

WORKING WITH PRODUCER GROUPS



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Connecting Natural Values & People Foundation

Project implemented by:



Supported by:



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1. INTRODUCTION:

In Albania, rural families depend highly their incomes from agriculture and forest land and forest products play an important role in the rural family economy.

Noting the importance for sustainable development in rural areas and sustainable management of the communal forest and pastures, Connecting Natural Values and People (CNVP) implemented the four year programme: “Forest for Local Economic Development” (FLED) in Albania. The programme is financed by the Swedish Government through the Swedish International Development Cooperation Agency (Sida) and builds on earlier communal forestry projects. The aim of the programme is to further strengthen the capacity of democratic institutions such as Local Government Units and local Civil Society Organizations, in particular the Forest and Pasture Users Associations (FPUA), and strengthening linkages between stakeholders for sustainable communal forestry and pasture management and improving the environment. FLED’s programme main objective is: “Improved decentralized and sustainable Communal Forestry providing increased production, service and income to rural communities”. FLED has promoted improved decentralized decision making, planning and implementation for communal forests and pastures in support of more inclusive economic development. Thus,



the programme has supported sustainable communal forestry and giving specific attention to supporting forest producer organisations. The programme have recognised and addressed the potential of organising farmers within the forest and pasture users associations as a way to better access and increase income opportunities. The project worked in 24 Administrative Units of 22 Municipalities in the regions: Berat, Diber, Elbasan, Gjirokaster, Korça, Kukës, Lezha, Shkoder and Tirana.

The formation and strengthening of Producer Groups was one of the target activities that was undertaken in framework of Forest for Local Economic Development Project. Organisation of local communities leads to amongst others: increased economies of scale, better access to support services, better access to information, and increased bargaining power, which will help local forest and pasture users to generate better incomes. Organisations such as the Forest and Pastures Users’ Association (FPUA), and formal and informal producer groups are gradually developing and have a great potential for further economic development while ensuring the sustainable management of natural resources. Forest producer organisations are gradually developing and have a great potential. However the scale and organisation is still

limited.

Noting the importance for sustainable development in rural areas and sustainable management of the communal forest and pastures, by addressing forests and NTFV value chain development, CNVP (Connecting Natural Values and People), through FLED project based its work as follows:

- Undertaking a review and analysis of forest producer organisations: 1) assess the current situation, 2) learn from existing producer organisations, 3) obtain insights on the necessary steps for further development and support to forest producer organisations and 4) identify potential ways to embed forest producer organisations in the overall forest structure for further strengthening and support. The review consisted of several parts including: • A desk study providing an overview and background information on forest producer organisations, • A survey consisting of structured questionnaires in the seven regions where FLED is implemented. • Several focus group discussions with 1) producers/producer groups, 2) FPUA & Regional Federations and 3) Forestry related institutions. • Interviews with key persons at the regional and national level. These were held to obtain more in depth knowledge from experts.
- Capacity building programme based on the recommendations of the survey
- Continues coaching and training to producer groups and local communities



- Promotion of best practices and create possibility for learning and exchange

Forest for Local Economic Development Project supported the formation and strengthening of several producer groups and nut clubs to enhance the marketing of forest products and value chain development. The programme made use of survey and Nut VCD as a base for the capacity building programme to producers

This paper provides information on the strategy, methodology capacity building approach used during the project. It as well reflects impact and lessons learnt of the project on organising local forest users in producer groups. It provides insights in the concepts, project activities, the outcomes and impacts, the challenges and opportunities. The stories function as a background for learning and further use, capturing the results and experiences.

2. FORMATION OF PRODUCER GROUPS

Based on the survey and analyses done, CNVP organized National conference where it was presented all the outcome from the survey. Models of producer groups functioning were presented and discussion in working groups took place.



At this stage it was reflected that in Albania, NGOs can deploy economic activities as long as these activities don't become the principal activity and are used towards achieving the objectives of the organization based on their statutes. In the review, forest producer organisations are understood as: organisations, enterprises, groups or clubs engaged in the recollection, production transformation and marketing of a wide variety of forest products (both wood and Non-Wood Forest Products (NWFP)) and/or engaged in forestry related services. Producer groups can be very diverse. They vary in size, types and quantities of products harvested, in the degree of primary and secondary processing, market orientation, organizational arrangements, objectives pursued, and formal establishment.

