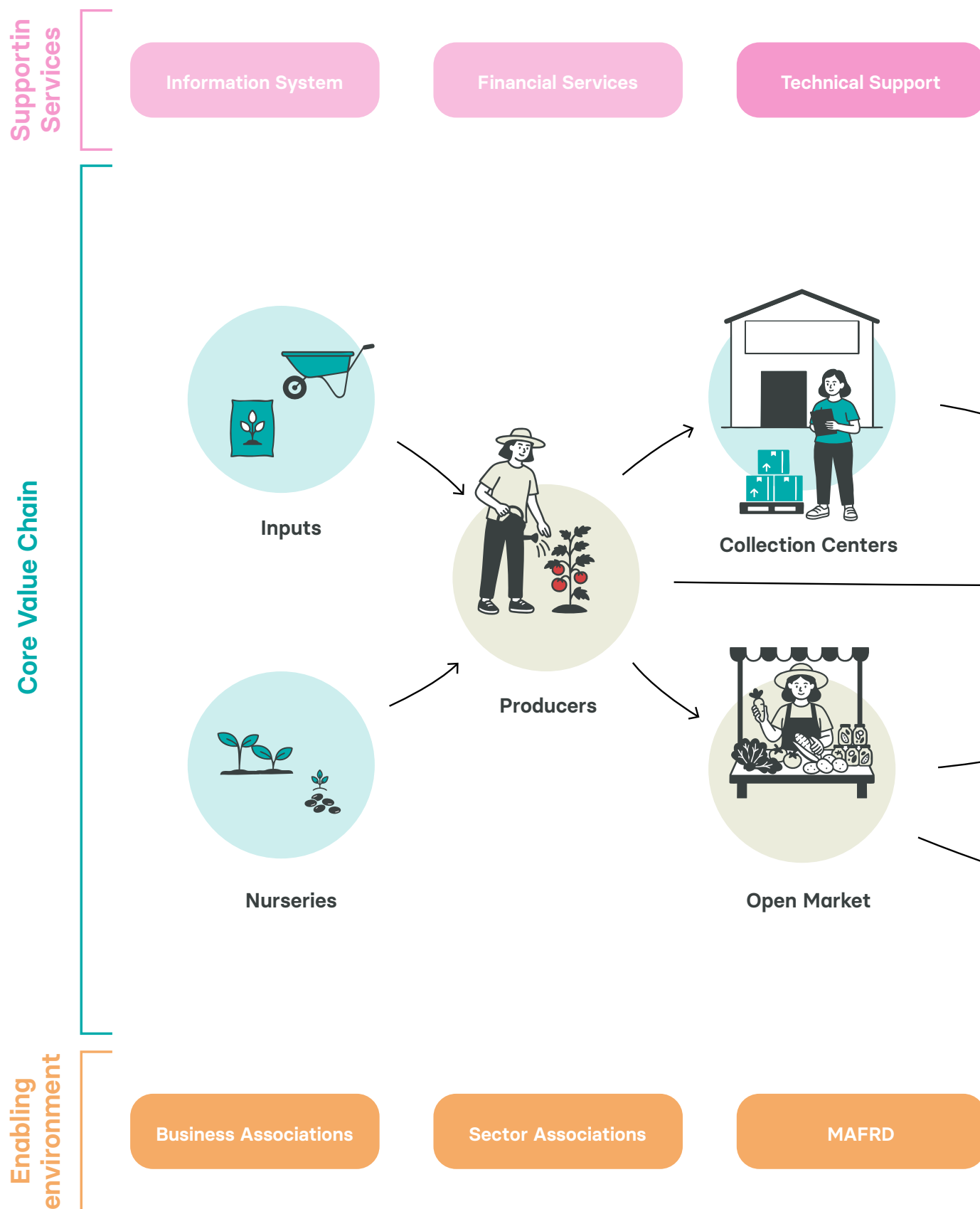
To address this, **PPSE started the 'Contract Farming' intervention in 2014¹⁴** with the aim of increasing the primary production that flows from farmers to collection centres to processors in Kosovo.

Consistent with the collective action principles enshrined in the MSD approach being followed by PPSE central to **this intervention area was the issues of 'linkages' between key actors in the core market**. Working to ensure higher levels of alignment and efficiency through a range of new and improved commercial relationships.

Contracted production is a model where farmers and buyers (such as processors or collection centres) **enter pre-agreed contracts for the production and supply of agricultural output**. Buyers often provide upfront inputs such as seeds and/or seedlings, fertilizers, and technical assistance to **ensure quality and consistency**, while farmers benefit from access to a guaranteed output market, **reducing risks** and offering the promise of more stable income.

The model is depicted in the figure below which also highlights the kind of constraints being tackled – linkages, technical and business/market information – specifically.

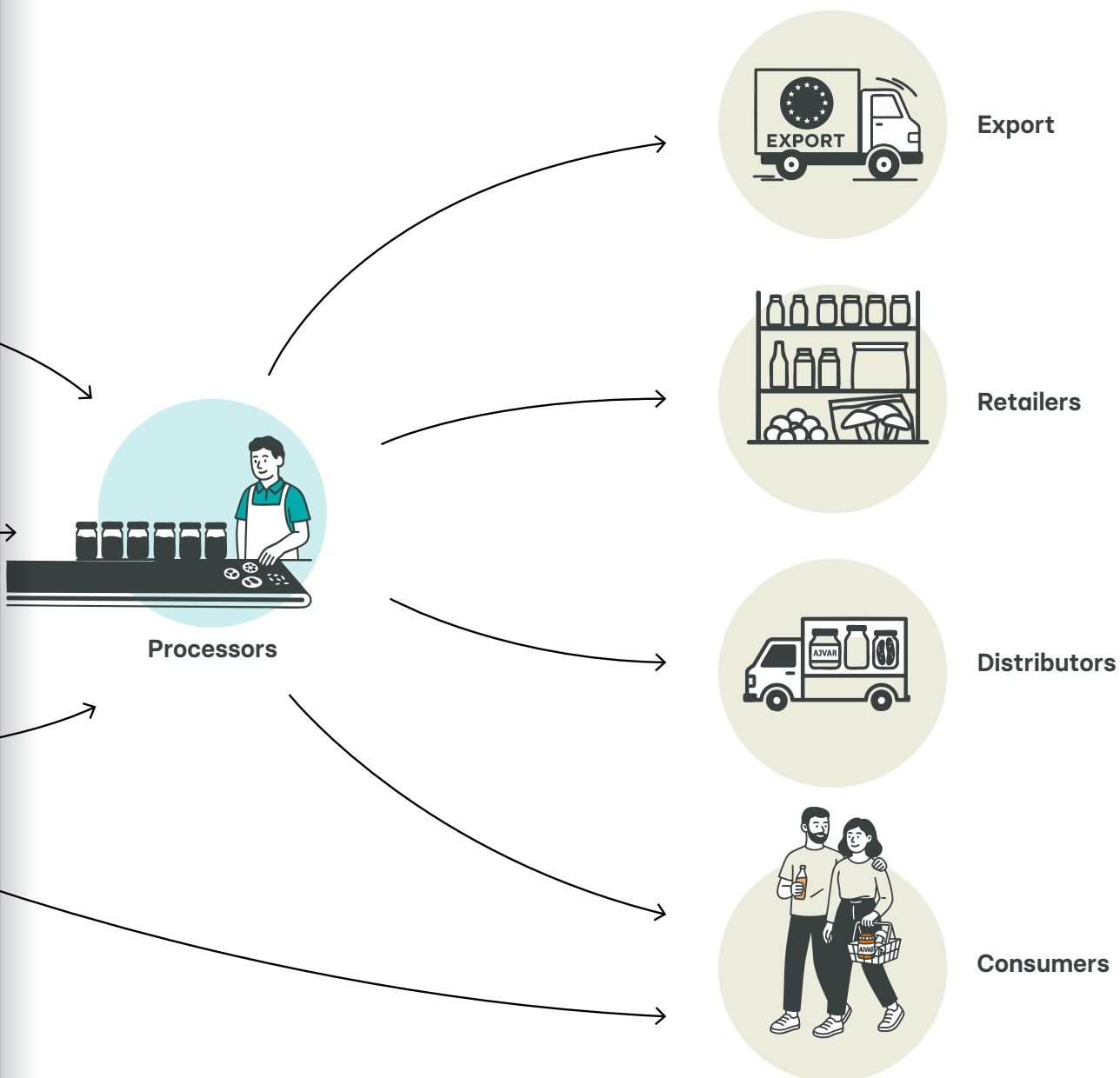
¹⁴ The Curious Case of a Contract and a Drying Machine: <https://www.facebook.com/watch/?v=2293326050985045>



Business Consultancy

Transport Services

Infrastructure



MTI

Quality Standards

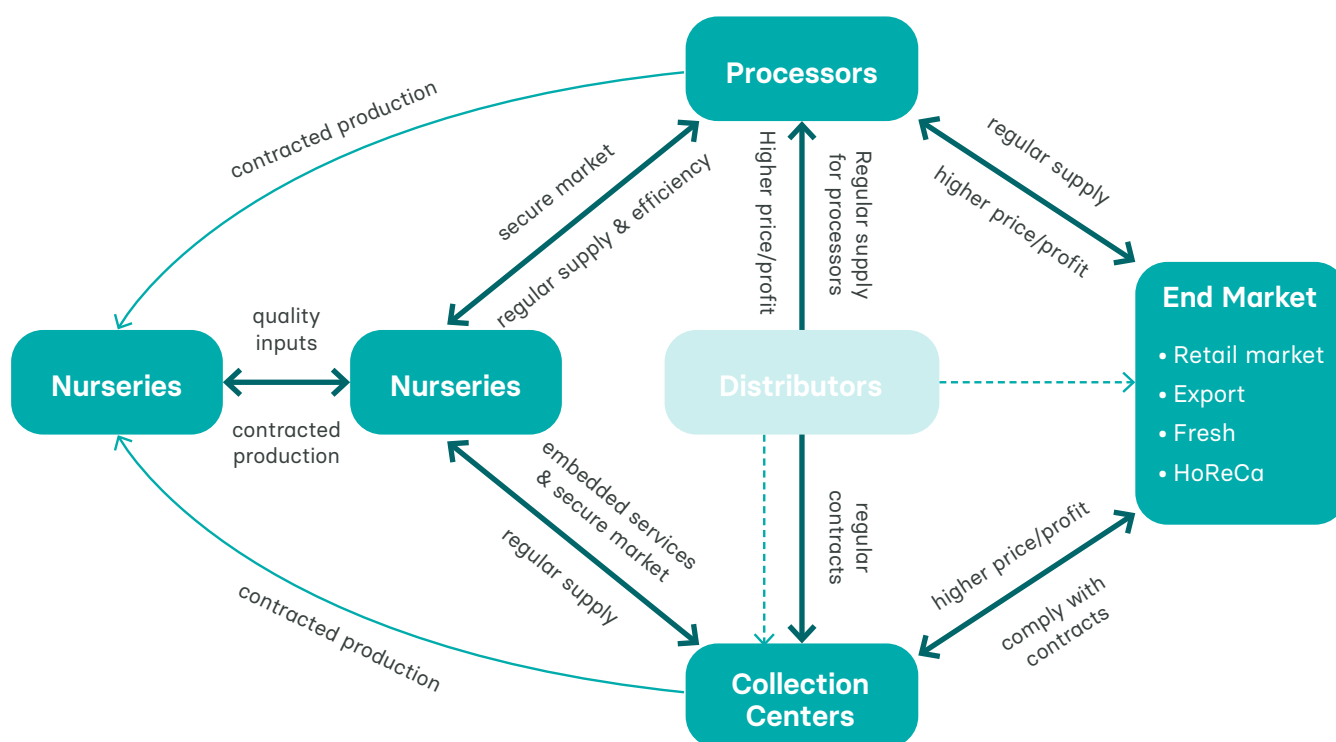
Legal Framework

3.1.3 Partnerships and PPSE

In operationalising this model PPSE aimed to work collaboratively in partnership with three principal stakeholders

- **Farmers:** this model was aimed at offering an integrated response to the multi-faceted problems being faced by farmers. Helping to tackle problems with scale and technical efficiencies through bundling improved inputs and advice, and reduced costs and risks associated with access to output markets. Such improvements were aimed at **reduced costs and risks, and increased revenues and reliability**.
- **Collection centres:** Collection centres were deemed to be crucial to the success of the contract farming intervention, acting as a central hub that bridges the coordination gaps between processing companies and farmers. Their expanded and enhanced role was considered been instrumental in fostering cooperation and driving **increased efficiencies and growth across the sector**. By reaching out to more farmers in their regions, collection centres would allow processing companies to expand their geographic coverage without the need for significant investments in supply chain logistics.
- **Processors:** it was reasoned that food processing companies, particularly SMEs reliant on networked (rather than integrated own) supply would benefit through **securing improved quality and quantity of more consistent, reliable and recurrent supply** which would enable them to invest and innovate in increased capacity and market expansion.

The figure below shows the kinds of business model and benefits which were being discussed with stakeholders and customised to the specific interests and needs of key partners.

