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VALUE CHAIN ANALYSIS IN TOURISM (HOSPITALITY, GASTRONOMY) AND AGRICULTURE (FRUITS AND VEGETABLES; CEREAL CROPS)

VITI/VITINA MUNICIPALITY, 2017

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LIST OF ABBREVIATIONS

ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
CHwB	Cultural Heritage without Borders
CP	Contact Person
EU	European Union
EUR	Euro
FKL	Foundation Kosovo-Luxembourg
GDP	Gross Domestic Product
IADK	Initiative for Agricultural Development of Kosovo
ISO	International Standardization Organization
KAS	Kosovo Agency of Statistics
FKL	Foundation Kosovo-Luxembourg
KIA	Kosovo Institute of Agriculture
KIESA	Kosovo Investment and Enterprise Support Agency
LAG	Local Action Group
MAFRD	Ministry of Agriculture, Forestry and Rural Development
MAP	Medical and Aromatic Plants
MFA	Ministry of Foreign Affairs
MoD	Ministry of Diaspora
NWFP	Non-Wood Forest Products
NARS	National Agricultural Research System
NGO	Non-Governmental Organizations
PPSE	Promoting Private Sector Employment
USAID	United States Agency for International Development
UNDP	United Nations Development Programme
UNWTO	United Nations World Tourism Organisation
VC	Value Chain



1. INTRODUCTION

This report has been commissioned as part of the UNDP's "Integrated Territorial Development 2" InTerDev 2 project, in order to tackle the persistent challenges prevailing in the Municipalities of Dragash/Dragaš, Shtërpcë/Štrpce, and Viti/Vitina, notably high unemployment rate, insufficient income generation, poor and inadequate public services, as well as socioeconomic marginalization of women, youth, and other vulnerable groups.

The private sector in these municipalities, similar to other municipalities in Kosovo, is suffering from supply and demand constraints. Disintegrated and underdeveloped value chains, asymmetry of market information, poor infrastructure, limited access to financial services, and generally unattractive business climate have impeded the growth of firms and generation of new jobs.

Underdevelopment of value chains indeed constitutes one of the most challenging issues characterizing the dominant sectors of these municipalities. The value chain analysis along with the implementation plan and cost estimate of the recommended actions in the Municipality of Viti/Vitina, focusing on the tourism sector (hospitality and gastronomy), and agricultural subsectors of fruits, vegetables, and cereal crops, have been developed following the two reports on value chain analysis previously conducted for municipalities of Dragash/Dragaš and Shtërpcë/Štrpce.

The report has the following objectives: (i) to better understand the current capacities of the value chain actors of the targeted sectors in the Municipality of Viti/Vitina (input suppliers, farmers, processors, and distributors); (ii) to identify their challenges and needs; and (iii) to assess how to improve their positioning within the whole chain of the domestic market and export competitiveness beyond their cluster at the central level, regional, and international level. In particular, these value chain analyses intend to examine the prevailing situation (nature and scope of operations) of the two targeted sectors, providing specific and realistic short and medium-term interventions for tackling the main obstacles encountered by stakeholders.

The organizational structure of this report is the following: Section I gives a brief overview of the Municipality of Viti/Vitina. Section II explains the general methodology, highlighting the key instruments for data collection, such as desk research, in-depth interviews, and the focus group discussion. Section III deals briefly with the tourism sector, making an assessment of the direct and indirect value chain actors, vertical and horizontal linkages between them, cost structures, key issues, and the market trends. Section IV sheds light on the current state of fruits, vegetables, and cereal crops, while following the same structure as in the tourism sector. Section V proposes four key interventions, providing detailed information on the objectives, expected results, activities, beneficiaries, relevant actors, time frames, and cost estimates.

1.1 OVERVIEW OF THE MUNICIPALITY OF VITI/VITINA

The Municipality of Viti/Vitina is situated in south-eastern Kosovo¹. It has a strategic location as it lies close to Gjilan/Gnjilane, Ferizaj/Uroševac, and the Kosovo-FYROM border. The entire municipality, including its 38 villages, covers an area of around 276 km². According to the Kosovo Census (2011), the total number of inhabitants is approximately 46,987, including minority communities, notably Serbs, Croats, and Roma.² Given that the municipality has a large diaspora community in the EU and beyond, this figure is considered to be an underestimate of the actual population size, as according to some estimates, there is an additional percentage of 35% of unregistered inhabitants living in diaspora.³

The economy of Viti/Vitina relies predominantly on small agriculture-related businesses. The structural business statistics suggest that there are over 1,000 economically active enterprises operating in the Municipality, which are mainly engaged in trading activities within the local market⁴.

Thanks to its convenient landscape (relatively flat surface, forest areas, and two flowing rivers), Viti/Vitina is mainly regarded as a typical agricultural municipality with around 60% of its local population actively involved in agricultural activities. Arable land stretches over an area of 7,812 hectares that is suitable for cultivation of all types of agricultural crops.⁵ Further, Viti/Vitina has great potential for development of the tourism sector. It preserves some parts of unspoiled nature, most notably in the villages Debelldeh/Debelde, Letnicë/Letnica, Stubëll/Stubla, and many others. Moreover, it is home to Muslim and Christian communities living in complete harmony and getting along with their different cultural events. The Municipality has 30 mosques, 6 Serbian Orthodox churches, and 6 Albanian Catholic churches – most of them renovated following the 1999 conflict.⁶

As far as infrastructure is concerned, its overall status is regarded to be relatively good. The main roads connecting major villages with the downtown are in a good shape. The Viti/Vitina town is well-connected to both water supply and sewage system.⁷

1 References to Kosovo shall be understood to be in the context of Security Council Resolution 1244 (1999)

2 KAS 2011. Census 2011 [Data file].

3 ALBINFO Magazine 2015. No. 15, 6/2015, Komuna e Vitisë, me Qendër Informativë të Turizmit, p. 20

4 Kosovo Agency of Statistics 2017, Structural Business Survey, 2016 [Data file].

5 Kosovo Agency of Statistics 2014, "Agriculture Census of the Republic of Kosovo, 2014".

6 OSCE 2015, Municipal Profile.

7 Ibid.



2. METHODOLOGY

This section provides a description of the methodological approach applied when conducting the value chain analysis. In order to obtain relevant information from the selected sector of tourism and the sector of fruits, vegetables, and cereal crops in Viti/Vitina, the following three data-collection instruments were used: the desk research, in-depth interviews and the focus groups. Combining these instruments, quantitative and qualitative data have been collected in order to address objectives of this assignment.

a) Desk research

Initially, a thorough review of the existing literature was conducted, focusing on: (i) different examples of the value chains in agriculture and tourism sectors; (ii) agribusiness and tourism trends and developments; (iii) strategic documents on the relevant fields (iv) environmental elements of agricultural production; and (v) identification of all stakeholders (local level institution representatives, farmers, processors, tourism actors, representatives from different associations etc.) The information collected through this method was analysed, stored and classified as per its source, relevance, and reliability. These collected data not only provided valuable information, but also served as the basis for conducting interviews, as well for other subsequent tasks.

b) In-depth interviews

In order to obtain accurate and valid data for the analysis, in-depth interviews were carried out with the key stakeholders of the value chains in both agriculture and tourism. The main goal of these interviews was to identify and assess the current capacities of the value chain actors involved in the targeted sectors of the Viti/Vitina Municipality; to identify their challenges and needs; and to assess their positioning within the entire chain of the domestic production and export competitiveness, beyond their cluster at the central level, regional and international level.

▪ Questionnaire

Three questionnaires have been designed aiming to guide the interviewers in the data collection process. One of them was structured to tackle the tourism sector (hospitality and gastronomy), while the other two tackled the sector of agriculture (fruits, vegetables, and cereal crops). It is worth mentioning that special attention and sufficient time was devoted to compilation of these questionnaires considering the fact that they served as the main mechanism for collection of the primary data. The questionnaires contained both open-ended and closed-ended questions – all of them aiming to take into account all perspectives, perceptions and opinions of the parties relevant to the study.

▪ Field work

A total number of 50 (fifty) in-depth interviews have been conducted along with several consultation meetings with the municipal stakeholders, UNDP/InTerDev 2 Municipal Project Support Officer, local associations, and other relevant stakeholders from both sectors. The information gathered from these interviews was satisfactory, and helped to better understanding of the value chains and needs of the involved sectors.

The stakeholders have been identified in close collaboration with the municipal team of Viti/Vitina, namely the Directorate of Agriculture, Forestry and Rural Development, the Directorate of Youth, Culture and Sport, and the Directorate of Finance, Economy and Development. Out of an extensive list of stakeholders, 50 (fifty) of them were selected for an interview relying on a systematic approach that ensured a representative inclusion of all relevant stakeholders in the targeted value chains. Note that, a few stakeholders that were initially shortlisted for an interview had to be substituted with the similar ones, since they could not be reached.

The composition of the interviewed stakeholders is given below. For more information about the interviewees, please refer to the list of interviewees, provided in Annex 1.

- 4 Municipal Representatives
- 22 Producers and Collectors
- 4 Agro-Input Suppliers
- 5 Women's Associations
- 3 Collection Centres
- 1 Fruit Processor
- 7 Restaurants/Hospitalities
- 7 Cultural Sites

Field visits were conducted to the following villages of the Municipality of Viti/Vitina: *Smirë/Smira; Lubishtë/Lubišta; Tërstenik/Trstenik; Pozharan/Požaranje; Kabash/Kabašh; Letnicë/Letnica; Stubëll/Stubla; Debelldeh/Debelde; Shushtë/Šušte ; Binça/Binač; Gushicë/Gušica; Gjylekar/Đelekare; Sllatinë e Poshtme/Donja Slatina; Sllatinë e Epërme/Gornja Slatina; Gërmovë/Grmovo and Beguncë/Begunce.*

It is noteworthy to mention that although at the beginning of this assignment, we also planned to interview accommodation providers, following initial consultations with the relevant stakeholders, we realized that there are no other tourism accommodation facilities in Viti/Vitina, apart from a few guest houses in Debelldeh/Debelde village, which have been visited and whose owners have been interviewed.

The main reason for interviewing such a diverse group of stakeholders was to get a comprehensive overview of all key actors of the value chains. The concept of interviews and the content of the questions were in line with the aforementioned objectives of the assessment.

c) Focus Group Discussion

In addition to in-depth interviews, a thorough focus group discussion was arranged comprised of 16 participants from both targeted sectors, including representatives from the Municipality of Viti/Vitina, women's associations, input providers, farmers, and processors; owners of restaurants, tour operators, representatives from tourism NGOs; UNDP and other relevant stakeholders. The goal of the focus group discussion was to validate the findings generated from the interviews, to identify further obstacles surrounding the targeted sectors, and to better understand the opportunities for enhancement of the value chains in the targeted sectors, as well as their linkage.

Prior to launching the focus group discussion, a focus group guide was prepared, centred around the following four topics: (i) current situation of fruits, vegetables, and cereal crops; (ii) current situation of the local tourism industry; (iii) existing and potential linkages between the targeted sectors; and (iv) proposed interventions. The session was audio recorded, transcribed, and thoroughly analysed. The focus group session lasted approximately two hours.

At the end of the focus group meeting, apart from useful discussions over future opportunities, the participants were asked to rate a list of 10 indicative interventions generated from the findings of in-depth interviews, which in turn served as a mechanism to identify the top four interventions elaborated during a later stage of the assessment.



3. TOURISM

Tourism is a significant driver of economic and social development. It stimulates economic growth by generating income, employment, investments and exports. It also generates valuable spin-off benefits, including preservation of cultural heritage, improved infrastructure, and local community facilities.

The potential of tourism in the Municipality of Viti/Vitina is strongly associated with its beautiful landscapes and its cultural heritage. A large part of the municipality is surrounded by mountains and high peaks, namely the Karadak of Skopje Mountains and the peak of Kopllaça/Koplaca, which reaches an altitude of 1,490m above sea level. This mountainous region offers great opportunities for the development of winter and summer tourism due to its superb weather, hiking and skiing opportunities.

In addition, the municipality has a strong potential for the development of cultural tourism as well. Numerous cultural monuments of extraordinary cultural and historical value exist in the area. With respect to cultural heritage, the Municipality of Viti/Vitina offers unique religious monuments. Its medieval churches are famous for their exceptional structure and architecture. To date, 22 cultural sites have been put under temporary protection.

Overall, the municipality is enriched with some distinct features that could attract local, regional and international visitors. Since the Kosovo Agency of Statistics (KAS) does not provide separate tourism data for each municipality but only for regions, the number of international visitors in the Gjilan/Gnjilane region is 2,410,⁸ out of which a portion of them can be attributed to Viti/Vitina.

3.1 MAPPING OF THE TOURISM SECTOR

This section provides an analysis of the value chain actors within the tourism sector in Viti/Vitina. Tourism value chain is comprised of complex relations between different stakeholders, activities and policy measures at local, central and international level.

3.1.1 Direct (Core) Value Chain Participants

Accommodations

Even though there are seven registered accommodation facilities in Viti/Vitina, they do not serve for actual tourism purposes. During our field visits and interviews conducted with various stakeholders, we were able to identify only one accommodation provider, who owned five guest-houses and one restaurant in the village of Debelldeh/Debelde. Each guest-house has the capacity to accommodate up to 11 visitors. They operate in full capacity during the summer and winter season, but the prices remain the same even off-season.

Restaurants

The hospitality sector in the Municipality of Viti/Vitina is underdeveloped for tourism purposes, even though it possesses a very high potential. Seven restaurants, attracting higher numbers of guests, have been identified and their owners/managers interviewed. Having interviewed them, we found that the majority of these restaurants are family-owned businesses, registered

⁸ Kosovo Agency of Statistics 2016, Tourism Data.

as Limited Liability Companies. None of the interviewed respondents had a professional background in tourism. The facilities were mainly managed by the owners themselves or by affiliated family members. As far as employment is concerned, the staff is hired mainly through recommendation.

According to the data gathered from the interviews and the focus group, there is no pool of skilled workers for the hospitality sector available within the Municipality of Viti/Vitina. Most of the employees enhance their skills directly on-the-job by learning from working with more experienced employees, as there are no training providers for the tourism industry in Viti/Vitina. Most of the respondents noted that the kitchen staff are the most important employees. There is shortage of skilled workers in the sector of hospitality and customer service, gastronomy, food safety, marketing, accounting, and entrepreneurship in general.

The vast majority of the employees in the interviewed restaurants were men. A relatively smaller proportion of women employed therein are rather engaged in invisible roles, such as assistants in the kitchen and cleaners. Additional staff are hired during the peak season in the summertime, which is marked by an increasing number of visitors coming from the diaspora. Restaurants operate in full capacity only during the peak seasons, i.e. from June to August and December to February.

With regard to the origin of visitors, the respondents claimed that the average ratio between domestic and foreign guests is 65:35. The overwhelming majority of the visitors during the peak season is comprised of the visitors coming from diaspora and only a small fraction of international visitors who do not have their relatives in Kosovo. It should be also highlighted that during the summertime a number of these restaurants serve as popular venues for wedding ceremonies.

Interviews have revealed that none of these restaurants make any investments in marketing and promotion of their business. Very few of them make use of social network media pages, relying instead mainly on hearsay and verbal recommendation. Moreover, except for the owner of the guesthouses/restaurant in Debelldeh/Debelde, none of other interviewed owners have exploited the potential of selling additional services, such as offering playground facilities for children, tour/guiding services, selling of local food specialties, handicrafts/souvenirs and similar. On the other hand, the owner of the guesthouses and restaurant in Debelldeh/Debelde is already offering a couple of tourism products and services that are attractive to visitors, such as a mini-zoo and a ski slope for kids, for which he does not charge any entry fees. In addition to this, the owner is considering the opportunity to introduce and develop agro-tourism, as a new field of the tourist industry.

The interviewed owners/managers of the restaurants and guesthouses were also asked whether they source the food served in their menu from the local farmers or elsewhere. Majority of them claimed that they source the raw food from the local farmers, in particular when in season. The locally sourced food includes fruits, vegetables, meat and dairy products. Yet, none of interviewed respondents have any contractual agreements with the local farmers; preferring instead 'gentlemen's agreements' with them. All of respondents are fully aware of benefits from using the locally made food, as its quality is much better than the one sold at the local supermarkets. Nevertheless, the one issue they struggle with is inconsistent supply with such items.

Finally, when it comes to the application of waste and environment protection measures, only three out of seven interviewees claim that they do classify the waste generated of plastic, glass and cans. The approximate waste generated by these restaurants costs around € 100 - 200 per month. However, none of them is using biodegradable, recyclable or reusable products, nor do they implement any water and energy efficiency measures within their facilities.

Cultural sites

Viti/Vitina has a fairly large number of cultural monuments of extraordinary cultural and historical value, displaying thus a strong potential for the development of cultural and religious tourism. The following is the number of the religious sites in Viti/Vitina: 30 mosques, six Catholic churches, and six Orthodox churches, while 22 of them have been put under temporary protection by the local authorities.⁹ Most of the actual mosques have been renovated following the 1999 conflict. The Orthodox churches, which are still in use, are mainly located in the villages/towns of Binçë/Binač, Zhiti/Žitinje, Podgorcë/ Podgorce, and Gërmovë/Grmovo. The Orthodox Church in Gërmovë/Grmovo was destroyed during the conflict in 1999 and has never been renovated since then. On the other hand, all the six Catholic churches are in use and located in towns/villages of Letnicë/Letnica, Vërnez/Vrnez, Kabash/ Kabaš, Binçë/Binač and Stubëll e Epërme/Gornja Stubla.

The Catholic Church of Black Madonna in Letnicë/Letnica stands out amongst them. Dating back in 1866, this church is famous for its 300-year old Black Madonna statue hanging above the altar, and being worshipped by pilgrims eager to see it. What makes it even more unique is that in 1928, Mother Theresa took the decision to embrace her calling of becoming a nun in the Black Madonna Church, prior to embarking on her sacred mission. At that time, Mother Theresa was an 18-years-old young woman who came on a pilgrimage to Letnicë/Letnica along with her parents. Each August, the Feast of the Black Madonna is celebrated in the village of Letnicë/Letnica by thousands of visitors coming from Albania, FYR of Macedonia, Montenegro, Croatia, and Italy. During our interviews with different value chain actors, they stated that these visitors stay from two days up to one week and they are accommodated either in the homes of their relatives or alternatively in the rehabilitation centres at Kllokot/Klokot, namely the "Banja e Kllokotit" Spa and "Nëna Naile" Spa.

Additional monuments of extraordinary cultural and historical value can be found in different towns and villages of the municipality. Viti/Vitina is known for the first two Albanian schools in Kosovo. The first one was established in Stubëll/Stubla village in 1905, shortly followed by the second one established in Pozharan/Požaran village in 1907.

