

Ensuring Continuity and Security of Vegetable Production in Kosovo

PAGE 2

The Economic Impact of COVID-19 on the Tourism Sector in Kosovo

PAGE 3

How do tour operators in Kosovo deal with the situation created by the pandemic?

PAGE 4

2020
MAY

NEWSLETTER.

PROMOTING
PRIVATE SECTOR
EMPLOYMENT



#POSITIVENEWS in Challenging Times

At the start of 2020, “lockdown” was not the word we would have used to describe what we thought the new year had in store. The situation with COVID-19 worldwide soon brought all societies face to face with the same storm. We all had to adapt and come up with strategies to deal with the threat of pandemics and how it affected every aspect of life.

As the saying goes, “unusual times call for unusual measures”. These trying times can result in personal and professional challenges. On the bright side, such times also reveal the resourcefulness of people and teams who come up with inventive ways of responding and adapting to the new circumstances, to continue working towards the goal of creating opportunities in the countries where Swiss-contact operates.

The project Promoting Private Sector Employment of the Swiss Agency for Development and Cooperation in Kosovo was quick to respond to this

global crisis to manage the situation and mitigate consequences within our field of work. The biggest change since March was to learn to move from live work into a more virtual realm. And to continue working for impact, adapting to the new reality.

Meeting immediate food needs, and especially nutritious food for people is one of the key concerns right now. In close cooperation with the partners from the Food and Natural Ingredients sector, activities shifted towards supporting initiatives that ensure continuity and security of vegetable production in Kosovo, both for the market and food processors. The news from this sector have been positive and encouraging. Read more on **Page 2**.

With the lockdown across the globe, the tourism and travel industry received a very heavy blow, with being Kosovo no exception. In March, PPSE prepared the paper “Economic Impact of COVID-19 Pandemic on Hospitality Sector in Kosovo” which was also submitted to the Minis-

try of Finance and Transfers in Kosovo, to support their planning on economic mitigation measures for this important sector of the economy. Read more on **Page 3**.

PPSE Project Reaches Important Milestone

On 26 March 2020, the Donor Committee for Enterprise Development (DCED) congratulated team PPSE for a “very successful audit of the result measurement system in compliance with DCED standard.” Such conclusion is an important milestone for towards our overarching project goal: SMEs that operate in well-organized and inclusive economic sectors, provide increased sustainable gainful employment for young women and men in Kosovo. Additionally, the DCED conclusion reiterates convincingly the value of the support by the Swiss Agency for Development and Cooperation to Kosovo’s economic growth.

HIGHLIGHTS FROM OUR WORK

Ensuring Continuity and Security of Vegetable Production in Kosovo

■ The current focus of PPSE support in the Food and Natural Ingredients sector is contract farming. This is complemented with services and activities to increase farmer access to qualitative and affordable seedlings in order to increase the capacities of modern seedling production in Kosovo. Since the beginning of Phase II in 2017, PPSE has supported two seedling production facilities: Fidanishtja e Godancit and Agrobora. Such support involved financial co-investment, technology, and know-how through experts, so that the facilities are able to operate efficiently.

In Phase II, 587 new farmers are involved in overall contracted farming, using over 1,000 additional hectares of land.

In the last couple of months, the news from our partners in the seedling production sector have been positive and encouraging. Meeting immediate food needs has been their key activity. In other words, the seedling producers and the network of contracted farmers have been ensuring continuity and security of vegetable production in Kosovo, both for the market and food processors.

Fehim Rexhepi, of collection center Agrocelina says, “This year, the situation with the contracted farmers is much better and the seedlings are of even higher quality.” Agrocelina has signed a contract with the specialized seedling producer Fidanishtja e Godancit for 200,000 cucumber seedlings. PPSE stimulates the farmers contracted through Agrocelina by covering €0.03 per each of the seedlings. The remaining amount is covered by Agrocelina and the farmers. “I am very pleased with the quality of seedlings. The price was reasonable and



given the situation created by COVID-19, Agrocelina enabled us to pay for the seedlings with our production,” says Robert Skeli, whose family owns a greenhouse in Novosella village in Gjakova and received 10,000 gherkin seedlings.

For Skender Ramadani of Fidanishtja e Godancit, “this collaboration enables a secure production of vegetables that will meet the food needs of the population, and also those of food processing companies.” Through the same collaboration with PPSE, he has signed a contract also with Krusha e Madhe cooperative for 250,000 pepper seedlings.

In March, less than a year after launching its operations, Agrobora was ready to disseminate the

first 400,000 vegetable seedlings to its contracted 25 larger green-house owning farmers across 9 municipalities in Kosovo. In April, PPSE and Agrobora signed a partnership agreement on provision of vegetable seedlings with a discounted price to 7 farms, which require supply with up to 916,000 seedlings for peppers, gherkins, leek and broccoli. The overall cultivation area will be around 14.1 hectares. The sole responsibility of the farmers is to cultivate the seedlings.

This activity of specialized seedling production for contracted farmers is an important achievement for creating a sustainable production of seedlings in the country and continued expansion of the contracted farming system, which increases the financial security of farmers.





The Economic Impact of COVID-19 on the Tourism Sector in Kosovo

■ Due to measures taken from mid-March 2020 to restrict and stop movements and business activities in Kosovo, and the world, due to the COVID-19 pandemic, sectors like tourism, travel, accommodation, and gastronomy bore a heavy brunt. There is still no precise assessment of the impact this period shall have on these economic sectors in Kosovo, but initial figures indicate that a return to the situation before March is going to be a long and not an easy process.

