

Empowering Rural Economies in Agriculture – EREA Programme Kosovo

Annex 1: Result Framework Report – EREA

The programme's Monitoring and Results Measurement (MRM) system, designed in alignment with DCED standards, is a cornerstone for tracking progress and ensuring the delivery of intended outcomes. Tailor-made tools and templates have been developed for all partners, enabling efficient data collection, analysis, and reporting. The system integrates disaggregated data by gender, ethnicity, and other relevant factors, providing evidence-based insights into the programme's impact. Regular reviews of results chains ensure flexibility and responsiveness to evolving challenges in the field.

Key achievements during the reporting period (November 2023 – October 2024) include the successful implementation of contract farming and infrastructure investment for agricultural development, and the initiation of pilot projects showcasing climate-smart technologies, such as fog irrigation and heat exchangers, to improve resource efficiency. Innovative financing mechanisms like invoice factoring have been introduced, addressing the liquidity challenges faced by agribusinesses. Additionally, capacity-building programs tailored to the needs of farmers and agribusinesses have strengthened market linkages and production capabilities. EcoKosWomen (EKW)'s efforts in social inclusion and women's empowerment have facilitated systemic changes, ensuring that women and marginalized groups are integral participants in the programme's activities.

The report highlights EREA's first-year progress in fostering collaboration, building capacity, and addressing systemic challenges across Kosovo's agricultural value chains.

Overall Impact:

The EREA Programme's approach, which integrates capacity building, international engagement, and gender mainstreaming, has laid the groundwork for enhancing competitiveness of Kosovo's agribusiness sector. While the programme is still in its early stages, reported activities and initial results indicate tangible progress toward fostering more sustainable growth, improving incomes, and promoting gender inclusion. These efforts represent important steps in contributing to Kosovo's agricultural development and economic resilience.

Impact: Sustainable and inclusive income generation opportunities created in selected market systems of Kosovo

During its first year of implementation, EREA concentrated on foundational activities to guide future interventions. These efforts included comprehensive studies under each programme outcome, ensuring a data-driven and targeted approach to addressing systemic challenges in agriculture.

Advisory Services – A detailed assessment identified inefficiencies in agricultural advisory systems, such as limited coordination, gaps in service delivery, and challenges in reaching marginalized groups. The study proposed actionable recommendations to modernize advisory systems, improve farmer outreach, and foster public-private partnerships. This was also instrumental in laying the foundation for the baseline.

Gender and Social Inclusion – This study analyzed barriers to women's participation and social inclusion in agriculture. It highlighted systemic obstacles to access, decision-making, and market opportunities, offering a roadmap for interventions aimed at promoting equity and inclusivity.

Climate-Smart Agriculture – A feasibility study on climate-smart practices identified practical interventions to enhance resilience and sustainability in Kosovo's agricultural sector. Recommendations included introducing smart irrigation systems, integrating renewable energy, and adopting environmentally sustainable cultivation methods.

Direct Beneficiaries of the Programme

In its first year, EREA directly benefited 240 individuals through job creation, improved working conditions, enhanced sales, and access to market opportunities. These beneficiaries represent diverse groups, including farmers, agribusiness employees, and trainers across the targeted value chains.

Sector	Total Beneficiaries	Women	Men	ALB	Non-Majority
Berries	99	49	50	97	2
MAPs	38	23	15	37	1
Processing Fruits and Vegetables	103	46	57	103	0
Total	240	118	122	237	3 ¹

Table 1 Direct beneficiaries of the programme

A significant factor influencing the composition of beneficiaries was the programme's expansion into the municipalities of Peja and Podujeva, regions with substantial agricultural potential but limited representation of non-majority communities actively engaged in the sector. These areas, selected for their strategic value in advancing programme outcomes, inherently offer fewer opportunities to directly engage with non-majority groups due to demographic and agricultural participation patterns.

Despite this limitation, a promising step toward inclusivity was achieved with the formalization of a Serbian women-led initiative in the Peja municipality, creating a platform for future engagement of non-majority communities in the agricultural sector. This milestone underscores EREA's commitment to fostering opportunities for diverse groups, including marginalized and non-majority communities. In the second and third year, non-majority municipalities will be stronger in the focus.

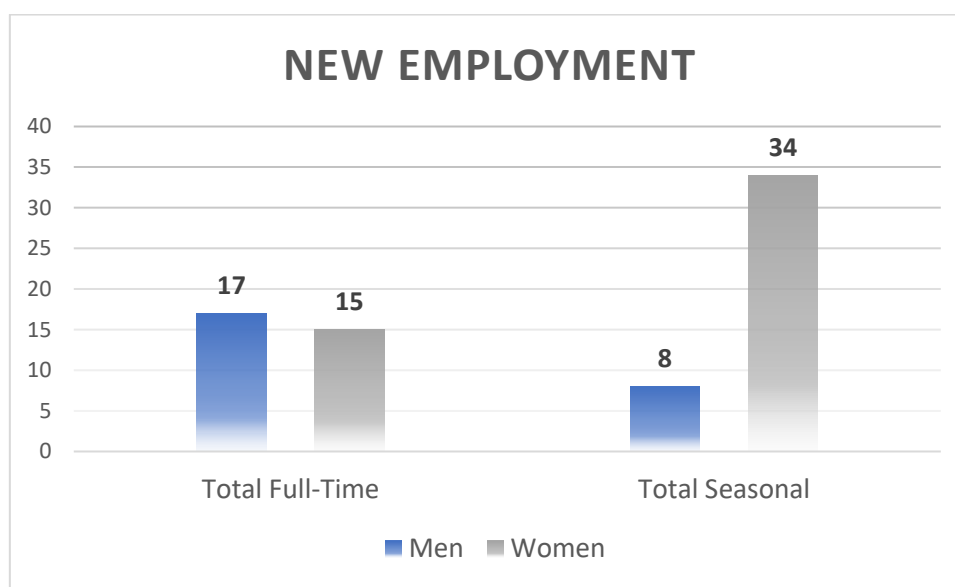
Planned activities include capacity-building programs, climate-smart initiatives, promotional events, and tailored support for women and non-majority community members. These initiatives aim to address systemic barriers while promoting inclusive growth and sustainability in Kosovo's agricultural sector.

¹ This shortfall reflects the programme's focus on Peja and Podujeva, regions with limited participation of non-majority groups in agriculture. In year 2 and year 3, the programme will work more in non-majority municipalities, therefore this share will increase. Despite this, a key step toward inclusivity was achieved with the formalization of a Serbian women-led initiative in Peja, creating a platform for future engagement. Moving forward, EREA will address this gap through targeted capacity-building programs, climate-smart initiatives, and promotional events, ensuring greater participation of non-majority communities and progress toward the programme's inclusivity goals.

The breakdown of beneficiaries includes:

1. **Newly Employed Individuals:** A portion of beneficiaries (74) gained formal employment opportunities across the berries, MAPs, and fruit and vegetable processing value chains. These new roles, created through partnerships with agribusinesses, have directly contributed to poverty reduction by providing stable incomes and improving the skills of the workforce.

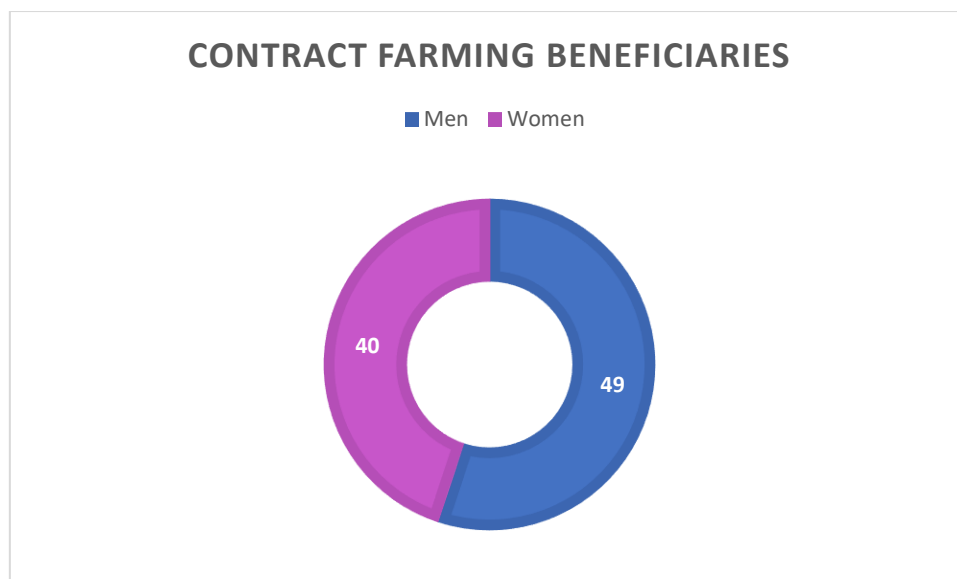
The chart below illustrates the full-time and seasonal employment distribution of newly employed individuals, highlighting the balance between women and men.



Graph 1 New jobs generated through employment

2. **Self-Employment:** The contract farming model has provided a pathway to self-employment for 89 farmers, offering them access to structured markets, technical support, and secure income streams. Through these agreements, farmers could better align their production with market demands, ensuring stability and growth in their operations.