The First Albanian School is of an utmost importance as it has a unique history. This school has been transformed into a museum now although it is not yet open to the public, except for some occasional visits hosted by the priest or local people. Despite its historical value, no public lighting has been provided yet, there is no explanatory plaque put in place indicating the year it was established, nor any other information regarding the importance of this historical monument. To make things even worse, different constructions were erected around this school building, blocking out its sight.

⁹ Upon field research and consultations with the CHwB, we were able to provide the list of monuments under protection that is part of the cultural heritage of Viti/Vitina Municipality

Among other cultural sites, which may serve as cultural site destinations according to the LAG in Viti are also the Illyrian dwelling place in the village of Smira nearby the Catholic Church and the graveyard located between villages of Lubishtë/Ljubište and Podgorc/Podgorce. In general, it has been noted that cultural sites and attraction operators do not sufficiently, if not at all, engage in marketing and promotional activities of these sites, even though their potential to further enhance cultural and religious tourism is very high. Furthermore, during the interviews with the stakeholders it was stated that none of the aforementioned cultural sites have been included in any organized package of local and/or international tour operators. These sites are mainly visited upon individual initiatives and no entry fees whatsoever are required.

Festivities and Cultural Events

The Municipality of Viti/Vitina is also very active in organizing various festivities and cultural events, which attract a number of visitors from the region and diaspora. The most well-known festivities and cultural, sports and religious events include: *the Flakadani i Karadakt, the Photography Week, the Manifestations of Don Mikel and the Diaspora Days.*

These events bring together the artists, writers and sportspeople from various countries (mainly from the region), taking part in these festivities for up to ten days. However, due to the lack of accommodation facilities in the Municipality of Viti/Vitina, most of them accommodate themselves at spas in Kllokot/Klokot or at their relatives.

Tour Operators and Travel Agencies

There are no inbound tour operators in Viti/Vitina. Even though there is a total of 17 inbound tour operators operating in Kosovo, none of them includes the municipality's landscape and cultural sites in their packages. Apart from this, in absence of guides in the Municipality of Viti/Vitina, the local priests usually take over the role of the guides for the visitors. There is also one outbound travel agency that arranges air and bus tickets, hotel vouchers, insurances and other travel services for residents or tourists traveling to other destinations.

Transport

Both local and international visitors can reach Viti/Vitina either by car or by bus. The road infrastructure is well-maintained and accessible. The airport located in Prishtinë/Priština is around 80 km away and there are direct bus lines to Viti/Vitina. The frequency of flights and the number of destinations to major airports and transit hubs is sufficient, whereas the ticket prices are competitive to other countries in the region. For price-conscious travellers, overland bus is the best option to get to Kosovo, particularly during summer and winter season (mostly around Christmas and New Year's). There are direct bus lines from and to Viti/Vitina in the following countries: Switzerland, Germany, Austria, France, Slovenia, Italy, Bosnia and Herzegovina, and Croatia. There are 5-6 car rental providers in Viti/Vitina who provide their services on daily basis.

Visitors

Diaspora visitors: In addition to paying visits to their families, friends and relatives, diaspora tourists also travel for leisure in the Municipality of Viti/Vitina. They usually come for visit a few times a year and stay either in their own homes or at their relatives'. The length of their stay may go up to one month, especially when they come to their own homes. Diaspora visitors make up a large portion of these visitors. Typically, the town of Stubëll/Stubla has a total of 1,200 resident

inhabitants, whereas an additional number of 3,000 of them live abroad, namely in Switzerland, Germany, Italy and Austria.¹⁰ It is evident that greater efforts and initiatives are required in order to promote tourism amongst the diaspora, as it is them who are playing an active and vital role for the development of the Municipality of Viti/Vitina. There are in total 6 Diaspora Associations, with their headquarters located mainly in Italy, Switzerland and Germany, which continuously contribute to improvement of the road infrastructure, reconstruction of houses, hospitals and schools, sponsoring of cultural activities, various festivities and so on.

International visitors: International tourists visiting the Municipality of Viti/Vitina, mainly comprise of business travellers and religious visitors. Majority of these international business travellers work as consultants and are mainly engaged in short assignments ranging from a couple of days to a couple of months. On the other hand, there are hundreds of international religious visitors who visit the municipality during the Black Madonna Feast. Their length of stay ranges between 2-9 days and they are accommodated mainly in their relatives' houses. They usually come from Albania, FYR of Macedonia, Croatia, Italy, Switzerland and Montenegro.

Domestic visitors: This group of visitors is composed of residents of Kosovo and foreigners with a temporary resident status. Based on the interviews conducted, it turned out that this type of visitors make up a very small fraction of those visiting the municipality of Viti/Vitina. The main contributor to this is the lack of any promotional activities of attractions throughout Kosovo, on the side of the municipality.

3.1.2 Indirect Value Chain Participants

Supporting Functions/Services

Municipality

The local government is responsible to launch attractive initiatives for a thriving economy within the municipality. Directorate of Agriculture, Forestry and Rural Development within the Municipality of Viti/Vitina has the mandate to enhance development of the rural tourism. Yet, the aforementioned directorate has so far failed to undertake any initiative or activity related to the development of rural tourism. On the other hand, the Directorate for Youth, Culture and Sports is mandated to oversee the maintenance and restoration of the cultural heritage sites in line with the Municipal Development Plan. This directorate is also responsible to organize cultural, arts, sports and religious events, such as the Black Madonna Feast, the Meetings of Don Mikel, Flakadani (arts exhibition events), and similar. However, there isn't any single body within the municipality that has an exclusive mandate for tourism development and coordination of tourism activities, nor does the municipality have a proper tourism development strategy or action plan put in place. The Municipal Development Plan hardly makes any mention of tourism as a sector for potential economic development, giving rather a vague description of the potential areas where tourism could thrive.¹¹ It fails to provide a thorough analysis, including a SWOT analysis, description of supply and demand and an action plan for development of the tourism related products, relevant human resources and tourism marketing campaigns

¹⁰ The GAP Institute 2017, Self-Organized Communities Study.

¹¹ Municipality of Viti/Vitina, *the Municipal Development Plan 2010-2020*

The Municipality of Viti/Vitina has also a number of self-organized communities, including Stubëll/Stubla, Smirë/Smira, Lubinjë/Ljubinjje, which in collaboration with the diaspora and the private sector initiate specific activities aiming improvements to their environment. These self-organized communities have their own General Council, which is comprised of members from the diaspora association and the private sector. The Council has a Development Plan for the Village, which is also available on the municipality website. During the last 16 years, the village of Stubëll/Stubla alone has implemented projects whose value has exceeded € 1 million. The main projects completed so far include the following: renovation of the first Albanian school, organization of the Dom Mikel Days, school renovations, enhancement of electrical network, public lighting, reconstruction of roads, ambulance, and youth centre.¹² Based on the Development Plan, the Council of *Stubëll/Stubla* has foreseen various activities until 2018, such as: building a care centre for elderly, reconstruction of pedestrian pathways and installation of the water supply network. However, it does not foresee any relevant activity that would contribute to development of tourism in the municipality, even though the village of *Stubëll/Stubla* has a great potential for enhancement of cultural and nature/adventure tourism..

Marketing Organizations

In absence of the Kosovo Tourism Agency, which would have been responsible for promotion of the Kosovo's image, and considering the lack of any strategy for promotion of Kosovo's tourism, there are only a few marketing activities that are taking place at both, central and local level. At the Kosovo level, the KIESA has been given the mandate for promotion of tourism. Out of its five existing and operational departments, only one of them is responsible for promotion of tourism that is mainly done through participation in tourist fairs. In this regard, the KIESA together with the tour operators throughout Kosovo has so far attended the following fairs: Mediterranean Fair in Tirana (2017), B2B Fair Albania (2017), *Destination Nature Paris* (2016 & 2017), *WTM London* (2015), *Izmir Tourism Fair* (2015), *International Tourism Bourse Fair Berlin* (2015, 2016 and 2017), and *EMMIT Istanbul* (2017). On the other hand, participation of the local tour operators in the aforementioned tourist fairs have been enabled mainly through the support of international organizations, such as the USAID Empower and the PPSE Project. Finally, the National Geographic Magazine has recently recommended Kosovo as one of the ten places to be visited.

At the local level, there have been no marketing activities undertaken to promote the municipality at the Kosovo level or abroad. At the enterprise level, the tourism service providers are not familiar and rather reluctant in investing money for the purpose of marketing and promotion. They are not aware of free enterprise promotion tools such as Trip Advisor, Booking, AirBNB, and similar.

Tourism Information Centre

The Municipality of Viti/Vitina has been one of few municipalities to have its own Tourism Information Centre. This tourism info centre is accommodated within a small wooden house of 10 m², located in the town of Pozharan/Požaran, a 15-minutes' drive from Viti/Vitina centre. However, when visited by the team on two separate occasions, the centre was closed and the team was told that the tourist info centre is no longer functional. Namely, from information obtained on the ground, the centre was established with EF-funding support and had been operational only for two years. Its opening hours used to be Monday to Friday from 13:00 -

12 The GAP Institute 2017, Self-Organized Communities Study

17:00hrs. Given that most of the activities, events and festivities take place in Viti/Vitina, the current location of the tourist info centre may be inappropriate outside of the city centre. No promotional materials for tourism in Viti/Vitina are available, such as leaflets, tourism brochures, maps, cultural sites' guides, and schedule of cultural events and the like.

Infrastructure

The Municipality of Viti/Vitina has been very active in the reconstruction of the roads and existing buildings, such as schools, sports halls, parks, promenades, pedestrian and biking paths, river beds, and public lighting during the past years. In 2016, the municipality in collaboration with the Swiss-funded DEMOS project began with implementation of a mobility plan. One of the most frequented roads causing traffic jams has been the road "Te Pasqyrat", therefore the taxi parking lot had to be relocated from the city centre to a more appropriate location nearby, providing enough space for the pedestrians and reducing traffic jams. In addition to this, new parking lots have been allocated at the bus station for better and easier mobility of daily commuters. During the interviews with the value chain actors, it was emphasized that the revitalization of the roads linking *Stubëll/Stubla*, *Zhegër/Žegra* and *Gjilan/Gnjilane* should be done, followed by creation of hiking pathways in order to enjoy the surrounding nature, trees and greenery, thus stimulating more visitors to come and see the countryside. Some of the respondents also mentioned the importance of creating trails that would link *Stubëll/Stubla*, *Letnicë/Letnica* and *Debelldeh/Debelde*. The actual situation is likewise that if one would want to go to one of these places, they would have always had to pass through Viti/Vitina first.

Better solid waste and wastewater solutions are considered to be crucial in order to improve the visitors' experience and satisfaction. Electricity and water supply are not always stable, especially during wintertime when blackouts can last for the whole day or even longer. The inhabitants in the rural areas are struggling with unstable and erratic water and power supply. For guesthouses in the remote areas the use of photovoltaic electricity supply should be better promoted, as there is no application of such technologies up to date.

Input Suppliers

In the hospitality sector, both functionality and the aesthetic aspect of the environment can play a decisive role in making restaurants/hotels attractive to the end customers. An environment, in which a customer is being served is as important as the service they are being offered. This makes the suppliers of the goods and services consider the exterior and interior of their restaurants/hotels to be amongst the most important aspects in the hospitality sector. Restaurants/hotels of all categories starting from economy to the first class should be working closely with architects and interior designers in order to ensure the desired atmosphere has been brought to the venue. Therefore, they should invest in regular maintenance and continuous upgrading of their facilities.

The restaurants/hotels should also pay more attention to the food menu they offer to their customers and ingredients used when preparing such food. During the interviews with owners or managers of the local restaurants, it was stated that when in season the food ingredients (mainly fruits, vegetables, meat and different dairy products) are sourced from the local farmers, otherwise they are purchased from the local supermarkets or other smaller shops scattered in the villages. There have been no contractual agreements concluded between the restaurants and the local suppliers. Therefore, their mutual collaboration is rather kept informal between

them, given that the interviewed restaurant owners/managers stated that they are familiar with the quality and quantity requirements. Out of all actors that have been interviewed from the hospitality sector, only one restaurant had its own chicken farm. It was evident that there is an interest within the tourism industry for sourcing locally produced supplies, yet, in order to conclude formal contractual agreements, the local farmers must be able to ensure consistent quality and quantity of their products.

Enabling Environment (Rules and Regulations)

Laws and Regulations

Law on Tourism - This law regulates relations between the public and private sector on tourism, prescribing the rights of all subjects under the law on tourism activities.

Law on Cultural Heritage - This law prescribes the rules of cultural heritage as well as legal and technical tools for the inventory, documentation, selection, protection, conservation and restoration of these treasures in conformity with international charters and conventions.

Law on Tax Accommodation – In spite of the fact that this law sets the rules for collection of the accommodation tax from international tourists, such tax has never been collected, and therefore the law is not being complied with.

Law on Foreign Investments - This law prescribes the rules and procedures for the protection, promotion, and encouragement of foreign investments into Kosovo.

Strategies

There is no strategy on Kosovo tourism in place yet, and the same applies to the strategy on local tourism within the Municipality of Viti/Vitina. At the Kosovo level, a Private Sector Strategy is being developed, in which the tourism sector in general will be specifically dealt with.

Tax Regulations

Corporate tax: 10%, no tourism taxes have been applied so far.

Monthly income tax (monthly salary): 0 - €80 = 0%; €80 – 250 = 4%; €250 – 450 = 8%; >€450 = 10%

VAT: 18% - As of the approval of the Fiscal Package II in September 2017, the VAT for cultural, arts, sports, touristic, accommodation, recreation and fish processing activities is expected to be reduced to 8%.

Tourism business registration

The Law on Tourism (No. 04 L 176) revoked the requirement for sector specific licenses and permits. Article 6 of the Law states that all natural and legal persons that practice tourism activities can be voluntarily registered in their respective tourism units. In addition, the aforementioned law stipulates that the Ministry of Trade and Industry in cooperation with the Tourism Council of Kosovo shall introduce a voluntary system for categorization of accommodations as per their standards, in accordance with an international assessment system available to applicants.

Associations

There are no tourism related associations (i.e. hospitality sector association) established in the Municipality of Viti/Vitina.

There are a couple of Diaspora Associations established in different towns/villages, however, they have failed in taking joint actions necessary for development of tourism in their municipality and bringing new tourists.

3.2 HORIZONTAL AND VERTICAL LINKAGES WITHIN THE TOURISM SECTOR

The figure below presents a universal mapping of the tourism value chain actors and their linkages, based on which an analysis of the value chain actors in Viti/Vitina will be provided:

Supporting functions



Core Value Chain



Enabling Environment



At the Kosovo level, the responsible body for tourism development is the Ministry of Trade and Industry, namely its Tourism Division, which employs three full-time employees. The role of this division is to design and implement tourism policies, legislation, and strategic policy documents for overall development of tourism in Kosovo. KIESA - on the other hand - is the responsible public body for promotion of tourism. Furthermore, the Council of Tourism in Kosovo, which has been re-functionalized only recently, is responsible to coordinate all the relevant stakeholders and to promote the public-private dialogue on the tourism related issues. The Council of Tourism is comprised of seven full members and two observer members

The Ministry of Environment and Spatial Planning (MESP), namely the Department of Environmental Protection along with the Division for Nature Preservation are responsible for creation of policies for environmental protection and nature preservation. Other institutions at the central level, such as the Ministry of Diaspora (MoD) and the Ministry of Foreign Affairs (MFA) have the mandate to promote Kosovo's identity, culture and tourism. In spite of various Institutional bodies at the Kosovo level dealing with the development of tourism, they continue to remain uncoordinated with each other.

The local government plays an important role in promotion of the tourism development. However, the Municipality of Viti/Vitina has so far failed to take any initiative in this regard. First of all, there is no specific directorate or a focal point designated within the municipality that would be given the mandate for the development of tourism and promotion of the municipality. While the Directorate of Culture, Youth and Sports is organizing various events that bring together domestic, regional and international visitors, their work is not based on a proper municipal strategy that would target specific visitors for certain events, by increasing their length of stay and introducing to them other attractions of the municipality. In addition, there is no tourism organization in the Municipality of Viti/Vitina. Coordination and communication between tourism businesses is rather poor in absence of other associations, such as associations of the local restaurants. In general, there is a lack of coordination of actions and activities within the municipality, in absence of a properly established framework.

Creation of horizontal and vertical linkages within the tourism value chain can also contribute to the municipality's economic diversification. If adequately integrated into the central and local development plans, it can contribute to growth of sectors such as agriculture, fishing and provision of services. Significant potential has been identified within the Municipality of Viti/Vitina when it comes to linking hospitality sector with the local farmers and rural tourism with agriculture (agro-tourism), respectively. This would help reaching sustainable agriculture and adding potential value to the local food products, which in turn would enhance the tourist offer making it more attractive for not only the visitors, but also for the local farmers as an additional sector for generation of revenues.

For the purpose of creating and maintaining sustainable and beneficial linkages between the hospitality sector and local farms, various modalities should be reviewed, which in turn would ensure greater use of the local food products in the hospitality sector simultaneously addressing the issue of consistency in both quality and quantity of such products. In addition to this, several factors need to be taken into consideration, in order to create such inter-sector linkages. A common problem when introducing and strengthening linkages between different sectors is often the mismatch between the supply and demand for agricultural products as well as the lack of an intermediary institution that would bring together the buyers and suppliers. In this regard, the intermediary role should be assigned to an association whose function would be to engage in creating and channelling the demand for local products; supporting the suppliers in delivery of the required quality and quantity of their products; establishing communication structures between supply and demand and similar. In this way, we would have a better promotion of the local dairy products, home produced meat, homemade bread or other local specialties, resulting in overall increase of demand for the locally-made products. The use of local products as input supplies by the hospitality sector could have a strong impact on increase of income and employment.

Agro-tourism, on the other hand, has been identified to have a strong potential for small-scale producers and processors in the Municipality of Viti/Vitina, in fostering vertical linkages within the value chain and presenting a more community-inclusive model for development of tourism. Based on the field visits and the focus group discussions, it is apparent that the farms in various villages of the municipality are ideal for development of agro-tourism, in particular due to their largely organic products and the beautiful landscape. In general, farming in Kosovo represents a rural way of working that is deeply rooted into the tradition and know-how of the local farmers. As nowadays travel has become much more than ticking the usual list of the local cultural sites, tourists also want to meet local communities in their natural environments and become more involved with the country they are visiting. Therefore, development of agro-tourism within the municipality's key farm areas would be a unique attraction as considerable work is yet to be done in order to promote agro-tourism at the Kosovo level. This would also stimulate the inbound tour operators to offer special tour packages for the municipality of Viti/Vitina so that the visitors can get in touch with the real rural life, meet the local farmers, taste the food, stay in the farm, and learn more about real farming experiences, and whenever possible also combine it with other cultural events and festivals.