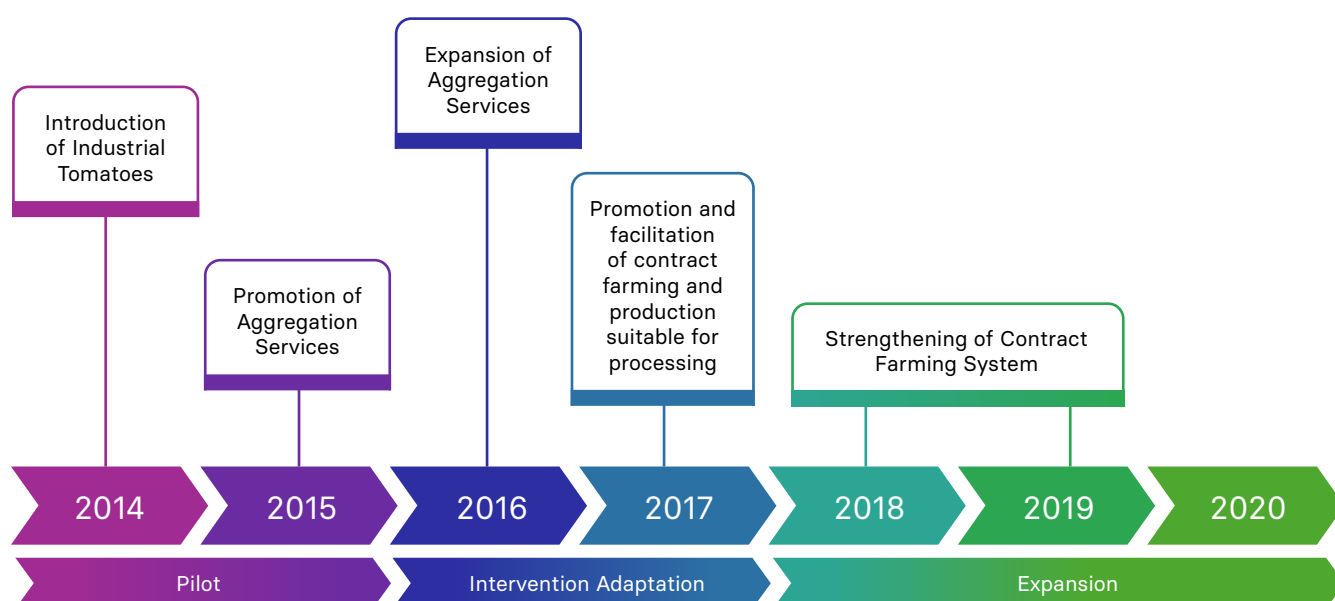


PPSE entered into a number of negotiated partnerships to apply, test and improve different models of contracted production. The results of which are shown in the next section.

3.1.4 Results and Reflections

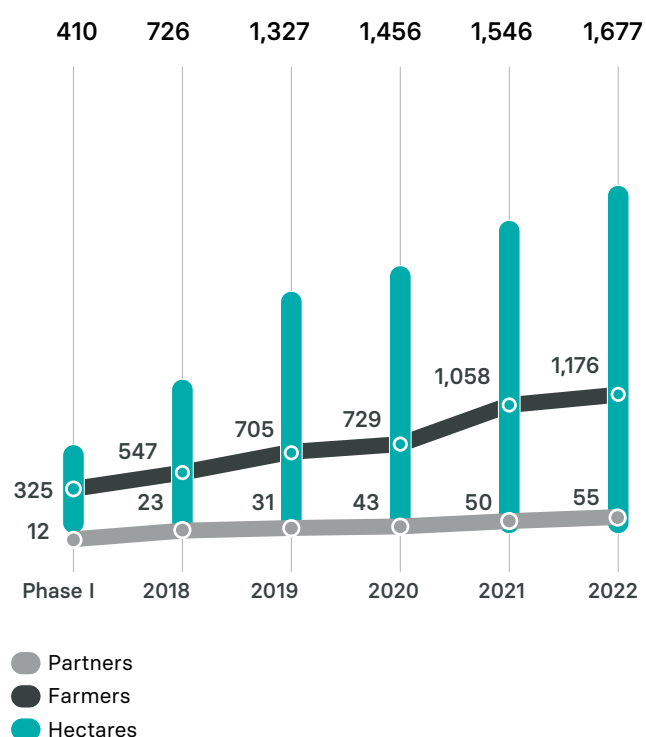
As shown in the figure below the contract farming intervention began with the pilot project for the "Introduction of Industrial Tomatoes" in 2014. Encouraging results led to the adaption of the intervention in 2015 and 2016 through the addition of "Promotion of Aggregation Services" and "Expansion of Aggregation Services" components. By 2017, the initiative gained momentum, collaborating with various partners across different products under the "Promotion and Facilitation of Contract Farming and Production Suitable for Processing". The years **2018 and 2019 marked the peak of success as the project transitioned to a facilitation role**, allowing market players to take ownership of their business models for scaling and sustainability.

The COVID-19 pandemic in 2020 caused many disruptions to the sector. Not only has the sector bounced back well, arguably the disruption itself was mitigated to some extent through the kinds of **increased 'resilience' capacities** embedded within the improved integration and cooperation dynamics promulgated by contracted production models.

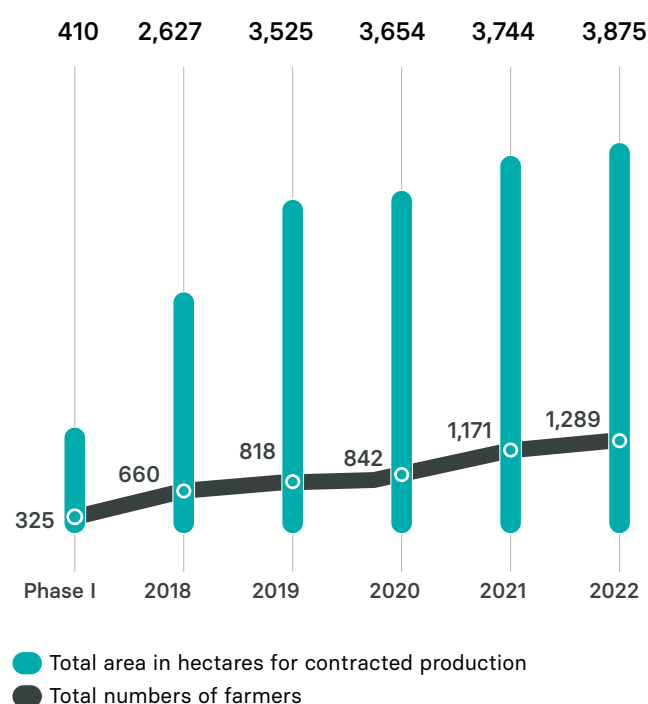


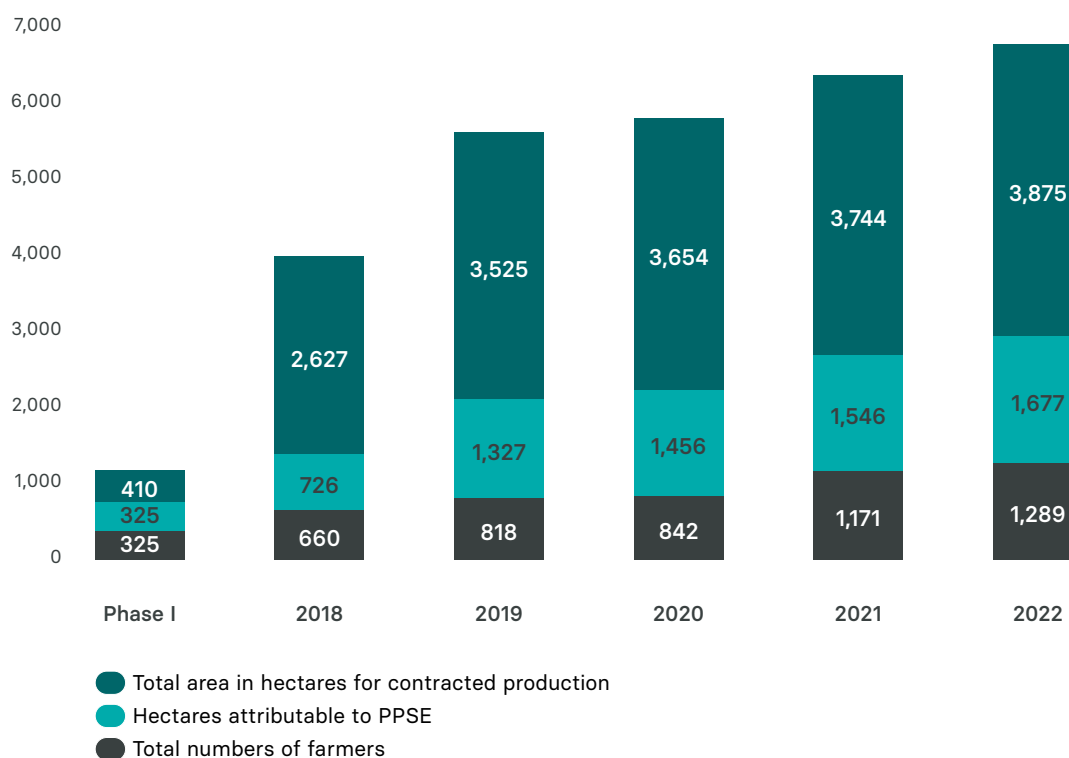
As shown in the figures below the contract farming model in Kosovo has shown impressive results since its implementation. The **pilot intervention started with 29 farmers** testing the model with production in around **30 hectares** of land using 2 SMEs as contractors. **In 2022, the project assessed the outreach of the intervention involving more than 1100 farmers and 55 small and medium enterprises (SMEs) across around 1,700 hectares of farmland, out of around 9,000 hectares of land use for vegetables production.** By formalizing relationships between farmers and buyers, the model has provided participating farmers with secure market access, allowing them to sell their produce at agreed-upon prices and quantities. This security has had a direct impact on increasing farmer incomes.

Direct partners and changes attributable to PPSE



Overall contracted production and farmers





Across the sector it is reported that around **85% of processors now source their raw input materials locally** rather than through imports as was the case previously. Whilst not all of this shift is attributable to the contracted production models introduced and explained above, such models are indicative of the kinds of changes and improvements in core market integration and orientation.

The model has certainly become a key feature of key leading firms and is expanding across the sector and outside of PPSE supported replication engagement.

Agrocelina is one leading firm who partnered with PPSE to introduce a contracted production model suited to their business needs. They have **continued to learn, improve and expand this model across their operations**. Through, for example, embedding additional services such as seedling provision and advisory support into their 'offer' to farmers - but also through more targeted leverage / adaptation of the model to help them enter new markets, including export to EU countries.

More widely there is emerging evidence that other collection centres and processors - outside of direct PPSE support - are adopting similar models. **By 2023, 28 collection centres and processors were involved in contracted production, covering 3,328 hectares, up from just 410 hectares at the end of Phase I of PPSE**. While the total area under production remained relatively stable, the **share of production under contract significantly increased (up to 30%)**.

Additionally, the involvement of non-partner actors in core PPSE led activities like open days, field demonstrations, and peer learning sessions **demonstrates increased interest and copying**, though the exact breadth of uptake remains to be fully captured and documented.



3.2 Product Development

Securing access to improved quality and quantity of supply was a key 'downward' supply chain challenge which was responded to through the contracted production intervention. This intervention area of product development was **more focused on 'upward' supply chain challenges of market access and meeting consumer preferences.**

3.2.1 Problem Definition

In general terms the core problem that the PPSE project sought to address within the food sector was the **limited diversification and inconsistent quality of food products** which undermined the sector's competitiveness and ability to meet market demands, particularly against well-known imported brands.

This was an **intervention area which evolved over the three different phases of PPSE operations.** In the earlier days under Phase 1 the problem focus was more on issues of securing raw material, weak product diversification, uncertain quality of domestic processed products low supply of processed products, and underutilised processing capacities.

By Phase III, **the problem focus had sharpened to issues of limited product diversification and low quality of inputs (e.g., seedlings),** reflecting a deeper recognition of supply chain and knowledge gaps. Such problems affected a broad range of actors - input suppliers, farmers, collection centres, processing companies, and service providers - constraining their ability to deliver consistent, high-quality products that could capture greater market share and drive job creation and income growth.

3.2.2 Innovation Response

PPSE supported SMEs to innovate in respect of three critical functions:

- **New technologies:** plant and process to improve efficiency and support diversification.
- **Improved know-how:** through developing, hiring and contracting a range of food technology¹⁵ and other skills and support.
- **Marketing services:** aimed at access to domestic retailing and export buyers.

The measures to which improvements in the above functions were aligned included those such as:

- Number of new and/or improved final products
- Increased quality and quantity of primary contracted production
- Value addition through certification.

Aligning measures to the scope of innovation and upgrading was pursued through direct and detailed engagement with sector actors, informed by field observations, rapid assessments, interviews and research. With the objective of 'scale' in mind – and considering the **pathway of innovations from 'first mover to wider field'** – PPSE maintained close coordination and consultation with sector associations and relevant public institutions.

¹⁵ The importance of food technology in product production – HAJE: <https://www.youtube.com/watch?v=2vKr3rMxbRI>

The scope of product development was quite broad. For example, support to several SME processors led to **new products such as organic teas, fruit bars, fruit dried chips**, lyophilized fruits¹⁶ and MAPs hitting the shelves for the first time in the domestic Kosovan market. The strategic objective was to **help domestic production align with changing market demands**. The successes here have contributed to **significantly increased representation of Kosovan products locally**; and deeper penetration of higher value EU and wider export markets.

3.2.3 Partnerships and PPSE

As shown the innovation here centred around building the marketing, technological, and business management capacities of SME processors. Innovation was initially piloted to trigger investments in innovative products and processes, using the opportunity fund mechanism and knowledge support through specialised technical expertise and SEC experts. Scaling it further, PPSE **partnered with co-facilitators such as CEED and Civitta**, to support processors in areas like branding, packaging, food safety, franchising, and product adaptation for niche markets such as organics. These interventions were designed not as one-off trainings, but as tailored business development support **rooted in evidence** from market research and feedback loops with participating companies.