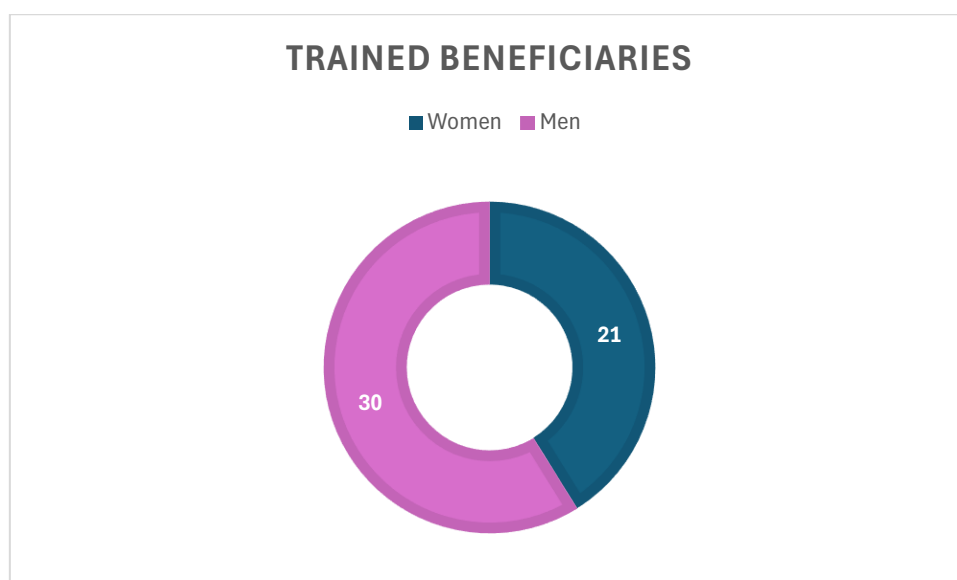
This category predominantly benefited participants in the berries and fruit and vegetable processing value chains, where contract farming plays a critical role in connecting small-scale farmers with agribusinesses. The graph below showcases the gender distribution of self-employed individuals through this model.



Graph 2 Gender disaggregation of contract farming beneficiaries

3. **Trained Individuals:** Capacity-building initiatives have empowered 51 beneficiaries with the knowledge and skills required to succeed in the agricultural sector. While large-scale training sessions are planned for the subsequent years, initial efforts focused on key areas such as good agricultural practices, sustainable production methods, and compliance with market standards.

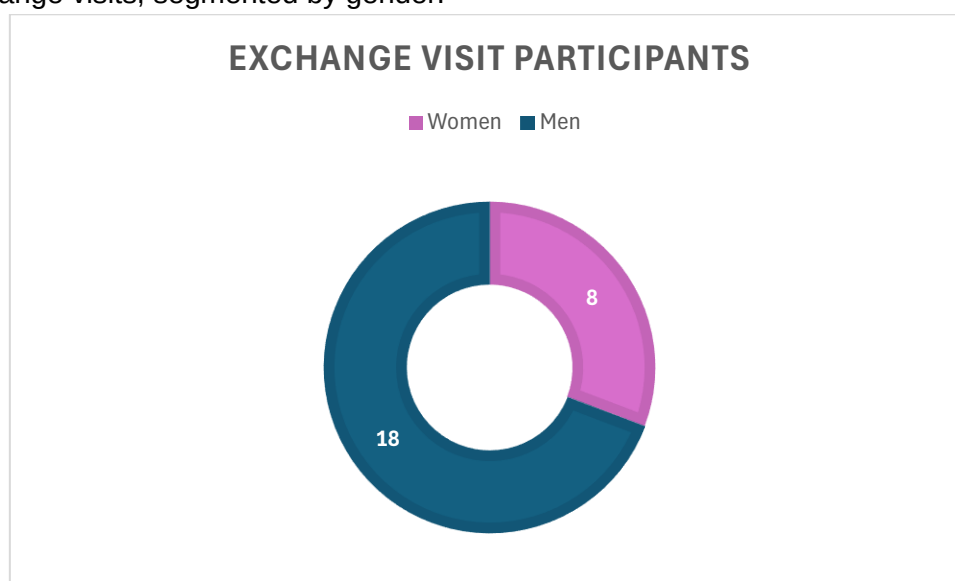
The training activities have targeted diverse groups, including farmers, agribusiness employees, and trainers, ensuring a ripple effect of knowledge transfer across the value chains. The graph below highlights the gender distribution of trained individuals.



Graph 1 Gender disaggregation of trained beneficiaries

4. **Exchange Visits and Fair Participations:** provided 26 beneficiaries with valuable exposure to advanced agricultural practices and market strategies. These visits

facilitated peer-to-peer learning and knowledge sharing, allowing participants to adopt innovative techniques and strengthen their networks within the agricultural community. The accompanying graph details the distribution of beneficiaries who participated in exchange visits, segmented by gender.



Graph 2 Gender disaggregation of exchange visits and fairs participants

In addition to these direct impacts, the programme has contributed to ongoing policy discussions aimed at improving the overall business environment. These efforts are instrumental in paving the way for creating an ecosystem that fosters sustainable and inclusive market systems.

For instance, agribusinesses have increasingly included a larger number of women farmers in their supply chains, recognizing their contribution to production growth. Additionally, our partner Organika has organized a study visit specifically for small women-led agribusinesses engaged in oil processing, addressing their needs and fostering peer learning. These examples highlight how the programme's commitment to inclusion has influenced partners, including agribusinesses and national associations, to adopt and implement similar practices. This ripple effect is crucial in ensuring that the programme's impact is not only sustained but also scaled up beyond its initial scope. In conclusion, the programme has begun to show positive impacts on individuals and communities involved in the targeted value chains. By addressing economic aspects, supporting policy dialogue, and promoting inclusive practices, the programme has taken important initial steps toward a more sustainable and equitable future in the agribusiness sector. The early results provide a promising foundation for further progress.

Indicator 1: Number of producers, employees, small and medium-scale agri-entrepreneurs who record positive change in annual income (of at least 10%); at least 50% women and 20% members of non-majority communities. (CACH SI 1.1) *

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	1,000 direct beneficiaries
Achievement (cumulative):	240 Direct Beneficiaries (49% women)
Comparison (e.g. in %):	24%

Outcome 1: Improved access to markets and resources for producers, workers/employees, and small and medium-scale agri-entrepreneurs (processors) in selected market systems

EREA has focused on strengthening the position of producers, agribusinesses, and market actors within selected systems by addressing systemic barriers and promoting sustainable economic growth. Building on the lessons from SIREC, EREA has implemented strategic interventions to enhance market linkages, improve production capacities, and introduce innovative financial solutions.

Study on Advisory Services for Rural Development: Recognizing the importance of effective advisory services, EREA conducted a comprehensive study to identify gaps in the agricultural extension system. The study highlighted challenges such as limited access to modern agricultural practices, inefficiencies in service delivery, and inadequate inclusion of marginalized groups. Based on its findings, the programme proposed models to enhance advisory services through public-private partnerships, better coordination, and the integration of digital tools to ensure farmers receive high-quality and inclusive support.

Innovative Access-to-Finance Solutions: EREA has worked closely with financial institutions and partners to address critical financing challenges faced by agribusinesses. The introduction of invoice factoring as an alternative financing solution has helped businesses improve liquidity and manage the cash flow effectively. Collaborations with the Kosovo Credit Guarantee Fund (KCGF) and local banks have further facilitated access to tailored financial products, enabling businesses to invest in infrastructure and scale their operations.

Infrastructure Investments for Market Growth: Targeted infrastructure investments have strengthened the capacities of agribusinesses to meet market demands. These included energy-efficient equipment, automated processing systems, and advanced storage facilities. Such improvements have enhanced productivity, reduced operational costs, and positioned businesses to compete in both local and international markets.

Contract Farming for Inclusive Economic Growth: Contract farming has continued to be a key approach under EREA, fostering stronger linkages between farmers and agribusinesses. The model has provided farmers with access to high-quality inputs, technical support, and assured

markets, resulting in increased incomes and production stability. A total of 89 farmers, including a significant proportion of women and non-majority community members, are now actively engaged in this model.

Key Achievements

- Successful implementation of invoice factoring, benefiting agribusiness liquidity and cash flow management.
- Knowledge transfer and infrastructure investments in nine agribusinesses, enhancing operational efficiency and reducing costs.
- A 30% increase in annual income for farmers engaged in contract farming, contributing to economic resilience.
- Completion of the study on advisory services, with actionable recommendations for systemic improvements.

Indicator 1: Number of producers and small and medium-scale agri-entrepreneurs that record an increase in yields/ productivity and sales. *at least 50% women and 20% members of non-majority communities.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	400 direct beneficiaries
Achievement (cumulative):	98 small and medium scale agri-entrepreneurs (41% women) (89 contract farming beneficiaries, 9 partner agribusinesses)
Comparison (e.g. in %):	24.5%

Indicator 2: Number of workers/employees with improvements in job quality. (CACH SI 1)* at least 50% women and 20% members of non-majority communities.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	200 direct beneficiaries
Achievement (cumulative):	74 new jobs created (66% women) (32 full-time jobs, 42 seasonal)
Comparison (e.g. in %):	37%

Indicator 3: Number of businesses that meet food and quality standards (e.g. HACCP, ISO, Global GAP or other quality and food safety standards.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	15 Agribusinesses
Achievement (cumulative):	2 Agribusiness (AMG and Natyral Fruits) 5 farmers received the Global GAP certification
Comparison (e.g. in %):	13.3%

Output 1.1: New and/or improved services introduced in selected market systems

Agricultural extension services are essential for improving productivity, promoting sustainable practices, and supporting rural livelihoods. However, in Kosovo, these services face several challenges, including fragmented delivery, limited access to modern techniques, and insufficient training for both farmers and advisors. To address these issues, EREA commissioned a study, implemented by ARPA (Annex 7), to identify challenges and to develop practical solutions for strengthening advisory services, fostering trust between farmers and institutions, and promoting inclusive growth.