3.3 COST STRUCTURE OF THE TOURISM SECTOR

This section provides information regarding the cost structure of the interviewed tourism service providers, namely of accommodation facilities and restaurants.

Accommodation Facilities

Only one accommodation facility has been identified and its owner interviewed in the municipality of Viti/Vitina. The room price is €50.00 per night including breakfast and this price remains the same throughout the year.

Restaurants

Having interviewed owners/managers of seven restaurants, only one of them has a turnover of less than €30,000, while the others go above €50,000. The average prices for food and beverages at the visited restaurants are the following:

The average price for breakfast is €2.00, whereas the average price for lunch and dinner is €5.00. The cheapest meal is €2.00, while the most expensive one costs €8.00.

Non-alcoholic drinks cost up to €1.00, while alcoholic drinks cost from €1.00 to €3.00. The cheapest coffee costs €0.50, while the most expensive one is €0.80. The average price for a beer is €1.20 whereas a glass of wine goes up to €1.50.

The operational cost of a restaurant, involve the following costs: the raw material cost, cost of the workforce, and utility costs. The raw material cost of food and beverages is regarded as variable; therefore, the team was not able to derive such cost from the conducted interviews. The workforce is considered to be semi-fixed depending on the season. Workforce training is generally cost-free since it is provided in-house by the more senior staff.

Utility costs such as water and power supply have also been identified, but they vary depending on the size and activities of the restaurant. The electricity costs range from €250 to € 2,000 per month. There are no costs involved when it comes to water consumption, as the restaurants get their water supply from their own wells.

3.4 KEY ISSUES IDENTIFIED IN THE TOURISM SECTOR – SWOT ANALYSIS

A SWOT analysis of the potentials on one hand, and threats on the other for development of tourism in the Municipality of Viti/Vitina is presented in the table below:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ Good geographical location and good main roads. ▪ Good internet accessibility and mobile network coverage. ▪ Diversity of nature and natural resources. ▪ Diverse rural areas for development of different products. ▪ Existing cycling paths and ski paths. ▪ Sightseeing attractions (historical monuments, churches, mosques, mills). ▪ Ethnic and cultural diversity. ▪ Traditional gastronomy. ▪ Some regionally and internationally known festivals of cultural and religious events. ▪ Support from Diaspora Associations. ▪ Diaspora bringing their experience and investments home as well as their demands for tourism. 	<ul style="list-style-type: none"> ▪ Weak demand on the visitors' side, due to the lack of marketing and promotion. ▪ Lack of adequate investment in tourism sectors (recreation facilities, sports etc.) ▪ Lack of accommodation facilities within the centre and other attractive sites. ▪ No presence of private guides and tour operators. ▪ Lack of the road signs indicating the directions to cultural monuments and natural resources. ▪ Lack of the promotional materials (i.e. brochures, guides, post cards, schedule of events, maps, data etc.). ▪ Non-functional Tourism Info Centre in Pozharan/Požaran. ▪ Lack of trained and qualified staff in both tourism and hospitality sectors. ▪ Lack of management and know-how about the tourism sector and hospitality. ▪ Lack of knowledge of foreign languages. ▪ Lack of initiative from the private sector actors to engage in development of tourism. ▪ Lack of tourism capacities in the municipal level. ▪ Lack of the municipality support to development of tourism.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ Development of tourism as a potential tool for creation of jobs and generation of income. ▪ Creation of the local tourism brands. ▪ Introducing the municipality brand and image as a place of exploring cultural and religious sites and unspoiled nature. ▪ Potential for creation of the tourism products with quality standards and labels. ▪ Potential for creation of hiking trails, ski paths etc. ▪ Potential for creation of souvenir shops (adjacent to the cultural sites). ▪ Expansion of rural tourism activities. ▪ Creation of travel packages and linkages with inbound tour operators. ▪ Growing interest for investments in tourism by locals and visitors from diaspora, and attracting foreign investments. ▪ Diaspora contribution (their investments and experience). 	<ul style="list-style-type: none"> ▪ Lack of cooperation between the villages of the same municipality. ▪ Depopulation over the years (mainly Diaspora population). ▪ Lack of available resources for new tourism attractions and facilities. ▪ Unwillingness of the tourism service providers to commercialize their offers (i.e. reluctance of the local families to rent their houses as tourism accommodations). ▪ Lack of up-to-date education programmes to meet the demands of the tourism industry. ▪ Limited coordination between the key public and private stakeholders for the purpose of developing and managing with the municipality as a touristic destination.

3.5 MARKET TRENDS IN THE TOURISM INDUSTRY

The tourism industry in Kosovo is an infant industry at its early stages of development. This is mainly due to the lack of investment for many decades, poor touristic packages offered by the tourism enterprises, low level of investments (mainly through donor support), low efforts in destination promotion and poor marketing, lack of educated tourism personnel, and lack of coordination between the private sector on one hand, and public institutions, on the other.

The direct contribution of tourism to the GDP is exceeding 1%, while the world average contribution of tourism to the GDP is 3.3%. This is mainly due to the high number of diaspora tourists visiting Kosovo throughout the year. The tourism industry in Kosovo employs more than 9,000 people, which comprise 3.5% of the total employment. Based on the KAS data, the sector of hospitality (hotels and restaurants) contributes slightly more than 1% to Kosovo's GDP. Furthermore, this sector has been of the fastest growing industries, with a 14% average rate of growth for the past two years.¹³

Despite the lack of institutional support and investments in the tourism sector, the number of tourists visiting and staying in Kosovo has progressively increased from 24,616 in 2008 to 79,234 in 2015. The most visited regions in Kosovo in 2016 by international visitors include the regions of: Prishtinë/Priština (76,543), Pejë/Peć (24,110), and Prizren (16,479). Even though during the last ten years, the number of tourists and their length of stay in Kosovo have significantly increased, this is by far below the regional average. During the summer, Kosovo receives the largest number of tourists. This is believed to be primarily due to the guests coming each summer from diaspora, which, has a huge impact on the local economy in general and tourism sector, in particular.¹⁴

Despite the lack of proper promotion both from the public and private sector, Kosovo has been recommended as a touristic destination by various magazines, developing its identity and reputation in touristic guides. For instance, Kosovo has been recommended by *Vogue Magazine* as one of the tourist destinations for 2017. Likewise, *Sunday Times* – a British Magazine has recommended Kosovo as destination for 2017 vacations, hiking and the mountain peak Gjeravicë/Đjeravica.

In terms of the global trends, international tourist numbers have grown steadily over the last few decades. According to the latest UNWTO World Tourism Barometer, international tourist arrivals grew by 5% between January and April 2016. Worldwide destinations received 348 million international tourists¹⁵ (overnight visitors) between January and April 2016. Some of them received 18 million more visitors compared to the same period of the previous year. This could make 2016 the seventh consecutive year of above-average growth, with international arrivals having increased by 4%. The highest growth in international arrivals has been recorded in Asia and Pacific (+9%), followed by Africa (+7%), America (+6%), Europe (+4%) – Northern, Central and Eastern Europe (+6%), Southern and Mediterranean Europe (+4%) and Western Europe (+3%).¹⁶ UNWTO predicts that by 2030, 58% of international arrivals will be in

13 KAS 2017. Tourism [Data File].

14 Ibid.

15 UNWTO World Tourism Barometer 2016.

16 Ibid.

emerging economy destinations, including Eastern Europe. In 2015, emerging economies, for the first time, received more international tourists than advanced economies.

As shown by the above-mentioned statistics, travelling abroad is considered to be as one of the most fulfilling activities nowadays. The ability to try various cuisines, to get immersed into different cultures, to take part in new customs, and to visit previously unreachable locations has never been more accessible. One of the competitive advantages of Kosovo's tourism experience is that it is the youngest and the least visited place in Europe. Travelers today often look for experiences, whether it be an authentic local experience, an adventurous experience, or even an opportunity to reach a rather different destination. Some of the main trends of the tourism industry that will have their impact over the industry in the short, medium and long term, are the following:

- Increasing number of people traveling abroad, in particular from developing and emerging countries.
- Sustainable numbers of retired people opting for the year-round tourism.
- Online sales, dynamic pricing and packaging are transforming the marketing industry and promotion of the tourism products.
- Adventure tourism is a rapidly growing segment of the today's market. The travellers are more interested in customized experience. Activities such as hiking, cycling and safaris are expected to be stand out choices for 2017.
- The millennial generation, being the youngest generation with disposable income, are seen as the leaders in travel and tourism. When traveling, they prefer to search and book their trips and tours online.
- Food tourism has become an emerging trend among travellers everywhere. They are not limited to simply dining out. It also includes cooking courses, farm tours, slow food etc.
- Responsible tourism – travellers will be more interested in the environmental, economic and social impact they have on the destinations they visit and are likely to support the companies that embody these values.
- Business and leisure travel is predicted to be a lucrative trend for tour operators in 2017.

The latest tourism industry trends clearly show that the Kosovo tourism value chain actors should focus in promoting Kosovo's touristic offers as much as possible through online marketing and other sources. Apart from this, they should be also focused in improving the existing tourism products, in developing tailor-made tour packages, and enhancing the quality of services and facilities and last but not least continuously working on building Kosovo's image as a touristic destination.

3.6 CONCLUSION AND RECOMMENDATIONS

Tourism is at its early stages of development throughout Kosovo. Despite its potential to contribute to Kosovo's economy, it is not yet perceived as a priority sector for growth neither at the central level institution nor at the municipal level. Neither is there an adequate directorate nor a focal point designated within the Municipality of Viti/Vitina that would be given the mandate for the development of the tourism and promotion of the municipality. In general, there is a lack of coordination of the actions and activities within the municipality, in absence of a properly established framework.

Furthermore, the private sector actors are reluctant to undertake any initiative for development of tourism, mainly due to the lack of awareness and education on relevance of tourism as a sector for generation of income and contributing to employment. They even lack initiatives and knowledge in promoting, marketing and commercializing the existing tourism attractions within their own municipality, let alone promotion of their entire municipality as a destination.

Nevertheless, owing to its beautiful landscapes and rich cultural heritage and history, the Municipality of Viti/Vitina presents a great potential for developing a unique tourism offer. In order to start using its potential and be recognized as a touristic destination and increase the visitors' length of stay, the team is proposing the following recommendations:

Commercialization of the existing tourism products – During the field visits in the municipality of Viti/Vitina it was noticed that there is some quite unused potential in commercializing the cultural sites, private accommodations and some of the key private tourism attractions, such as old watermills, which if utilized properly would have led to higher income generation in the municipality.

- Cultural Sites – no entrance fee is charged when visiting various churches, historic sites and monuments and the like. In this regard, entrance fees could be introduced when visiting such cultural heritage sites, as well as the operators could provide additional services adjacent to these cultural sites such as cafés, souvenir shops, bookshops, etc. with the purpose of additional income generation.
- Private accommodations – there is a number of private accommodations that receive guests during the various festivities held in the municipality, especially during the summer months. Given that the hosts do not charge any fees from their visitors - guests, some awareness raising activities are suggested with this target group about the benefits and modalities of commercializing their "business".
- Private attractions, such as Old Watermills – a number of attractive and old watermills have been identified within the municipality, but they are not utilized commercially properly. The same awareness raising activities could also target owners of these old watermills, in order to stimulate the income generation within the municipality.
- Accommodation services could also offer meeting places and conference room facilities and services. For the private sector companies as well as for organizations it could be much more exciting to conduct seminars and workshops in a healthy mountain environment..

Development of tourism products, attractions and activities - In order to become more attractive for a wider range of visitors and for year-round tourism, the municipality of Viti/Vitina needs to expand the list of things to see and things to do. In this regard, it should be focused on the competitive advantages it has, such as cultural heritage, natural resources and beautiful landscape. Coordinated development of facilities and year-round marketing activities should include the following:

- Culture and Heritage
- Agro-tourism
- Nature and Adventure (skiing, fishing, hiking, snowshoeing etc.)
- Family oriented attractions and activities

Marketing and Promotion Activities – Despite its beautiful landscapes and rich cultural, historic and religious sites, few people other than the local residents know about the potential of this area. Insufficient information can be found in bits and pieces on different websites regarding specific cultural and religious sites, however, no coordinated promotion and information platforms have been developed so far. In addition to this, once you have reached the area, you see no signs whatsoever that can guide tourists to a particular tourist attraction, nor information about the attraction itself. The following marketing and promotion activities would have triggered development of the municipality tourism:

- Detailed mapping of the tourist destinations and attractions in the municipality of Viti/Vitina.
- Development of a web-portal that would provide information about the cultural and historic sites, attractions, and hospitality services within the municipality of Viti/Vitina.
- Creation of the road signs that would enable tourists to locate more easily a certain attraction (including the guest houses) in the municipality of Viti/Vitina;
- Preparation of different promotional materials, such as brochures and leaflets for distribution to the tourists.

Municipal-level tourism initiatives

- Establishment of a Tourism Directorate within the Municipality of Viti/Vitina that would be mandated to draft and implement strategies with the aim of developing and promoting tourism. In addition, the directorate should closely cooperate with the Directorate of Culture, Youth and Sports in formulating and implementing strategies related to the cultural heritage management.
- Development of the tourism strategy at the local level.
- Enhancement of coordination and cooperation amongst various stakeholders of the tourism field at the municipal level and private sector.

Establishment of a programme for development of skills - As a service industry, tourism relies on professional interaction between guests and hosts or local service providers with a consistent service provision mindset. Today, in the tourism industry, elements of the staff training, quality, productivity and competitiveness are all closely related to each other. During the field interviews and focus group discussions, it was apparent that the workforce in the tourism industry in the Municipality of Viti/Vitina is rather unskilled and the concept of the sustainable tourism is quite new to them. In this regard, the team considers that tailor-made training modules should be provided to the tourism value chain actors, as follows:

- The private sector providers of tourist offers and services should increase their capacities in order to build their entrepreneurial skills and to further enhance their specific tourism skills.
- Providers of complementary tourism offers and services (cultural sites, countryside exploration, local specialties etc.) should increase their capacities for provision of guides' service, mastering of foreign languages, improving environmental aspects and similar.
- Developing the capacities of producers and small-scale processors of 'nostalgic goods'.
- Public sector employees should increase their capacities on developing strategies based on sustainable tourism; creating new and innovative tourism policies that would address local needs; developing and strengthening vertical and horizontal linkages between the value chain actors.
- Awareness raising events of targeted public and private sector actors on the touristic potential of the municipality of Viti/Vitina.
- Develop training programmes that include the staff exchange between the municipality hospitality service providers (restaurant and hotel management staff, cultural sites' staff and guides etc.) in similar areas within the region or beyond in Europe.



4. FRUITS, VEGETABLES AND CEREAL CROPS

This section of the report presents an analysis of the value chains for the subsectors of cereal crops, fruits, and vegetables in the Municipality of Viti/Vitina. In addition to the official data collected during the agriculture census conducted in 2014, more recent data have been provided by the municipality on applications for subsidies in 2017 for various cultivated crops. In addition, surveys with agricultural stakeholders located in Viti/Vitina as well as a focus group have been organized. As such, the value chain analysis describes the current situation in the specified subsectors, focusing on cultivation of crops, linkages between the value chain actors, key issues, and market trends. It also draws recommendations that derive from findings generated therein.

Situated on a fertile plain, Viti/Vitina is characterized by land that is suitable for cultivation of various crops. Viti/Vitina is particularly renowned for cultivation of cereal crops and vegetables. The Morava e Binçës/Binačka Morava River is of paramount importance for the agriculture sector of Viti/Vitina, as it provides a considerable amount of water essential for irrigation of the land in this area. In turn, this allows for the agriculture sector in Viti/Vitina to be considered one of the key sectors for the economic development of the municipality.

The Municipality of Viti/Vitina has a total land area of 29,700 ha, out of which 12,860 ha is considered agricultural land and 7,981 ha arable land¹⁷. In general, agriculture is one of the most important sectors in the Municipality of Viti/Vitina, providing employment and income generation for the community. Around 2,400 farmers are currently involved in the self-sufficient farming system¹⁸. The land area for cultivation of agricultural products intended solely for household consumption, also known as the kitchen garden, stands at around 51.3 ha according the agriculture census, which is less than 1% of the arable land.¹⁹

On the other hand, around 7,300 farmers are involved in the commercial farming, in which, the cereal crops occupy by far the largest share of arable land with 6,518 ha, or over 80% of the total arable land, followed by the vegetable subsector estimated at 832 ha and finally the fruit subsector with 131 ha. The largest growth has been recorded in the vegetable subsector, in particular for specific crops, such as pumpkins and watermelons.

The table below gives an overview of the main agriculture subsectors in the Municipality of Viti/Vitina:

Table 1: Overview of the main agriculture subsectors in Viti/Vitina

	Surface (ha)
Total land area	29.700 ha
Total agricultural land	12.860 ha
Arable land	7.981 ha
<i>Cereal crops</i>	6.518 ha
<i>Vegetables</i>	832 ha
<i>Fruits</i>	131 ha

Source: KAS 2014 - Agriculture Census; Municipality of Viti/Vitina 2017 – Subsidy Applications;

¹⁷ Municipality of Viti 2016, Invest in Viti. https://issuu.com/foundation.kosovo.luxembourg/docs/2015_11_22_fkl_guide_eng_-_viti__fi/14;

¹⁸ MAFRD 2014. Agriculture Census. <http://ask.rks-gov.net/media/1375/final-results.pdf>

¹⁹ Ibid.

Cereal Crops Subsector

Given that the wheat flour products are an integral part of each household meal, Kosovo in general has a relatively high annual wheat flour consumption. The top crop occupying the largest part of arable land in Kosovo is wheat with 50.3%. These figures also explain the high local wheat production which is processed entirely for the domestic needs, yet covering only 63.3% of the total demand for wheat in Kosovo.²⁰ We have a similar situation also in the Municipality of Viti/Vitina with cereal crops being the most cultivated crops covering by far most of the agricultural land cultivated in Viti/Vitina. According to the agriculture census and the data gathered from the municipality with reference to subsidy applications for 2017, here is the list of the most cultivated cereal crops:

Table 2: Cereal crops production in Viti/Vitina

	Surface (ha)	Production (tons)	Average Yield (tons/ha)
Wheat	4.776,6	16.144,9	3,38
Maize	1.646,9	5.220,7	3,17
Oats	54,5	104,1	1,91
Rye	25,6	52,2	2,04
Barley	14,4	38,6	2,68
TOTAL CEREAL CROPS	6.518		

Source: KAS 2014 - Agriculture Census; Municipality of Viti/Vitina 2017 – Subsidy Applications; MAFRD 2016 – Green Report;

The total production per crop is estimated based on average yield rates obtained from the Green Report 2016 of MAFRD for the specified crops.²¹ However, based on interviews with selected farmers in Viti/Vitina, average yield rates vary and were mostly reported to be lower in the recent years, especially in 2017 given the low temperatures (below 0) in spring and hail falls.

