



Market assessment: Non-Wood Forest Products in Kosovo

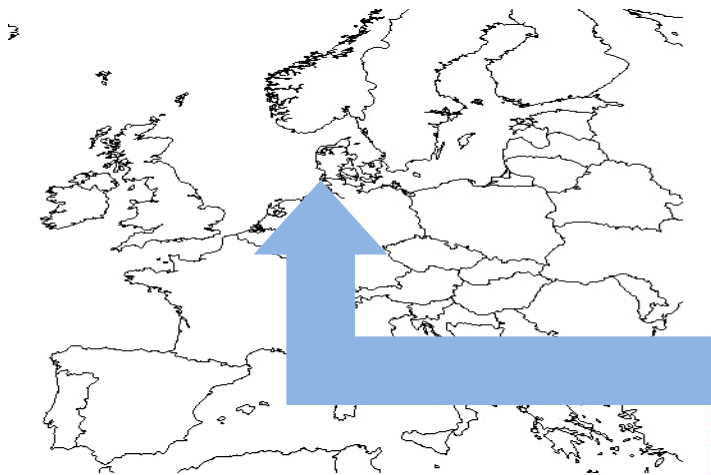
ProFound – Advisers In Development
June 2015

Agenda

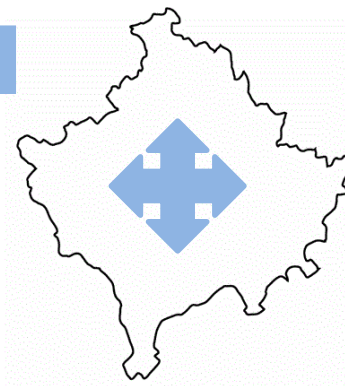


PPSE: Market Assessment NWFPs in Kosovo

Interventions



The European Market for NWFPs



NWFP sub-sector: Challenges and Opportunities

PPSE Assessment: Non-Wood Forest Products in Kosovo

- **Objectives:**

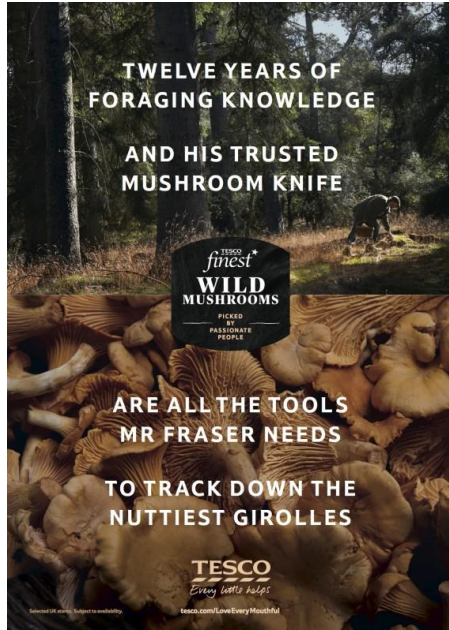
- *Understanding NWFP sub-sectors dynamics in Kosovo*
- *Identifying Challenges and Opportunities*
- *Identifying Interventions: Employment creation, Income generation, Increased Competitiveness*
- *Gender mainstreaming and Minority Integration*

- **Activities:**

- *In-depth interviews with stakeholders and field visits*
- *Collection of baseline data for sector SMEs*
- *Analysis and validation of findings: Challenges and Opportunities*
- *Recommendations and potential risks*



NWFPs: European market



NWFPs: European market

INCENTIVES

- * Naturalness
- * Organic “by default”; no MRLs
- * Part of biodiversity
- * Social impact: collectors’ communities
- * Original properties
- * Certification and marketing (potential)

CHALLENGES

- * Organizing value chain
- * Trust-building with suppliers
- * Attaining sufficient volumes
- * Guaranteeing consistent quality
- * Safeguarding traceability
- * Meeting requirements
- * Sustainability
- * Certification and marketing