The study identified three main challenges limiting the effectiveness of advisory services:

1. Limited access to modern agricultural practices: Farmers struggle with outdated methods and lack exposure to new technologies, leading to low productivity.
2. Inefficiencies and fragmentation in the advisory system: Municipal advisors are overburdened with administrative tasks, and poor coordination between public and private advisory providers has further weakened service delivery.
3. Inadequate capacity building and limited inclusion of marginalized groups: Extension workers often lack the specialized skills to meet evolving agricultural needs, and women and youth face barriers to accessing advisory services.

The study proposed two distinct models for improving Kosovo's agricultural advisory services, each offering a unique approach to addressing challenges in delivery and sustainability.

The first model focuses on small-scale implementation through national associations such as Organika, Pepekko and Mjedra e Kosovës (MeK) and agricultural farmers' cooperatives. This approach emphasizes close collaboration between municipal advisors and private sector experts working within these associations and cooperatives. The idea is to deliver more localized services tailored to specific crops and regions. However, the model's success would depend heavily on continued external funding, as many of the associations and cooperatives currently lack the financial resources and capacity to operate independently. This raises concerns about its long-term sustainability, limiting its potential impact without sustained donor support.

In contrast, the second model offers a nationwide framework designed for long-term sustainability and better alignment with Kosovo's agricultural strategy for 2023-2027. It promotes public-private partnerships, with municipal advisors focusing solely on advisory work and private sector experts providing specialized services through cost-sharing agreements. This model integrates digital platforms for real-time communication and demonstration plots for hands-on learning, ensuring farmers have access to both practical advice and modern tools. Additionally, it prioritizes capacity building for extension officers and promotes inclusive advisory services targeting women and youth, ensuring marginalized groups are not left behind.

Given its scalability, sustainability, and alignment with national goals, the study recommends Model 2 as the more viable solution for transforming Kosovo's agricultural advisory system.

In addition to enhancing agricultural extension services, EREA has partnered with Melita & Partners to improve access to finance for farmers and agribusinesses in Kosovo, focusing on bridging gaps between financial institutions and agricultural businesses. The process involved extensive engagement with both supply-side actors (banks, microfinance institutions, and guarantee funds) and demand-side actors (agribusinesses and farmers) to identify key barriers, foster partnerships, and develop tailored interventions.

The engagement with financial institutions revealed several challenges to agricultural lending. Banks remain cautious, perceiving agriculture as high-risk due to factors such as limited financial literacy among agribusinesses, inadequate record-keeping, difficulties in meeting collateral requirements, and high transaction costs when working with remote rural businesses. Some financial institutions, including BKT, TEB, and ProCredit, have taken steps towards developing dedicated agricultural lending services. However, lending to agriculture remains below 4% of total portfolios, reflecting a disconnect between financial products and sector needs. Microfinance institutions (MFIs) offer alternatives for smaller agribusinesses, but high-interest rates (averaging 20%) make these loans less accessible.

To mitigate these risks, partnerships were initiated with the Kosovo Credit Guarantee Fund (KCGF), which provides credit guarantees to reduce lenders' risks. New collaborations were also explored with Pribank (establishing an agricultural lending unit) and ZVILO, which offers invoice factoring services as an alternative financing option. These partnerships aim to diversify financing solutions for agribusinesses, improve cash flow, and reduce reliance on conventional loans.

On the demand side, many agribusinesses rely on manual financial management practices, using paper records or Excel spreadsheets, with limited understanding of more advanced accounting systems. Businesses expressed interest in improving their financial management through digital tools and accounting software to enhance their operational efficiency. Some agribusinesses, such as Kemi Fruits and Extra Fruit Fillings, highlighted the need for better cash flow management, particularly through invoice factoring, to address seasonal working capital needs. Others, like Bio365 and 99 Lule, acknowledged challenges in separating personal and business finances and expressed a need for training on financial literacy and planning.

Through ongoing discussions, six agribusinesses formally committed to participating in the intervention. These businesses will benefit from tailored training on financial management and accounting software, with a focus on practical implementation. For example, QuickBooks will be introduced to streamline operations and improve financial transparency. Training materials

have been developed based on specific business needs, ensuring a hands-on approach that enables participants to integrate the knowledge into their daily routines effectively.

The intervention also emphasizes systematic change, with businesses transitioning from manual processes to digital systems. Young family members are becoming more involved in business operations, signalling a shift towards sustainable financial management practices. Some companies, like Grasep SHPK, are already testing new markets and scaling operations, further demonstrating the program's potential to foster long-term growth.

This component's success lies in combining financial literacy efforts with practical tools that align with the needs of both agribusinesses and financial providers. The collaboration between market actors, the adoption of innovative financing solutions like invoice factoring, and the focus on capacity building reflect the program's commitment to empowering Kosovo's agricultural sector.

The next step of this intervention will focus on training delivery, software implementation, and continuous monitoring to ensure these businesses adopt sustainable practices. This approach will enhance their ability to access finance, reduce financial risks, and build stronger relationships with financial institutions, creating a more resilient and inclusive agricultural finance ecosystem in Kosovo.

To complement these efforts, EREA also focuses on catalyzing business growth by strategically connecting local businesses with potential buyers through participation in trade fairs, sales missions, and the development of B2B platforms, thereby enhancing market access, fostering competitive positioning, and driving sustainable economic linkages on both local and international scales.

National associations (NAs) have played a key role in organizing these activities, ensuring alignment with the needs of agribusinesses and facilitating meaningful engagement with potential buyers and partners.

A major component of these efforts involves participation in international trade fairs, exhibitions, and study visits. Each mission was carefully planned based on the unique needs and challenges of Kosovo's agribusinesses, focusing on market trends, production innovations, and business opportunities in key markets. Through these activities, businesses have enhanced their visibility, established strategic partnerships, and gained practical insights to improve product quality and competitiveness.

Romania: Building Export Synergies in the NWFP Sector

As part of EREA, ORGANIKA, in collaboration with FiBL, organized a study visit to Romania to explore collaboration opportunities in the NWFP, Berries and MAPs sectors. Representatives from five Kosovo agribusinesses participated, gaining insights into cultivation practices, market trends, and infrastructure utilization. Key learnings included the potential to expand into cultivated blueberries and the importance of collaborating with Romanian companies to meet EU market demands. Notably, Agroflorentina initiated blueberry exports to Germany following the visit, demonstrating improved infrastructure utilization. Discussions with Romanian partners highlighted mutual challenges, such as workforce shortages, and emphasized the value of processing diverse products to extend infrastructure use. Future collaboration agreements were established, with Fungo engaging Romanian mushroom processors for product exchanges.

Albania: Empowering Women Entrepreneurs in Essential Oil Production

A dedicated study visit to Albania focused on enhancing the knowledge of seven women entrepreneurs in essential oil production, reflecting EREA's commitment to empowering women business owners. Participants learned from certified Albanian producers, gaining practical insights into cultivation and extraction processes. The exchange visit provided a hands-on learning experience, fostering connections between participants and Albanian suppliers, laying the groundwork for future collaborations. The initiative successfully addressed the need for experiential learning and promoted inclusive participation, furthering the programme's objective to support women-led businesses.

Switzerland and Germany: Expanding Export Markets through Strategic Partnerships

PePeKo organized a study visit to Switzerland and Germany to address the export challenges faced by processing companies. Five local companies (2-women owned) engaged with potential buyers and gained essential knowledge about the legal, technical, and environmental requirements for entering the Swiss and German market. The companies were particularly interested in exploring new sales opportunities, and a follow-up visit by Swiss companies to three Kosovar companies has already taken place, marking a critical step toward long-term partnerships. While immediate contracts were not finalized, the groundwork for future cooperation has been laid, with participants expressing high satisfaction with the visit's organization and outcomes.

Italy: Strengthening Cooperatives through Learning from Best Practices

AgroDev led a visit to Trento and Bolzano in Italy, focusing on learning from successful cooperative models. Participants explored how Italian cooperatives manage decision-making, financial planning, and market linkages. The insights gained were valuable for improving trust-building, programmed cultivation, and governance among Kosovo's cooperatives.

The visit brought together 10 participants (2 from non-majority communities) with diverse expertise, including those involved in establishing cooperatives, policymakers who influenced cooperative laws and regulations, and practitioners actively collaborating with cooperatives. This diverse representation enriched discussions and ensured that the knowledge gained will have a broader impact on future cooperative initiatives in Kosovo. Participants were particularly impressed with V.I.P, an umbrella cooperative, and expressed satisfaction with the knowledge gained on sustainable cooperative management.

Spain: Exploring New Markets at the Fruit Attraction Fair

Participation in the Fruit Attraction Fair in Madrid provided a valuable platform for nine representatives of Kosovo's berry-producing companies, including one woman and two individuals from non-majority communities, to showcase their products to European buyers. The fair, renowned for its focus on the berry sector, aligned with Kosovo's strategic objective to strengthen market presence and boost export potential. Participants were well-prepared with brochures, distributing over 150 copies of a promotional booklet highlighting Kosovo's raspberry sector. The event facilitated the establishment of two potential partnerships with European buyers and provided participants with valuable insights into packaging, quality standards, and certification requirements for the EU market. While no immediate sales were reported, preliminary contracts with three companies are under negotiation, underscoring the fair's success in opening doors for future collaborations.

As part of its efforts to strengthen market connections for Kosovo's agribusinesses, EREA, in collaboration with AgroDev, engaged an IT company to develop an online platform aimed at promoting local producers in both domestic and international markets. The platform serves as a comprehensive showcase of companies operating across the three sectors targeted by EREA, providing a space for them to display their products, implemented standards, and production capacities.

The design phase of the platform has been successfully completed, with the IT company currently in the process of inputting company data. This involves detailed profiling of each participating business, highlighting their certifications, product offerings, and annual production potential, which will allow potential buyers to better understand the capacities and standards of Kosovo's producers.