This innovation was designed to be particularly **responsive to the challenges faced by local SMEs**, which were often under-resourced, isolated, and unaware of what was holding back their growth. Partnership and business model design at the heart of emerged through iterative engagement between PPSE and various service providers, who helped co-design and refine different coaching and advisory models.

For example, initial success with peer-to-peer learning under CEED led to Civitta taking on a broader role in **coaching SMEs on private label and franchising models**, offering a mix of free initial coaching followed by subsidized, performance-based advisory services.

Accessibility was shaped by a pragmatic understanding of the market context - many SMEs were unfamiliar with paying for services, and historical donor subsidies had weakened the culture of commercial service uptake. **PPSE designed a "rightsized" model with clear steps to gradually introduce cost-sharing and create demand**. The platform reached over 40 SMEs in its initial phase, with signs of emerging willingness to pay - especially among newer, growth-oriented businesses. PPSE's role was not only to facilitate access but also to help service providers see a viable commercial opportunity beyond the project's lifetime.

"Bliff Organik was created with a lot of passion and love for nature, plants, and the earth, because I grew up in this spirit and in this culture. After my studies, somewhere around 2015, I returned to work and got involved in Agro Produkt. Here a new dream began to be born, precisely by being inspired by the process that everything that was collected and cultivated at Agro Produkt was dedicated to export. Here the desire to introduce the organic standard to our country was born, a very new and unknown standard for most of the country. Initially I started with 7 types of products, those that were most popular in our country and with one machine, where then the demand began to increase. Today we have a total of 3 filter processing machines and we have reached 22 types of teas and we are divided into 3 lines: pharmacy; markets; and HoReCa (Hotel, Restaurant, Cafeteria).

In addition to this line, we have also created another line that is dedicated only to export where we process medicinal plants in a form stic and exported to 3 companies: two German and one French. This idea is special because it allowed the summer season to be extended (since the tea season is winter) and above all the employment of 15 women in rural areas where everything is done by hand.

Bliffi has just started but is growing more and more, and this year we are also launching a new line dedicated to kitchen spices, again returning to plants and the organic standard. This achievement would not have been possible without the dedication of our farmers, workers, partners and organizations like Swisscontact through projects like PPSE."

ERBLINA AVDIJAJ
BLIFF ORGANIK

¹⁶ Liostep, Slađana Nikolić: <https://www.youtube.com/watch?v=oXQx8qlfCCc>

A critical enabler of this success was PPSE's **co-financing approach**. Across its product development interventions, the project consistently used grant support to leverage partner commitment—on average, securing 50% co-financing from private firms. This ensured that partners had skin in the game and were more likely to internalize the benefits of the innovation. It also served as a filter for identifying serious, growth-minded companies willing to invest in upgrading their capabilities.

Equipment procurement, particularly for product diversification and improved processing, became a key component in several partnerships. However, access to equipment finance remains a constraint rooted in a risk-averse banking sector. PPSE's **targeted subsidies helped bridge this gap**, enabling investments that would otherwise have been delayed or scaled down.

The strategic importance of this product development work lies in its **ability to influence both the productivity and competitiveness of Kosovo's food processors**. It has opened new pathways to domestic and export markets, and its success depends on building a market for value-added support services that can survive beyond the project.

3.2.4 Results and Reflections

At the project's outset, the food processing sector comprised over 1,300 companies employing around 2,000 full-time workers, with processed fruits and vegetables contributing 3% of Kosovo's GDP and 40% of national food consumption. **Turnover** and employment in the processing of food products have **more than tripled** since 2013, **resulting in around €500 million in turnover and 9,000 employees** in 2022,

Over the past eight years, the **domestic market share of food products increased from 12% to 30%**. However, the pattern and progress between different sectors isn't even. More established products like dairy and honey enjoy high rates of around 70-85% which are significantly higher – at the current time – than other products like fruit / vegetable and MAPs which are growing, but from a very low base.

Whilst **some creditable progress has been made** SMEs continue to face challenges in delivering diversified, high-quality products due to limited technical expertise in food technology, limited knowledge in management, outdated technologies, and poor supply chain coordination all of which inhibit the sector realising its fuller potential.

Nonetheless, PPSE's product development interventions in the food sector have **demonstrated tangible effectiveness and strong signals of sustainability** through the learning and demonstration phase. Two main sources—the PePeKo Sector Study and the PPSE Product Development Assessment – offer rich evidence of how companies are valuing and embedding the innovations, and where the programme has created momentum for further growth and replication.

"Ananas Impex is a family business and I am the fourth generation as a leader and manager. Until 2013, we handled the collection of red pepper [paprika] ourselves. The demand was high for production, while the collection and drying capacity for reprocessing was much smaller, so in the first year we met with the PPSE project and the Agro Celina collection center.

We started with a dryer and collection of about 600 tons, which caused the company to expand and change the factory spaces, to move from the old location to a new location. What was very interesting is that we made a connection between the farmer, the collection center, and us as a processor. Then a very good link in the chain was made, since the factory no longer needed to go and identify farmers, nor to look at the market, but we had the contracting in time through Agro Celina.

In addition to this product [paprika], we have continued to develop new products, with the help of food technology and marketing experts, and today our company exports to around 15 countries around the world, mostly in Europe, Arab countries, America and even Scandinavia."

ADIAT HAJDARI
ANANAS IMPEX

The PePeKo study established that processors are continuing to invest despite broader economic pressures. **In 2023 alone, companies invested over €4.3 million**, primarily in machinery and production facilities¹⁷, and **they plan an additional €6.2 million** over 2024–2025. This supports the claim that the focus on product development business models at the heart of PPSE partnerships have contributed to an air of increased business confidence and plans for further investment and expansion.

Notably, 96% of companies intend to grow their exports by increasing production volume and reaching new markets, and 81% plan to achieve this through participation in international trade fairs. **Many also plan to develop new products (77%)**, and over half are using or intend to use private label strategies—areas where PPSE provided direct support and coaching.

Complementing this, the Food Sector Product Development Assessment captures how beneficiaries experienced these interventions. Between 2019 and 2023, there was a **marked increase in the share of firms introducing new production processes and launching new products**. For instance, in the 2021–2023 period, **94.1% of surveyed beneficiaries had introduced at least one new production process**, compared to 77.8% in the earlier period. Similarly, the percentage of firms reporting the launch of new products rose significantly.

Looking ahead the kinds of partnership models and associated support mechanisms introduced by PPSE have set a precedent for **institutional replication**, with key public institutions such as **KIESA, MAFRD**, and local authorities now actively supporting SMEs and start-ups in similar ways. These institutions have introduced funding schemes and grant programs to help businesses invest in new processing and packaging machinery, improving product quality and safety standards. Additionally, they are providing support for branding and marketing, enabling businesses to strengthen their market presence.

Recognizing the importance of international exposure, these institutions are also **facilitating SME participation in global trade fairs**, helping them connect with buyers, expand export opportunities, and **position Kosovo's food sector competitively on the international stage**.

¹⁷ The importance of investments in machinery – Flota Foods: <https://www.youtube.com/watch?v=8lkti1Kbw4M>



3.3 Certification Services

Responding to the changing face of Kosovan consumerism and the **need to diversify and grow access to EU and other export markets** demanded a focus on the issue of standards and associated certification.

3.3.1 Problem Definition

Kosovo was estimated to have an **annual production potential of around 29,000 tons** of Medicinal Aromatic Plants (MAPs) and Non-Wood Forest Products (NWFPs). This assessment was made in 2009 when Kosovo was only **exploiting around 6% of this potential** yet provided a much-needed livelihood option for **more than 20,000 families involved** in the wild collection of MAPs and NWFPs.

The chain was under-developed relying more on wild collection and characterised by a very short value chain with collectors and cultivators dependent on supplying to second tier companies purchasing **lower quality product at a lower price**.

A connected set of constraints were impeding the development of the sector. The **lack of national standards** in organic and other areas was problematic, as was the corresponding **lack of any national certification body or associated services**. This lack of standards and services impeded more upstream market access and value addition opportunities, which in turn impeded the more commercially oriented formalisation, integration and organisation of downstream market functions.

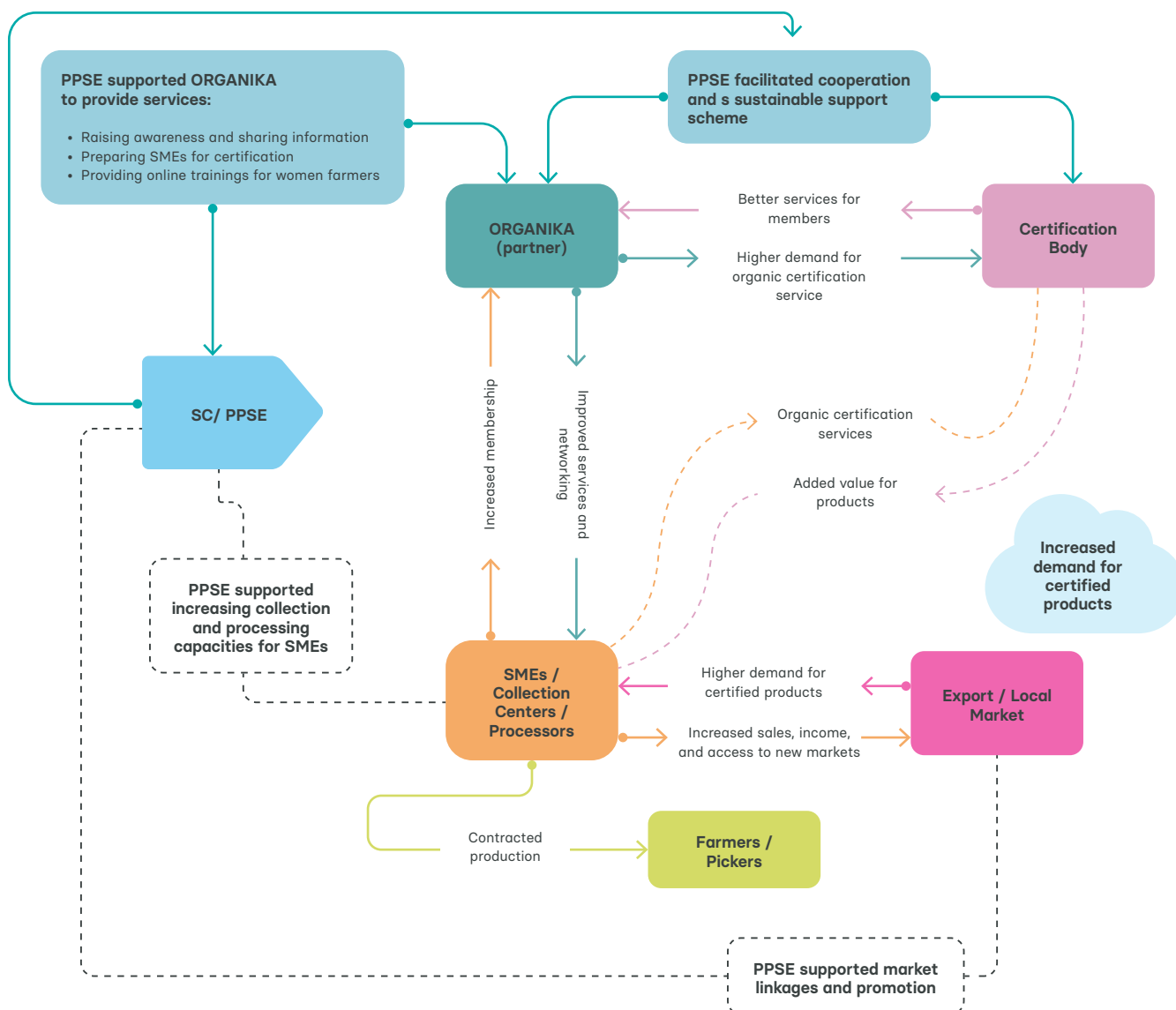
3.3.2 Innovation Response

The responding innovation was based on boosting the availability and adoption of organic certification among SME/Farmers and products to reach more stable and higher value export markets. This involved an integrated market building response in three key areas:

- **Institutions:** the adoption of international standards and the facilitation of access to inspection and certification services by an EU-accredited inspection/certification body
- **Services:** information and advisory services to help companies understand requirements and implement systems and processes in readiness for inspection and certification.
- **Advocacy:** working in support of an organised voice to speak to standards and certification requirements and fostering a collective action to opening new market opportunities.

The different dimensions of the innovation model are presented schematically in the figure below.