Higher requirements, stricter controls

Safe products

Safe to process and use

Safety in terms of supply

Safe in terms of sustainability

Safe in terms of proof of efficacy

Safe in terms of transparency

- Documented accordingly
- Communication is key

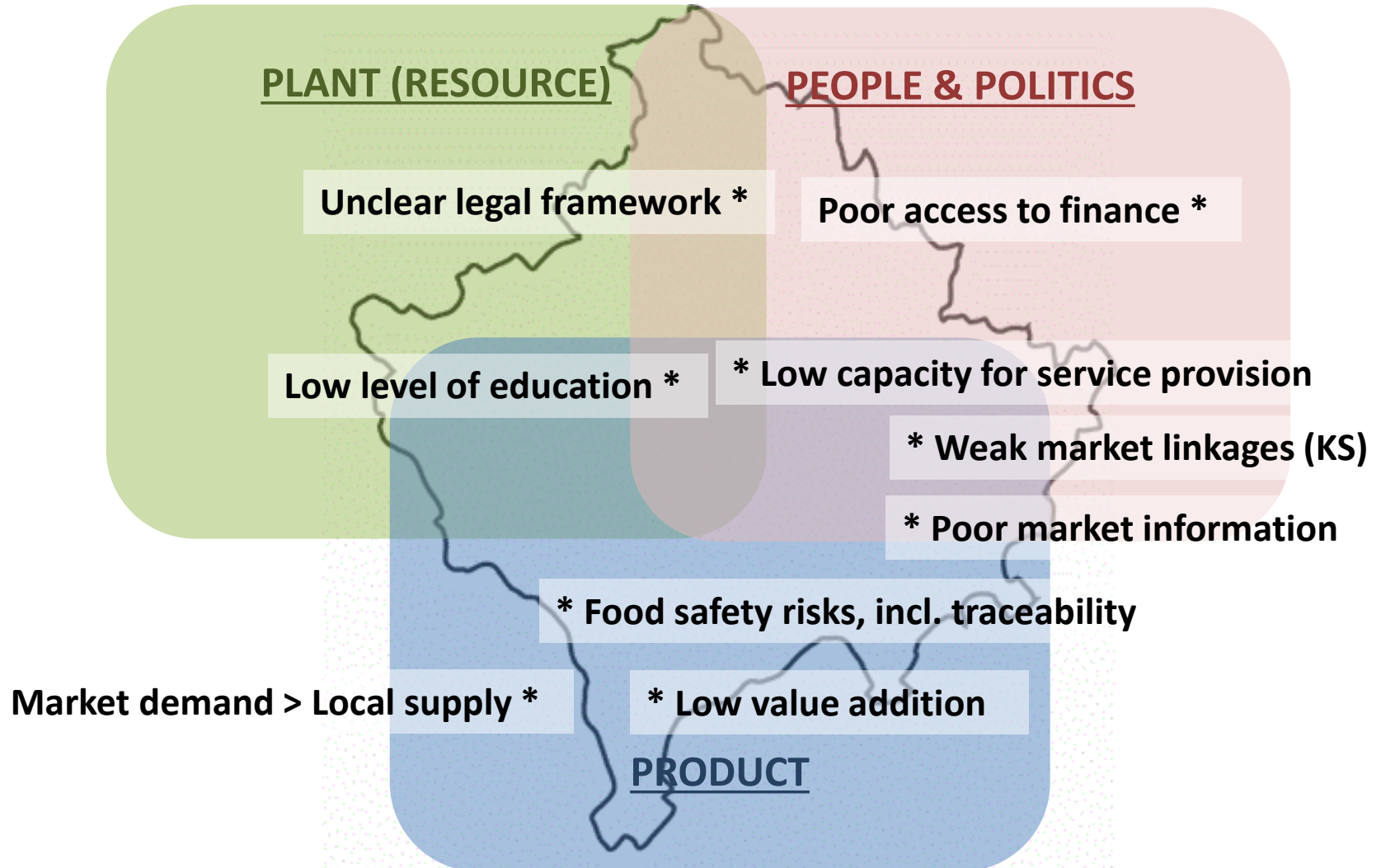


Sustainability: Social, Ecological, Biodiversity

- Supported by certification schemes
- Motivations:
 - Ethical commitment
 - Marketing
 - Value addition
- European market - distinct geographical division:
 - Consumer awareness
 - Income levels