The platform will serve as a key tool for connecting local producers with international buyers by providing transparent, accessible, and comprehensive information. It is expected to enhance visibility and open new market opportunities for Kosovo's agribusinesses by showcasing their alignment with global quality standards and production capabilities. Additionally, it will facilitate network-building between producers and potential buyers, aligning with the broader objectives of the EREA Programme to empower local economies and expand export markets.

Although the platform is still under development, it is on track to be launched by the end of the year. Once operational, it will become an essential component of the programme's strategy to promote sustainable growth, improve market access, and foster long-term partnerships for Kosovo's agricultural sector.

By enhancing extension services, expanding access to finance, and strengthening market linkages, the EREA Programme is empowering Kosovo's agribusinesses for sustainable growth. Through targeted trade fairs, strategic partnerships, and the new B2B platform, the program aims to position Kosovo's products competitively on the international stage, fostering long-term resilience and inclusive economic development across the sector.

Indicator 1: Number of new/improved service delivery models made available by market actors targeting producers and small and medium-scale agri-entrepreneurs, and the number of market actors offering such new/improved services.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	5 service delivery models / 10 market actors
Achievement (cumulative):	1 new service delivery model – Invoice Factoring 2 market actors – Extra Fruit Fillings and Zvillo Factoring
Comparison (e.g. in %):	20%

Output 1.2: Increased enterprise-level investment to upgrade production capacities in selected market systems

Improving infrastructure in agribusinesses is essential for boosting productivity, ensuring product quality, and enhancing market competitiveness. Investments in advanced storage, automated processing, and energy-efficient solutions help optimize operations, reduce post-harvest losses, and meet both export and local market standards. Modern infrastructure also promotes sustainable practices, lowers operational costs, and strengthens resilience to market and environmental challenges. These improvements drive rural economic growth, support agricultural value chains, and ensure long-term business sustainability.

Under this initiative, five agribusinesses from the municipalities of Peja and Podujeva were supported through targeted processing investments, focusing on key areas such as processing, packaging, irrigation, and energy solutions. The support aimed to modernize their facilities, enabling smoother operations, better product handling, and more reliable production processes. Investments included equipment that enhanced automation in packaging, ensured more effective sealing processes for food products, and introduced smart irrigation systems to improve water and nutrient management. Additionally, the installation of solar panels in some of the supported businesses addressed long-standing energy supply challenges and contributed to the reduction of operational costs.

The infrastructure improvements not only enhanced efficiency but also generated employment across the supported agribusinesses. With the introduction of new technologies, 74 new positions were created, including roles for machine operators, maintenance technicians, and staff managing irrigation and energy systems. Seasonal employment also increased, with 42 seasonal workers hired during peak production periods. Additionally, 66% of the new jobs were filled by women, promoting gender inclusion. Existing employees benefited from reskilling opportunities to manage upgraded systems, ensuring smoother operations. These employment outcomes contributed to local economic growth and strengthened the agribusinesses' capacity to meet market demands.

In addition to infrastructure improvements, EREA focused on strengthening relationships between farmers and agribusinesses through the implementation of the contract farming model.

Contract farming is an essential business model that fosters collaboration between farmers and agribusinesses, providing a structured framework to enhance production, reduce market risks, and ensure reliable income streams for producers. Through formal agreements, farmers gain access to high-quality inputs and technical support, while agribusinesses secure consistent supply, ensuring product quality and reducing uncertainties.

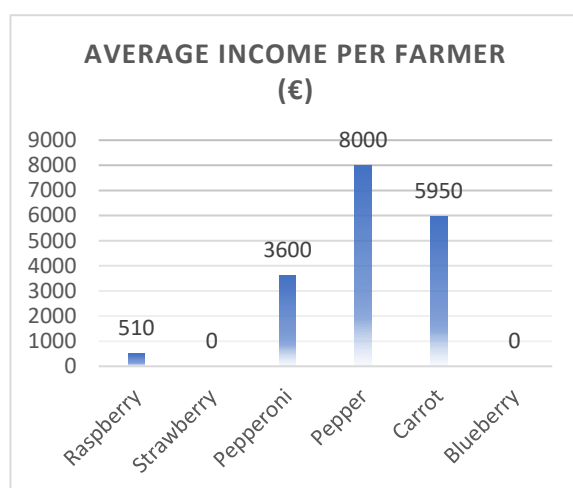
Under this initiative, the "Contract Farming" model was successfully implemented by partners of EREA. Eight agribusinesses from the municipalities of Peja and Podujeva benefited from the model, with two operating in Peja and six in Podujeva. Notably, four of these agribusinesses also received support through infrastructure investments, further enhancing their production capacities and operational efficiency. Agribusinesses selected farmers based on predefined criteria and provided them with tailored cultivation packages according to the specific crops. These packages included essential inputs such as seedlings or seeds, irrigation systems, organic fertilizers, and other necessary components. Once the packages were distributed, agribusinesses and farmers formalized agreements through contracts for the sale and purchase of the harvested products.

In total, 89 farmers, including 40 women and 49 men, participated in this initiative, cultivating various crops such as raspberries, blueberries, strawberries, peppers, pepperoni, and carrots.

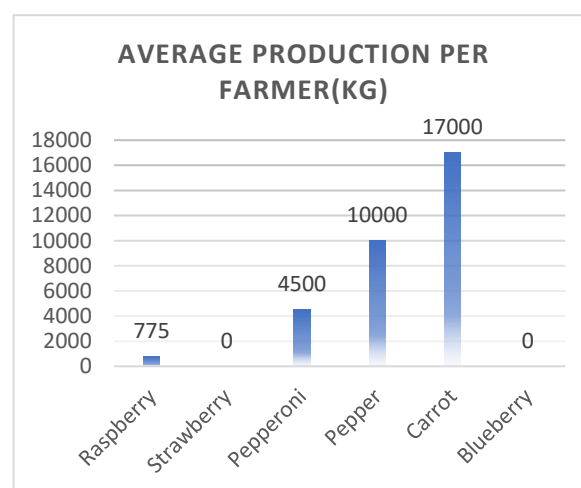
The farmers involved in this model are primarily self-employed, often working alongside family members. Many also hire seasonal workers during peak periods, particularly during harvest, contributing to the local labour market.

The initiative not only increased agricultural production but also generated significant income for the farmers. By leveraging improved practices and market linkages facilitated through this programme, farmers achieved higher yields per hectare and accessed better markets. The income generated from these activities has positively impacted household financial stability, enabling some farmers to reinvest in their operations, diversify their crop production, or improve their living conditions. The accompanying graphs (Graphs 5 and 6) provide insights into the average income and production per farmer, highlighting the economic benefits derived from this initiative.

Graph 5 shows the *average income per farmer* involved in contract farming, while **Graph 6** illustrates the *average production per farmer* under the programme.



Graph 5 Average Income per farmer involved in contract farming



Graph 6 Average production per farmers involved in contract farming

The income from Pepperoni, Pepper, and Carrot surpasses that of Strawberry, Raspberry, and Blueberry due to differences in their production cycles. Pepperoni, Pepper, and Carrot, as annual crops, complete their lifecycle within a single growing season, yielding substantial harvests and immediate income in the first year. In contrast, Strawberry, Raspberry, and Blueberry are perennial crops that require longer establishment periods, with minimal production during the initial year as energy is focused on root and plant development.

The programme has also extended its efforts to promote the contract farming model beyond its targeted sectors and municipalities, recognizing its potential to create sustainable linkages throughout the agricultural value chain. As part of this effort, the National Association MeK engaged a professional company to develop a comprehensive case study on contract farming in Kosovo. The study explores the key terminology, the importance of contracts for farmers and the positive impacts of the model. It highlights how contract farming ensures predictable incomes, stable markets, and sustainable collaboration between farmers and agribusinesses. The case study features successful models from companies like "EuroFruti" and "Red Gold,"

showcasing their strategies and outcomes. Additionally, PEPEKO developed a flyer explaining the principles of contract farming, offering implementation guidance and listing companies with proven success using the model.

These efforts aim to promote contract farming as a sustainable business model, encouraging more actors across the agricultural sector to adopt it for improved market stability and stronger partnerships.

Furthermore, EREA promoted compliance with quality and sustainability standards by supporting farmers and agribusinesses in obtaining key certifications, including ISO, HACCP, Global GAP, and organic standards. Through these efforts, national associations played a crucial role in helping market actors meet international standards, enabling better market access, increased competitiveness, and improved agricultural practices.

PePeKo facilitated the certification process for several agribusinesses. A key success was the external audit of Afrim Fazlija B.I. (N.T.P. AMG), where all non-conformities were resolved, and documentation completed. As a result, the agribusiness obtained ISO 22000 and HACCP certifications for food safety and production standards, covering products such as pickles, condiments, and sauces. Additionally, PePeKo has expanded its support to two other agribusinesses, R-Company and Terra Foods, which are currently in the process of pursuing certification and working to meet the necessary standards for completion.

MeK focused on facilitating the Global GAP standard for raspberry farmers to enhance sustainable agricultural practices. Following an open call and intensive training, five farmers successfully obtained Global GAP certification, while two are continuing efforts to meet the required standards. The certification opens new export opportunities, ensuring compliance with food safety and sustainability requirements.

Besides facilitating the Global GAP certification, MeK has supported the agribusiness Natyral Fruits in obtaining ISO 22000 certification, which will enhance their food safety management systems, improve market competitiveness, and open access to higher-value markets by meeting international standards.

Organika continued efforts to promote organic agriculture through its Internal Control System (ICS) in collaboration with FiBL and IADK. ICS supported the group certification of Cooperative Rrënza, with nine farmers, including six women, participating in the 2024 process. The ICS team conducted on-site inspections, monitored compliance and guided farmers through new EU organic regulations.