Wheat is the most important local cereal crop. It is grown on an area of around 4,777 ha with an average yield of 3.38 tons/ha and an annual estimated total production of 16,145 tons. There is one small-scale wheat collection centre in Viti/Vitina with a storage capacity of 45 tons/day. Maize is the second most cultivated crop grown on 1,647 ha with an average yield of 4 tons/ha with annual estimated total production of 5,221 tons. Farmers are increasingly growing maize for silage in order to assure an adequate fodder supply for livestock. The rye crop covers a relatively small area of 25 ha, yet, if we are to compare the data obtained from the most recent agriculture census with the data obtained from the recent subsidy applications, a substantial increase of around 75% in rye cultivation can be noticed.

Please note that these presented values do not include the self-sufficient farming sector. Hence, they are related only to the commercial farming comprised of all three subsectors.

²⁰ Ibid.

²¹ MAFRD 2016, Green Report 2016, http://www.mbpzhr-ks.net/repository/docs/Green_Report_Kosovo_2016_Final_050417.pdf

Vegetable Subsector

The vegetable subsector is one of the most growing agricultural subsectors in Viti/Vitina, marking a steady growth during the recent years. As of 2017, vegetables are cultivated in a total surface area of 832 ha. This growth can be particularly attributed to the increased cultivation of pumpkin, (including maize pumpkin), watermelon and melon, which had not been cultivated at all in 2014, according to the agriculture census.

The vegetable subsector in the Municipality of Viti/Vitina is dominated by small family farms with an average area of around 0.50 ha. Usually, vegetables are cultivated for own consumption whilst the surplus is sold to local retailers or at the wholesale markets. Based on its production structure, the biggest supply with vegetables comes from open fields. Due to a higher yield and protection from harmful effects of weather, the farmers of Viti/Vitina are increasingly using greenhouses for cultivation of vegetables. A typical greenhouse used for vegetable cultivation can vary in size from 0.03 ha up to 0.50 ha and currently covers a total area of 3 ha.²²

The following table provides an overview of the vegetable subsector in the Municipality of Viti/Vitina:

Table 3: Vegetable production in Viti/Vitina

	Surface (ha)	Production (tons)	Average Yield (tons/ha)
Potatoes	138,5	2.919,5	21,1
Pumpkins	270,5	3.014,8	11,1
Beans	177,2	542,6	3,1
Watermelons	98,8	2.201,7	22,3
Cabbages	12,1	340,1	28,1
Peppers	10,6	190,23	17,9
Melons	9,3	142,9	15,4
Onions	6,3	80,5	12,8
Tomatoes	6,3	193,8	30,8
Other	102,6	-	-
TOTAL VEGETABLES	832		

Source: KAS 2014 - Agriculture Census; Municipality of Viti/Vitina 2017 – Subsidy Applications; MAFRD 2016 – Green Report;

The total production per crop is estimated based on average yield rates obtained from the Green Report 2016 of MAFRD for the specified crops.²³ As indicated earlier, average yield rates may vary and were mostly reported to be lower in the recent years due to unfavourable climate conditions.

²² Interview with the Director of Agriculture, Forestry and Rural Development in the Municipality of Viti/Vitina

²³ MAFRD 2016, Green Report 2016, http://www.mbpzhr-ks.net/repository/docs/Green_Report_Kosovo_2016_Final_050417.pdf

Fruit Subsector

The fruit sector has a long tradition in Viti/Vitina. The favourable geographical position and prevailing climatic conditions allow for growth of various types of fruits. However, only 131 ha of the arable land is currently covered with fruit trees as of 2017, cultivated mostly by small farmers. The total cultivated area with fruits has not experienced any significant increase since the last year, however, certain types of fruit are gaining popularity, notably sour cherries, walnuts and raspberries.

The following table provides an overview of the fruit subsector in the Municipality of Viti/Vitina:

Table 4: Fruit production in Viti/Vitina

	Surface (ha)	Production (tons)	Average Yield (tons/ha)
Apples	57,5	535,1	9,31
Sour cherries	22,3	122,9	5,51
Plums	18,5	213,9	11,56
Walnuts	12,5	22,8	1,82
Raspberries	7,8	12,7	1,63
Pears	6,1	53,0	8,69
Strawberries	3,5	25,8	7,38
Apricots	1,0	6,2	6,25
Cherries	0,7	2,6	3,67
Other	1,4	-	-
TOTAL FRUITS	131		

Source: KAS 2014 - Agriculture Census; Municipality of Viti/Vitina 2017 – Subsidy Applications; MAFRD 2016 – Green Report;

The most popular fruit remains apple with around 57.5 ha. This is confirmed by the high number of applicants for apple production subsidies in 2017, covering 53 ha of the total area with apple trees. Sour cherry trees cover an area of around 23 ha, closely followed by plums, which are cultivated on an area of 21 ha. Raspberries are a relatively new crop in Viti/Vitina, which is being increasingly cultivated, in particular due to increasing support provided by the municipality and other stakeholders driven by the high demand for strawberry at export markets. Walnut orchards are also being increasingly cultivated in Viti/Vitina, however, it should be noted that due to the young plantations, maximum yield of walnuts is yet to be reached.

It should be further noted that in 2017, the fruit yield was significantly lower due to weather conditions that have delayed spring throughout Kosovo. The low temperatures as previously indicated have impaired the yield of fruits. The estimated total production per fruit is based on average yield rates as per MAFRD's Green Report.

It is worth mentioning that farmers are now considering to merge their plantations into some kind of an agriculture cooperative in order to yield a greater output of products, to maintain consistently high quality and to overcome problems caused by the high fragmentation. Kosovo's total market demand for fruit is estimated to be 69,711 tons. Apart from the household consumption, fruits are also an important input for the food processing industry.

4.1 MAPPING OF FRUITS, VEGETABLES AND CEREAL CROPS

This section presents a description of the main value chain actors for these three-selected agricultural subsectors, namely cereal crops, fruits, and vegetables.

4.1.1 Direct (Core) Value Chain Participants

Input suppliers

There are six input providers operating within the Municipality of Viti/Vitina; out of which, four are located in the town, while the other two are in the surrounding villages of Radivojc/Radivojce and Pozharan/Požaran. These input providers are actually agricultural pharmacies that provide supply with seeds, seedlings, pesticides, and other chemicals, as well as some small agriculture equipment. The range of pesticides available in these pharmacies is rather limited due to the strict accreditation rules and regulations imposed by the Institutions. Such restrictions accompanied by rather weak and inefficient inspectorate bodies have enabled conditions for the grey market. It is for this reason that the local farmers quite often purchase unaccredited pesticides, which instead of protecting the crops, become the source of different diseases.

Apart from the aforementioned inputs, these pharmacies play a vital role in assisting farmers on the type of seeds; pest management and plant protection; as well as other harvesting and post-harvesting practices. These advisory services are provided to the local farmers free of charge – mostly as an appreciation for their loyalty.

Producers/Collectors

The overwhelming majority of producers/collectors in the Municipality of Viti/Vitina is comprised of rural families, exercising their activities on small pieces of fragmented land. According to the agricultural census, there are around 7,300 agricultural holdings involved in agricultural activities; out of which, 6,506 holdings are engaged in cereal crops farming, 1,036 in cultivation of vegetables and 366 of them in fruit production. Smaller producers/collectors either use their agricultural goods for their own consumption or sell them to the local wholesalers and retailers; whereas the larger ones mostly take their goods to collection centres located in other towns, apart from a portion of wheat producers who deliver their wheat to the only collection centre in the Municipality of Viti/Vitina. It should be highlighted that it is very common for fruit and vegetable producers/collectors to sell their products directly to their consumers at the local green markets.

Collection of fruits and vegetables is mostly performed manually or by using some rather primitive hand tools, undermining quite often the natural habitat of the crop. Considering the fact that their activity is restricted to small pieces of land, these producers/collectors still do not consider feasible to purchase modern technology that would speed up the collection process.

The interviews reveal that the harvesting is generally done by the family members of the agricultural holding. During the peak season, however, they hire seasonal collectors, mostly

amongst the local minority members, particularly from the RAE communities. There are cases when they have to 'import' the workforce from other regions (i.e. Lipjan/Lipljan) for a certain number of days during the harvesting season.

Owing to the support provided by the Kosovo institutions, NGOs, and donor community during the post-war period, there have been some improvements with regard to skills and capacity development of farm producers in the Municipality of Viti/Vitina. However, there is still a noticeable shortage of skills, which results in low yields. The collection capacities, despite improvements over the recent years, have not reached yet a satisfactory level compared to other regions.

With regard to the cultivated crops, over the past few years, there has been a significant increase of specific cultivated crops, notably pumpkins, watermelons and melons, walnuts, raspberries, and sour cherries, when compared to the data provided from the agriculture census in 2014.

Collection Centres

In spite of the great demand articulated by interviewed farmers, the Municipality of Viti/Vitina does not have any collection centre for fruits and vegetables. As indicated earlier, relatively large producers/collectors, although with very small profit margins, are still able to send their fresh local produce to collection centres located in the neighbouring municipalities of Gjilan/Gnjiljane or Ferizaj/Urosevac, where large regional collection centres exist.

Lack of a proper local collection centre equipped with modern storage facility is indeed very problematic for Viti/Vitina, making impossible for the local fruit and vegetable producers/collectors (particularly the smaller ones) to take their farm products to the local market and beyond.

It should be mentioned that there is one small collection centre for wheat called Barileva and located in Sllatina e Poshtme/Donja Slatina in the Municipality of Viti/Vitina. This collection centre is privately-owned, staffed with 2 full-time workers. Barileva has a daily capacity of around 45 tons. It regularly purchases wheat from roughly 700 agricultural holdings who are scattered around in eight villages of the Municipality of Viti/Vitina. Considering the fact that there are around 3,652 holdings engaged with cultivation of wheat, this collection centre is insufficient to accommodate this amount of wheat.

Processors

Similar to other regions in Kosovo, the industry of processors is rather limited. Nonetheless, in the last five years, the fruit and vegetable processing industry in this municipality has recorded an increasing trend, which should be attributed to private investments, the MAFRD and donor support. The latter two played a vital role in enhancing both infrastructure/technology and human capacities.

Currently, there are 10 small-scale processors in the Municipality of Viti/Vitina, – all of them women's associations engaged in home-made food processing, namely "Gratë e Sllatinës së Poshtme", "Agroskifteraj", "Gratë e Goshicës", "Gjelbina", "Hortikultura Gratë e Sllatinës", "Gratë e Lubishtës" and "Remniku", which are some of the most active associations in the region.

These women associations are mostly focused on processing vegetables (pickled vegetables, different types of peppers, gherkins and cabbage; while a couple of them also process freshly collected fruits (into marmalades) sourced from the local growers. Most of these processed fruits and vegetables produced by small-scale processors are sold door to door or during the fairs organized around Kosovo. In general, the supply of processed foods is extremely low to satisfy the demand of local customers. The bulk of the processed fruits and vegetables is still being imported from the region and beyond.

A recent development in this regard is the establishment of a mini-factory in the Municipality of Viti/Vitina, with the primary activity to collect and process apples. Relying on its processing capacities, this mini-factory produces apple juice and apple brandy (raki), an amount of approximately 20,000 and 10,000 litres per year, respectively. Apart from this facility which is relatively large, there is no other entity that is involved in large-scale processing.

Cereal crops, on the other hand, are mostly sold to flour mills located in other towns of Kosovo as raw material for flour-related products, which, as indicated earlier, cover 66% of the market in Kosovo.

Exporters

Similarly to other regions of Kosovo, the producers/processors in the Municipality of Viti/Vitina are still immature to compete with their counterparts outside Kosovo. They are indeed unable to substitute the massive influx of imported food products (around 70% at Kosovo level) with their own products. Rather primitive planting methods, lack of storage facilities, non-compliance with the global standards and diseconomies of scale, constitute only some of the typical and intrinsic issues impeding the local producers/processors to export their produce.

4.1.2 Indirect Value Chain Participants

Supporting Functions/Services

Municipality

In the Municipality of Viti/Vitina, the Directorate of Agriculture, Forestry and Rural Development is the main body responsible for development of sub-sectors of fruits, vegetables, and cereal crops. One of the major activities of this Directorate is the administration of the local agriculture subsidies financed by MAFRD. In addition to that, during the year this body is responsible for the following activities:

- Preparation of the plan for spring planting/sowing;
- Tracking of agricultural statistics;
- Market inspection/control;
- Planting material inspection/control;
- Inspection of agricultural pharmacies;
- Receiving and filling of applications for subsidies;
- Advisory services (only one advisor)

The Municipality of Viti/Vitina facilitates various trainings during the year – contextualized to the farmer’s needs and/or requests. Some of the topics covered during these trainings include, but are not limited to:

- Soil preparation, planting and harvesting of raspberries
- Drip irrigation system
- Tree planting
- Maintaining of beekeeping facilities
- Milk hygiene and
- Plant protection

Ministry of Agriculture, Forestry and Rural Development

The Ministry of Agriculture, Forestry and Rural Development (MAFRD) provides support for farmers through subsidies and grants, placed through direct payments and the rural development programme.

With regard to grants, the total available budget for subsidies and Grants in agriculture is 48 million EUR (as of 2017). To be eligible to receive support, the business needs to be registered in Kosovo according to the Kosovo Law. The grant scheme is updated annually in accordance with new priorities and its budget has been increasing during the last years.

With regard to subsidies, MAFRD provides direct subsidies per surface area for the cereal crops, fruit and vegetable subsectors, which are outlined in the table below:

Table 5: Subsidies provided by MAFRD in 2017

Surface area (EUR/ha)	Amount	Criteria	
Fruits (tree fruits)	400 €/ha	min. 0,5 ha	Apples, Pears, Quinces, Medlar, Plums, Peaches, Apricots, Walnuts, Hazelnuts, Cherries, Sour Cherries
Soft-fruits (berries)	400 €/ha	min. 0,2 ha	Strawberries, Raspberries, Blueberries, Blackberries, Aronia
Vegetables	300 €/ha	min. 0,5 ha	Potatoes, Tomatoes, Cabbage, Peppers, Spinach, Onions, Carrots, Garlic, Cucumbers, Eggplants, Pumpkins, Zucchini, Watermelons, Melons, Cauliflower, Leeks, Asparagus, Broccoli, Beans, Beet, Radishes, Parsley, Lettuce
Wheat production	150 €/ha	min. 2 ha	
Wheat seedling production	250 €/ha	min. 5 ha	
Rye production	100 €/ha	min. 1 ha	
Maize/Corn production	150 €/ha	min. 1 ha	
Sunflower production	150 €/ha	min. 1 ha	
Barley production	100 €/ha	min. 1 ha	
Rapeseed production	100 €/ha	min. 1 ha	
Vineyards	1.000 €/ha	min. 0,1 ha	For vineyards over 100 ha, subsidies for each additional ha are 500 €/ha
Organic production	300 €/ha	min. 0,1 ha	Subsidies for organic production are provided in addition to other subsidies

Source: MAFRD 2017.

Marketing Organizations

Even though most of the actors in the value chain have been working for a long time in the local market, they have barely invested anything in promotional activities. Besides participating in fairs and exhibitions organized across Kosovo, there is a growing tendency among local farmers to make use of the social media as promotional tools.

Infrastructure and Transport

The overall status of the road infrastructure is deemed to be relatively good. The major roads connecting farmers with their markets are in a rather decent shape. A recent development in terms of infrastructure is the establishment of the industrial park in the village of Upper Budrikë/Budrika. Owing to its strategic location, it is expected to serve as a connecting point between the value chain actors of the targeted sub-sectors. It is noteworthy to mention, however, that the infrastructure (internal roads, power supply, water and sewage system), is yet to be completed.

Most of the producers/collectors use tractors as the main means of transporting their goods. This mode of transportation is not very efficient, particularly given the small amounts of agriculture products they usually deliver.

Financial Services

Branches of the key financial institutions are also present in the Municipality of Viti/Vitina. Namely, there are 6 commercial bank branches and 3 microfinance institution branches. In spite of various loan products for agriculture, high rates of interest applied on such loans, mostly due to the lack of competition amongst financial institutions along with uncertainties surrounding this sector; and limited access to finance, as a result bureaucracy imposed by financial institutions, make the financial sector not very supportive for the targeted actors of the value chain.

Two other issues associated with access to finance that have been identified by interviewed farmers are the lack of reasonable grace periods and of crop insurance. On the other hand, financial institutions justify application of their enormous interest rates by complaining against enforcement of contracts enforcement, land consolidation, double bookkeeping and lack of business plans.

Development Organizations

The agriculture sector in the Municipality of Viti/Vitina, including its subsectors of fruits, vegetables, and cereal crops, has been continuously supported by development organizations. Such support has been provided in the form of financial assistance and/or technical assistance.

Recent data provided from the municipality (2017) disclose that the leading development organizations as per their volume of offered financial assistance are Foundation Kosovo-Luxemburg (€250,107.78), the USAID (€44,760.00), and Helvetas Swiss Intercooperation (€26,207.98). Their assistance has so far included the following: purchasing raw material and modern equipment, constructing greenhouses and other facilities; and human capacity development. For more detailed information, see Table 6.

Table 6: Support provided to farmers operating in Viti/Vitina

Institution/Organisation	Sector	Amount
Foundation Kosovo-Luxemburg	Fruit seedlings, irrigation system, greenhouse construction, equipment for vegetable conservation	250.107,78 €
USAID	Cherry and raspberry seedlings/runners	44.760,00 €
Helvetas Swiss Intercooperation	-	26.207,98 €
IADK	Training of women associations	20.052,67 €
CARE International	-	12.260,00 €
Women for Women	Raspberry seedlings/runners	6.160,00 €
Initiative for Kosova Community (IKC)	Raspberry, strawberry and watermelon seedlings; Irrigation system	24.410,00 €

Laboratories

There are no laboratories in the Municipality of Viti/Vitina, for performing physical, chemical and microbiological analysis of soil or water. At Kosovo level, on the other hand, there are two public and a number of other private laboratories. Kosovo Institute of Agriculture (KIA) and the Faculty of Agriculture of the University of Prishtina are the two public laboratories. Both of them operate under the umbrella of the “National Agricultural Research System” (NARS). These laboratories perform plant production and protection; animal husbandry; seed testing; laboratory analyses of agricultural inputs and products of plant and animal origin; training and advisory services; and similar activities.