Organic certification intervention logic



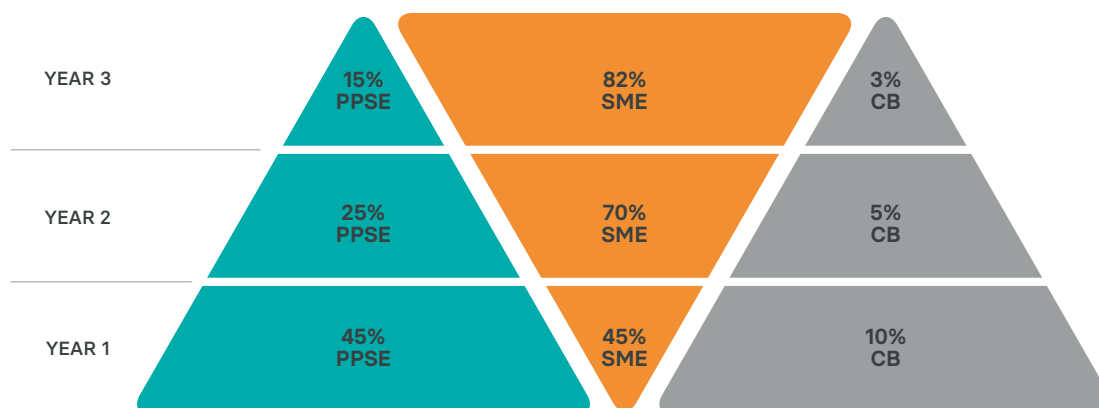
3.3.3 Partnerships and PPSE

Central to the delivery and realisation of the innovation model was a partnership between PPSE and Organika a long-established advocacy-based membership organisation specialising in 'organic'. The partnership focused on three distinct (but interconnected) forms of support:

- **Standards and Certification:** working with Organika to help Kosovo adopt international organic standards and build a national certification capability (rather than relying on the higher cost alternative of inviting external inspection and certification from regional bodies such as Albinspect).
- **Service Development:** offering technical assistance support to build the service offering and utilising a declining contribution grant scheme to help 'buy-down' the initial cost of services to firms (i.e. tackling the valuation problem associated with the introduction of a new service where the costs are known in advance, but the benefits are not).
- **Advocacy:** working to help build Organika as a viable membership-based organisation.

The declining contribution grant scheme at the heart of the partnership is shown in the figure below. Pre-certification services were offered by Organika at a discount, partially funded by PPSE, to help companies prepare for certification. A 3-year declining support scheme was offered for SMEs entering the certification program, with PPSE offering declining contribution grants from up to 45% in year 1 declining to 25% in year 2, and finally to 15% in year 3.

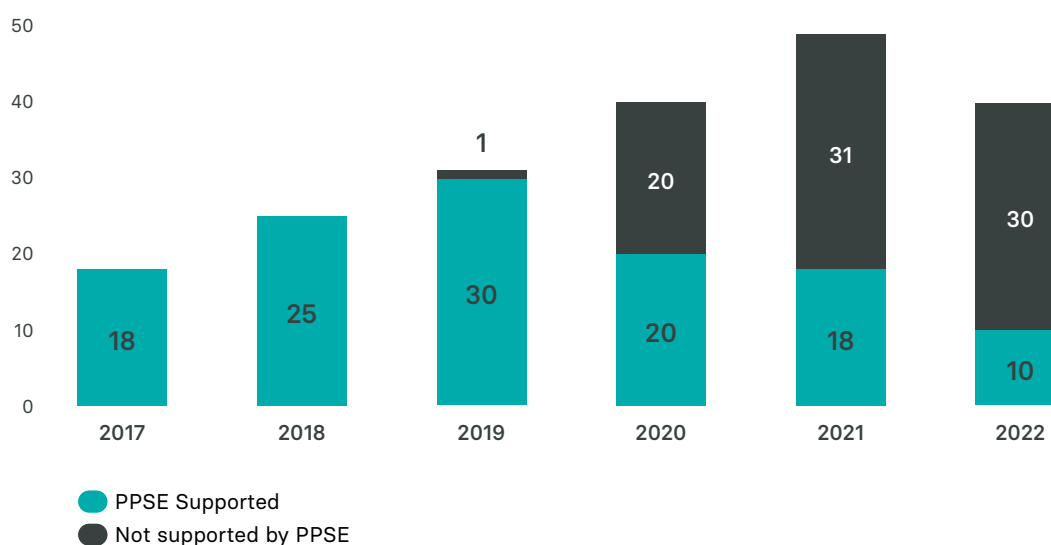
Support Scheme



3.3.4 Results and Reflections

As demonstrated in the figure below the **organic certification of has expanded and become more self-sustained**. This is evidenced by more companies applying and achieving certification, with less and less reliance on the cost-sharing support offered as a market building incentive by PPSE.

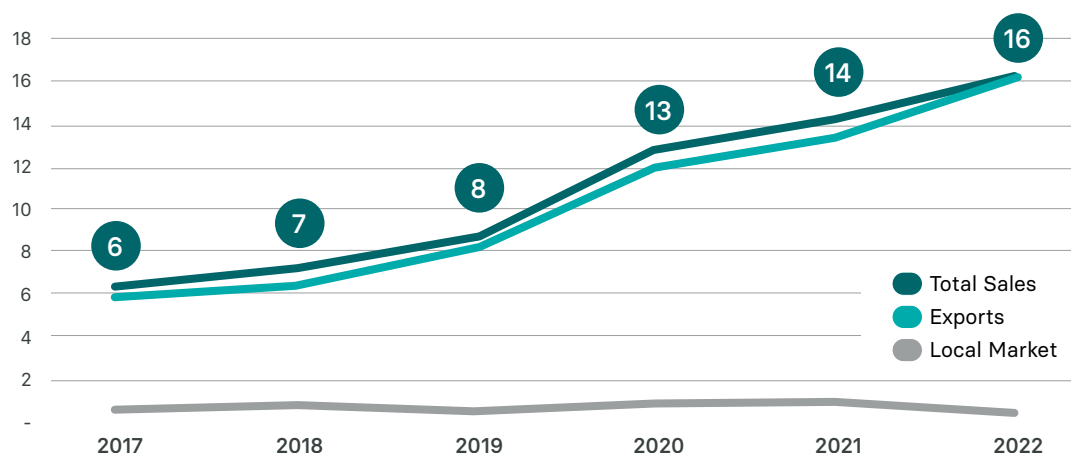
Support for certification of SMEs



Certification has been a key driver of wider sector opportunity and growth. **Organic MAP production grew from 174 hectares in 2017 to over 600 hectares today**; including other organic crops, the total organic production area now exceeds 1200 hectares.

As shown in the figure exports of MAPs and NWFPs have grown exponentially from 2,357 tons with a sales value of €6.14 Million in 2017 to 3,666 tons and total sales value of €16.4 million in 2022. Kosovo is now the **7th largest exporter of MAPs and NWFPs into the EU**, and is increasingly recognised as producing high quality, consistent supply by a growing number of buyers in Switzerland, Germany, Sweden and the UK.

Total sales of NWFP and MAPs (million euro)



Finally, good progress is also being made in respect of helping **build the longer-term commercial viability of Organika** as a leading membership organisation offering quality advocacy and related services and information critical for continuing to build on the progress made to date. The newly developed **Strategic Plan 2025 – 2029, identified several activities that Organika could implement**, such as revising membership structures and fees, enhancing online communication through an informative website and active social media presence, strengthening governance and administrative processes for transparency and effectiveness, actively engaging in advocacy and policy discussions with institutions like MA-FRD, expanding structured training and knowledge-sharing programs by establishing an expert network, implementing a unified organic standard aligned with international norms (IFOAM), facilitating fair dialogues across the value chain, and actively promoting the Kosovo Organic Mark (KOM) to build consumer trust and recognition.

“Collaborating with Swisscontact has greatly enhanced our capacity to support organic operators and service providers in Kosovo. Together, we’ve facilitated the growth of certified organic operators from just 2 to over 40, enabling us to promote Kosovo’s organic products abroad with stronger impact. This partnership aligns seamlessly with Organika’s mission to empower members and to lead the organic certification process. Within the next five to seven years, we aim for certified organic products to make up the majority of our exports. With Swisscontact’s technical support, we have achieved milestones we couldn’t reach alone.”

FATON NAGAVCI
ORGANIKA

4

Reflections from a Facilitator of Market Systems Change

4

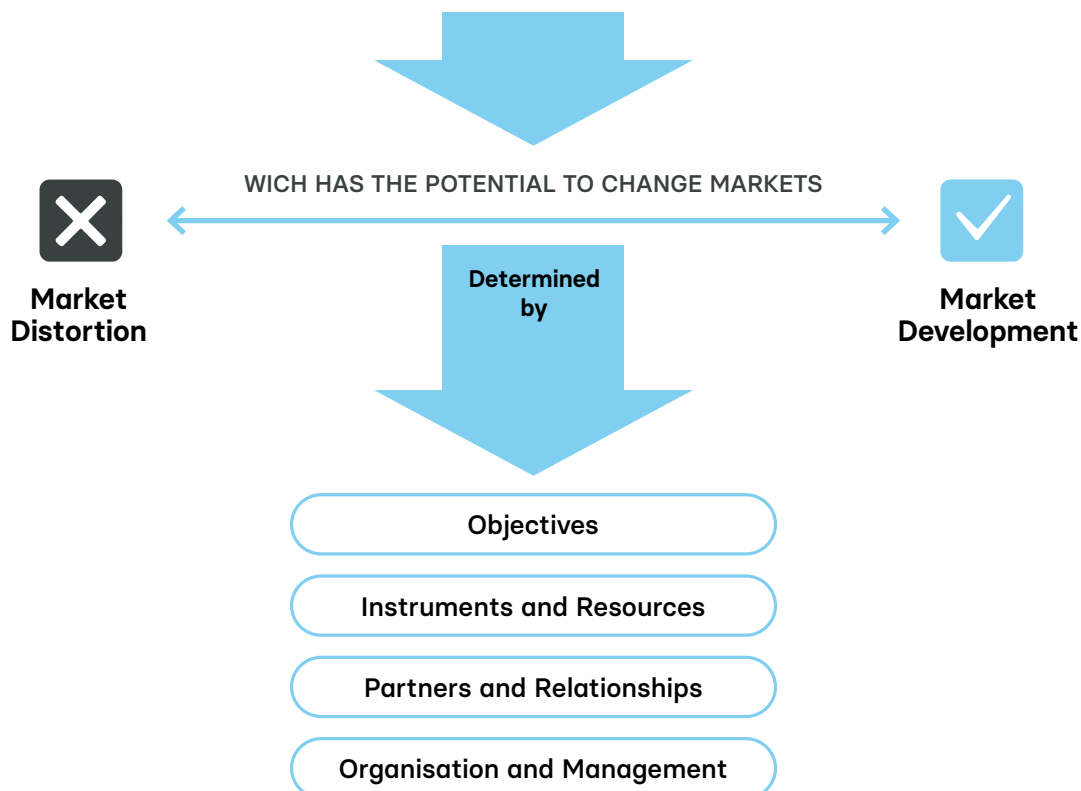
Reflections from a Facilitator of Market Systems Change

Whilst not written primarily for an international development audience the concluding section of this case report will **reflect the experiences and summary lessons from PPSE as a donor funded facilitator of market system change**. It is hoped that such lessons will be useful to others interested in further facilitating market system change in the food – or other – sectors in Kosovo, or elsewhere.

The lessons in this section reflect the experiences of PPSE as a whole – from the **perspectives of the PPSE team and its partners** - and across its work in the food sector.

As an externally donor funded programme operating in Kosovo everything ‘actively’ done by PPSE in support of its work in the food sector can be considered as a form of ‘subsidy’. The use of any subsidy to stimulate more inclusive private sector development has the **potential to either ‘develop’ or ‘distort’ market systems**. The extent to which outcome emerges is determined by four critical factors, as shown in the figure below.

Intervention is always about subsidy



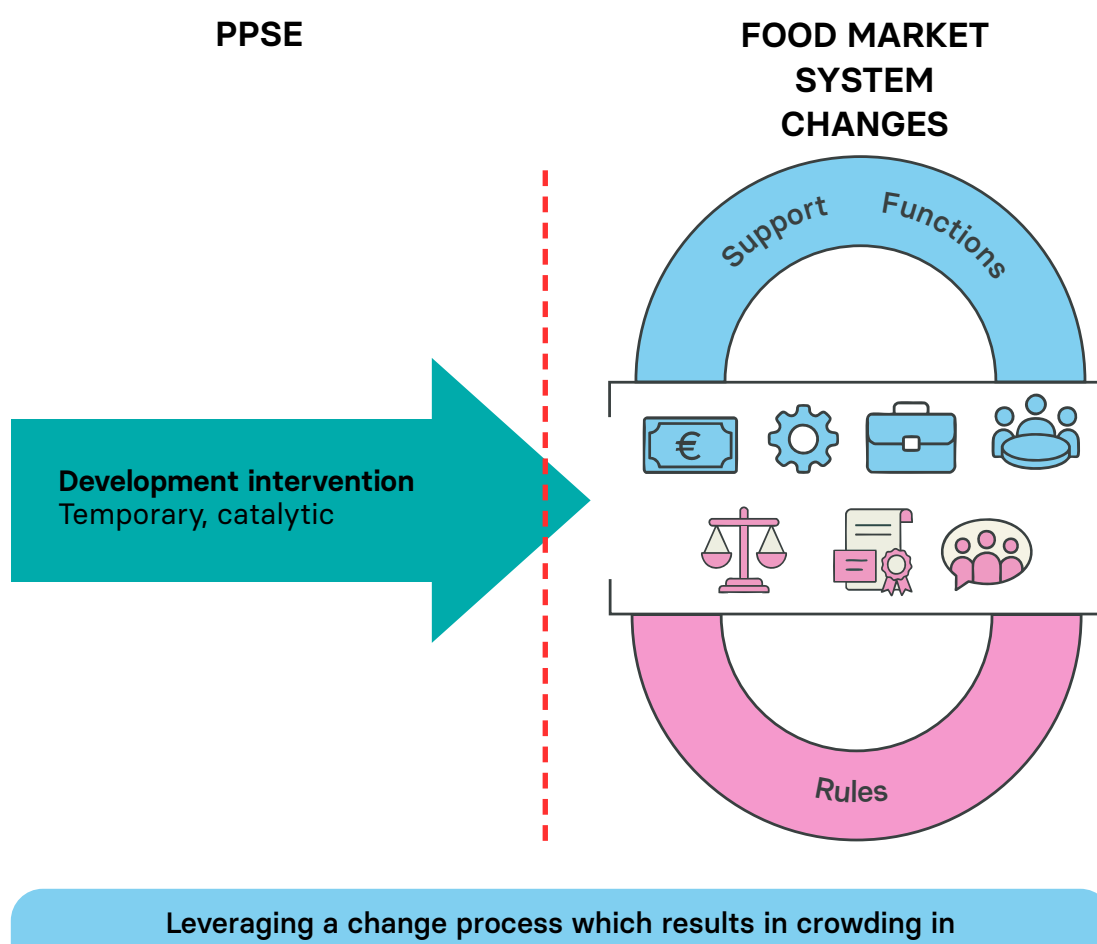
The remainder of this section will explore each of the four factors shown above:

- **Objectives:** PPSE's market development objectives and what these mean more tangibly.
- **Instruments and Resources:** how it worked as a market facilitator in channelling different forms of support and subsidy.
- **Partners and Relationships:** who and how it worked most effectively with.
- **Organisation and Management:** the structures, processes, culture and management which ensured PPSE was able to balance the right levels of 'focus with flexibility' across its work with different kinds of stakeholders in Kosovo.