Most forest products are traded informally and individually with marketing relations established at the local level. Substantial benefits can be gained through closer coordination and collaboration between producers of a product. Producers organised in groups are in a better position to receive services, share knowledge, certify products (if needed) and market their products. Through producer groups, larger quantities can be sold which may attract larger buyers and formalised supply arrangements with wholesaler/larger buyers may be negotiated. This helps to make the supply chain more efficient, to the benefit of all parties.



These concepts were introduced and discussed in all workshops, meetings held. CNVP from previous experience supported forest producer groups in Albania first start as an informal group. Reasons provided by informal groups why they are not registered are: high costs to start as a legal business, lack of interest and other reasons such as: lack of information and knowledge on how to become registered and lack of trust. Producer groups are relatively new

and do not have much experience. Producers groups implement a variety of activities such as: collection, production, marketing, and processing. Producer groups sell the forest produce of their members mainly to wholesalers, local markets and local traders and to a lesser extent to retailers and at fairs. Most producer groups sell their produce through verbal agreements, although some make use of written contracts. Individual collectors and producer groups collect their forest produce (such as firewood, fodder, Medicinal and Aromatic Plants (MAP), mountain tea and nuts (chestnuts, walnuts and hazelnuts) mainly from communal forests and pastures. However, this is done without following the management plan. CNVP, together with the staffs from Municipality has tried to introduce planning of harvested areas as per the existing planning, sustainable harvesting and collection.

Four different models were introduced based on the specific organization model: Cooperatives, NGOs, and Forest Users Associations as Producers groups and Umbrella Organizations. The models addressed are as follows:

Cooperative: Co-operatives for-profit, limited liability businesses owned and run by and for their members. They are thus jointly owned and democratically controlled enterprises. In general, this structure is the preferred option for forest producer organisation that pursue commercial marketing. In Albania the term 'cooperative' is generally not used in due to negative connotation of this term during the communist regime in Albania. However, in an international context, these associations were introduced to be considered as cooperatives. This model of being organized was not seen very proper for the moment, as there were different dilemmas regarding functioning and demands as per the taxes and functioning

Association: Comprised of an organisation of individuals who voluntarily enter into an agreement to accomplish a purpose. An association is usually incorporated as a non-profit organization that does not distribute its surplus funds to owners or shareholders, but instead uses them to help pursue its goals. A relatively simple way for producer organisations to become registered. However, because of their not-for-profit status, they are not designed to share income and distribute profits among their members. Also, once the producer organisation is established as an association, it is difficult to transfer assets from it to a for-profit business entity. In Albania, several producer organisations are registered as association or NGO. For example, FPUAs are registered as NGO. This form of being organized was much more convenient at the level of producers and target farmers

Informal producer group: A business that is not formally registered with the government as a business entity. This may be a suitable form, especially in the early stages of a producer organisation's operations. However, it provides no legal liability protection for its members. The actual situation refers as well this type of functioning, more informal, just getting more information reading market, price, training etc. also this form is very much functioning in the target units the producer groups are organized and functioning.

The FPUAs role as producers' group was seen by producers as a model of their organization, mainly in the areas where the basic infrastructure is missing for start-up business and the mutual trust within FPUAs is already created.



The majority of existing producers groups are established during the last 2-5 years, which means that are very new, have lack of experience and only some of them have concrete results like REC in Shkoder which is already operating from more than 10 years. More than 60% of producers' groups are not registered mostly because they consider that the registration will implicate high costs. Other reasons are "lack of interest" , they can obtain some benefits without being registered; because of the lack of information on the benefits of being organised and "lack of trust" to each other, because they have not experience of cooperation for the mutual benefits. Marketing and information are considered the benefits of being organised and trainings and finances also.