These efforts are ongoing, with many agribusinesses and farmers still in the process of acquiring certification, as they continue to work toward full compliance with quality and sustainability standards.

These initiatives demonstrate the project's commitment to building capacity, promoting sustainable practices, and fostering compliance with international standards, ensuring Kosovo's agricultural sector remains competitive and aligned with global markets.

Indicator 1: Number of partnerships with market actors (both producer groups, cooperatives & other businesses) that involve co-investment in improving production capacities.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	10 Partnerships
Achievement (cumulative):	9 Agribusinesses (<i>1 extension and infrastructure, 5 extension, infrastructure & contract farming, 3 extension and contact farming</i>) 3 Women Initiatives
Comparison (e.g. in %):	120%

Output 1.3: Improved agricultural policy and business-enabling environment in selected market systems

Effective policy advocacy is essential for creating a sustainable agricultural sector and a business-enabling environment that supports growth and resilience. To advance this goal, EREA implemented the Advocacy and Lobbying Capacity Building Programme (see Annex 12) with the objective of improving agricultural policies and market systems, equipping partners to drive impactful reforms and foster systemic change in Kosovo.

The Advocacy and Lobbying Capacity Building Programme, initiated in May 2024 under EREA, sought to enhance the ability of partner organizations to advocate for policy reforms and promote sustainable agricultural practices in Kosovo. Developed in collaboration with key partners including Organika, PePeKo, MeK and EKW, the programme was designed following thorough consultations to address the specific needs of the sector.

The programme focused on building practical skills through intensive training and mentoring. Over seven days of training sessions, participants were introduced to essential advocacy principles, strategic planning, stakeholder engagement, and monitoring and evaluation. These sessions were complemented by mentoring support, which helped participants refine their strategies and create individual action plans for targeted advocacy initiatives.

Preliminary topics for the programme were chosen in consultation with partners and included addressing the reduction of the volume of fruit and vegetable during the processing and storage, product losses in food processing, limiting financial charges applied by chain supermarkets, advocating for gender-disaggregated data in agriculture, and creating grants schemes for Non-Wood Forest Products. The issue of losses of volume during processing and storage aims to address the legal gaps in tax law and regulations where tax authorities currently do not recognize such volume reductions and they tax companies, despite that it occurs while processing many agricultural produce. As a result, several agribusinesses have ended up with tax fines which are considered as a significant burden on agribusinesses. The goal is to urge relevant ministry in filling the current legal gap with an administrative instruction. The selection process was flexible, allowing adjustments based on the recommendations of the service provider and institutional feedback to ensure relevance and impact.

To identify specific needs, EREA conducted focus group discussions and questionnaires with participating organizations. This needs assessment revealed critical challenges such as limited advocacy skills, difficulties navigating bureaucratic processes, and resource constraints. These insights shaped the programme, ensuring it directly addressed the gaps identified and prioritized practical and locally relevant content.

The programme's implementation was marked by active engagement with policymakers and government officials. Partners submitted formal proposals and organized meetings to address pressing issues, such as securing financial support for medicinal and aromatic plant processors and advocating for gender-sensitive agricultural policies. One notable achievement was the Ministry of Agriculture's commitment to support mushroom cultivation grants, following persistent lobbying efforts by Organika.

Gender advocacy also yielded tangible results. EKW successfully pushed for the inclusion of gender-disaggregated data in the Ministry's Green Report and initiated discussions on incorporating affirmative measures for women in municipal subsidy criteria. Progress was particularly notable in the Municipality of Podujeva, which committed to prioritizing women applicants in agricultural grants.

Despite the programme's significant strides, challenges such as navigating bureaucratic hurdles and resource limitations remained. EREA recommended extending mentorship, tailoring content to local contexts, and increasing the duration of the training to explore complex advocacy topics in greater depth.

Within just four months, the Advocacy and Lobbying Capacity Building Programme empowered over 15 participants, fostering stronger engagement between NGOs and policymakers and driving meaningful policy changes. By equipping NGOs with the tools and strategies needed for effective advocacy, the programme not only addressed immediate challenges but also laid the groundwork for sustainable agricultural development in Kosovo. Through its collaborative approach, it demonstrated the transformative potential of well-executed advocacy in shaping policy and advancing systemic change.

In Kosovo, efforts to support rural development and promote organic agriculture are guided by two key strategic documents: the Strategy for Advisory Services and Rural Development (SASRD) and the National Organic Action Plan (NOAP). Developed under the SIREN project, both documents serve as foundational frameworks for strengthening advisory services and advancing the organic agriculture sector in Kosovo. SASRD outlines a comprehensive approach to enhance rural advisory services, empowering farmers and rural communities with the guidance and resources they need. NOAP, on the other hand, focuses specifically on the growth of organic farming, setting ambitious goals to increase organic production and expand market opportunities. Together, SASRD and NOAP aim to foster sustainable and resilient agricultural development across the country.

As part of activities to facilitate the implementation of the SASRD and NOAP, market analysis for organic MAPs and NWFPs from Kosovo was conducted by FiBL. This study examined Kosovo's supply side, international market conditions, competitive landscape, and key trends in target markets for Kosovar organic products. Limited investments were observed in the sector, largely influenced by the lack of grant schemes in Kosovo and a reliance on grants by sector actors. However, operators are working to increase productivity, develop new products, penetrate new markets, add value through processing, and promote products internationally.

Despite these efforts, the sector faces significant challenges, particularly with labour and financing.

PePeKo and Organika associations separately organized roundtable discussions with the Ministry of Agriculture, specifically with the Department of Rural Development Policies-Managing Authority, to advocate for enhanced grant schemes and improved distribution policies for grants and subsidies to farmers and agribusinesses. Organika's specific requests included support for processing MAPs and NWFPs, increased government funding for MAPs and NWFP processing, and support for mushroom cultivation through adaptations to the grants and subsidies scheme. These requests were acknowledged by the Ministry and will be integrated into government grant and subsidy programs.

MeK engaged with representatives from MAFRD to discuss the implementation of the SASRD program and the transfer of advisory responsibilities to the association, aiming to provide targeted support for farmers in the soft fruit sector. These discussions emphasized the Ministry's commitment to formalize the advisory role for the association, strengthening its capacity to support the sector through an official partnership.

Following these discussions, MeK undertook the necessary preparations to complete and submit the required documentation for SASRD licensing. Despite comprehensive preparation and submission, the application was ultimately rejected by MAFRD, as the credentials for the association's advisors did not fully meet the SASRD certification standards.

Promoting key agricultural sectors is essential to fostering growth, enhancing visibility, and building partnerships that support sustainable development. EREA's efforts to highlight the potential of the raspberry and organic agriculture sectors demonstrate the programme's commitment to advancing agricultural innovation and market competitiveness in Kosovo. Through sector-focused events and targeted outreach, EREA has effectively connected producers, agribusinesses, policymakers, and consumers, creating opportunities for collaboration and showcasing success stories.

In August 2024, the Berry Days Campaign featured the third annual "Raspberry Days" event, held in Podujevë at Joni-Sh, an EREA beneficiary. With 120 attendees, including key figures like the Minister of Agriculture, Forestry and Rural Development, Mr. Faton Peci, the Austrian Ambassador, and the ADA Deputy Head of Office, the event celebrated the achievements of the raspberry sector. Participants explored success stories, toured innovative facilities, and visited raspberry plantations showcasing diverse cultivars. The event was enriched with community-focused activities, such as donations of fresh raspberries to elderly care centers, discounted raspberry promotions at retail stores, and a children's corner for creative raspberry-themed activities. Additionally, promotional efforts extended to social media, urban online platforms, and Fresco supermarkets, reinforcing the campaign's outreach.

Beyond the field event, "Raspberry Days" strengthened consumer awareness about the health benefits of raspberries through informational leaflets and public engagement. The campaign received significant media attention, with national broadcaster RTK Live covering it during prime-time news. EREA's PR specialist played a pivotal role in event planning, coordination, and public relations, ensuring the campaign's success and reach.

In September 2024, EREA supported the Second International Conference on Organic Agriculture in Kosovo, organized by Organika to mark European Organic Day. With a focus on "Challenges in the Sector and the Impact of Climate Change," the conference brought together 163 participants, including producers, agribusinesses, institutions, and international

experts. Key stakeholders like the Minister of Agriculture and Caritas Switzerland's Country Director emphasized the importance of organic farming. Ten companies showcased organic products, ranging from teas and honey to fruit snacks and inputs, fostering networking opportunities and market exposure.

The conference, which included participants from Albania and other communities, highlighted the growing importance of organic agriculture in addressing climate change and market demands. Livestreamed on Organika's YouTube and Facebook accounts, the event achieved extensive media coverage, further promoting the sector.

Looking ahead, EREA will continue to build on these successes with events like the International Berry Conference and the Food Sector Forum. These upcoming initiatives aim to deepen sectoral engagement, promote innovation, and strengthen the agricultural value chain, ensuring sustained progress in Kosovo's agricultural sector.

Indicator 1: Number of changes in government actions to which the programme has contributed.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	6 Governmental Changes
Achievement (<i>cumulative</i>):	0
Comparison (e.g. in %):	0%

Indicator 2: Number of policy coordination events organized

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	6 Policy coordination events
Achievement (<i>cumulative</i>):	4 Policy coordination events
Comparison (e.g. in %):	66.67%

Outcome 2: Improved access to economic opportunities for women and marginalised groups

EREA has made significant strides in advancing gender equality and empowering women within Kosovo's agricultural sector. Through its partnership with EKW, the programme has focused on systemic changes that enhance women's access, agency, and economic participation in selected market systems.