4.1 Objectives

The objectives of PPSE are shown in the figure below. PPSE is a time-bound externally financed 'agent of change'. It is **temporary and aims to be catalytic in facilitating market system changes** which can improve the structure, performance and inclusion of the food sector in Kosovo.

As it does this it is informed by the principle of 'leverage' – using the resources it has available to **stimulate co-investment** by others and in so doing **build ownership / leadership of the change process**. In this way PPSE aims to 'crowd-in' through managing a **multi-stakeholder led collective impact approach**.



Leverages: principle of intervention

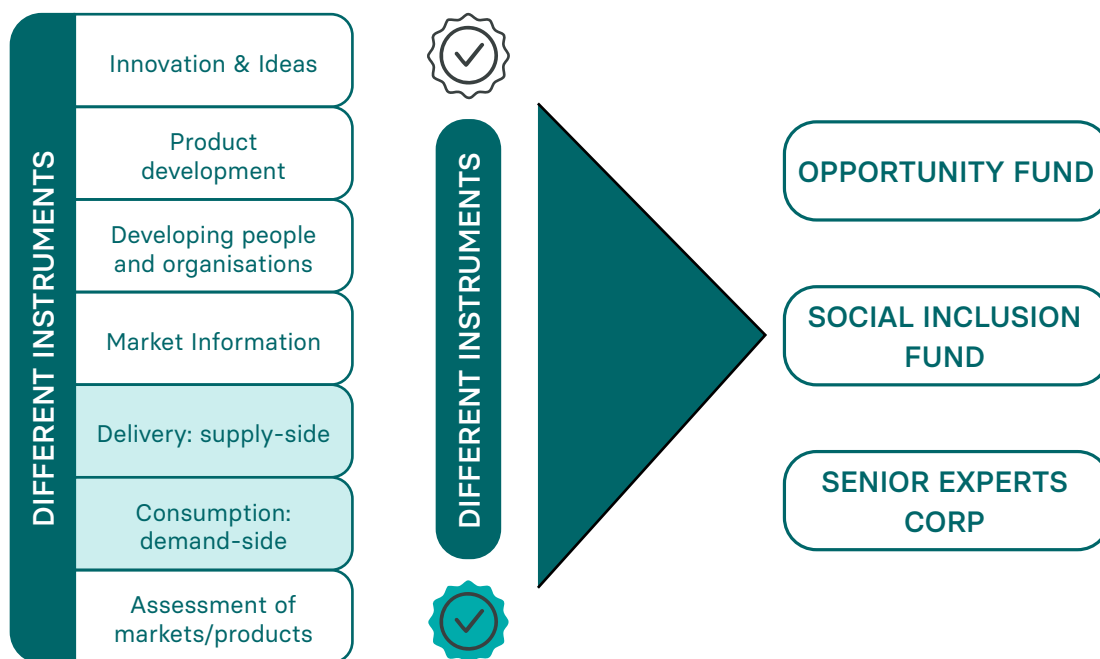
- Use scarce resources for maximum effect
- Targeted programme inputs to stimulate market players to react more sustainably (ownership, investment etc)...
- ... and continue to act without programme support

Crowding in: objective of facilitation

- Catalyse new or different alignment of market players and functions, improve a system's performance
- **Breadth:** outreach, inclusion
- **Depth:** supporting functions, rules

4.2 Instruments and Resources

As demonstrated (non-exhaustively) in the figure **a market facilitator has a wide range of instruments it can choose and use** to achieve different kinds of engagement and outcome. Some instruments are more direct and intensive, and some less so **each with their own 'risks' for potential market development and/or distortion**.



Informed by its analysis and consistent with its stated objectives, in addition to its facilitation approach and technical expertise, PPSE used a range of different instruments, often in a 'blended' and mutually reinforcing format. This is demonstrated through a deeper consideration below in respect of three key approaches used by PPSE: Opportunities Fund, Social Inclusion Fund and Senior Experts Corp.

4.2.1 Opportunity Fund

The Opportunity Fund (OF) under the PPSE project was designed as a **flexible financing instrument to catalyse innovative, risky, but high-potential** interventions that could stimulate systemic market shifts and sustainable private sector employment for youth in Kosovo. Rather than operating as a standalone activity, the **OF was tightly integrated into the overall PPSE strategy**, supporting interventions identified by the project team and via thematic calls to influence innovation and capture external opportunities aligned with project goals.

The OF primarily aimed to finance:

- **Innovative initiatives** within PPSE's existing sectors (Tourism & Food).
- **Employment-creating activities**, especially for youth and marginalized groups.
- Initiatives offering **systemic change potential** and market expansion.

The fund emphasized risk-taking, innovation, and early-stage support where traditional market mechanisms were insufficient.

The Opportunity Fund employed several types of instruments:

- **Grants:** Core instrument, with minimum grants starting at €10,000. Commercial enterprises were usually required to match funding to ensure commitment.
- **Technical Assistance:** Grantees could receive mentoring, capacity building, and access to broader networks and partner organizations ("Grant Plus" approach).
- **Support to Service Providers:** Investment in improving advisory services, and value chain linkages.
- **Co-Investments:** Matching investments to de-risk private sector participation.

Working with different kinds of stakeholder on a range of supporting function and rules issues, PPSE adapted the blended package of support options by type of partner. For example:

- **Private Sector:** Focused on co-investment, business viability, scalability, and return on investment.
- **Public Sector / Municipalities:** Ensured interventions aligned with broader sector strategies and avoided duplication with public funding.
- **CSOs and Minority Organizations:** Focused on social inclusion and employment outcomes, ensuring interventions were economically viable and not purely welfare-based.

Reflecting on experience from the perspective of partners three strong themes have clearly emerged:

The value of facilitation that PPSE's team itself brings to the partnership

The value of PPSE as a market facilitator. Every partner consulted was at pains to emphasise the role of the PPSE team in providing strategic advice, ongoing business-related coaching, and helping to reflect on what they are seeing in their business and what they could do differently (or better). For government partners, each interviewee highlighted how PPSE support had helped to overcome critical planning and capacity constraints.

How engaging with PPSE exposes partners to new ideas, ways of working and opportunities that they had not considered before

Exposure to new ideas and ways of working. The majority of partners emphasised how exposure to new ideas, experiences, business models and product offers had helped them to refine, adjust and update their own plans and what they were planning to invest in. Whilst, more often than not, the business consulted had an idea of what they wanted to do, this was limited by not knowing what could be possible relative to what they had planned.

How the subsidy they do receive from PPSE, has served to de-risk their investment choice at a critical moment in time in their project development and accelerate what they wanted to do, often leading to unexpected (positive) spillover effects beyond initial plans.

De-risking and accelerating investment decisions. In most cases, PPSE support has served to enable partners to make choices that they would either not have made before or would have deferred to a later time. In accelerating when investments were made, this has often helped to crowd in and leverage the commitment of other resources. If the investments were spread out over a longer time, then wider opportunities to create spillover effects and copying opportunities would likely have been missed and the pace of change would have been much slower (e.g: Agrocelina Case Study example from the Strategic Review). Many of the partners consulted reported that they had ended up investing a lot more than they had originally planned to more effectively exploit the opportunity the partnership with PPSE had created.

Beyond these three themes, what also emerged was that **PPSE's facilitation role - and perceived value - went far beyond simply funding.** Facilitation involved investigating markets, identifying the right partners, structuring the right deals, and adapting strategies through deep, inclusive analysis. The PPSE approach required educating partners on finance, investment thinking, and cost-benefit analysis — something that many partners were unfamiliar with at the outset. A key lesson was that **demand-driven approaches worked well, while supply-driven initiatives struggled to gain traction.**

Reflecting on lessons from the perspective of the PPSE team itself the following themes have emerged.

Flexibility & Strategy Alignment

Success depended on being agile while keeping aligned to core sector strategies. As one colleague aptly put it in the workshop, "addressing constraints for change vision" became the guiding principle: flexibility was not about chasing every opportunity, but about systematically addressing constraints that stood in the way of realizing the bigger market vision. Another example of flexibility (and doing the right thing at the right time) was during the COVID-19 pandemic where the budget from the OF was allocated in Outcome 1 to support the sector in recovery.

"Grantpreneurship" and Strong Due Diligence

In Kosovo's post-conflict development landscape, heavy donor presence has been a vital force in rebuilding institutions, markets, and civil society. However, it also unintentionally created a dynamic where some SMEs adapted their strategies more toward securing donor funding than building sustainable businesses - falling into what can be described as a "grantpreneurship" trap. Aware of these dynamics, PPSE applied rigorous due diligence in partner selection, particularly in the food sector, where donor crowdedness was high. The team triangulated information carefully, consulting sector actors (especially sector associations) to verify whether SMEs had a credible business vision or were simply experimenting opportunistically to access grants. In both sectors, instinct, trust-building, and informal verification played a key role in filtering partners who demonstrated tangible commitment and a clear pathway to sustainable impact.

Co-financing

In Kosovo, it was common for SMEs to contribute only 10% to co-financing when working with donors. PPSE raised the bar, with partners contributing an average of 40–50%, helping to identify those with genuine ownership and commitment. This approach filtered out donor-dependent actors and attracted SMEs with clear business visions and a real appetite for growth. The higher co-investment not only increased sustainability but also reinforced financial discipline and strategic thinking, strengthening the long-term impact of interventions across the food sector.

4.2.2 Social Inclusion Fund

The objective of Social Inclusion Fund (SIF) **was to promote equity and inclusion of socially excluded minority communities and women**. The fund was designed to promote inclusion by partnering with private and public sector actors to finance initiatives that have high potential for growth in value chain activities and promote employment.

The SIF was a new instrument to support private sector employment creation for the minority communities and other socially excluded groups. In 2018, the project focused on Roma, Ashkali and Egyptian inclusion, and funded interventions identified by the Social Inclusion Fund and Minority facilitator together with the respective team. **SIF tested new and innovative ideas that offered opportunities for job creation among minorities and socially excluded groups**. The total budget of SIF for the four years of implementation was CHF 200,000, whereas CHF 60,000 was planned for the first year of implementation.

Intervention areas of SIF can be broadly defined as initiatives or activities that create and contribute to economic opportunities and support employment of minority communities and other socially excluded groups.

Social Inclusion Fund	Opportunity Fund
Reserved for initiatives led by and/or benefiting directly women and non-majority, including youth from these groups	Considers women and non-majority but also open to majority applicants whose action can benefit directly or indirectly women and/or non-majority including youth
Aims at supporting start-up, micro and small initiatives or business ventures, as these are usually the ones operated by women and/or non-majority groups, including 'youth'	Generally aims at medium to larger companies
Supports all relevant actors, including municipalities and their social inclusion initiatives	Tends to support individual operators and companies e.g. strength in size vs. numbers
Applicants sometimes wanting to enter a sector, aiming to become an operational actor in the system	Applicants usually already operating in a sector, aiming to grow and/or expand their operations in the system
Provides seed money or small grants, no contribution required although it is encouraged	Provides matching funds, with required financial contribution from applicants
Tends to disburse funds above 3,000 euro.	Tends to disburse larger sums above 10,000 euro

Key reflections of implementation experience of CIF from the perspective of the PPSE team include:

Social Inclusion Must Be Integrated Across Sectors, Not Isolated

Social inclusion efforts are most effective when mainstreamed into broader sector interventions, rather than treated as separate, standalone initiatives. Every project output (e.g., SME growth, production increase, service provision) should actively consider women and minority inclusion from the design phase onward.¹⁸

Different Groups Required Different Strategies

Roma, Ashkali, Egyptian communities: Needed stronger support through micro-business development, waste management initiatives, and entry-level agricultural activities. Women: Required assistance overcoming barriers to business ownership (e.g., access to collateral, training, child-care). Kosovo Serbs, Bosniaks, Turks: Needed market linkages and support overcoming linguistic, administrative, and infrastructural barriers.¹⁹

A demand-driven approach to social inclusion—where opportunities for marginalized groups are identified and integrated directly into sector interventions—is more impactful than relying solely on a supply-driven model like a separate fund.

Through implementation, it was understood that a project alone cannot change deep-rooted social norms; instead, it can create incentives and spaces within the market system for more inclusive participation. Mainstreaming inclusion into all interventions encourages staff to trigger systemic change where opportunities arise, rather than focusing narrowly on managing a budget. This leads to broader, more sustainable outcomes by embedding inclusion into the natural growth of sectors.