CNVP worked closely with 24 producer groups at different level and still producers groups are facing number of challenges related to lack of infrastructure (stores, transport, processing, packaging etc.), marketing (Information on the market and negotiation, contracts, etc.). The communication (internal and external) is a real challenge, which needs intervention for the success of the producers groups. Business relations needs to further strengthened as an important part of the VCD. The main production of producers groups are Nuts and MAP which is being collected in 80% from communal forest and pastures areas.

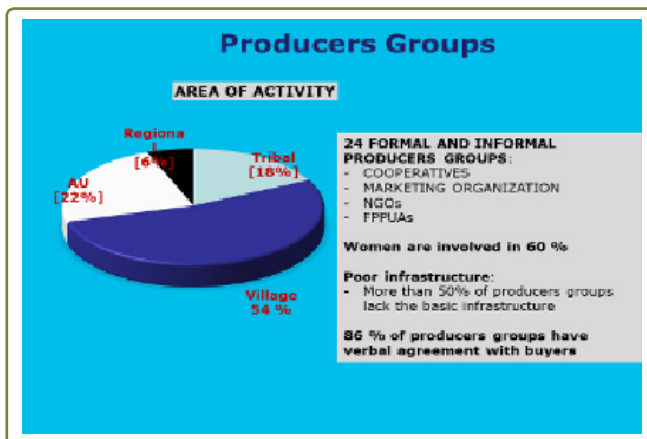
3. PRODUCER GROUP FUNCTIONING AND CAPACITY BUILDING

Through this component FLED project aimed in building more effective **producer groups & organisations** which will enhance sustainable harvesting of natural resources, the market access, creation of the networks to avail services, develop lobbying process and business opportunities for forest producers increasing their incomes and provide forestry and economic services.



In order to support these groups, the project focused its work as follows:

- Support awareness raising to forest users on the advantages and disadvantages of forming a producer group, successful models of producer groups, the procedures and the process, and encourage discussion.
- Support the formation of forest producer groups according to different models depending on the context and interest of the forest users. These models could be: informal producer group or formally registered as NGO or SHBB
- Support FPUA in taking an active role in forest economic development in cooperation with other producer groups
- Support producers in planning for the sustainable management of NTFP-s that are marketed
- Support FPUA and producers to develop and become a key player in value chains
- Support clear land tenure and user rights for communal forest and pastures users
- Connect forest producer groups and wholesales
- Support producer groups in marketing by organising buyer/sales meeting, fairs and product promotion
- Support the Regional Federations in fulfilling their role regarding delivering services to forest producer organisations



Training on NTFP and EU standards and regulations, skills were used and transferred to Federations staff and producer groups in the target areas.

Special attention was given to strengthening NTFP value chains on functioning and structure of producer groups, support market opportunities, networks and assess possibilities to enhance the quality of some forest products.

At present 24 producer groups/nut clubs are established and supported by the project. Producers groups are participating more actively in many local and regional fairs including sharing of experiences and learning through exchanging visits within country and outside country.

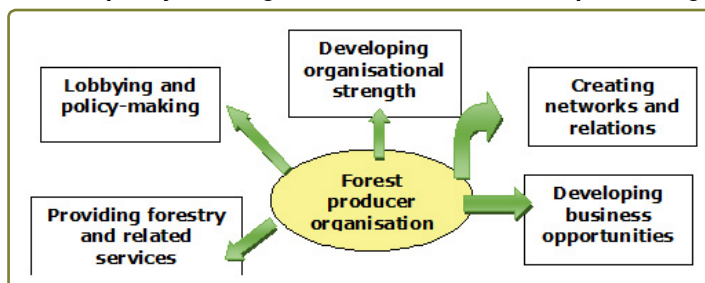
The project focused on **value chain development** for forest products and the related associations and producer groups. The process started with a review related to representation of producer groups, governance principles, communal forest management in relation to NTFP (Non-Timber Forest Products), production, relations between producer groups and FPUA/LGU, payment of fees & tariffs in case forest produce is collected from forest and pastures areas, benefit-sharing mechanisms, etc. Analysis of forest producers groups, was a very important tool to get insights in current functioning of existing producer groups/ nut clubs in Albania. CNVP focused its work on group functioning through FLED project and used different methodologies and training materials as a guide on how they can be better embedded in the forest association structure for further strengthening and support. Different workshops with producer groups developing existing capacity, skills, experience of producer groups are assessed and organizational models for further development of NTFP value chains were organized. Database of the producer groups is updated gradually in all the regions.