Empowerment: EKW has been instrumental in leading initiatives that promote women's economic participation and advocate for gender-equitable practices and empowerment. The formalization of women-led businesses, supported by EREA, is a notable achievement, as these enterprises are now equipped to expand operations and access larger markets.

Awareness Campaigns for Inclusivity: EREA has launched impactful awareness campaigns to challenge stereotypes and promote the inclusion of women and non-majority communities in agriculture. These campaigns were conducted in seven municipalities (incl. Shtrpce as a Serbian-majority municipality), using strategic messaging to highlight the importance of women's contributions to agricultural development. The campaigns reached a diverse audience through public events, media coverage, and school-based activities, fostering a broader understanding of the value of women's empowerment.

The state secretary of the Ministry of Agriculture took note of the initiative during the kick-off event in the center of Pristina. This led to the inclusion of the Gender Advisor of EREA to the Ministerial Committee on gender mainstreaming in rural areas.

Promoting Women-Led Initiatives: The programme has ensured that women are actively included in its interventions, such as contract farming and infrastructure investments, allowing them to benefit from improved market access and production capabilities. EREA's efforts also focus on addressing systemic barriers faced by women in agriculture, providing them with opportunities to grow and thrive in the sector.

Impact and Sustainability: The initiatives under Outcome 2 have laid the foundation for systemic change, empowering women to play a central role in Kosovo's agricultural value chains. By promoting formalization, inclusivity, and advocacy, EREA is driving long-term growth and sustainability in the sector. The active participation of women in programme activities not only strengthens market systems but also fosters more equitable and resilient communities.

Key Achievements

- Formalization of three women-led businesses (one Serbian), enhancing their capacity and market presence.
- Implementation of awareness campaigns promoting gender and social equality in agriculture, reaching multiple municipalities and communities.
- Active inclusion of women in interventions such as contract farming and infrastructure improvements.
- Strengthened advocacy for gender-inclusive practices across all programme activities.

In conclusion, EREA has taken initial steps toward creating opportunities for women and non-majority communities in agriculture, fostering sustainable growth, and ensuring their contributions are recognized and valued. While the programme's current reach to non-majority

communities has been limited, primarily due to its focus on Peja and Podujevë municipalities where their presence is lower, efforts will be expanded over the next two years to include greater engagement with non-majority communities. This focus aims to increase their participation and ensure more inclusive representation across Kosovo's agricultural sector.

Indicator 1: Number of women who have improved their position in selected market systems.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	500 women beneficiaries
Achievement (cumulative):	118 women beneficiaries
Comparison (e.g. in %):	23.6%

Indicator 2: Number of members of marginalized groups who have improved their position in selected market systems.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	200 beneficiaries
Achievement (cumulative):	3 non-majority community beneficiaries
Comparison (e.g. in %):	1.5%

This shortfall reflects the programme's focus on Peja and Podujeva, regions with limited participation of non-majority groups in agriculture. In year 2 and year 3, the programme will work more in non-majority municipalities, therefore this share will increase. Despite this, a key step toward inclusivity was achieved with the formalization of a Serbian women-led initiative in Peja, creating a platform for future engagement. Moving forward, EREA will address this gap through targeted capacity-building programs, climate-smart initiatives, and promotional events, ensuring greater participation of non-majority communities and progress toward the programme's inclusivity goals.

Output 2.1: Private actors (international buyers, exporters, processors and other traders) and producer organisations have improved their commercial linkages and ensured a better exchange of information

The EREA Programme is dedicated to fostering a more inclusive, resilient and competitive agricultural sector in Kosovo by addressing systemic challenges and empowering a broad range of market actors. Through strategic initiatives aimed at enhancing agricultural practices,

promoting financial inclusion, facilitating market linkages, and supporting gender and social equity, the programme seeks to build sustainable pathways for economic growth. With a targeted focus on women, marginalized communities, and family-led businesses, the EREA Programme is implementing various activities to improve market access, strengthen organizational capacities, and elevate industry standards across the agricultural value chain.

In order to have a better understanding on gender and social inclusion opportunities, EREA commissioned the study on “Gender and Social Inclusion in Kosovo’s Agriculture Sector” – Annex 5, aimed to assess the challenges and opportunities for greater inclusion of women, non-majority communities, and marginalized groups within the agricultural sector. Using a mixed-methods approach, the study involved 401 surveys with farmers and market actors, alongside in-depth focus group discussions and interviews with key stakeholders, including representatives from national associations, government bodies, and local organizations.

The study uncovered that while women contribute significantly to family farming, making up 58% of family farm workers, their role remains limited by deeply rooted traditional gender norms. Women own only 5% of agricultural land, with limited involvement in key decision-making processes. Many work informally without contracts or access to social security, leaving them economically vulnerable. Furthermore, women face considerable challenges in accessing finance due to a lack of collateral, high-interest rates, and limited financial literacy, which restricts their ability to invest in agricultural enterprises or scale their activities.

The study also highlighted difficulties faced by non-majority and marginalized communities, who encounter additional barriers such as lack of access to information and language constraints. These factors restrict their participation in agricultural programs and services, exacerbating their economic exclusion.

Recommendations from the study focused on promoting inclusive agricultural practices by providing targeted training programmes for women and marginalized groups, fostering financial inclusion through easier access to credit, and ensuring better implementation of policies aimed at gender equality. Strengthening capacity-building efforts within agribusinesses and creating platforms for ongoing dialogue among stakeholders were identified as essential steps toward making agriculture more inclusive. The study underscored that sustainable economic growth in Kosovo's rural areas can only be achieved by empowering women and marginalized communities, addressing systemic barriers, and ensuring fair participation across all agricultural value chains.

As part of its commitment to promoting business formalization and ownership for women across all ethnic backgrounds, the EREA programme, with the support of EKW, has enabled three women entrepreneurs to transition their informal ventures into fully registered businesses. These women, including one from the Serbian community, previously relied on traditional techniques for processing fruits and vegetables. Operating on a small scale, they sold their unbranded products primarily to relatives and local markets, with limited production capacities that restricted their ability to grow and access larger markets.

With EKW's support, these women have now registered their businesses, obtained market names, and become fully formalized. Additionally, the EREA programme provided them with advanced equipment to automate their production processes, helping them increase efficiency and scale operations. The installation of these technologies is currently underway, marking a crucial step toward business transformation. Once fully operational, the women businesses will focus on branding and marketing efforts to strengthen their presence in the market.

To ensure sustainable growth and compliance, the women will receive specialized training in Good Hygienic Practices (GHP) and Good Manufacturing Practices (GMP). They will also undergo training in product preparation and establishing market linkages, equipping them with the skills needed to expand their customer base and enter new markets.

This initiative empowers women to formalize and grow their businesses, promoting inclusive economic development by fostering female entrepreneurship across diverse ethnic backgrounds. With improved production capacities, better market access, and formal status, these women are set to become active contributors to the local economy, creating a model of success for other aspiring women entrepreneurs in the region.

As part of its efforts to promote the inclusion of women and marginalized communities, the EREA programme, in collaboration with EKW, organized a series of awareness campaigns aimed at advancing gender and social inclusion in agriculture. EKW designed impactful mock-ups featuring key messages intended to raise awareness and inspire action toward greater inclusion and empowerment.

The initiative was officially launched with an event in Prishtina, where presentations and speeches highlighted the importance of gender equality and social inclusion in agriculture. The event was attended by donors, representatives from MAFRD, international and local NGOs, agribusinesses, and public sector representatives.

Over one month, the mock-ups were displayed in the most visible areas of seven municipalities: Prishtina, Ferizaj, Mitrovica, Shterpce, Peja, Prizren and Podujeva. The campaign messages were presented in both Albanian and Serbian languages, ensuring inclusivity for the communities reached. Additionally, the campaign received broad visibility through coverage on local media portals in each municipality and was featured in national media outlets, further amplifying its impact.

The core messages included:

1. **"A strong woman supports another woman."**
2. **"Women in decision-making: more power, more influence."**
3. **"Equality and inclusion: the key to success."**
4. **"Support women in agriculture; act now."**
5. **"Buy from women; invest in their future."**
6. **"Transport in rural areas brings new opportunities for women."**
7. **"Grants for women in agriculture empower families."**
8. **"The land has a story; women should have theirs too."**

This campaign not only raised awareness but also provided a platform to engage stakeholders and the public on the importance of empowering women and marginalized groups in agriculture. By placing the campaign in strategic locations across the municipalities and ensuring visibility through media coverage, the initiative effectively promoted social inclusion.

As part of the EREA programme's efforts to promote women's entrepreneurship, PePeKo, in collaboration with EKW, initiated the establishment of a "Union of Women Processors" aimed at coordinating production and marketing efforts of women-led businesses. PePeKo took a leading role in this initiative by engaging a consultant to conduct a feasibility study on creating

private label partnerships and business clusters for women entrepreneurs in the fruit and vegetable processing sector.

The study involved in-depth field research, including interviews with 18 businesses, ranging from large-scale to small-scale processors, across multiple municipalities. It explored various aspects, such as business structures, access to markets and raw materials, production capacities, contractual relationships, and the challenges women-led businesses face in formalizing and scaling operations.

The feasibility study explored various modalities to connect small women-owned processing businesses with potential buyers through private label partnerships, focusing on fostering cooperation with medium to large-scale agribusinesses. The findings revealed that establishing an entirely new entity dedicated solely to women processors was not feasible at this stage. Several challenges, including limited production capacities, time constraints faced by small-scale women-led businesses, and the relatively small number of such enterprises, made the creation of a standalone organization impractical.