4.2.3 Senior Experts Corp

The Senior Expert Corp (SEC) has been active in Kosovo since 2001. Around 180 SEC assignments have been carried out to date. In more than half of these assignments, **SEC experts have advised companies and organisations from the food industry.**²⁰ For Kosovo, these sectors, along with agriculture, are particularly suitable for SEC assignments.

The customized expertise and insight provided by the retired **SEC experts has proven invaluable to the companies involved**, going far beyond what is normally available in the local market. The personalized attention and expertise have significantly improved these companies' **operations, innovation and overall competitiveness.**

¹⁸ Sweet Success – PPSE: <https://www.youtube.com/watch?v=FaNBzXbaFro>

¹⁹ Case Study - Gender Equality and Social Inclusion in Sustainable Development Practices

²⁰ Swiss cheesemaking expertise in Kosovo | Senior Expert Contact: https://www.youtube.com/watch?v=U11O_r3aiHg

Key reflections in the use of this instrument include:

Direct, Practical Expertise Was Highly Valued by SMEs

SMEs appreciated the hands-on, tailored advice that SEC experts provided, particularly in improving production processes, quality standards, business planning, and marketing, which offered specialized knowledge helping SMEs stand out in the market. Practical solutions, not theoretical training, made SEC assignments stand out.

Local Coordination and Relationship Building Were Crucial

The effectiveness of SEC in Kosovo depended heavily on strong local coordination. Having trusted SEC coordinators who personally scouted SMEs, understood their needs, and followed up after assignments increased impact and client satisfaction.

High Potential in Smaller, Growing Firms Rather than Large Enterprises

The greatest successes came from working with small and medium-sized businesses with strong motivation but limited resources, rather than larger firms, which often had access to other forms of support.

Sector Focus Helped Build Reputation

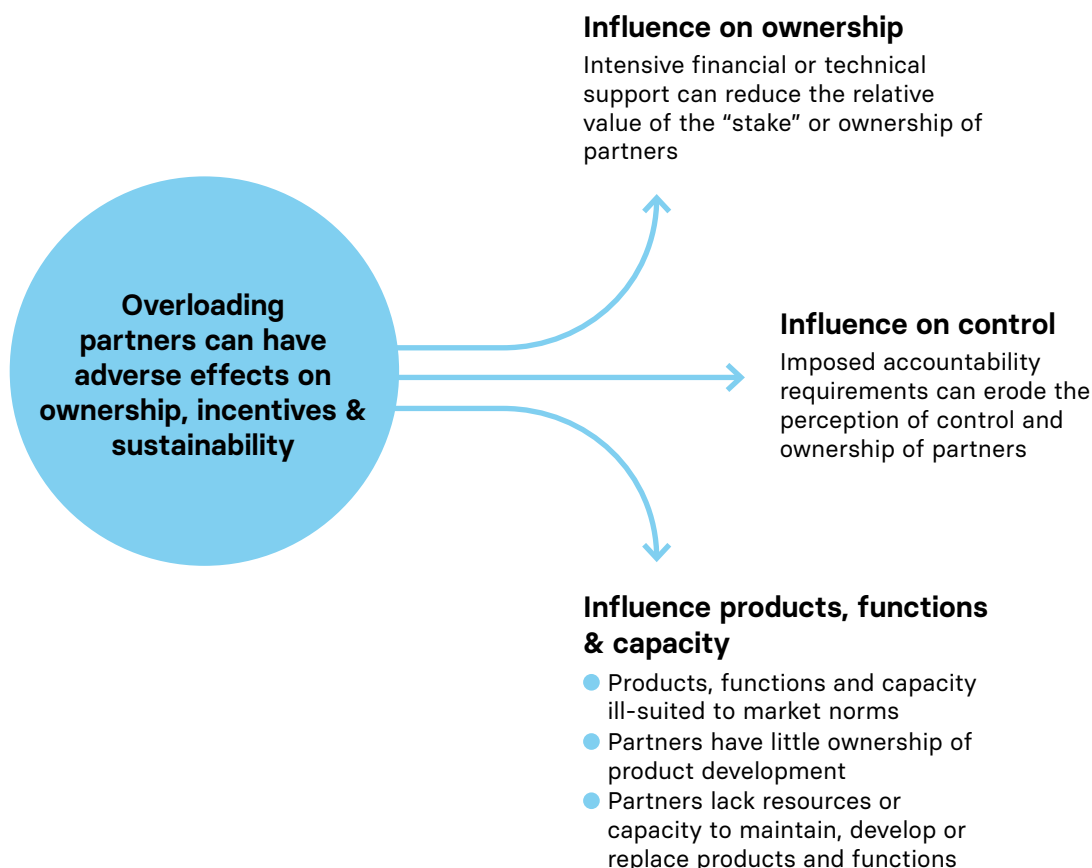
Working consistently in key sectors like food processing, hospitality, and manufacturing allowed SEC Kosovo to build a strong local reputation and trust among SMEs in these industries.

Sustainability of SEC Services Beyond Swisscontact

While SEC is well anchored within Swisscontact, its long-term sustainability depends on whether similar services emerge locally. In Kosovo, few alternatives exist, meaning SEC risks remaining a standalone service. To ensure lasting impact, future efforts should focus on anchoring SEC-like services within local organizations — such as business associations or consulting networks — that have a clear business interest in continuing the model. Monitoring the market and building local capacity are key to embedding expert support beyond Swisscontact's direct involvement.

4.3 Partners and Relationships

As confirmed above PPSE worked with a range of different types of organisations each with different sets of incentives and capacity considerations. Consistent with its market development objectives – of leverage and crowding in – PPSE was **acutely aware of the need to ‘right-size’ the support it offered to the situation of the partner**. As shown in the figure below overloading expectations and/or resources onto partners can negatively impact issues of ownership, control and scope of legitimate expression of partner organisations.



Key lessons learnt by PPSE in working with Public Institutions and Sector Associations in particular are reflected below.

4.3.1 PPSE's Approach to Working with Public Institutions

Throughout its implementation, PPSE project **maintained a principled and facilitative approach to working with public institutions at both central and local levels**. Rather than imposing external agendas, PPSE actively supported and aligned with the visions and strategic objectives of institutions such as the Ministry of Industry, Entrepreneurship and Trade (MIET), the Ministry of Agriculture (MAFRD), Ministry of Environment Spatial Planning and Infrastructure (MESPI), Kosovo Agency of Statistics (KAS), Kosovo Investment and Enterprise Support Agency (KIESA), municipalities, and sector associations. This approach recognized the importance of ownership, sustainability, and systemic change, ensuring that interventions were demand-driven rather than donor-driven.

PPSE was fully aware of the **risks of donor-dependency**, a common challenge in development cooperation—and took deliberate steps to avoid creating transactional relationships with public counterparts. Instead, the **project invested in building trust-based partnerships**, where technical support, strategic advice, and capacity-building were provided without fostering over-reliance. By positioning PPSE as a partner rather than a patron, PPSE enabled institutions to **retain agency over their processes** while benefiting from targeted expertise and facilitation.

PPSE was careful to maintain an appropriate **distance from public officials to preserve impartiality and avoid political capture**. PPSE's support often involved second-line facilitation: for example, assisting in the drafting of key policies such as the Concept Document for the Law on Cooperatives, Terms of Reference for the Digitalization of Advisory Services, Amendment of the Law on Advisory Services, and Administrative Instruction for Certification of Advisors.

In the food sector, collaboration with public entities focused on enhancing advisory services, certification mechanisms, and contract farming models in ways that outlast PPSE's direct involvement. Another **key principle was to adapt support based on institutional maturity**. Where public sector partners demonstrated readiness, PPSE took a lighter facilitation role; where capacity gaps existed, more intensive mentoring and technical assistance were provided, always with a clear exit strategy. Overall, PPSE's engagement with public institutions was **not about substituting their role but about strengthening it**.

A summary of key lessons from working with public institutions include:

Ownership and staff motivation are decisive

In Rahovec, a strong triangular cooperation model has emerged between local farmers, collection center Agrocelina, and the modern nursery Agro Kabashi 1970. Farmers receive subsidised inputs from the municipality, and, in turn, benefit from free technical advice through the local collection centre. This approach has fostered high levels of ownership among all parties, resulting in improved yields, stronger market linkages (contracted production), and increased trust along the value chain. Its success is prompting replication elsewhere, such as in Peja, where similar partnerships between producers, local authorities, and input suppliers are being developed to scale the model and extend its impact across the food sector.

Choice or Mandate?

In the food sector cooperation with government institutions was not mandatory because farmers had ownership of the land.

Be mindful of pay gaps and approach as equals

PPSE was always conscious of the difference between the aim to provide ownership to the local public officials, and their views on the cooperation, including any differences they may perceive on the role and compensations of international development staff compared to local public officials. To avoid any perceptions of arrogance, the team emphasized humility and partnership-building, working side-by-side with counterparts as equals and respecting their realities and constraints.

Navigating rapid political changes

Throughout its 12-year implementation, PPSE demonstrated remarkable resilience and adaptability amid Kosovo's highly unstable political environment, where no government until recently completed a full four-year term and cabinet tenures averaged just 240.9 days as of 2020—well below European standards. PPSE strategically cultivated trust not only at the ministerial level but critically among the civil servants and technical staff who remained in place across successive administrations. By building strong working relationships with these mid- and senior-level professionals—many of whom were central to shaping ministerial agendas—the project was consistently able to re-establish credibility and cooperation when new ministers took office. In several instances, incoming ministers explicitly stated their willingness to collaborate with Swiss-contact, underscoring how PPSE's institutional reputation and relational continuity functioned as an anchor of stability in a politically volatile system. This continuity ensured policy engagement, reform momentum, and sectoral support even during periods of transition, allowing PPSE to advance strategic interventions without being derailed by frequent changes in political leadership.

4.3.2 PPSE's Approach to Working with Sector Associations

PPSE's work with sector associations was grounded in the understanding **that many such organizations in Kosovo were donor-initiated, dependent on external funding, and often struggled with limited membership contributions.** From the outset, PPSE approached these partnerships with caution, aiming to avoid reinforcing donor dependency. Instead of acting as a simple source of funding, PPSE positioned itself as a long-term facilitator focused on catalysing sector transformation. The project's priority was **not to subsidize operations, but to support associations that demonstrated vision,** strategic orientation, and potential for sustained sector coordination and service provision.

PPSE first **invested in building its own reputation** - ensuring that sector associations saw it not as a donor that offered "easy money" but as a credible, demanding partner focused on impact. This **credibility** helped shift expectations and set a collaborative tone. The project entered partnerships only where associations showed initiative and readiness to lead—such as Organika in the MAP/NWFP sector or PePeKo in the food processing sector. In both cases, PPSE **supported them to evolve from passive recipients of funding to proactive providers of services** like organic certification, policy advocacy, data collection, and international promotion (fair participation).

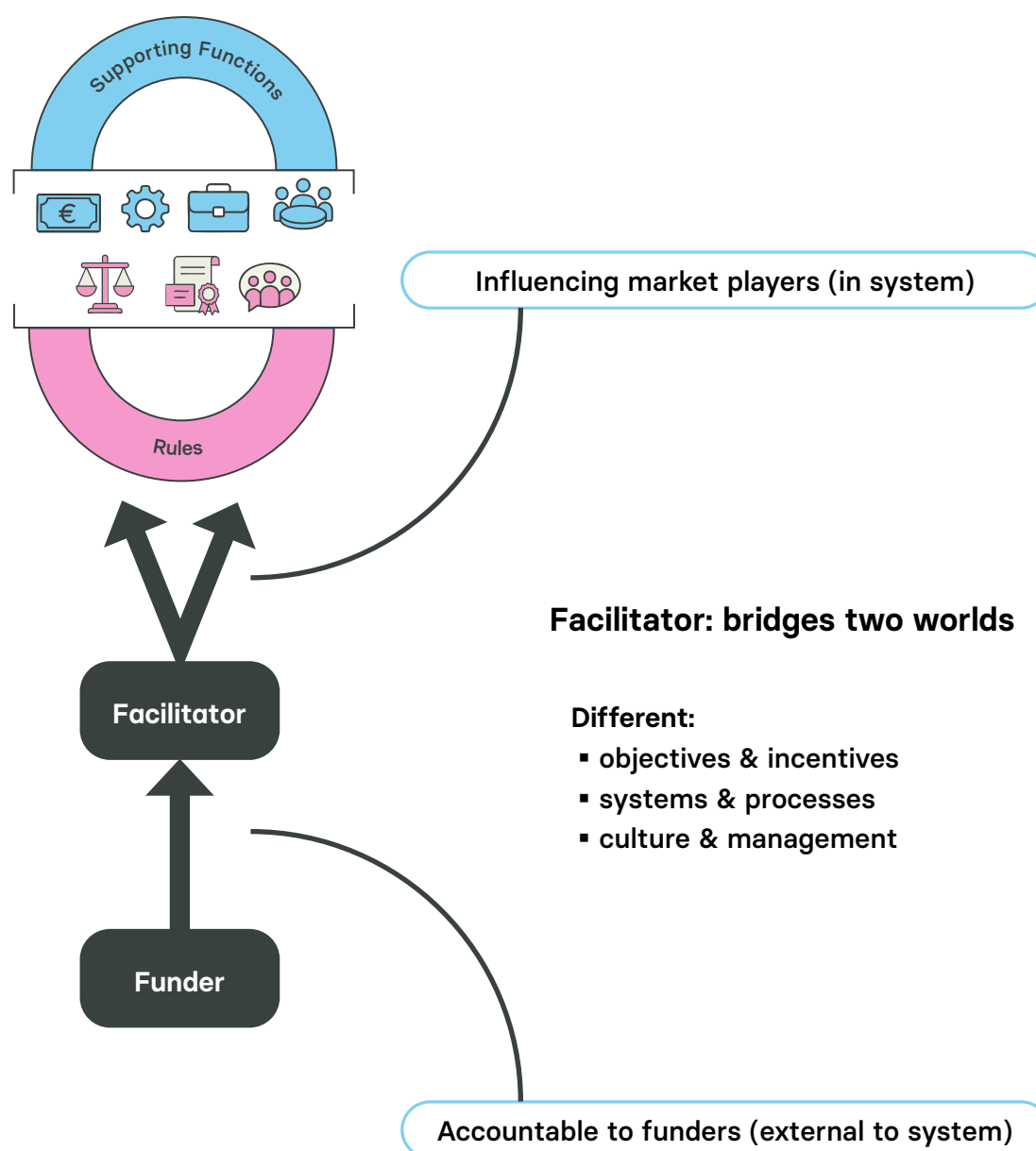
One key lesson was the importance of staying the course—especially in thin markets where there were no real alternatives to work with. For example, Organika, despite capacity gaps, played a transformative role in establishing Kosovo's presence in EU organic markets. Over six years, PPSE **co-invested to gradually reduce subsidies, while enabling Organika to build service delivery capacity,** strengthen governance, and diversify its revenue base. The project emphasized strategic support over operational dependency: for example, it helped Organika pilot certification in new sectors (e.g. beekeeping), but resisted expanding its scope prematurely before organizational sustainability was assured.