Enabling Environment

Laws and Regulations

Law on Agriculture and Rural Development - This law prescribes the objectives, measures and programme of agriculture and rural development policies based on the Agriculture and Rural Development Plan in relation to the grant support that is regularly provided by the MAFRD to the local farmers and agribusinesses in Kosovo.

Regulation on the Tariffs, Charges and Fines of the Municipality of Viti/Vitina: The municipality sets the tariffs, charges and fines for various activities that fall under the responsibility of various departments/directorates of the municipality. This regulation is approved by the Municipal Assembly of Viti/Vitina on an annual basis. The regulation, adopted in 2016, regulates the tariffs, charges and fines that are applicable to the Agriculture, Forestry and Rural Department of the municipality pursuant to Article 11. Some of these fees include the following: Fee on Property registration – up to 50 €; Fee on sanitary inspection for agricultural pharmacies - 20 €;

Fee on proof for agriculture activity - 10 €; Fee on Certificate for sold agriculture products – 10 €; Fee on Agriculture Land shifting for construction activity - 0.50 - 1€ per m² (a square metre).

Regulation on Environmental Protection in the Municipality of Viti/Vitina: The purpose of this regulation is to lay the groundwork for a more favourable environment for the population of Viti/Vitina, aiming fulfilment of the EU environmental standards. This regulation was adopted as a draft in 2015.

Law on Agricultural Land - This law prescribes the use, protection, regulation and lease of agricultural land for the purpose of permanent preservation and protection of agricultural potential, based on the principles of sustainable development.

Law on Planting Material - This law regulates matters related to production, trade, import and export of the planting material, its control, and registration of producers and traders of the planting material.

Law on Irrigation of Agricultural Lands - This law sets the rules and procedures on organization and administration of irrigation and drainage systems for the agricultural land in Kosovo, competences and delineation of responsibilities of irrigation and drainage entities, establishment and registration of irrigation companies, federations, their organization, fees for water for irrigation, business of associations and other issues related to irrigation and drainage.

Law on Plant Protection - This law stipulates the rules and procedures on protection of plants, plant products and other objects covered by the plant production.

Law on Agriculture and Rural Development Advisory Service - This Law defines rules and regulations on organization and implementation of agricultural activities and rural development advisory services, and mutual relations between the stakeholders for the purpose of rural and agricultural development in Kosovo.

Law on Foreign Investments - This law stipulates the rules and procedures on protection, promotion, and encouragement of foreign investments in Kosovo.

Strategies

“National Development Strategy 2016 – 2021”: The “National Development Strategy” (NDS), was adopted by the central level institutions of Kosovo in January 2017. The document objective is to address the key obstacles to development of Kosovo, making a list of priorities, under an umbrella strategy, which will allow building synergies between various initiatives, prevent institutional overlap, yield higher performance efficiency, orientate the support to the development partners and establish a firm guiding basis for Kosovo’s institutions and their public accountability. It covers various areas, including among others the agriculture sector.

Municipal Development Plan of Viti/Vitina and Klllokot/Klokot 2010 – 2020: Every municipality in Kosovo is required by law to have a Municipal Development Plan (MDP). The MDP of Viti/Vitina was prepared in the context of Kosovo-wide spatial planning analysis in 2010, classifying the municipality into the category of Bridges of Kosovo, focusing on areas such as provision of services, trade, agriculture, tourism and light industry. A special emphasis is put on advantages

of Viti/Vitina, notably its fertile land and geographical position nearby the border with FYROM as well as its vicinity to the main road and highway under construction, connecting Prishtina/Pristina with Skopje. This is highlighted as important to allow local entrepreneurs to access export markets more easily. Challenges and risks have been assessed with regard to preventive measures against floods and erosion, which are relevant for agricultural activities.

Plan for Sustainable Waste Management in the Municipality of Viti/Vitina: This plan is a step by step guide for the municipality in order to improve its waste management. The municipality of Viti is among the first municipalities to have a draft plan that will help them improve the waste collection and management in their municipality. The existing plan is a very good tool that will guide the municipality to plan and implement an advanced system of the waste management. Furthermore, this plan guides the municipality on how much budget should be allocated per fiscal year in order to improve waste collection and transportation from the households/buildings to the landfill. Additionally, the plan has calculated all expenses for the waste company including the tariffs that the municipality should impose on the households and businesses. The timeframe of the document covers the period 2012 – 2015.

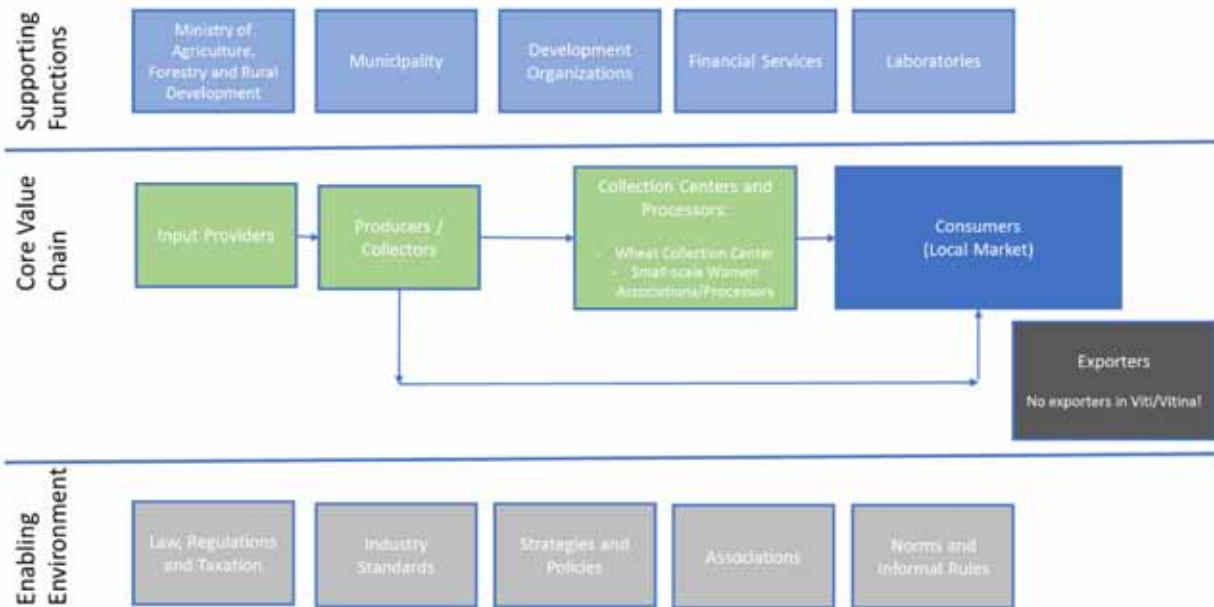
Agriculture and Rural Development Programme (ARDP) 2017: The ARDP is developed by the MAFRD as a grant support scheme focusing on supporting farmers and agribusinesses through investments into the market-oriented agricultural production and economically viable farms that have the potential to supply the local market, to replace the high scale imports with exports for the region and European Union. The ARDP gives the highest priority to investments into modernization of mechanisms, technical equipment, facilities, storage and packaging warehouses, with an objective of increasing efficiency and compliance with international standards.

Agriculture Cooperative Registration

Cooperatives are business organizations established by natural or legal persons, all of whom have to be farmers who contribute with their own private property to the shared capital. The capital is divided into shares of even value of no less than 10 Euros. In order to establish and register an agricultural cooperative, a number of at least 5 farmers is required. The cooperative cannot be established without shared capital and the director cannot be a member of the cooperative. The Law on Agricultural Cooperatives - sets the rules and regulations on activities of these cooperatives for the benefit of agricultural development and increase of the productivity of the farmers.

4.1.3 Horizontal and Vertical Linkages in the Fruits, Vegetables, and Cereal Crops

See below presentation of the value chain of the agricultural subsectors of Viti/Vitina:



The core supply chain in the Municipality of Viti/Vitina is comprised of input providers, producers/collectors, one collection centre, and processors/traders. All these actors receive continuous support from both local and central institutions, namely the MAFRD, Municipality of Viti/Vitina, as well as different development organizations, such as Foundation Kosovo-Luxemburg, Helvetas Swiss Intercooperation, and the like. It should be emphasized that small farmers are quite often left out without any support and as such they remain at the margins of the regular agriculture value chains deprived of the most basic facilities to access the market.

Lack of modern collection centres for fruits and vegetables constitutes a tremendous obstacle for farmers to grow and increase their production. Out of all producers/collectors, only a small portion of them can send their products to collection centres in the neighbouring municipalities; for the overwhelming majority, the only option available is to sell their products at the local green market or supermarkets. Having in mind the size of Viti/Vitina market and the purchasing power of the local population, it is evident that without at least one such collection centre, cultivation of fruits, vegetables, and cereal crops will suffer a serious blow.

It should be noted that a few initiatives of processing agricultural products such as apples, peppers and cucumbers are still at an initial stage, and there is a long way until they reach sustainability. The links with the appropriate advisory services to reach resource-limited farmers is a must for the Municipality of Viti/Vitina. Beside primary production, processors of the agricultural products, should be careful when selecting the right crops and ensuring the product quality is essential to create and/or improve the linkages of the sector.

4.1.4 Cost and Investment structure

The following cost structures are only estimates of the cost incurred by farms to produce the most commonly grown crops in Viti/Vitina. The investment cases presented below are calculated on an annual per-hectare basis and provide an illustration of investments required, operational costs, annual income and profit. These figures have been projected at the Kosovo level, given the small size of the domestic market.

Cost Structure in Cereal Crops Subsector

The cost structure for the cereal crops subsector is presented in the table below exemplified with wheat cultivation. The costs presented are based on average values per hectare during one-year period.

Table 7: Cost structure for wheat production

Category	Cost per hectare
Soil preparation	159,00 €
Seedlings	
Operational costs	245,00 €
<i>Analysis</i>	
<i>Fertilizers</i>	
<i>Pesticides</i>	
<i>Transport</i>	150,00 €
Harvesting costs	
Total Costs (per ha)	554,00 €

Source: Internal calculations based on field research

Cost Structure in Vegetable Subsector

The cost structure for the vegetable subsector is presented in the table below exemplified with potato and watermelon cultivation. The costs presented are based on average values per hectare during one-year period.

Table 8: Cost structure for potato production

Category	Cost per hectare
Soil preparation	2.200,00 €
Seedlings	
Irrigation	
Fence	
Operational costs	440,00 €
<i>Analysis</i>	
<i>Fertilizers</i>	
<i>Pesticides</i>	
<i>Transport</i>	250,00 €
Harvesting costs	
Total Costs (per ha)	2.890,00 €

Source: Internal calculations based on field research

Cost estimates of initial investments for potato cultivation vary depending on the farmer's planting material. Farmers using seedling have higher initial investments, which may go up to € 2,200, while farmers using seeds or other methods have lower investment cost. Operational costs for potato cultivation cover 15% of total investments while an average annual income from potato production can reach an amount of up to € 4,500.

Table 9: Cost structure for watermelon production

Category	Cost per hectare
Soil preparation	1.622,00 €
Seedlings	
Irrigation	
Nylon	
Operational costs	
<i>Analysis</i>	392,00 €
<i>Fertilizers</i>	
<i>Pesticides</i>	
<i>Transport</i>	
Harvesting costs	225,00 €
Total Costs (per ha)	€ 2,239.00

Source: Internal calculations based on field research

Investments in watermelon including the soil preparation, seedlings, irrigation system and nylon reach an amount of €1,622, while operational costs, including water and soil analysis, fertilizers, pesticides and transport reach the sum of €392.

Cost Structure in Fruit Subsector

The cost structure for the fruit subsector is presented in the table below exemplified with apple and sour cherry orchards. The cost presented below is based on average values per hectare during one-year period.

Table 10: Cost structure for apple orchards

Category	Cost per hectare
Soil preparation	12.030,00 €
Seedlings	
Irrigation	
Fence	
Operational costs	
<i>Analysis</i>	1.100,00 €
<i>Fertilizers</i>	
<i>Pesticides</i>	
<i>Transport</i>	
Harvesting costs (after year 4)	1.200,00 €
Total Costs (per ha)	€ 14,330.00

Source: Internal calculations based on field research

Fruit orchards are a long term investment with expected return of investment on the 4th year. Apple orchards are the most widespread plantations in Viti/Vitina Municipality. Investment cost of setting-up 1 ha of apple orchard reaches an amount of €14,300, with an average net profit expected after the 4th year to be around €1,525.

Table 11: Cost structure for sour cherry orchards

Category	Cost per hectare
Soil preparation	9.698,00
Seedlings	
Irrigation	
Fence	
Operational costs	
<i>Analysis</i>	2.370,00
<i>Fertilizers</i>	
<i>Pruning</i>	
<i>Pesticides</i>	
<i>Transport</i>	1,380.00
Harvesting costs (after year 5)	
Total Costs (per ha)	13,448.00

Total investments on sour cherry orchard are estimated to be around €13,448. Return of investments is expected only after the 5th year with an average net profit of around € 4,000.

4.2 KEY ISSUES IDENTIFIED IN THE AGRICULTURE SUBSECTORS – SWOT ANALYSIS

A SWOT analysis of the potential and threats of the agricultural subsectors in the Municipality of Viti/Vitina is presented in the table below:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ Significant amount of groundwater and surface water resources; mineral water resources/springs, thermal water availability (Kllokot/Klokot, Pozharan/Požaran, Zhiti/Žitinje etc.). ▪ Surrounded by forests of medium height, absence of high intensity road traffic. ▪ Appropriate amount of precipitation (i.e. rain and snow) in keeping the water balance. ▪ Qualitative and fertile soil, large swathes of land. ▪ Prevalence of various institutions in central and municipal level, as well as presence of international and local NGOs and donors. ▪ Prevalence of great conditions for crop development and cultivation, production of cereals, fruit growing and vegetable planting. ▪ Tradition of Viti/Vitina farmers in agricultural activities 	<p>The main issues identified in the primary production during this research are the following:</p> <ul style="list-style-type: none"> ▪ Lack of a modern and all-inclusive collection centre. ▪ Lack of laboratory for tests and examination of the soil and water. ▪ Extensive use of the varieties that are not in demand for over 20 years. ▪ Low quality of seedlings. ▪ Low application of modern production technology. ▪ Basic use of consultancy service. ▪ Almost total absence of the traceable farming (Good Agriculture Practice). ▪ Lack of knowledge of pesticides and mineral fertilizers. ▪ Fragmented pieces of land and unplanned production. ▪ Lack of customer driven market information. ▪ Lack of modern mechanization and shortage of seasonal workers. ▪ Lack of drip irrigation systems. ▪ Low level of education amongst the primary producers. ▪ Inability to substitute imports and to start with export. ▪ Seasonal production and sales. ▪ Lack of organization among the farmers in associations/cooperatives. ▪ Few commercial producers, i.e., well educated professionals with access to large swathes of land who view farming as a proper business rather than a supplement to their income or matter of habit. ▪ A history of mistrust between producers and marketers leading to a lack of interest to conclude contracts on specific products for which the local fresh market is not an alternative. <p>The main issues identified in the post-harvesting period during this research are the following:</p> <ul style="list-style-type: none"> ▪ Late harvesting of products, when they are already too ripe and difficult to transport due to their short shelf life. ▪ Lack of refrigerated storage for preservation and cooling facilities. ▪ Inappropriate calibration. ▪ Rather poor marketing activities. ▪ Low prices due to inadequate timing, inappropriate packaging, organization etc.

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ Potential for further development of farmers to address the necessary changes and shortage of labour for agricultural production. ▪ New consumers demand better and certified varieties of seedlings for the purpose of increasing their production, yields and sales, instead of the current “home grown” varieties. ▪ Introduction of the drip irrigation systems, mechanization, new varieties and appropriate extension services can significantly increase quality of the production. ▪ Direct production in the greenhouses in order to extend production and increase sales. ▪ Introduction of standards like GLOBALGAP and Organic. ▪ Organization of the primary producers into functional cooperatives and farmers’ organization for a more unified action (storage, sales negotiations, packaging etc.). ▪ Alteration of the Institutional incentive system from the current provision of “social support” to “all” farmers to stimulation of the export oriented production. ▪ Increase production and sales into the main export market through improved products, post-harvesting, packaging etc. (all opportunities identified above). 	<ul style="list-style-type: none"> ▪ Further land fragmentation. ▪ Loss of markets due to non-extension of production/sales period. ▪ Loss of markets due to non-compliance with standards. ▪ Loss of markets due to untimed and unplanned production. ▪ Increased difficulties to enter new regional markets. ▪ Low price due to inadequate calibration, sorting, packaging etc. ▪ Decreased yield due to outdated equipment and mechanization. ▪ Loss of the domestic market share due to competition from large producers such as Turkey, etc.

4.3 MARKET TRENDS IN THE AGRICULTURE INDUSTRY

Agriculture is one of most important sectors of Kosovo economy and the main source of income in rural areas. In former Yugoslavia Kosovo had an agriculture that was rapidly growing after the Second World War, whose commercial agriculture with production and processing, played an important role in its economy. During the 1990’s armed conflicts all this development was halted and almost all of the production and processing capacities were destroyed. Only in the recent years we have seen gradual move from family based farms to more commercial and market oriented agribusinesses. This is an increasing trend all over Kosovo, with more people deciding to turn to commercial farming, attracting not only existing farmers, but also other market actors who are active in other sectors of the local economy.

More and more small farmers are increasing their efforts to unify through farmer cooperatives in order to be more efficient and more competitive in both domestic and foreign markets. Another reason for this trend is the structural changes initiated by the MAFRD through its Agriculture and Rural Development Programme and the related grant/subsidies schemes. Traditionally farmers in Kosovo and in Viti/Vitina have been selling their home-made products in green markets in their vicinity. There is however a growing tendency among farmers to meet the necessary standards to be able to reach the large supermarket chains, which have a much larger market penetration and market share compared to the local green markets and small retailers.

Imported agricultural products often have advantages over the domestic products due to subsidies provided by their respective national governments of their country of origin. This raises the concern that foreign products are being sold below their production price. In Kosovo, there is no enforcement of anti-dumping laws while the public institutions do not make any effort to protect their local producers. Due to all these obstacles, it is difficult for Kosovo agricultural producers to successfully compete with the import, and to get over different transportation and finance barriers involved in the export.