Instead, the study recommended integrating this initiative within the existing PePeKo Association by forming a dedicated cluster for women-led businesses. This approach leverages PePeKo's established network, operational infrastructure, and market access to serve as a bridge between small women-owned processing businesses and larger agribusinesses. Through private labelling, medium and large-scale agribusinesses can source products from smaller women-led enterprises under their brand, enabling small processors to access broader markets without having to invest in large-scale marketing and branding efforts individually. At the same time, larger agribusinesses benefit by diversifying their product portfolios with minimal risk.

However, forming this cluster within PePeKo required further analysis to address key considerations. These include assessing the legal implications of such a structure, understanding the willingness of participants to engage in this collaborative model, and evaluating the associated costs and financial sustainability. Ensuring that all stakeholders align on the governance, responsibilities, and benefits of the cluster will be critical to its success.

Following the completion of the feasibility study, a workshop was organized to present the findings and engage stakeholders in discussions on the proposed "Union of Women Processors" model. The workshop brought together small-scale women-led businesses and medium-scale enterprises to explore the study's insights and evaluate the potential for collaboration.

During the discussions, participants reviewed the opportunities and challenges identified in the study, focusing on ways to align production and marketing efforts among women processors. As a result of these conversations, it was agreed to pilot the model with one small women-led businesses **LoEI** and **AMG** as a medium to large enterprise. PePeKo will oversee the coordination of this pilot phase, ensuring smooth collaboration and implementation.

The pilot aims to test the practicality of the model, allowing stakeholders to identify potential challenges and refine processes before promoting it for broader adoption. The feedback from this pilot will be critical for informing necessary adjustments to the model, ensuring its effectiveness and scalability. If successful, the initiative will serve as a framework for expanding collaborative business networks among women processors, helping them enhance market access and strengthen their presence within the agricultural value chain.

In Kosovo's agricultural sector, family-led businesses are predominant, often involving all family members in operations without clearly defined roles or responsibilities. The lack of structured role distribution can create operational inefficiencies, where every member is responsible for everything, yet no one is specifically accountable for key aspects of the business. To address this issue and promote inclusive representation, especially for women, EKW has launched an intervention aimed at training family-led businesses in business development skills, focusing on defining roles and responsibilities within the family business framework.

To initiate this, EKW commissioned a team of consultants to conduct a rapid assessment of family-led agribusinesses. The purpose of this assessment was to understand the current state of role clarity and responsibility allocation within these businesses. The study also evaluated broader needs and challenges faced by family-run businesses in the agricultural sector. Using a quantitative approach, the assessment covered the organizational structure, financial condition, operational practices, and future aspirations of these enterprises, based on responses from 19 family-led businesses. Key findings indicated a lack of formalized organizational structures, limited access to finance and a general need for enhanced managerial skills.

With these insights, EKW and the consulting team identified eight agribusinesses as particularly vulnerable regarding role clarity and organizational structure. These businesses will undergo further analysis through in-depth interviews to gain a clearer understanding of their operational framework. This additional analysis will enable the design of tailored training sessions to address specific needs, enhance organizational efficiency, and define roles effectively.

Following these studies and targeted interviews, the next year will involve selecting three family-led agribusinesses to participate in a pilot programme this year. These businesses will receive tailored support, with a focus on strengthening their organizational capacity, building sustainable business structures, and promoting equitable roles for women within the family business environment. The selection process will prioritize those businesses most likely to benefit from role clarity and defined responsibilities, with the pilot serving as a foundational model to assess and refine the training approach.

Insights gained from this initial phase will guide adjustments, laying the groundwork for expanding the intervention to a larger group in the future. The primary objectives remain to foster resilient and inclusive agricultural enterprises in Kosovo, with a vision of creating a sustainable, equitable environment in which family members, especially women, can contribute effectively and meaningfully.

Indicator 1: Number of awareness-raising/information dissemination events promoting inclusion organised.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	8 awareness campaigns
Achievement (cumulative):	4 (baseline of 3 campaigns achieved prior to the programme under the SIREN project, plus 1 campaign implemented this year under the EREA Programme)
Comparison (e.g. in %):	50%

Indicator 2: Number of changes in gender-responsive actions to which the programme has contributed.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	3 gender-responsive changes
Achievement (cumulative):	2 gender-responsive changes are in the lobbying process
Comparison (e.g. in %):	0 %

Indicator 3: Number of research projects jointly commissioned by the programme with local stakeholders aimed at understanding and promoting inclusion in selected market systems.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	1 gender and social inclusion study
Achievement (cumulative):	1 gender and social inclusion study
Comparison (e.g. in %):	100%

Outcome 3: Uptake of environmentally sustainable practices by market actors (farmers/producers, consumers and enterprises)

Climate Change is one of the most pressing challenges agriculture faces in Kosovo, impacting crop yields, water availability and ecosystem health. With agriculture heavily dependent on predictable seasonal patterns, the sector is particularly vulnerable to changing weather conditions, resource scarcity and increased environmental stress. These challenges threaten not only productivity but also the livelihoods of farmers and agribusinesses.

The EREA Programme recognizes the critical need to address these vulnerabilities by fostering the adoption of environmentally sustainable practices. This outcome is rooted in the belief that resilience to climate change and resource efficiency are essential for securing long-term growth in the agricultural sector. By introducing climate-smart solutions, EREA seeks to reduce the sector's environmental footprint, ensure sustainable use of resources, and position Kosovo's agriculture for a more sustainable future.

To inform its interventions, EREA commissioned a feasibility study to identify actionable solutions for integrating climate-smart practices into the selected agricultural value chains. The study highlighted key areas for improvement, such as water management, energy efficiency, and sustainable production practices. Its findings have guided the design and implementation of interventions, ensuring relevance and impact.

Initiation of Pilot Projects: As a practical step toward demonstrating sustainable practices, EREA initiated three pilot projects focused on testing climate-smart technologies:

- **Smart Irrigation Systems:** Installed to improve water efficiency in selected plots- in Istog at AgroProduct company.
- **Fog Irrigation for Berry Cultivation:** Introduced to regulate temperature and humidity, optimizing conditions for sensitive crops – in Peja at Mjedra e Pejës Association.
- **Heat Exchangers in Processing Facilities:** Implemented to reduce energy and water usage in fruit and vegetable processing – in Vitia at Grasep L.L.C.

These pilots not only showcase the benefits of sustainable practices but also provide valuable insights into their scalability and adaptability for broader adoption across Kosovo.

Knowledge Development and Dissemination: In collaboration with partners such as ORGANIKA, PePeKo, and MeK, EREA has begun developing tailored knowledge products, including manuals and brochures, to support the uptake of sustainable practices. These resources have been distributed to agribusinesses and producers to encourage the implementation of eco-friendly techniques and alignment with international standards.

Raising Awareness of Sustainable Products: To complement on-ground activities, EREA has undertaken campaigns to increase awareness of the benefits of local, sustainable agricultural products. These efforts aim to generate consumer demand, creating market incentives for producers to adopt environmentally friendly practices.

Through these efforts, EREA has made significant strides in embedding sustainable practices into Kosovo's agricultural sector. The programme's focus on practical implementation and stakeholder engagement ensures the groundwork for long-term environmental and economic resilience.

Indicator 1: Number of producers and small and medium-scale agri-entrepreneurs who adopt sustainable consumption and production (SCP) practices. (SDG target 2.3)* at least 50% women and 20% members of non-majority communities.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	150 direct beneficiaries
Achievement (cumulative):	0 – <i>Interventions under this outcome are yet to be implemented in the second and third year.</i>
Comparison (e.g. in %):	0%

Indicator 2: Number of market actors (producers and enterprises) that obtain formal certification in environmentally sustainability practices (e.g. organic certification).

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	25 market actors (producers and enterprises)
Achievement (cumulative):	9 farmers in the process for organic certification
Comparison (e.g. in %):	0%

Output 3.1: Improved knowledge and capacities on sustainable practices in selected market systems

Climate Change is especially impactful for Kosovo's agricultural sector, which relies heavily on predictable seasonal patterns and accessible natural resources. Recognizing the urgency of these issues, EREA prioritized climate-smart agriculture (CSA) to support adaptation and mitigation measures within the sector. As an initial step, the programme commissioned a feasibility study to thoroughly understand the climate-related challenges and to identify practical interventions that could enhance resilience across key agricultural sectors.

The Feasibility Study for Sustainable Practices - Climate Smart Agriculture (Annex 6) examines sustainable agricultural practices within NWFPs, MAPs, berries, and fruit and vegetable processing, each uniquely affected by climate variability. Challenges include unpredictable weather, extreme temperatures, and water scarcity. MAPs, for example, faces reductions in active compounds and increased pest pressure, while berry producers contend with water stress and heightened disease sensitivity. Policy gaps and limited access to climate-smart technologies further complicate sustainable land management.

To address these challenges, the study recommends investing in efficient irrigation systems, promoting organic farming, and integrating renewable energy within processing facilities. Six pilot projects were proposed to demonstrate CSA technologies, including solar-powered water heaters and smart irrigation systems.

The recommendations aim to enhance agricultural resilience, support sustainable practices, and build long-term climate adaptation strategies within Kosovo's agriculture. The next phase involves implementing pilot projects and building stakeholder capacity, advancing EREA's commitment to fostering a climate-resilient agricultural sector in Kosovo.

EREA emphasizes the importance of training and knowledge-sharing to promote sustainable practices across Kosovo's agricultural sector. By producing knowledge products and organizing field training, EREA aims to equip stakeholders with practical tools for environmental sustainability and improved resilience.

ORGANIKA organized a field day to introduce farmers to sustainable techniques for MAPs cultivation. This training demonstrated the use of black cloth for mulching, a technique that enhances soil health, conserves water and reduces weed growth without relying on chemical herbicides. Agroproduct's manager and a machinery expert explained the application and benefits of this technique, which is reusable for 3-4 years and provides significant labour savings. Positive feedback from farmers managing larger plots indicates that black cloth mulching holds promise for sustainable weed management. Additionally, an expert botanist provided guidance on managing invasive plants containing harmful alkaloids, a growing concern for exporters in the sector. A total of 22 participants attended (10 men, 12 women, with one participant being from a minority community).