On 3 April 2020, the Ministry of Finance and Transfers (MFT) of the Republic of Kosovo approved and published the Operational Plan on Emergency Fiscal Package. This package intended to provide financial support to businesses in difficulty due to the decrease or termination of their activity following the situation in the country due to the pandemic. MFT did not elaborate the measures by economic sector but followed the approach to support small and medium enterprises to partially subsidize the losses and employee salaries for two months: March and April.

Before the package was published, the Swiss Agency for Development and Cooperation

project Promoting Private Sector Employment (PPSE) prepared a report on the [“Economic Impact of COVID-19 Pandemic on Kosovo’s Hospitality Sector”](#). This report was submitted to the Ministry of Finance and Transfers to support their planning for the economic measures for this important sector in the economy of Kosovo.

According to the PPSE report, a rough estimate of the two-month lockdown of the hospitality sector may have the following impact:

- more than 12,000 inactive employees at risk of losing their jobs and without income;
- people employed in this sector would lose a total amount of over EUR 6 million in wages;
- 3,683 SMEs are directly impacted with costs of around EUR 13 million loss in turnover,
- and due to inactivity of the hospitality sector, further impact in interlinked sector could be more than EUR 10 million

Article first published in Albinfo, May 2020 issue .



DID YOU KNOW...?

A

...that lockdown did not deter farmers in Kosovo from being active? Agropeti, a company that deals with collection and cultivation of non-wood forest products and medicinal aromatic plants, continued with its plans to cultivate nettles. Throughout its operations, Agropeti operates in strict line with all required measures that prevent further spread of the virus. Petrit Shabani, owner, said: “Cultivation of medicinal aromatic plants shall also impact keeping people employed and creating new jobs, which translated into income for us and our contracted farmers. This is especially crucial at a time like this when the local and global economy are facing challenges.”.

B

...that Germia Park in Prishtina, one of the favorite getaways in nature for its residents, will soon be home to more outdoor fun and adventure to visitors of all ages? IN-Nature Adventure Park is the newest tourism project of the Municipality of Prishtina, a co-investment with the Swiss Agency for Development and Cooperation. It is planned to have 53 elements and 6 climbing tracks for some 90 participants at the same time. The adventure park will also feature 6 ziplines of varying length and difficulty level, and a wooden coffeeshop. Something nice to look forward to post-lockdown.

C

...in the last few months, the demand for freshly squeezed berry juices produced by company Kastrioti increased dramatically? As a result, Afërdita Murati, owner, and her team had to work more shifts to accommodate all client requests for fresh juice made of aronia, wild blueberries and blackberries. Also, Afërdita added two part-time workers to help. Thanks to upgraded processing capacities with bottle filling and capping machines acquired with the support of PPSE, keeping up with the increased demand was much easier.

D

...soon, you will be able to experience the thrill of bungee jumping in Kosovo? In fact, you can add to the thrilling experience by jumping not once – but as many times as you wish from various spots around the country. A GoPro camera will be your ally to show your courage and fun times to family and friends. This is the newest product to be added to the list of things you can do in Kosovo. The product is managed by Dinarica Journey company, following a partnership agreement signed with PPSE to support this product.

BLUEPRINT FOR CHANGE

How do tour operators in Kosovo deal with the situation created by the pandemic?

Arsim Rexhepi is the founder of Balkan Destination, an in-bound tour operator that mainly organizes cultural, gastronomy, tradition and daily life tours. “Our market is mainly foreign. We begin with our tours by the end of April and May, so this period should have been really busy for us. The closing down of activities due to the pandemic has negatively affected us because all booked groups until June were cancelled, in fact, we do not even know what will happen with the September and October groups,” he says.

Foreign tourist groups have cancelled bookings confirms Virtyt Gacaferi, founder of Balkan Natural Adventure, a tourism services provider in Kosovo that also covers other countries in the Western Balkans. “We have received many cancellations from foreign clients. Some 90% of our clients are from the EU countries, Australia, US and Asia. We do not expect to start the summer season this year. If we can resume in November, it would be good”.

To adapt to the new circumstances created that are outside of the control of businesses, Balkan Natural Adventure is now leaning towards new summer activities focusing on the local visitors. “We are leaning towards the local market. We are preparing a good and affordable offer for

the citizens of Kosovo. For example, we are thinking about activities in the mountains, where our team will guide groups to collect tea plants, mushrooms and blueberries, for example. We are trying to find new models to substitute our work so far and have offers for clients unlike our clients so far” says Virtyt Gacaferi.

In fact, the focus this year is expected to be on the local visitors, and creating tour packages within the country, which are suitable for this new clientele but with affordable prices for them. The ceasing of economic activity in the country has resulted in decreased income for families, and this year, travel and holidays abroad may be more of a luxury than usual. Many tour operators are using this period with no activity to

re-design their business models and come up with attractive offers for local visitors.

Meanwhile, it looks like measures are relaxing and Kosovo is getting ready the tourism offers for the locals. It is time to love Kosovo more and give new life to the tourism potential of our country.



Str. Sylejman Vokshi Nr.42 |10000 Prishtinë, Kosovo
Tel: +383(0)38220403
email: ppseinfo@swisscontact.org
website: www.ppse-kosovo.org and
www.swisscontact.org/kosovo
www.facebook.com/ppse.kosovo
https://twitter.com/PPSE_Kosovo
<https://www.instagram.com/ppsekosovo/>

Promoting Private Sector Employment

The Swiss Agency for Development and Cooperation project Promoting Private Sector Employment is implemented by Swisscontact and Riinvest Institute.