NWFPs in Kosovo



Poor access to finance

→ Product flow → →

← ← Cash flow ←



Sources:

- Own investment: High cash flow needed for collection season
- Grants: Dependency risk; allied with robust business planning
- Banks: High interests, risk-prone “Lending is like an earthquake”

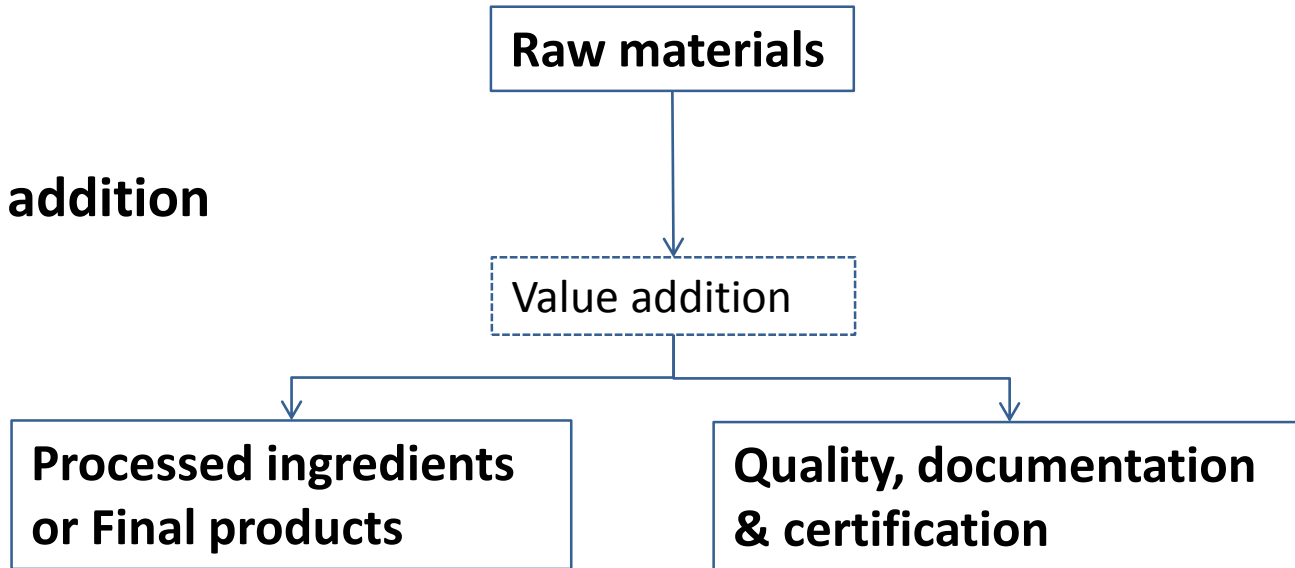
Weak linkages to domestic market

- Visibility!
- Low awareness for NWFPs in Kosovar market
- Imported raw material
- North Kosovo: Serbian market
- Contract and payment terms: Domestic retailers
- Education of industry and consumers
- Marketing and branding opportunities



NWFPs in Kosovo

Low value addition



- Narrow product portfolio
- Short value chain, no further processing
- (Relatively) Thin margins
- Limited certification
- Current possibilities for value chain extension
- Examples of other countries... Learning and Applying...

NWFPs: Competing industries



Macedonia



Bulgaria

Slovenia



NWFPs: Supply chain profile

New **responsibilities** for resource owners AND users!

- Sustainable use to ensure **availability** of species
- Economic **viability** and **profit**
- Positive **social impact**
- Increased **competitiveness**