In parallel, PePeKo engaged the expert Ben Dida to conduct two training sessions on waste management and the circular economy – key areas for meeting EU environmental standards. These sessions, held in Prishtina and Suhareka, accompanied a total participation of 15 persons (11 women and 4 men), who learned practical strategies for minimizing waste generation and reducing environmental impact within their operations.

Beyond these in-person training courses, all three National Associations (NAs) are producing brochures and manuals to support the adoption of sustainable practices. ORGANIKA is creating resources on sustainable MAPs cultivation, while PePeKo is focusing on waste management and the circular economy. MeK is developing three detailed manuals on integrated pest management for raspberries, strawberries, and blueberries, equipping farmers with targeted guidance for managing pests sustainably across these crops.

Building on the findings and recommendations from the CSA study, the NAs are now actively developing new manuals tailored to their respective sectors. These manuals will provide sector-specific guidance on sustainable practices, equipping farmers and processors with the tools needed to effectively implement CSA-aligned strategies.

Together, these training sessions, resources, and forthcoming manuals empower farmers and processors with knowledge and practical tools for sustainable practices, aligning Kosovo's agricultural sector with international environmental standards and contributing to a resilient and eco-friendly economy.

In line with the CSA study recommendations, EREA has initiated pilot projects in collaboration with the NAs to demonstrate the potential of transitioning from traditional agricultural methods to climate-smart practices. These demonstration plots aim to test and evaluate specific

climate-smart technologies across the three targeted sectors: berries, processing and MAPs. Each pilot is designed to collect data on resource efficiency, productivity, and environmental impact, providing insights that will inform future sector-wide adoption of CSA practices.

In the Berry sector, a pilot project was established to address temperature regulation in berry cultivation through the installation of a sprinkler-based irrigation system. The system disperses water in a fine “fog” format over the plants, targeting the upper areas most vulnerable to heat stress. By cooling the plants’ upper part, this system is expected to mitigate heat damage and improve plant resilience. For comparative analysis, only part of the berry plot was equipped with the fog system, leaving the other part without intervention. Monitoring will focus on assessing the temperature differences, plant health, and yield variations between treated and untreated sections. This will provide concrete data on the efficacy of the fogging method for temperature management in berry crops under high temperatures.

In the Processing sector, PePeKo selected an agribusiness where a heat exchanger is being installed to improve water and energy efficiency. This system captures and reuses hot water that would otherwise be wasted. By closing the water cycle in this way, the system reduces the need for additional water input and minimizes energy consumption required to heat new water. The pilot will monitor key metrics such as energy usage, water savings, and cost reductions over time to assess the system's impact on resource efficiency and operational costs. This demonstration aims to showcase the feasibility of adopting sustainable water and energy management practices within resource-intensive processing operations. For the MAPs sector, two demonstration plots were equipped with smart irrigation systems aimed at optimizing water usage for MAPs cultivation. The smart irrigation technology is expected to reduce water consumption by delivering precise amounts of water based on soil moisture levels and plant requirements. As with the berry sector pilot, one-half of each plot was outfitted with the smart irrigation system, while the other half remained untreated to serve as a control. Monitoring will focus on water usage patterns, soil moisture retention, and plant growth metrics to evaluate the system’s efficiency. The goal is to determine the extent to which smart irrigation can address the issue of water overuse in MAPs cultivation and contribute to sustainable water management in agriculture.

These pilots, still in the initial implementation phase, will be rigorously tested during the upcoming cultivation and processing seasons. Expected outcomes include data on resource conservation, productivity improvements, and operational cost reductions, which will be analyzed to assess the viability of each climate-smart intervention. Once the results are obtained and evaluated, the programme plans to launch a call for proposals to support the wider adoption of climate-smart technologies among agribusinesses. The comprehensive findings from these pilots will be shared once sufficient data has been gathered and analyzed, providing a solid foundation for scaling CSA practices within Kosovo’s agricultural sector.

Indicator 1: Number of demonstration plots and other promotional initiatives to disseminate knowledge on sustainable practices, eco-friendly inputs and climate-smart technologies.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	25 demonstration plots
Achievement (cumulative):	23 (<i>baseline of 20 demo-plots established prior to the programme under the SIREN project, plus 3 demonstration plots established this year under the EREA Programme</i>)
Comparison (e.g. in %):	92%

Indicator 2: Number of producers trained on sustainable agricultural practices.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	300 trained beneficiaries
Achievement (cumulative):	37 trained beneficiaries (23 women, 14 men)
Comparison (e.g. in %):	12.33%

Indicator 3: Number of knowledge products produced promoting environmental sustainability.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	10 knowledge products
Achievement (cumulative):	3 are in process
Comparison (e.g. in %):	0%

Output 3.2: Increased demand for locally produced healthy and bio products, leading to greater availability and accessibility of such products in local markets

Promoting local agricultural development and encouraging the consumption of locally produced, healthy, and bioproducts are vital for enhancing food security, supporting rural economies, and fostering sustainable practices in Kosovo. To further these goals, EREA has taken a strategic approach by facilitating initiatives that not only promote local products but also address climate resilience in the agricultural sector.

One key initiative is the climate dialogue series, designed to create a collaborative platform for coordination among donors, public institutions, and other stakeholders. These dialogues are intended to align efforts, prevent overlaps, and build a unified approach to climate change adaptation and mitigation in agriculture, ensuring that resources and activities are efficiently directed.

The first climate dialogue, organized by AgroDev, was attended by 34 participants from a diverse range of sectors, including government representatives, academia, NGOs, and key agricultural stakeholders. This inaugural event fostered a collaborative environment where participants could share expertise, align priorities, and begin forming strategies for addressing climate resilience in agriculture.

A highlight of the dialogue was the presentation of the *'Feasibility Study for the Adoption of Sustainable Production & Processing Practices, Climate-Smart Agriculture'*. Participants had the opportunity to review the study's findings, gaining valuable insights into Kosovo's agricultural sector and its climate-related challenges. The presentation allowed for a deeper understanding of proposed climate-smart solutions, such as sustainable irrigation techniques, improved soil management, and resilient crop varieties, fostering discussions on their potential implementation and impact. Participants engaged in discussions around these recommendations, considering how they could be practically implemented across different regions and crop types. The dialogue also opened discussions on potential partnerships and funding mechanisms to support these initiatives, emphasizing the need for coordinated efforts among stakeholders to maximize impact. The first dialogue thus set a strong foundation for future sessions, building momentum towards a shared vision of sustainable and climate-resilient agriculture in Kosovo.

In parallel, EREA launched its first campaign to promote locally produced agricultural products, highlighting the importance of sustainable, locally sourced agricultural products for both health and the environment.

Promoting local agricultural products and fostering awareness about sustainable agriculture are vital to enhancing Kosovo's agricultural sector and supporting its growth. EREA's campaign, #Tokajoneshijajuaj ("Our Land, Your Taste"), conducted from 9th to 14th September 2024, exemplifies this commitment by spotlighting small fruits, medicinal and aromatic plants, and processed fruits and vegetables. The campaign's core goal was to raise consumer awareness about the benefits of purchasing locally produced, healthy agricultural products, emphasizing their dual role in supporting the local economy and promoting better nutrition.

Using the slogan #Tokajoneshijajuaj, the campaign leveraged a variety of outreach channels, including social media, promotional events, and media coverage. Creative, fruit-themed branding was employed to make the campaign visually appealing and directly tied to the agribusiness sectors. Events took place in high-traffic locations, such as public squares in Pejë and the Abi Çarshia shopping center in Prizren, to maximize visibility and engagement.

Collaboration was central to the campaign's success. Partner organizations like MeK, PePeKo, and Organika played key roles in planning activities, creating content, and supporting local producers' participation. Municipalities also contributed significantly; for example, in Pejë, Mayor Gazmend Muhaxheri emphasized municipal support for such initiatives during his opening remarks. The Directorate of Agriculture and Education in Pejë facilitated permits and coordinated with schools, where awareness sessions introduced students to the nutritional and economic value of local agricultural products. Elementary and high school students learned about organic farming, participated in interactive activities, and received local organic products, strengthening their connection to sustainable agriculture.

Public events included engaging activities like fruit and vegetable art, face painting, and product tastings. Participants received gifts, including fresh produce and local specialties, fostering a festive and interactive atmosphere. Local businesses, such as Abi Çarshia in Prizren, provided event spaces and promoted campaign messages through their networks, amplifying outreach.

The campaign achieved impressive results, with nearly 200,000 online impressions and extensive engagement across social media and local media platforms. Beyond raising awareness, it strengthened bonds between consumers and local producers, creating a deeper appreciation for Kosovo's agricultural offerings.

The success of #Tokajoneshijajuaj demonstrates EREA's ability to connect communities, producers, and stakeholders while championing sustainable practices. Building on this momentum, the programme plans future initiatives such as the International Berry Conference and the Food Sector Forum, further promoting Kosovo's agricultural potential and fostering sector growth.

Indicator 1: Number of networking events and dialogue mechanisms established to raise awareness of environmental sustainability.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	5 Networking events
Achievement (<i>cumulative</i>):	1 Networking Event
Comparison (e.g. in %):	20%

Indicator 2: Locally produced healthy and bio products awareness and marketing campaigns.

Reporting Period:	November 2023 – October 2024
Target (planned) by the end of the programme:	3 awareness and marketing campaigns
Achievement (<i>cumulative</i>):	1 awareness campaign
Comparison (e.g. in %):	33.33%