Investments by farmers are more and more directed towards taking the necessary post-harvesting steps, like classifying their products into classes, packaging, storing, labelling and similar. This is considered indispensable to be able to target the foreign markets given that there is an increasing demand by export market for certain products that are produced in Kosovo, such as raspberries that cover over 800 ha all over Kosovo, which yielded around 4,000 tons in 2016. Cultivation of soft-fruits (berries) has marked the most significant increase in comparison with all other fruits. This is also reflected in the institutions' support schemes that are aiming to promote products that bring high-added value to Kosovo²⁴. One of the most relevant standards include Global GAP certification, which is being embraced by a growing number of farmers in the primary production. Certification with Global G.A.P. and Organic standards is also supported by the Ministry of Agriculture, various Municipalities and donors, such as USAID Agriculture Growth and Rural Opportunities in 2017, supporting 488 farmers in obtaining certification of an area of 291 ha and 549 production sites, respectively.

Farmers may not be able to export their products without being certified for common standards, since this is an established global trend, whereas having a certified product – on the other hand - will no longer mean selling that product for higher price, but rather a simple requirement for selling the products.

4.4 CONCLUSIONS AND RECOMMENDATIONS

Municipality of Viti/Vitina is known for having a fertile agricultural land, constituting approximately 43% of the total land area. Abundance of water, fertile soil, appropriate climate, and the overall geological conditions of this area make agriculture one of the most promising sectors for creation of jobs, alleviation of poverty, and overall local economic development.

Irrespective of this great potential, the local supply of fruits, vegetables, and cereal crops is largely inconsistent, disintegrated, uncompetitive, and as such far from being able to fulfil the needs of the local customers. This, as a consequence, leads to major imports of agricultural products from neighbouring countries and beyond.

Cultivation of fruits, vegetables, and cereal crops in the Municipality of Viti/Vitina is generally dominated by small-scale family farming. Local farmers are widely scattered around the area, operating largely in fragmented pieces of land. Lack of inclusive agricultural policies, lack of a modern collection centre and human capacities, inadequate varieties, absence of large-scale processors – just to name a few, have contributed to creating an environment in which farming is commonly perceived as being a risky business and uncompetitive activity. In order to address the pressing issues identified above, the team is making the following recommendations:

24 USAID 2016. Raspberry assessment of freezing infrastructure and capacities in Kosovo.

- **Setting up a Collection Centre** – In order to reduce production costs, minimize the asymmetry of information, and increase the shelf life of the fruits, vegetables, and cereal crops, an all-inclusive collection centre with a modern cooling facility should be established.
- **Establishing a Local Farmer Organization** – In order to enhance the bargaining power of farmers, address their shortage of skills, and encourage stronger cooperation for knowledge transfer, a local farm organization should be set up.
- **Promoting the Appropriate Varieties** – The local producers have kept on cultivating traditional varieties that do not have high yields. Therefore, the team recommends that the local farmers should be assisted in making the right variety choices and careful management of those varieties.
- **Investing in Modern Irrigation System** – The team suggests that farmers should invest in development of modern irrigation systems. This would lead to optimal irrigation and high yields.
- **Fighting Informal Input Suppliers** – Competent authorities should intensify their efforts in fighting agricultural inputs that are being illegally sold in the local market. This would play a role in prevention of the spread of diseases that usually come as a result of informal channels.
- **Establishing Laboratories** – It is of paramount importance to establish laboratories that would conduct proper analyses and examination of different agricultural products.
- **Promoting Product Certification** – One of the prerequisites for the local farmers to grow further and go beyond the local market is to get different types of certifications, i.e. ISO 9000, HACCP. This practice should be highly promoted amongst the local farmers.
- **Encouraging Processing Activities** – Most of the local farmers are not involved in activities that would add value to the cultivated agricultural products. That said, local farmers should invest more on food processing facilities.
- **Promoting cooperation between farmers and financial support bodies** – It is highly recommended to link the farmers with financial support bodies for the consistent and long-term approaches, combining non-financial with financial assistance, which would enable better opportunities and perspectives in order to establish productive, profitable and sustainable farming.
 - **Branding Potatoes of Debeldeh/Debelde** – Due to indications that these local potatoes have a high growth potential, it was considered necessary to brand this agriculture product.



5. INTERVENTIONS

INTERVENTION NAME	DEVELOPMENT AND IMPLEMENTATION OF A DIFFERENTIATED BRANDING AND COMMUNICATION STRATEGY
<p>Rationale of the Intervention</p>	<p>Tourism industry in the Municipality of Viti/Vitina has a very promising outlook. The region is blessed with a variety of local features that are suitable for attracting domestic and international tourists. Spectacular nature and beautiful landscape on the one hand, along with cultural, religious, and historic heritage sites, on the other, constitute a couple of distinct features of that area that could be of great interest.</p> <p>In spite of its great potentials, this industry has remained rather underdeveloped with rather humble numbers of tourists sporadically visiting the area. The majority of tourists traditionally come for religious purposes, mainly visiting the catholic churches located in Stubëll/Stubla and Letnicë/Letnica.</p> <p>Although a lot remains to be done in regard to creating new tourism products, the Municipality of Viti/Vitina does have some great attractions that with little effort can compete with traditional favourites in Kosovo; and also have the potential to become the reason to visit Kosovo.</p> <p>A key issue characterizing tourism in the Municipality of Viti/Vitina is the fact that very few people other than local residents are aware of the natural, cultural, and historical heritage sites found in this area. Apart from that, there are no signs that can guide tourists to a particular tourist attraction, nor information about the attraction itself.</p> <p>That said, in order to exploit the potential for tourism, an effective branding and communication strategy followed by a well-structured and comprehensive action plan need to be developed. This would play a role in disseminating the message to potential domestic and international tourists about the natural, cultural, and historical sites of interest in the area; placing directional signs and symbols that would advise tourists how to reach a certain tourist attraction; designing and placing plaques in front of tourist attractions, exhibiting the natural/cultural value and historical significance; establishing relationships with tour operators in order to create package holidays including the most attractive destinations of this area.</p>
<p>Global Objective</p>	<p>To develop and implement a differentiated branding and communication strategy that would foster the growth of domestic and international tourism in the Municipality of Viti/Vitina helping to unleash the full potential of tourism in the area.</p>

<p>Specific Objectives</p>	<p>The following are some of the specific objectives of this intervention:</p> <ul style="list-style-type: none"> ▪ To perform a detailed mapping of the most distinct tourist destinations in the Municipality of Viti/Vitina upon clear evaluation of their characteristics and potentials; ▪ To persuade potential tourists on the quality of a particular attraction in the Municipality of Viti/Vitina and to cut their cost of searching, by providing to them plenty of information about the place; ▪ To designate a particular brand name, term, sign, symbol or combination of all of them, which would differentiate the Municipality of Viti/Vitina from other tourist destinations; ▪ To develop a web-portal in order to provide comprehensive information about the cultural, historical and natural attractions, and guest houses in the Municipality of Viti/Vitina; ▪ To introduce road signs that would enable tourists find more easily certain attractive sites (including the guest houses) within the Municipality of Viti/Vitina; ▪ To design and place informational plaques in front of natural, cultural and historical sites so that tourists know more about the distinct features of the visited place.
<p>Expected Results</p>	<p>The intervention is expected to bring the following results:</p> <ul style="list-style-type: none"> ▪ 30% increase of tourism in the Municipality of Viti/Vitina during the next five years; ▪ More jobs created from greater influx of tourists in the Municipality of Viti/Vitina; ▪ Creation of a unique image, highlighting the most distinguished features of the area; ▪ Development of a web-portal to provide comprehensive information about the sites, as well as other relevant information; ▪ Preparation of a package of promotional materials ready to be distributed to tourists; ▪ Inclusion of the Municipality of Viti/Vitina into the itinerary of the main tour operators.

Main Activities	<p>The following are the main activities to be undertaken for implementation of this intervention:</p> <ol style="list-style-type: none"> 1) Developing a document mapping the most attractive natural, cultural, and historical heritage sites in the Municipality of Viti/Vitina while assessing their features and potential of bringing more domestic and international tourists; 2) Drafting a branding and communication strategy that sets out the main objectives for stimulation of tourism in the area; 3) Drafting a follow-up action plan that lays out the concrete actions for development of a promotional and informational package for potential tourists; 4) Selecting an economic operator that would be responsible for implementation of the strategy and action plan, which apart from other actions listed in these strategic documents, would also ensure the following: development of the web-portal; drafting and designing of the promotional material; and development and placement of the direction signs and plaques at the respective sites; 5) Involving tour operators in promotion of the natural, cultural, and historical sites and incorporating them into itineraries. 		
Beneficiaries	Restaurants; rural population; tour operators; potential tourists.		
Relevant actors	<p><i>Marketing Company</i> – To develop and implement the branding strategy and action plan with the involvement of different stakeholders.</p> <p><i>Municipality of Viti/Vitina</i> – To facilitate the process of gathering data about the tourist attractions.</p> <p><i>International Donors</i> – To provide the funds for implementation of this intervention.</p>		
Duration	1 Year	Estimated Cost	150.000

INTERVENTION NAME	SUPPORTING THE DEVELOPMENT OF THE RIGHT SKILLS NEEDED FOR THE TOURISM WORKFORCE OPERATING IN THE MUNICIPALITY OF VITI/VITINA
Rationale of the Intervention	<p>Conducted interviews and the focus group discussions have revealed that the tourism industry workforce of the Municipality of Viti/Vitina is relatively unskilled. There is a lack of the marketing skills, service delivery, hospitality, sales, gastronomy, provision of guide service, knowledge of foreign languages, environmental aspects, and the like. One of the key factors that has contributed to lack of such skills that are indispensable for the tourist industry can be attributed to incompetent vocational schools and lack of appropriate training programmes.</p> <p>That said, a skilled workforce is essential to providing tourists with a better-quality and authentic experience. In this light, the team recommends the development of a tourism training academy that would be focused on honing the relevant skills through professionalization of the tourism value chain, tailor-made courses and training modules, addressing thereby the following skills: marketing, service delivery, hospitality, sales, gastronomy, provision of guide service, knowledge of foreign languages, environmental aspects, and other relevant areas.</p>
Global Objective	<p>To address the existing gap of skills in the tourism industry in the Municipality of Viti/Vitina through development of an academy on tourism training that would lead to high quality tourism offers.</p>
Specific Objectives	<p>The specific objectives of this intervention are:</p> <ul style="list-style-type: none"> ▪ To exactly identify which skills the tourism workforce in the Municipality of Viti/Vitina are currently lacking, and what new skills could be demanded in the future; ▪ To build up the knowledge and strengthen the capacity of the local community in utilization and application of new approaches and practices for improvement of the quality of their provided services; ▪ To use socialisation instruments that widen and strengthen the cooperation between the tourism actors, creating thereby conditions for the joint tourism products; ▪ To encourage the participation of women and minorities in the tourism workforce by introducing certain quotas for their participation in the training programmes provided by the academy.

Expected Results	<p>Upon completion of this intervention, the following results are expected to be achieved:</p> <ul style="list-style-type: none"> ▪ Strengthened development capacities of the local tourism workforce enabling them to enhance the quality of service provided to the tourists; ▪ Graduation of up to 80 participants covering different levels of the tourism value chain, properly equipped with the skills needed in order to improve the quality of the tourism offer; ▪ Creation of at least one mini-association of the tourism actors, emerging as an outcome of the socialization workshops organized as a part of the training academy; ▪ At least 30% of the graduates should be women and 10% of them minorities living in the area. 		
Main Activities	<p>Main activities to be carried out for this intervention include the following:</p> <ol style="list-style-type: none"> 1) Selecting the management team responsible to manage and coordinate the tourism training academy; 2) Performing a baseline study for the purpose of assessing the exact skills the current workforce is lacking, and identification of good practices for the academy; 3) Conducting preparatory work for the tourism training academy (developing the syllabus, hiring lecturers; selecting participants); 4) Holding the modules which apart from theoretical aspects will also contain hands-on exercises on tourism-related matters; 5) Organizing workshops, conferences, and other similar activities to generate synergies that would strengthen cooperation between participants and leading to creation of a local tourism association. 		
Beneficiaries	Current and new tourism workforce; guest houses; restaurants; tour operators etc.		
Relevant actors	<p><i>Consulting Company</i> – To develop the baseline study and to organize the tourism training academy</p> <p><i>Municipality of Viti</i> – To facilitate the process of recruiting participants.</p> <p><i>International Donors</i> – To provide funds for implementation of the intervention.</p>		
Duration	1 Year	Estimated Cost	60.000

INTERVENTION NAME	INTEGRATING THE SUPPLY CHAIN OF FRUITS, VEGETABLES, AND CEREAL CROPS IN THE MUNICIPALITY OF VITI/VITINA
Rationale of the Intervention	<p>Despite great potentials for agricultural development in the Municipality of Viti, the local supply of fruits, vegetables, and cereal crops is rather inconsistent, disintegrated, uncompetitive, and not of such level to significantly satisfy the demand of customers, eventually leading to major imports that could have been otherwise sourced locally.</p> <p>Farmers in this area do not cooperate with one another and for this reason they endure high production costs, preventing them to reach the economies of scale. They are widely scattered around the municipal agricultural area, making it difficult for potential buyers to source the produce directly from them. In addition, due to the lack of storage facilities in rural areas, local farmers are not able to prolong the shelf life and quality of their produce. This in turn, prevents them from selling their produce when they can generate revenues justifying the overall cost. Moreover, the asymmetry of information with reference to cultivation of agricultural products in demand constitutes one of the biggest challenges encountered by the local farmers, leaving them with very little room to grow and become sustainable. Due to their inability to find viable markets throughout the year because of the aforementioned reasons, all their harvest goes to waste and at some extreme cases they simply quit for good all their agricultural activities.</p> <p>Given this context, the team is proposing to set up a collection centre for vegetables, fruits, and cereal crops in the newly-established industrial zone in Viti/Vitina that would, among other things, contribute to: conveying information to farmers and helping them produce the right varieties and qualities at a viable price; providing the necessary infrastructure to prolong the shelf life and the quality of agriculture produce; better planning throughout the value chain; and overall expansion of the agricultural activity in the area.</p>
Global Objective	<p>To integrate the supply chain of fruits, vegetables, and cereal crops in the Municipality of Viti/Vitina through setting up a collection centre in the newly-created industrial zone ensuring a better storage, segregation and grading of varieties, greater accessibility to producers and buyers, more competitive prices, and better access to market information.</p>

<p>Specific Objectives</p>	<p>This intervention has the following specific objectives:</p> <ul style="list-style-type: none"> ▪ To contribute to improved knowledge of the needs of the market – thereby creating conditions for better planning throughout the entire value chain; ▪ To provide technical assistance and training (mentoring and coaching) in a number of areas, including farm-management techniques, harvest and post-harvest handling, logistics, environmental protection, and other techniques; ▪ To offer greater access to a range of markets that are in need of good quality agricultural produce, targeting domestic and export markets; ▪ To reduce transportation costs without having to travel long distances in search of competitive markets; ▪ To enhance consistency in both supply and quality through offering temperature controlled storage facilities; and ▪ To ensure a proper classification and grading of varieties in accordance with the demand of the buyers.
<p>Expected Results</p>	<p>This intervention aims to reach the following results:</p> <ul style="list-style-type: none"> ▪ Improved access to a great range of markets and better linkage between agriculture and tourism industry; ▪ Improved consistency and quality of fruits, vegetables, and cereal crops cultivated in the Municipality of Viti/Vitina; ▪ Increased number of farmers who are engaged in agricultural activities for commercial purposes; ▪ Reduced costs for all direct actors in the value chain; ▪ 200 new jobs created in the entire value chain; ▪ Enhanced knowledge on harvest and post-harvest handling, transport, storage, classification, grading, environmental aspects, and other modern relevant techniques.

<p>Main Activities</p>	<p>The main activities envisaged:</p> <ol style="list-style-type: none"> 1) Developing a detailed feasibility study for setting up the collection centre for fruits, vegetables, and cereal crops, covering technical, financial and legal aspects, as well as the exact modalities of ownership structure; 2) Constructing the collection centre in conformity with the agricultural potentials of the area and architectural standards; 3) Setting up a system incorporating washing, grading, and cooling storage in accordance with the highest hygienic standards; 4) Recruiting the staff that will lead the Centre and perform the day-to-day activities; and 5) Conducting training sessions for the recruited staff on post-harvest handling, transport, storage, classification, grading, environmental aspects, and other modern relevant techniques. 		
<p>Beneficiaries</p>	<p>Input providers; local producers; processors; retailers; gastronomy.</p>		
<p>Relevant Actors</p>	<p><i>Consulting Company</i> – to develop the feasibility study and provide experts for training.</p> <p><i>Construction/Service Company</i> – to construct the facility and install the necessary systems.</p> <p><i>Municipality of Viti/Vitina</i> – To offer the land in the industrial zone and to facilitate the process.</p> <p><i>Private Sector Agent</i> – To make the core investment and to be responsible for the operation of the collection centre.</p> <p><i>International Donors</i> – To provide co-financing for the establishment of the collection centre</p>		
<p>Duration</p>	<p>2 Years</p>	<p>Estimated Cost</p>	<p>400.000 EUR</p>

INTERVENTION NAME	ESTABLISHING A LOCAL FARMER ORGANIZATION ASSEMBLING REPRESENTATIVES FROM DIFFERENT FARMER CATEGORIES IN THE MUNICIPALITY OF VITI/VITINA
<p>Rationale of the Intervention</p>	<p>The agricultural sector in the Municipality of Viti/Vitina is characterized by small-scale family farming. Farmers generally operate without any significant support neither from central institutions, nor from local ones. Lack of inclusive agricultural policies, rather poor cooperation between farmers, lack of human capacities, underrepresentation of women in institutional bodies, and limited access to markets – just to name a few, have all contributed to creating a climate in which farming has frequently been seen a risky and unprofitable activity.</p> <p>Over the past years, besides a few women processors, some local farmers attempted to organize themselves into various small self-help groups; however, their attempts failed in absence of a well-established framework and lack of support. The farming structure in this area, therefore, is rather fragmentary, leaving farmers without any significant bargaining power.</p> <p>That said, the team proposes to initiate creation of an organization of the local farmers that would: give greater bargaining power to farmers and as such help them better articulate their needs in the formulation of local agricultural policies; enhance the capacities of the members through the provision of various training; encourage stronger linkages as well as knowledge and technology transfers; and empower local women farmers.</p>
<p>Global Objective</p>	<p>To establish a local farm organization comprised of farmers operating within the Municipality of Viti/Vitina with the main role being articulation of the sector needs in the formulation and implementation of agricultural policies developed at the local level.</p>

Specific Objectives	<p>The specific objectives of this intervention are as follows:</p> <ul style="list-style-type: none">▪ To ensure that each category of farmers in the targeted sub-sectors, regardless of its size, shall be taken into account when it comes to analysing the belonging issues and agricultural policy proposals;▪ To arrange training programmes contextualized to the needs of the market, mainly focusing on enhancing managerial, technical, commercial, and organizational capacities of the members so they can be more efficient and more competitive, at the end of the day;▪ To help members purchase inputs and equipment at competitive prices while at the same time help them meet quality standards.▪ To foster the creation of synergies through linkages within the sector and with other sectors such as tourism, as well as to initiate knowledge and technology transfers that in turn lead to greater productivity and efficiency;▪ To offer support to women farmers, whose role remains largely unappreciated in policy and resource allocation, through setting quotas for participation in all structures and activities carried out by the local farm organization.
Expected Results	<p>The intervention intends to reach the following results:</p> <ul style="list-style-type: none">▪ Better agricultural policies that address the needs of the farmers articulated through advocacy activities carried out by the farm organization.▪ Strengthened the capacities of the organization members so that they can be more productive and efficient in their farming activities;▪ Enhanced cooperation between farmers resulting in cheaper inputs and equipment; knowledge and technology transfers; and compliance with new standards;▪ Strengthened the traditionally marginalized groups of the sector such as women so that they can easily channel their agricultural issues and proposals.