In the final phase of the project, PPSE shifted focus toward **supporting associations in developing sustainability and organizational growth plans.** This included practical guidance on how to diversify funding sources, improve member services, strengthen internal governance, and explore business models for long-term resilience. By doing so, PPSE aimed to leave behind not just **functioning associations,** but **capable institutions equipped to navigate a post-donor environment.**

4.4 Organisation and Management

As shown in the figure below working as a market facilitator means PPSE needs to be a 'bridge between two worlds'. This is full of potential challenge and compromise. It needs to work effectively and be accountable to its funders – in this case the Swiss Government. At the same time, it **needs to be able to work effectively, and be accountable to, market players** – partners and stakeholders from public and private sectors in Kosovo. Each has very different objectives and incentives, systems and processes and culture and management.

How PPSE responded to this challenge is framed and reflected upon below.



4.4.1 PPSE's Systems and Processes

From the outset, PPSE invested in **systems that enabled adaptation**. Initially, the project operated with more structured, hierarchical approval mechanisms and externally driven designs. Over time, these gave way to more **dynamic, iterative processes that emphasized learning, responsiveness, and local ownership**.

One early decision that shaped this evolution was the deep involvement of staff in market assessments, supported by continuous backstopping support and guidance by the Swisscontact senior trainers, especially in the first years of the project. Unlike typical development practice where international consultants diagnose and recommend, PPSE staff actively conducted inter-views, contributed insights, and pushed back on gaps in analysis. In fact, **during the food sector market assessment, staff contributions were so substantive that the international expert handed over the finalization of the report to the team**. This set a precedent: **PPSE staff were not passive recipients of recommendations but active co-creators from the start**. This also helped ensure that ownership over intervention logic was baked into implementation, not layered on afterward.

A particularly strong process was the strategic due diligence applied to partners. Especially in the food sector—where grant dependence was widespread - PPSE deliberately triangulated partners' readiness and seriousness. Staff were encouraged to "ask around," and the process **prioritized alignment with long-term vision over short-term interest in donor funding**.

The Monitoring and Results Measurement (MRM) **system within PPSE was built on a structured approach**, incorporating weekly team meetings and semi-annual sector reviews to channel performance and impact data into project and sector-level decision-making. According to the 2020 DCED audit²¹, the system was clearly defined and well-integrated into project management, with staff at all levels able to explain and apply MRM processes to adapt strategies and improve outcomes. Intervention plans included detailed results chains, projections, monitoring frameworks, and systemic change tracking using the AAER framework²².

The MRM function was adequately resourced, with dedicated human and financial support. A full-time MRM specialist led the system, coordinated impact assessments, and supported sector teams, with additional backstopping from Swisscontact's regional MRM advisor when needed. **Staff had received relevant training and had sufficient time and capacity to perform MRM-related tasks**. Roles and responsibilities were clearly articulated in job descriptions, ensuring alignment and accountability across the team.

Importantly, PPSE's MRM practices achieved a compliance score of 97% on 'must' and 94% on 'recommended' criteria in the DCED audit, reflecting the **robustness of the system and the project's strong culture of evidence-based learning**. The system enabled regular tracking of both intended and unintended effects, supported the disaggregation of gender-specific results, and informed real-time management decisions. Semi-annual sector reviews provided opportunities to revise results chains and intervention strategies, reinforcing PPSE's commitment to adaptive management and systemic change.

²¹ [Auditors' Report for PPSE Kosovo on compliance with the DCED Standard for Results Measurement](#)

²² [Adopt-Adapt-Expand-Respond: a framework for managing and measuring systemic change processes](#)

Key reflections from the PPSE team in respect of systems and processes needed as a market facilitator include:

Flexibility to events is critical

Initiatives sometimes resulted from the market dynamics and had to be reactive. With a long project duration, market dynamics had gone through several bigger changes and market shocks, such as Covid-19, or inflationary periods and uncertainties due to the war in Ukraine. The team acted flexibly and adapted to the changes, often reacting with a sense of urgency.

Responsive to the Kosovan Context

In Kosovo's context—where failure is often seen as unacceptable, PPSE stood out by embracing flexibility and using failure as a tool for learning. A clear example was the early attempt to set up a Destination Management Organization (DMO) through a top-down model. The team clearly learned a lot through this process, including political will and appetite at local level, and in terms of what works best when it comes to product development and destination management. This was replaced with a bottom up, demand led process of strategic planning with those municipalities demonstrating the most interest in the sector.

How much visibility is enough?

External visibility presented opportunities for stronger project visibility leverage moving forward. Swisscontact's culture of facilitative focused work that may be observed as "working without being seen" became a norm for behind-the-scenes facilitation. While this supported ownership by local actors, it was not the intention of PPSE to position staff as thought leaders to influence broader development narratives—particularly through media or public speaking, to avoid positioning the project team as direct market actors, but this could have contributed to increased visibility on the PPSE work. The primary objective of the PPSE work was on the systemic sustainability of sector changes, rather than on the visibility of PPSE work.

Strategic communication is an asset

More structured external communications and MEL learning moments could have enabled the project to showcase its strategic thinking more proactively, to further influence scale of changes that were supported, but the project's focus was to deliver high quality facilitation and only promote strategic visions after they were piloted and proved to have potential for scale and success.

Purposeful monitoring

Striking the right balance between attribution and contribution in MRM: Perfecting the MRM system requires moving beyond a narrow focus on quantifying precise attribution. While credible data is essential, overemphasizing numerical accuracy can risk obscuring the broader picture. Equally important is cultivating honest, reflective conversations about the changes observed—what has shifted, what has driven these shifts, and how the program may have contributed. This perspective opens space for exploring complementary approaches that capture complex patterns of change, such as Outcome Harvesting, which may offer useful insights for other MSD programs seeking to understand their influence beyond what is typically captured in logframes.

4.4.2 PPSE's Organisation and Management

PPSE's **internal management culture was a defining feature** - and a key reason for its stability and staff retention. The team fostered a professional but warm environment rooted in **mutual respect, openness, and learning**.

A flat structure emerged over time. In early phases, management was more hierarchical, with heavy oversight. But by Phase II, the leadership team had intentionally shifted toward a flatter model, with engaging leadership of shared decision-making. **Staff were given ownership over their portfolios, encouraged to shape and revise interventions, and trusted to manage partnerships end-to-end.** This shift was not only managerial - it was cultural. In a context like Kosovo, where hierarchical leadership is the norm even in NGOs, this level of trust and autonomy was rare. It enabled the team to operate with vision, creativity, and personal investment.

Colleagues also emphasized the importance of a clear boundary between the personal and professional. This helped foster open, constructive debates without interpersonal tension. The management style - anchored in an open-door approach - allowed for frequent informal problem-solving and mentoring. **Anyone could walk in and challenge an idea, seek input, or raise concerns.**

And yet, even this positive culture came with a caution:

- One team member noted that the internal culture was "almost too good," referring to decent work benefits, **open management, and collegiality**. While these were valuable, they may have inadvertently created a comfort zone. As the project neared its end, there was a need to remind staff that such work cultures are not the norm elsewhere—and that adaptability to other organizational environments is critical for future growth.
- Teams specialised and professionalised in the sectors and areas that they worked. Critical discussion across teams were exercised in weekly meetings - however, looking back, **strengthening and cultivating critical discussions**, e.g., through rotation of sector teams, to nurture cross-sectoral knowledge and more critical dialogue and internal debates on strategic direction - can make the challenge function more robust.
- Promotion pathways, while merit-based, were not always timely due to low turnover and budget constraints. PPSE **structure gradually evolved across phases, with more senior leadership roles being introduced** in the structure (evolution to project director and project manager roles, as well as sector leaders). In addition, in the last phase, internal succession created room for career advancement of the project team (e.g. when the Swisscontact Kosovo Director transitioned, few PPSE staff were promoted to fill strategic leadership roles: Country Director, Project Manager, Sector Lead). Regional and international promotion opportunities were based on opportunities arising, also due to the limited functions in such structures, although the PPSE communications specialist was promoted to the role of the Regional Communications Manager, as a shared role with the PPSE project. Staff were **encouraged and supported to participate in trainings relevant to their professional function and future development themes**, but due to the nature of project timelines, often had to define their own vision and self-navigate growth—though PPSE highly encouraged and highly supported these efforts when initiative was shown.

What held the system together—and **made it more than the sum of its parts**—was the developed culture of the team itself. PPSE attracted, retained, and developed a group of professionals who not only executed, but evolved.

The team entered with strong technical experience but gained systemic thinking skills over time. Multiple staff mentioned that **their most important growth was learning how to view problems through a market systems lens**—addressing root causes rather than symptoms and designing interventions that unlock change beyond direct implementation. **Skills in negotiation, facilitation, and deal-making**—rarely emphasized in traditional project delivery—became everyday competencies. The organisational structure supported this learning. The **low barriers between sectors and functions enabled cross-pollination of ideas**.



Key Forward-Looking Recommendations

Key Forward-Looking Recommendations

The food sector has undergone significant transformation over the past decade, moving from scattered, informal supply chains to increasingly structured and competitive markets. This progress, captured through sector data, analysis, and the experiences of key actors, provides a strong foundation for the future while also highlighting the challenges and opportunities that remain.

What emerges consistently from this evidence, and was further reinforced by the perspectives of farmers, processors, collection centers, associations, government representatives, academia, and development partners during the capitalization and knowledge-sharing process, is a shared commitment to ensuring that Kosovo's food sector continues to grow in a way that is competitive, innovative, and inclusive. Stakeholders agree that joint efforts will be essential in areas such as product innovation, market diversification, certification, financing, and skills development.

The recommendations that follow bring together insights from sector performance data, stakeholder experience, and analytical work, and were validated through the feedback and discussions at the convening panels and round-table discussions. They are not directives but rather an invitation to all stakeholders to engage in shaping the sector's next steps. By aligning efforts around these shared priorities, the sector can strengthen its foundations, seize new opportunities at home and abroad, and position Kosovo as a recognized source of quality and natural food products.

Product Development & Innovation

- **Diversify and innovate product offerings:** Stakeholders emphasized and validated the need to continue to develop new, creative products (including healthier options) and expand the variety of processed foods. Kosovo's food industry should continue to introduce more product types to meet market demand and reduce reliance on imports. This diversification will help the sector tap into emerging consumer preferences for quality and healthy foods and strengthen its market position.

- **Focus on import substitution opportunities:** It was suggested that the sector identify food products currently being imported which could be produced domestically, and collaborate on strategies to replace those imports with local products. By analyzing import trends and consumer needs, businesses and policymakers can pinpoint categories (e.g. certain processed foods) where Kosovo has the potential to supply its own market. Orienting production toward these opportunities, alongside existing export efforts, can both reduce trade gaps and stimulate local industry.
- **Leverage health and wellness trends:** Food sector stakeholders noted a growing consumer preference for healthier, “natural” food products, which is **reconfiguring demand** and **imposing innovation** on producers. Stakeholders are encouraged to collaborate on developing health-conscious product lines (e.g. organic) and to market Kosovo’s natural ingredient strengths. This trend is seen not as a threat but as an opportunity for the sector to innovate, become more competitive, and build a reputation for quality.