<p>Main Activities</p>	<p>The activities foreseen for implementation of this intervention include:</p> <ol style="list-style-type: none"> 1) Understanding power structures among farmers operating in the area, their challenging issues, as well as the opportunities for future development; 2) Formally registering the organization as an NGO in compliance with the applicable legislation in Kosovo; 3) Identifying the potential leaders for the organization, prioritising those who have reputable social status, respect and who are capable of articulating the persistent issues faced by farmers; 4) Developing an organizational structure for the farmers' organization with the purpose of defining functions and rules governing operations corresponding to each category of farmers; 5) Drafting an action plan which sets out all the training and advocacy activities foreseen to take place over the next two years along with a clear timeframe and well-defined responsibilities. 6) Implementing the activities envisaged in the action plan and seeking out means of financial support in order to become self-sustainable. 		
<p>Beneficiaries</p>	<p>Local farmers; rural families.</p>		
<p>Relevant actors</p>	<p><i>Consulting Company</i> – To facilitate the establishment of the farm organization</p> <p><i>Municipality of Viti/Vitina</i> – To promote the idea and the benefits of the farm among the local farmers</p> <p><i>International Donors</i> – To provide institutional funding that would help the organization cover all its operational expenses until it becomes self-sustainable.</p>		
<p>Duration</p>	<p>2 years</p>	<p>Estimated Cost</p>	<p>50.000</p>

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ANNEXES

ANNEX 1: LIST OF INTERVIEWED STAKEHOLDERS

No	Name	Category	Position	Location	Notes	Interview Date
1	Fadile Demelezi	Other	Head of LAG	Viti/Vitina	Local Action Group	12 June 2017
2	Bislím Bislímaj	Producer	Farmer	Drobesh/ Drobeš	Walnuts	27 June 2017
3	Gëzim Sadiku	Producer	Farmer	Gjylekar/ Đelekare	Wheat, Corn, Melons, Potatoes	27 June 2017
4	Nexhat Mustafa	Producer	Farmer	Gjylekar/ Đelekare	Melons, Cabbage, Potatoes	27 June 2017
5	Kushtrim Samakova	Producer	Farmer	Viti/Vitina	Wheat	27 June 2017
6	Zymrie Salihu	Producer	Collector	Viti/Vitina	Non-wood Forest Products	27 June 2017
7	"AgroSodovina"	Agro Input	Owner	Viti/Vitina	Contact Person: Sefedin Fetahu	27 June 2017
8	"Agrofarma"	Agro Input	Owner	Viti/Vitina	Contact Person: Besim Sahiti	27 June 2017
9	"Bujqësia"	Agro Input	Owner	Viti/Vitina	Contact Person: Admir Selmani	27 June 2017
10	"Euro Coop"	Agro Input	Owner	Kllokot/Klokot	Contact Person: Besarta Tushi	28 June 2017
11	Reshat Zuka	Producer	Farmer	Pozharan/ Požaranje	Raspberries	28 June 2017
12	Rrahman Jakupi	Producer	Farmer	Radivojc/ Radivojce	Corn, Wheat, Pumpkins	28 June 2017
13	Adnan Ismajli	Producer	Farmer	Ramjan/Donje	Wheat, apples & Sour Cherries	28 June 2017
14	Paulina Dokaj	Producer	Farmer	Kabash/Kabaš	Raspberries	29 June 2017
15	Besart Nura	Producer	Farmer	Lubishtë/ Ljubište	Apples	29 June 2017
16	Nehat Pira	Producer	Farmer	Pozharan/ Požaranje	Raspberries	29 June 2017
17	Mustaf Ahmeti	Producer	Farmer	Smirë/ Smira	Corn & Wheat	29 June 2017
18	Imri Ademi	Producer	Farmer	Tërpezë/Trpeza	Corn	29 June 2017
19	Dostan Qerimi	Producer	Farmer	Tërpezë/Trpeza	Corn & Wheat	29 June 2017
20	Samet Ismajli	Producer	Farmer	Tërstenik/ Trstenik	Raspberries	29 June 2017
21	Restaurant Dajti	Tourism	Hospitality	Gërmovë/ Grmovovo	Restaurant. Contact Person: Mehmet Selmani - Qwner	03 July 2017
22	Restaurant Illyricum Park	Tourism	Hospitality	Letnicë/Letnica	Restaurant. Contact Person: Shemsedin Ajeti – Manager	03 July 2017
23	Restaurant Dubrovniku	Tourism	Hospitality	Letnicë/Letnica	Restaurant. Contact Person: Milorad Šotič – Owner	03 July 2017
24	Restaurant Jozefi	Tourism	Hospitality	Letnicë/Letnica	Works mainly during the summer. Restaurant. Contact Person: Arianit Zefi. Owner	03 July 2017

25	First Albanian School	Tourism	Cultural Sight	Stubëll/Stubla	Contact Person: Sare Gjergji and Isak Ahmeti	03 July 2017
26	New Church in Stubell	Tourism	Cultural Sight	Stubëll/Stubla	interviews with Sare Gjergji and Don Jeton Thaqi	03 July 2017
27	Mentor Rexhepi	Other	Helvetas	Viti/Vitina	Municipality Development Support Officer	03 July 2017
28	Binca Church	Tourism	Cultural Sight	Binçë/Binaç	Interviews with the nuns	04 July 2017
29	Fazli Neziri	Producer	Farmer	Debelldeh/Debelde	Strawberries / Vegetables	04 July 2017
30	Restaurant and Guest Houses Shpati	Tourism	Hospitality	Debelldeh/Debelde	Contact Person: Kemajl Sabiti (owner)	04 July 2017
31	Black Madonna Church	Tourism	Cultural Sight	Shushtë/Šušte	Interview with the church's priest Don Marian Lorenci	04 July 2017
32	Restaurant "Te Shushtë"	Tourism	Hospitality	Shushtë	Restaurant. Contact Person: Egzon Jashari (manager)	04 July 2017
33	Emrush Azemi	Tourism	Head of Youth Sector	Viti/Vitina	Directorate of Culture, Youth and Sport	04 July 2017
34	Sevdije Salihu	Tourism	Cultural Heritage Officer	Viti/Vitina	Directorate of Culture, Youth and Sport	04 July 2017
35	Restauranti Lindi	Tourism	Hospitality	Viti/Vitina	Restaurant. Contact Person: Besnik Azemi (manager)	04 July 2017
36	Merxhan Ademi	Producer	Farmer	Gushicë/Gušica	Beans, raspberries	05 July 2017
37	Ganimete Emini	Producer	Farmer	Lubishtë/Ljubište	Raspberries	05 July 2017
38	Remize Bucaliu-Gymshiti	Producer	Farmer	Lubishtë/Ljubište	Raspberries	05 July 2017
39	Muhabi Sadiku	Producer	Farmer	Gjylekar/Đelekare	Vegetables	05 July 2017
40	Salih Salihu	Producer	Farmer	Viti/Vitina	Wheat	05 July 2017
41	Basri Ramizi	Producer	Farmer	Viti/Vitina	Plums, Pumpkins & Sour Cherries	05 July 2017
42	Merita Limani "Gratë e Goshicës"	Agro Association	Association President	Gushicë/Gušica	Cakes and raspberries' cultivation	06 July 2017
43	Shefkide Shabani - "Lubishta"	Collection Centre	Association President	Lubishtë/Ljubište	Raspberries & Vegetables / NWTP Collection Centre	06 July 2017
44	Valbona Ajeti "Hortikultura"	Agro Association	Association President	Sllatinë e Epërme/Gornja Slatina	Canned vegetables	06 July 2017
45	Shanij Frangu "Barileva"	Collection Centre	Collection Centre	Sllatinë e Epërme/Gornja Slatina	Wheat Collection Centre	06 July 2017
46	Narxhivane Demelezi - "Gjelbina"	Agro Association	Association President	Sllatinë e Epërme/Gornja Slatina	Traditional Food	06 July 2017
47	Mihane Rexhepi "Gratë e Beguncës"	Agro Association	Association President	Beguncë/Begunce	Traditional Food	11 July 2017
48	Mehmet Maliqi	Collection Centre	Collection Centre	Gushicë/Gušica	NWTP Collection Centre	11 July 2017
49	Lumturie Azizi	Producer	Farmer	Tërstenik/Trstenik	Fruit and Vegetables	11 July 2017
50	Blinera Haxhiu "Biofruti"	Processor	Owner	Viti/Vitina	Apple processor	11 July 2017

ANNEX 2: LIST OF FOCUS GROUP PARTICIPANTS

NO.	VALUE CHAIN	TYPE	NAME/SURNAME
1	AGRICULTURE	PRODUCER	Basri Ramizi
2	AGRICULTURE	PRODUCER	Xhelal Haxhiu
3	AGRICULTURE	PRODUCER	Lumturie Azizi
4	AGRICULTURE	INPUT SUPPLIER	Samet Fetahu
5	AGRICULTURE	PRODUCER	Valbona Ajeti "Hortikultura"
6	AGRICULTURE	PRODUCER	Nurie Bajrami "Gratë e Goshicës"
7	AGRICULTURE	FPM "FR - STUBLLA"	Nik Ramaj
8	TOURISM	RESTAURANT	Kemajl Sabiti 'Restorant Shpati'
9	TOURISM	CHwB	Naim Ukaj
10	TOURISM	CHwB	Sali Shoshi
11	MUNICIPALITY	Representative of Stubëll/ Stubla Village	Nikollë Ukaj
12	MUNICIPALITY	Department of Agriculture, Forestry and Rural Tourism	Veton Ademi
13	MUNICIPALITY	Department of Agriculture, Forestry and Rural Tourism	Granit Avdyli
14	MUNICIPALITY	Department of Culture, Youth and Sport	Emrush Azemi
15	DONOR COMMUNITY	UNDP/InTerDev 2	Mehmeti Rashiti
16	MUNICIPALITY	Office for Investments and Business Support (ZIMB)	Mentor Rexhepi

ANNEX 3: QUESTIONNAIRES FOR INTERVIEWS

QUESTIONNAIRE nr. 1 – Agriculture Value Chain

Survey Form Number / _____ /

Company Name

Interview Date (ddmm; hhmm)..... / Date: _____; Time: _____ /

Respondent Name Respondent Age...../ _____ /

(<25=1) (26-45=2) (46-60=3) (>61=4)

Respondent Gender M/F/ _____ /

Household Status of Respondent (for farm production only) M/F / _____ /

Phone (for companies) / _____ /

E-Mail (for companies)..... / _____ /

Municipal Location

..... / _____ /

Legal Organization Form

..... / _____ /

<input type="checkbox"/> 01 Private Farmer	<input type="checkbox"/> 02 Individual Businesses/ Partnership	<input type="checkbox"/> 03 Limited Liability Company	<input type="checkbox"/> 04 NGO	<input type="checkbox"/> 05 Association	<input type="checkbox"/> 06 Cooperative
--	---	---	---------------------------------	--	--

1. Value Chain Participant Status / _____ /

<input type="checkbox"/> 01 Producer / Cultivator	<input type="checkbox"/> 03 Collection Centre	<input type="checkbox"/> 05 Wholesaler	<input type="checkbox"/> 07 Exporter	<input type="checkbox"/>
<input type="checkbox"/> 02 Collector	<input type="checkbox"/> 04 Processor	<input type="checkbox"/> 06 Retailer	<input type="checkbox"/> Other _____	<input type="checkbox"/>

2. Number of full time Employees Hired

.....
Total / _____ / Men / _____ / Women / _____ / Minorities / _____ /

3. Number of seasonal employees hired

Total / _____ / Men / _____ / Women / _____ / Minorities / _____ /

4. Does your company have any special programmes to promote hiring of women employees

Yes / No

5. Which of the following crops are grown/ collected/ processed/ sold/ traded?

I. FRUITS SUBSECTOR		Output (kg/year)	Production Costs (EUR)	Sales Price (EUR)
<input type="checkbox"/>	Apples			
<input type="checkbox"/>	Plums			
<input type="checkbox"/>	Pears			
<input type="checkbox"/>	Peaches			
<input type="checkbox"/>	Apricots			
<input type="checkbox"/>	Cherries			
<input type="checkbox"/>	Sour cherries			
<input type="checkbox"/>	Strawberries			
<input type="checkbox"/>	Raspberries			
<input type="checkbox"/>	Blackberries			
<input type="checkbox"/>	Blueberries			
<input type="checkbox"/>	Aronia			
<input type="checkbox"/>	Walnuts			
<input type="checkbox"/>	Hazelnuts			
<input type="checkbox"/>	Other: _____			
<input type="checkbox"/>	Other: _____			
<input type="checkbox"/>	Other: _____			
II. VEGETABLE SUBSECTOR		Output (kg/year)	Production Costs (EUR)	Sales Price (EUR)
<input type="checkbox"/>	Peppers:			
<input type="checkbox"/>	Tomatoes:			
<input type="checkbox"/>	Onions:			
<input type="checkbox"/>	Cabbage:			
<input type="checkbox"/>	Water melons:			
<input type="checkbox"/>	Cucumbers:			
<input type="checkbox"/>	Garlic:			
<input type="checkbox"/>	Spinach:			
<input type="checkbox"/>	Leek:			
<input type="checkbox"/>	Carrots:			
<input type="checkbox"/>	Pumpkins:			
<input type="checkbox"/>	Other: _____			
<input type="checkbox"/>	Other: _____			
<input type="checkbox"/>	Other: _____			
III. CEREAL SUBSECTOR		Output (kg/year)	Production Costs (EUR)	Sales Price (EUR)
<input type="checkbox"/>	Wheat			
<input type="checkbox"/>	Corn			
<input type="checkbox"/>	Barley			
<input type="checkbox"/>	Oats			
<input type="checkbox"/>	Rye			
<input type="checkbox"/>	Other: _____			
<input type="checkbox"/>	Other: _____			
<input type="checkbox"/>	Other: _____			

6. What area of land in hectares you own, your property or contract of lease?

Specify area of land _____ (specify unit) How many parcels _____

7. What area of land in hectares you lease?

Specify area of land _____ (unit)

How many parcels comprising _____ (number of parcels)

8. Average age of plantation?

Young plantations (unborn) – Without giving fruits _____

Born plantation – Fruit Giving _____

*) Fill number

9. How has your turnover changed

Characteristic	2014	2015	2016
Euro value			
Tons			
Land area farmed			

10. What is the percentage of profit from the total annual turnover of the farm? Up to 10% 10-25% 25-50% 50-75%**11. Where do you sell your products? (In %)**

▪ Domestic _____

▪ Foreign _____

▪ Traders _____

▪ Direct sale _____

12. Does your company provide trade credits to farmers to support the cost of buying production inputs?

(Ask only for processor, collection centre, and marketing enterprises)

 Yes / No**13. Which advisory services, from the following are you using?**

<input type="checkbox"/> State councils
<input type="checkbox"/> Herbal pharmacies / traders inputs
<input type="checkbox"/> Private consultants
<input type="checkbox"/> Donor projects
<input type="checkbox"/> I use none

*) One answer

14. How do you promote your business in the market? Television and radio Internet and social media Newspapers and magazines Word of mouth Local municipality We do not promote the business Other: _____

15. What are the five major constraints that keep you from increasing your business profits?

(Provide the list to the respondent and ask them to identify the five that were the most important and then rank them from 1 to 5, with 1 being the most important of all)

CONSTRAINTS	
<input type="checkbox"/> Lack of money to buy production inputs	
<input type="checkbox"/> Lack of appropriate fertilizers on local markets	
<input type="checkbox"/> Lack of quality seeds and planting materials on local markets	
<input type="checkbox"/> Lack of money to buy equipment/machinery	
<input type="checkbox"/> Lack of appropriate machinery/equipment on local markets	
<input type="checkbox"/> Lack of access to the domestic product market	
<input type="checkbox"/> Poor product quality that doesn't meet the market standards	
<input type="checkbox"/> Lack of the proper packaging materials	
<input type="checkbox"/> Tough competition from neighbours	
<input type="checkbox"/> Insufficient available labour	
<input type="checkbox"/> Poor quality of available labour	
<input type="checkbox"/> Unattractive product prices	
<input type="checkbox"/> Lack of the storage facilities	

16. What kind of training or other support do you need?

(Tick all that apply. Provide the list to the respondent and ask them to identify all that apply and the rank the from 1 to 5, with 1 being the most important of all)

TRAINING/SUPPORT NEEDS	
<input type="checkbox"/> Technical advice and training in the farm production processes	
<input type="checkbox"/> Technical advice and training in the farm postharvest handling processes	
<input type="checkbox"/> Technical advice and training in the product market development processes	
<input type="checkbox"/> Direct market linkage facilitation in order to access new domestic /export markets	
<input type="checkbox"/> Technical advice and training on improving the product quality	
<input type="checkbox"/> Technical advice and training on new product development	
<input type="checkbox"/> Technical advice and training to upgrade the worker(employee) skills	
<input type="checkbox"/> Technical advice and training from foreign specialists	
<input type="checkbox"/> Technical advice and training to install the cold storage facilities	
<input type="checkbox"/> Study tours to foreign countries	
<input type="checkbox"/> Study Tours to other places in Kosovo	
<input type="checkbox"/> Trade fair participation	
<input type="checkbox"/> Access to the NOA grants and subcontracts	
<input type="checkbox"/> Project facilitation to access the formal credit sources (banks, other financial organizations and trade credits)	
<input type="checkbox"/> Direct support to obtain the GlobalGAP/HACCP certification	