Quality Standards & Certification

- **Strengthen compliance with standards:** Improving product quality standards was a recurring theme during the capitalization process. To succeed in export markets, agricultural products need to be **standardized and graded** according to the requirements of target countries. Participants recounted past quality issues (e.g. inconsistent produce quality in export shipments) and stressed that robust quality control and adherence to standards are essential to maintain buyer trust. Going forward, stakeholders should work together on certification, training, and enforcement mechanisms that ensure Kosovo’s food exports consistently meet international quality and safety benchmarks.
- **Expand certification uptake and services:** The progress made in organic certification and the importance of continuing this momentum was highlighted. Supporting more companies to obtain internationally recognized certifications (organic, HACCP, etc.) will open doors to higher-value export markets. This can be achieved through collaborative schemes – for example, cost-sharing programs that help firms with initial certification fees, as successfully piloted in partnership with Organika and others. At the same time, building local capacity for certification (such as establishing local accredited certification bodies or offices) ensures that services are accessible and tailored to Kosovo’s producers.
- **Align with EU regulations for competitiveness:** With Kosovo’s gradual approximation to the EU, the sector will need to **harmonize with EU food safety, environmental, and quality regulations**. Stakeholders acknowledged this as a “double-edged sword” – compliance will impose higher costs and stricter requirements, but it is also the path to long-term competitiveness. The recommendation is to start preparing now: work jointly on upgrading standards and practices to EU levels, seek technical assistance where needed, and use this process to improve efficiency. Embracing EU standards is seen as necessary for the sector to **match Western producers in competitiveness** and access EU markets on equal footing.

Export Competitiveness & Market Access

- **Pursue new export markets proactively:** Besides existing EU market links, it is important to untapped regions with high potential demand for Kosovo's food products. For example, the **Middle East and North Africa (MENA)** region (including parts of Africa) was cited as a growing market where Kosovo could expand exports. Participants shared experiences like attending the GulFood trade fair and noted the large and growing populations in countries such as Kenya, Somalia, and Ethiopia that present opportunities. It is recommended that industry associations and export promotion agencies collaborate to research these markets, establish contacts, and tailor products to regional tastes. Over the next decade, engaging these emerging markets could significantly boost Kosovo's export reach.
- **Leverage international trade fairs and promotion:** Kosovo's strategy of showcasing local companies at international fairs has been fruitful and should continue. Agencies like KIESA plan national pavilions in major European fairs and can extend this model globally based on industry interest. The recommendation is for businesses and associations to actively propose target markets/fairs, after which government and partners can allocate budget and organize participation. With sufficient notice, Kosovo can have a presence in new venues beyond Europe – introducing its food products to, say, Asian or Gulf markets – as long as the sector identifies where the **potential for our products** is high. This collaborative approach ensures export promotion efforts are demand-driven and cost-effective.
- **Adapt to evolving retail dynamics:** As the domestic retail landscape shifts toward large supermarket chains (and traditional small shops diminish), producers must adjust their market strategies. Participants noted that **supermarket chains** now dominate much of the retail grocery market. To stay competitive, Kosovo's food processors should work to-gether to meet the volume, consistency, and standards these chains require. This might include developing **private label** products for regional supermarkets – an opportunity that is already emerging. Businesses were **urged not to overlook producing under retailers' own brands**, as demand for private-label manufacturing is rising and can be a lucrative niche. By coordinating to improve supply chain reliability and negotiating as groups where possible, producers can secure better access to supermarket shelves and ensure their products reach end consumers.
- **Reinforce export readiness and resilience:** Improving the sector's overall competitiveness was a forward-looking priority. Discussions revealed that some advantages Kosovo's ex-ports enjoyed (e.g. very low labor costs) are diminishing, and new regulatory pressures (energy standards, environmental compliance) are on the horizon. Therefore, the sector should invest in **productivity and efficiency gains**, through technology, skills, and scale, to maintain price competitiveness abroad. At the same time, participants saw merit in not relying solely on exports: balancing export growth with a stronger domestic market presence will make companies more resilient to external shocks. In practice, this means continuing to **promote exports** while also seizing local market opportunities (as mentioned under import substitution). With a dual focus, Kosovo's food businesses can remain agile and profitable even as global conditions change.

Sector Coordination & Partnerships

● **Replicate successful collaborative models:** One clear message is that **partnership and coordination are key to sector success**. Stakeholders celebrated the “contracted production” model, where farmers, collection centers, input suppliers, modern nurseries, and processors enter agreements, as a prime example of effective collaboration. This model has transformed previously uncertain supply chains into a system that offers security, quality, and efficiency for all parties. Going forward, stakeholders are encouraged to replicate and expand such models. Both private and public actors can play a role: private firms can adopt contract-farming practices, and the government can support them through policies and co-investments.

● **Empower producer organizations and cooperatives:** To strengthen farmers’ position in the value chain, the formation of **producer groups that manage collection centers** is highly encouraged. Currently, only a couple of collection centers in Kosovo are truly farmer-managed, but these were highlighted as a best-case scenario. When producers collectively own or govern the collection process, they can negotiate prices jointly and ensure fairer terms – rather than depending on processor-owned centers setting “take-it-or-leave-it” prices. The MAFRD plans to **finance initiatives led by producer groups**, since these give farmers a greater voice and align production planning with market needs. Such initiatives, supported by law and policy, should be accelerated. By organizing into cooperatives or associations, farmers can achieve economies of scale, improve bargaining power, and better integrate into supply chains.

● **Continue public-private collaboration:** Much progress in the food sector has been driven by close cooperation among businesses, government institutions, donor projects, and associations. To continue this positive trajectory, stakeholders should maintain and deepen these partnerships. This includes co-creating supportive policies (e.g. investment grants, advisory services) and sharing data and knowledge across sectors. For instance, many recent developments were **accompanied by institutional support** – ministries and municipalities drafting better laws, strategies, and funding schemes in response to private sector needs. Likewise, sector associations (like PePeKo, Organika, Mjedra e Kosovës) have been offering more services and advocacy as partners in development. By institutionalizing regular coordination (through forums, working groups, etc.), the sector can respond to challenges in a unified way. Overcoming future challenges will require all actors working (with each other), building on the collaboration that has taken root over the past decade.

● **Maximize internal sector synergy:** Another forward-looking recommendation is to address fragmentation within the food sector. Despite improvements, stakeholders feel the sector is still somewhat disjointed, which prevents it from reaching its full potential. To **maximize the synergistic effect** among all players, better networking and communication channels are needed. This could involve creating platforms where farmers, processors, input suppliers, academia, and policymakers regularly exchange ideas and align their efforts. A more cohesive sector will be able to present a united front when advocating for support, and it will ensure that interventions in one part of the value chain benefit all. In short, by improving horizontal and vertical coordination – essentially, everyone pulling in the same direction – Kosovo’s food sector can achieve more than the sum of its parts.

Finance & Support Policies

- **Reform and focus support programs:** Both private and public stakeholders called for a strategic rethinking of agricultural grants and subsidies to increase their effectiveness. It was noted that over the past decade, **substantial funds (e.g. €700 million)** were spent on rural development programs without commensurate impact on reducing imports. This points to a need for restructuring these schemes. The recommendation is to **reformat the grants/subsidy model** – revisiting the criteria, targeting, and monitoring processes. By directing support to genuine, committed farmers and agribusinesses (and avoiding “artificial conditions” where non-active persons benefit), public funds can yield better results. In practice, this might entail tighter eligibility criteria (focusing on active producers), performance-based incentives, and improved oversight to ensure funds drive productivity and import substitution – not just short-term gains.
- **Implement smart market-support measures:** Another policy recommendation is to introduce **market support instruments** that can stabilize key agricultural markets, but to do so carefully. Examples discussed include price support or procurement programs for milk, fruits, and vegetables to ensure farmers have a reliable outlet. However, both local and international experiences show that such measures must be designed to avoid unintended consequences. Over-subsidizing can lead to overproduction and market glut (as happened in the EU dairy sector, where milk was dumped due to lack of buyers). Thus, any new market-support scheme should be evidence-based and time-bound, introduced in concert with other reforms. By **taking a multi-dimensional approach** – considering production, processing, and market demand – policymakers can fine-tune interventions so that they truly help farmers (for instance, guaranteeing a minimum price or buying up surplus in bad years) without permanently distorting the market.
- **Invest in innovation and modernization:** The convening showcased several high-impact investments (often co-financed by donors, government, and firms) that have modernized the sector – from **state-of-the-art nurseries** to new processing technologies. Continuing to finance such innovations is a top recommendation. Modern seedling nurseries, for example, were cited as a **turning point** in advancing agricultural practices by providing quality inputs and latest technology. Similar support for mechanization, irrigation, digital farming tools, and storage infrastructure will significantly raise productivity and quality. The message is that all stakeholders should contribute: government can offer grants or loans for innovation, businesses can co-invest and adopt new tech, and projects can provide technical expertise. These efforts not only improve competitiveness but also make the sector more sustainable (one example given was that new nurseries are environmentally friendly, aligning with green practices). By **prioritizing financing for innovation**, Kosovo will ensure its food sector keeps pace with global advancements.
- **Safeguard agricultural land and resources:** A fundamental concern raised was the rapid loss of agricultural land to non-agricultural uses. Stakeholders urged that protecting **farm land from urbanization** become a policy priority. If current trends continue, Kosovo risks significantly shrinking its agricultural base, leading to even higher food imports and a scenario where local processors must rely on imported raw materials. To prevent this, stakeholders (government, municipalities, civil society) should collaborate on enforcing land-use regulations that preserve prime agricultural zones. This could include stricter zoning laws, incentives for keeping land in production, and public awareness campaigns about the value of local farms. Preserving the “resource base” of the sector, agriculture land, clean water, biodiversity, is critical for long-term food security and for the success of

any other investments in the food sector. In short, **sustainable land management** is viewed as a collective responsibility and a precondition for the sector's future growth.

- **Regulatory and Policy Frameworks for sustainable agriculture:** Kosovo's regulatory framework for agriculture is gradually aligning with EU standards, but significant gaps remain, particularly in areas related to **environmental protection, water management, and sustainable land use**. Even though the Agriculture and Rural Development Strategy (ARDS) 2022-2028 sets out ambitious goals for aligning Kosovo's agricultural policies with the EU's Common Agricultural Policy (CAP), there is a need for more stringent enforcement of existing regulations and the development of new policies that align with EU standards, particularly in **environmental protection, resource management and sustainability**.

Skills Development & Youth Engagement

- **Enhance workforce skills and training:** The discussions revealed a skills gap in the sector that needs to be addressed collaboratively. For instance, companies struggle to find specialized technicians (it was noted that there is a lack of training for **food laboratory technicians**, even though every food processor needs one). To fill such gaps, stakeholders should expand both formal and informal training opportunities. This might involve developing vocational programs in food technology, offering short-term courses on topics like quality control or farm management, and encouraging **on-farm and on-the-job training**. Active labor market measures, possibly with donor or government support, can target women and youth for upskilling, since these groups are underrepresented in the sector. By improving technical skills across the board, the sector will improve productivity and product quality.
- **Align education with industry needs:** Representatives from academia acknowledged the importance of continually updating curricula to match the evolving needs of the agro-food industry. The Faculty of Agriculture is already undergoing continuous improvement and offers programs across agro-production, agribusiness, food technology, and veterinary fields. It is recommended to strengthen these efforts by institutionalizing **industry-academia collaboration** in curriculum design. The faculty has an industry advisory board and is partnering with associations like PePeKo on regional projects to revamp curricula in line with economic development strategies. Building on this, regular consultation with agribusinesses can ensure that graduates acquire the competencies (practical and theoretical) that employers seek. This collaborative approach will produce a pipeline of skilled professionals, from agronomists and food scientists to farm managers, who can drive innovation in the sector.
- **Encourage youth participation in agribusiness:** An inclusive, forward-looking recommendation is to make the food sector more attractive to **young people**. The aging of the agricultural workforce was noted as a concern, and speakers suggested introducing **stimulus policies for youth** to engage in the sector. These could include entrepreneurship programs for agri-startups, scholarships for food studies, mentorship and internship initiatives, and public campaigns showcasing success stories of young agripreneurs. The tone of the event made clear that farming and food processing can be dynamic, modern careers – one panelist stressed that a young person entering this field could become *"një menaxher shumë i mirë dhe shumë i suksesshëm"* ("a very good and successful manager"), not just a traditional farmer. By jointly investing in youth, the sector ensures knowledge transfer and continued innovation across generations.

- **Foster stronger research and extension linkages:** Finally, bridging the gap between knowledge institutions and farming communities is key. The plans to establish an **applied research and advisory institute** within the university that would work more closely with farmers and food processors, has been proposed. Such an institute (or similar extension services) can be a platform for faculty and students to provide practical services, like lab analysis, product development advice, and on-site consultations, directly to businesses and farmer groups. Stakeholders are encouraged to support these initiatives, as they ensure that academic research addresses real-world problems and that farmers/processors have access to the latest innovations. In essence, creating channels for continuous knowledge exchange will help the sector adapt to challenges (like climate change or new pests) and adopt global best practices more rapidly.

Each of these recommendations was drawn and validated from **the convening's discussions** and is presented in a spirit of collaboration. Rather than prescribing one-size-fits-all solutions, all food sector stakeholders: farmers, businesses, associations, government, academia, and donors, were invited to engage in a coordinated effort. By working together on product innovation, standards, market expansion, coordination, supportive policies, and skills development, Kosovo's Food Sector can build on its successes and navigate the road ahead with confidence and unity.

Annex 1: Direct results of PPSE (Food Sector) in all 3 phases

Net additional
employment

2,096



Number of women
and men decently
employed

6,633



~35% Women

~10% Non-majority
communities

Additional
net income of
individuals and
self-employed:
CHF 7.5M



New farmers
included:

1,072



Hectares under
contracted
production

1,805



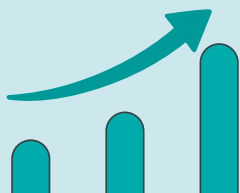
915

Small and
medium-sized
enterprises
(SMEs)
benefitted



Additional net
income of SMEs:

CHF 4M



Additional
investment for
new products/
services by SMEs:

CHF 6.2M



New and improved products/services
introduced by SMEs

463