17. Where do you get funds to purchase inputs and working capital? (tick all that apply)

SOURCES OF FUNDING/FINANCE	
Personal	
Borrow from family members	
Bank	
Credit Union	
Other	
I can't get credit	

18. In which way you are informed about innovations in agriculture?

<input type="checkbox"/>	TV, radio, newspapers
<input type="checkbox"/>	Internet, social media
<input type="checkbox"/>	Direct contact/ word of mouth
<input type="checkbox"/>	Email:
<input type="checkbox"/>	Books/Brochures
<input type="checkbox"/>	Agricultural associations
<input type="checkbox"/>	Advisory services
<input type="checkbox"/>	Other _____
<input type="checkbox"/>	None

*) Multiple choice

19. Are you a member with a paid membership to an agricultural association? Yes No

*) One answer (i.e. for 2016)

20. If you are a member, on a scale from 1 to 5, how satisfied are you with the work of the agricultural association? (1 = very satisfied, 5 = not satisfied)

¨ 1 (best) ¨ 2 ¨ 3 ¨ 4 ¨ 5 (worst) ¨ I am not a Member

Total area _____

*) Fill in the number

21. What type of transport do you use for distribution of your products?**22. Do you have your own network of buyers? If yes, how many:****23. Where do you buy your input materials from?**

Type of raw material	Place of origin	Type of supplier	Price

24. Do you have your own network of collectors? If yes, how many:**25. What is the % of the capacity utilization?****26. Where do you store your products and what is the capacity of the storage?****27. Do you possess quality assurance standards (certification...)?****28. Do you have cold storage facility? If yes, what is its capacity?****29. During the last three years, have there been any crop damages caused by the natural disasters? (Multiple choice)** Hail Frost Flood Other

30. Do you use safety nets in your production?

- Yes No

31. Which diseases, pests and weeds you consider to be a problem in the crops production? (Insert all the three)

32. What measures are protecting the crops from diseases, pests and weeds?

- Chemical protection
- Organic protection
- Insecticides
- Herbicides
- Fostering
- Others _____

*) Multiple choice

33. How do you choose the means of protection when treating the plants?

- Recommendation from an agricultural pharmacy
- Recommendation from an agronomist
- Recommendation by an external consultant/professor
- Past personal experiences
- Recommendation of advisory services
- I do not use any means for the plant protection

*) Multiple choice

34. Are you familiar with Integral protection?

- Yes
- No

35. Are you familiar with the provisions of Good Agricultural Practice (GAP), and do you apply them in your production?

- I am familiar with them and I apply the
- I am aware with them but do not apply them
- I am not familiar with them

36. For what reason you have performed an analysis of the soil?

- Getting subsidies
- Improving the quality of production
- Certification
- About getting grants
- Due to better utilization of fertilizer
- Other
- I have never performed any analysis of the soil

*) Multiple choice

37. When was the last time you performed an analysis of the water used for irrigation?

- 2011
- 2012
- 2013
- 2014
- 2015
- 2016
- I have never done it

*) One answer

38. Are you preparing fertilization based on the soil analysis?

- Yes
- No
- I have never done an analysis of the soil

*) One answer

39. What kind of irrigation techniques you practice on your crop?

- Grooves
- Drip irrigation system
- Combination
- I haven't practiced any irrigation technique

*) One answer

WASTE AND ENVIRONMENT PROTECTION SECTION

- 40.** How much waste is generated by your farm?
- 41.** What are the types of the generated waste and their respective volumes?
- 42.** Do you dispose of your waste? If YES, please specify how:
- 43.** How much does the treatment and disposal of your waste cost?
- 44.** What proportion of the farm waste is recycled?
- 45.** Do you prefer using biodegradable, recyclable, or reusable products?
- 46.** Are you willing to spend a little more in order to protect the environment?
- 47.** Do you inform and educate the staff about environment protection in their daily activities?

ENERGY AND WATER CONSUMPTION SECTION

- 48.** What is the annual amount spent by the farm on energy and water consumption?
- Water (L): _____ euro: _____
- Energy (kW): _____ euro: _____
- 49.** Do you rely on different energy sources, including the ones labelled as 'clean'?
- 50.** What is the source of the water used by the farm?
- a. Public network
- b. Well
- c. Other _____
- 51.** Do you implement water-saving measures during irrigation, cleaning (personal hygiene, tools and equipment) and maintenance?
- 52.** Do you inform or educate the staff about energy and water saving measures?

QUESTIONNAIRE nr. 2 - Tourism Value Chain

Survey Form Number / _____ /

Company Name

Interview Date (ddmm; hhmm)..... / Date: _____; Time: _____ /

Respondent Name _____ Respondent Age...../ _____ /

(<25=1) (26-45=2)(46-60=3)(>61=4)

Respondent GenderM/F/ _____ /

Household Status of Respondent (for farm production only) M/F / _____ /

Phone (for companies)/ _____ /

E-Mail (for companies...../ _____ /

Municipal Location

...../ _____ /

Legal Organization Form

...../ _____ /

<input type="checkbox"/> 01 Private erson	<input type="checkbox"/> 02 Individual Businesses/ Partnership	<input type="checkbox"/> 03 Limited Liability Company	<input type="checkbox"/> 04 NGO	<input type="checkbox"/> 05 Association	<input type="checkbox"/> 06 Public Body/ Institution
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2. Value Chain Participant Status/ _____ /

<input type="checkbox"/> 01 Accommodation	<input type="checkbox"/> 03 Tour Operator/ Guide	<input type="checkbox"/> 05 Shopping	<input type="checkbox"/> 07 Entertainment	<input type="checkbox"/>
<input type="checkbox"/> 02 Food, Restaurants/Bars	<input type="checkbox"/> 04 Transport	<input type="checkbox"/> 06 Cultural / Tourist Sites	<input type="checkbox"/> Other _____	<input type="checkbox"/>

1. Number of full time Employees Hired

.....

Total / _____ / Men / _____ / Women / _____ / Minorities / _____ /

2. Number of seasonal employees hired

Total / _____ / Men / _____ / Women / _____ / Minorities / _____ /

3. Does your company have any special programmes to promote hiring of women employees

Yes / No

4. Where is the location of the accommodation facility?

- Village
- Tourist place
- Outside the village

5. What is the size of area for the accommodation facility?

Please specify the size in m²: _____

6. What kind of training do you need in order to increase the work quality of the employees?

- Training for hospitality
- Training for gastronomy
- Training for alternative tourism
- Technical training
- Marketing training
- Other _____

*) Multiple choice

7. What is the number of bedrooms?

- Single _____
- Double _____
- Triple _____
- BApartment for 4 persons or more _____

*) Multiple choice

8. What is the capacity of beds?

- Up to 10 beds
- From 10 to 20 beds
- Over 20 beds

9. Is there a restaurant included as a part of accommodation?

- Yes
- No

10. If the answer to the previous question is yes, could you please answer what is the profit realized by the restaurant, expressed in percentage?

- 10 %
- 10 – 20 %
- 20 – 30 %
- 30 – 40 %
- 40 – 50 %
- 50 – 60 %
- 60 – 70 %
- 70 – 80 %
- 80 – 90 %
- We do not have a restaurant

11. Do you work throughout the whole year?

- Yes
- No

12. If the answer to the previous question is no, could you please specify the working period?

- January
- February
- March
- April
- May
- June
- July
- August
- September
- October
- November
- December
- We work throughout the whole year

13. What kind of accommodation services do you offer?

- Overnight stay
- Bed and breakfast
- Half board
- Full board

14. What is the price of each accommodation service you offer?

- Overnight stay _____
- Bed and breakfast _____
- Half board _____
- Full board _____

(The price of each accommodation service is given in Euro for every category)

15. What is the average price of each meal you offer?

- Breakfast _____
- Lunch _____
- Dinner _____
- Non-alcoholic refreshing drinks _____
- Spirits _____

(The average price of each meal is given in Euro for every category)

16. Does the service price vary throughout the year?

- Yes
- No

17. If the price of the service varies throughout the whole year, what are the dynamics of the price movement?

- Decreasing during the off-season
- Increasing in season
- The prices are the same throughout the whole year

18. What are the highest and the lowest accommodation prices?

- Single _____
- Double _____
- Triple _____
- Apartments for 4 persons or more _____

19. Does the accommodation price vary throughout the year?

- Yes
- No

20. If the accommodation price varies throughout the year, what are the dynamics of the price movement?

- Decreasing during the off-season
- Increasing in season
- The prices stay the same throughout the whole year

21. What kind of additional services do you offer?

- Entertainment room
 - Laundry room
 - Fitness
 - Gastronomy/organic food
 - Hiking
 - Spa centre
 - Mountain biking
 - Paragliding
 - Horse riding
 - Mountain climbing
 - River rafting
 - Agro-tourism
 - Other
- *) Multiple choice

22. If you do not offer the services from the previous question, do you plan to extend your services in direction of alternative tourism in the future?

- Yes
- No
- I already have alternative tourism services

23. If you offer additional services, does the price vary throughout the year?

- Yes
- No

24. If the price for additional services varies throughout the year, what are the dynamics of the price movement?

- Decreasing during the off-season
- Increasing in season
- The prices stay the same throughout the year

25. Are you a part of any package offered by tour operators or tour guides? If YES, please specify:

26. What is your annual turnover?

- Up to 5.000 euros
- Between 5.000 and 10.000 euros
- Between 10.000 and 30.000 euros
- Above 30.000 euros

27. To what extent are the capacities filled per month? (Expressed as a percentage of the total capacity)

- January _____
- February _____
- March _____
- April _____
- May _____
- June _____
- July _____
- August _____
- September _____
- October _____
- November _____
- December _____

28. What is the average length of stay of guests per month? (Expressed in number of days)

- January _____
- February _____
- March _____
- April _____
- May _____
- June _____
- July _____
- August _____
- September _____
- October _____
- November _____
- December _____

29. What is the average age structure of guests?

Please specify the age:: _____

30. What is the ratio between domestic and foreign guests?

- Foreign: _____% Domestic: _____%

If you have noticed a change in the number of visitors in the last 5 years, please specify if the number of visitors is:

- Decreasing (gradually)
- Decreasing (drastically)
- Increasing (gradually)
- Increasing (drastically)
- We haven't noticed any change

31. How do you promote your business in the market?

- Television and radio
- Internet and social media
- Newspapers and magazines
- Word of mouth
- Local municipality
- We do not promote the business

32. Who is responsible for the marketing and PR activities?

- Internal employee
- External person/consultant
- Marketing agency
- We do not have such position

33. Have you ever used consultancy services? Yes No

34. If you have, what kind of consultancy services did you use?

- Financial
- Gastronomical
- Hospitality
- Legal
- Marketing
- We have not used

35. Rate the level of satisfaction with the results from the consultancy services you have used: 1 2 3 4 5 not used

If you have not used consultancy services so far, do you consider using them in the future? Yes No

36. If you have not used consultancy services, please specify what kind of services would you find useful for your business development:

37. What kind of expert would you like to be provided with for consultancy services?

- Consultant
- Legal expert
- Marketing agency
- Expert from an educational institution
- Expert from relevant institution
- Accountant

FOOD SECTION

38. Do you currently use local foods (food that has travelled less than 50 miles or 80 kilometres)? If YES, ask the questions below / If NO, continue to question 43.

- a. What local foods are you using? _____
- b. How are you typically sourcing them? _____
- c. Do you use any specialty foods (i.e. international, scarce or uncommon)?
How are they sourced? _____
- d. Do you have any contractual agreements with the farmers from which you source?

- e. Do you encounter any obstacles while sourcing local foods? _____

- f. Have you seen any benefits from using local foods? _____

- g. What are the quantities of local products that you buy per year? _____

39. Do you use local foods (from Viti)? Yes No

- a. How do you currently source your food?

- b. Do you use any specialty foods (i.e. international, scarce or uncommon)? How are they sourced? _____
- c. What obstacles do you perceive when buying local food?

- d. Have you had any experience in sourcing, preparing, or marketing local foos?

- e. Would you have any interest in using local foods in the future?

- f. Is there any reason why you would not use local food? _____

WASTE AND ENVIRONMENT PROTECTION SECTION

40. Do you know how much waste is generated by your premises?
41. Do you dispose of your waste? If YES, please specify how:
42. What type of waste is generated and what are their respective volumes?
43. What is the cost of treatment and disposal of your waste?
44. What is the proportion of the hotel's recycled waste?
45. Do you prefer using biodegradable, recyclable, or reusable products?
46. Do you pay attention to processes involved in the preparation of the products?
47. Do you purchase appliances and other equipment that are designed for minimum water and energy consumption?
48. Are you willing to spend a little more in order to protect the environment?
49. Do you ask your suppliers about their practices regarding environment protection?
50. Do you inform and educate the staff about the correct procedures?

ENERGY AND WATER CONSUMPTION SECTION

51. What is the annual amount spent by the premises on energy and water consumption?
Water (L): _____ euro: _____
Energy (kW): _____ euro: _____
52. Do you rely on different sources of energy, including the ones labelled as 'clean'?
53. What is the source of the water used by the hotel?
 - a. Public network
 - b. Well
 - c. Other _____
54. Do you implement any water saving measure in the hotel?
55. Do you inform or educate the staff about correct procedures?

QUESTIONNAIRE nr 3 – Input Suppliers

Survey Form Number / _____ /

Company Name _____

Interview Date (ddmm; hhmm)..... / Date: _____; Time: _____ /

Respondent Name _____ Respondent Age...../ _____ /

(<25=1) (26-45=2)(46-60=3)(>61=4)

Respondent GenderM/F/ _____ /

Household Status of Respondent (for farm production only) M/F / _____ /

Phone (for companies)/ _____ /

E-Mail (for companies...../ _____ /

Municipal Location

...../ _____ /

Legal Organization Form

...../ _____ /

<input type="checkbox"/> 01 Private erson	<input type="checkbox"/> 02 Individual Businesses/ Partnership	<input type="checkbox"/> 03 Limited Liability Company	<input type="checkbox"/> 04 NGO	<input type="checkbox"/> 05 Association	<input type="checkbox"/> 06 Public Body/ Institution
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56. Number of full time Employees Hired

.....

Total / _____ / Men / _____ / Women / _____ / Minorities / _____ /

57. Number of seasonal employees hired

Total / _____ / Men / _____ / Women / _____ / Minorities / _____ /

58. Does your company have any special programmes to promote hiring women employees Yes / No

59. Indicate the main activity(ies), from which the enterprise derives its income:

1. _____
2. _____
3. _____

60. Indicate any secondary activity(ies), from which the enterprise derives its income:

1. _____
2. _____
3. _____

61. Provision of services (category of services)?

- a. Agronomic inputs (Fertilizers, agricultural machinery, chemicals, etc.) _____
- b. Agricultural practices _____
- c. Veterinary Services _____
- d. Market information _____
- e. Securing new markets _____
- f. Quality control / certification _____
- g. Financial support _____
- h. Crop collection _____
- i. Seedling/Sapling providers _____
- j. Other _____

	Category of products/ services	"What specific services do you provide?" [put details]	No. of clients per season			Area / Municipality	Net income/ from service
			Total	Men	Women		
1							
2							
3							
4							
5							
6							

62. How do you find your customers?

	Source of information/ modalities	If yes, specify (put details)	How frequent is the contact?
1	From your employer / organization		
2	From a private company (e.g. seeds/ fertilizer company)		
3	An organization asks you to provide services		
4	You contact a project / organization		
5	Farmers contacting you		
6	You contact individual farmers		
7	You contact farmers' groups (representatives)		
8	You contact members of a farmers' organization		
9	Other (specify)		

63. How do you promote your business in the market?

- Television and radio
- Internet and social media
- Newspapers and magazines
- Word of mouth
- Local municipality
- We do not promote the business
- Other: _____

64. Amount of revenue from the sale of products/services, an average of the last 3 years?

_____ euro *) Fill number

65. Enterprise annual turnover?

- Up to 5.000 euro
- 5.000-10.000 euro
- 10.000-30.000 euro
- 30.000-100.000 euro
- Above 100.000 euro

66. What is the percentage of profit from the total annual turnover of the farm?

- Up to 10%
- 10-25%
- 25-50%
- 50-75%
- 75-100%

67. In which way you are informed about innovations in agriculture?

- TV, radio, newspaper
- Internet, social media
- Direct contact/ word of mouth
- Email
- Books/Brochures
- Agricultural associations
- Advisory services

*) *Multiple choice*

68. Are you a member of an agricultural association with a paid membership?

- Yes
- No

69. If you are a member, on a scale from 1 to 5, how satisfied are you with the work of the agricultural association? (tick one answer - 1 unsatisfied, 5 very satisfied)

- 1 2 3 4 5 I am not a Member

70. Have you ever attended any agriculture training?

- Yes No

71. What kind of agricultural trainings have you attended?

- Training for new manufacturing technologies
- Irrigation Training
- Training for fertilization
- Training for crop protection
- Other _____
- I did not attend any

*) *Multiple choice*

72. What kind of training you think would improve your services?

- Training on how to apply for grants and how to use them
- Networking
- Accountancy
- Training on how to introduce new technologies
- Training for better market placement
- Courses on the use of agro-environment operations
- Other _____

73. Which experts would you prefer to conduct the training?

- Agronomists
- Consultants
- Professors from educational institutions
- Agricultural associations
- Experienced lecturers from the field
- Other _____

74. What are the challenges you are facing?

“Over the last three years, have you faced any problems or difficulties while providing service to clients?”

- _____
- _____
- _____

75. Specify the way for solving the problem you are facing

- _____
- _____
- _____

WASTE AND ENVIRONMENT PROTECTION SECTION

76. How much waste is generated by your business?

77. What is the type and volume of the generated waste?

78. Do you separate your waste? If yes, how:

79. Do you dispose of your waste? If YES, please specify how:

80. What is the cost of treatment and disposal of your waste?

81. What proportion of the business waste is recycled?

82. Do you prefer or offer biodegradable, recyclable, or reusable products?

83. Do you inform clients about environment protection in their daily activities?

ENERGY AND WATER CONSUMPTION SECTION

84. Do you use cold storage for your products?

If yes, what is your annual energy consumption cost, in average?

Energy (kW): _____ euro: _____

If yes, do you use energy efficient equipment? If yes, for what reasons (environmental protection or energy cost reduction)?

85. Do you rely on different sources of energy, including the ones labelled as ‘clean’?

86. Do you inform your clients about energy and water saving measures?