CNVP approach:

Training & Capacity building to staff of Regional Federations on producer groups functioning and support. As result set of training materials were prepared and delivered such as training on post-harvest care, processing and product diversification, storage and grading have been developed with producers in the target groups. Trainings on marketing and business development were developed and delivered to staff of the Regional Federations, in order to improve their services to their members & producer groups & concerning income generation. Capacity building was focused as well on Organizational strength, creating networks and relations, developing business opportunities, lobbying and policy making and providing forestry related services linked to NTFP product

Main direction of capacity building and orientations towards producer groups



- A Training of Trainers on quality management and promotion was developed and implemented with regional federation's staffs. Training module, presentations and handouts are given to the participants to help them during the training sessions with producers.
- ToT Training on the EU standards has been developed for representatives of FPUAs and forest producers groups which further delivered the trainings to their members. Direct training and coaching followed the process
- Training of Trainers followed on different modules prepared such as business planning, formation of producer groups, functioning, networking and gender and women economic empowerment strategy. The modules were used in all the trainings and workshops in order to increased knowledge and understanding on group functioning and product development within the value chain.

Assisting producers CNVP approach in working and coaching producers focused on training, information sharing regarding market demands and opportunities where have been as well identified the difficulties to reach the market and discussed with forest producers in the workshops in each region. Producers informed on the potential buyers and their demands and the needs for improvement. Field training and coaching, a method used often with working with producers

The table below shows producer groups per each region and type of product they are involved.

No	Regions	Producer group	type of products	No	Regions	Producer group	type of products
1.	Shkodra	Shkrel/Rec	Chestnuts, cultivated and natural sage, MAP	13.	Tirana	Sinaballaj	MAP, cultivation of Sage
2.		Shale	Nuts, MAP	14.		Nikel	MAP
3.		Qerret	MAP, nuts	15.	Elbasan	Gjinar	Forest fruits, MAP
4.	Kukes	Malzi	Chestnuts, MAP, honey	16.		Qukes	Nuts, MAP, honey
5.		Golaj	M A P , cultivation of forest fruits	17.		Qender	Nuts, MAP
6.		Fajza	MAP	18.	Korça	Pustec	Cultivated and natural mountain tea, mushrooms, honey,
7.	Diber	Melan	Nuts, MAP	19.		Dardhas	Nuts, MAP
8.		Silova	Nuts, MAP	20.		Vithkuq	MAP
9.		Zerqan	Nuts, MAP	21.		Petran	MAP, Nuts
10.		Uleza	Chestnuts, MAP	22.		Dropull sip.	Natural sage, MAP
11.	Lezha	Zejmen	MAP	23.		Qender Tep	MAP, honey
12.		Rubik	MAP	24.	Berati	Rroshnik	MAP

Information and trainings are developed on post harvesting care and quality standards for the forest products, on the marketing concepts and their need for improvement. Information on the potential markets of forest products are delivered to identified producers groups and the main concerns of the producers/women are addressed during Regional and national level workshops. Business to business meeting are organized and facilitated.



Develop and promote successful cases

During the project success stories were introduced and presented and models of successes and concerns faced by different organizational models. Presentation and reflection on good practices of functional cooperatives/ associations within Albania like Reci Cooperative in Shkoder, Marketing Organization in Korca (Prespa area), nut clubs from Diber & Kukes, Hassle Nut women group Diber, Gjinar women group, introduced as well. Experiences from all regions the project was implemented were introduced and shared in joint events with producer groups and women groups. Case studies, successful models are published (some of best models of producers reflected in 3.1 Successful models)

Experience exchange

The shared experiences within country and outside country have served as a good way of learning from different models, exchange of ideas to add value to the group. Experience from regions, Kosovo are imbedded in the groups and are reflected as very good and positive. Producers created market relationships with businesses and identified possible cooperation among the regions. Formal and informal meetings have been organised with them to better understand their interest for the forest products and the incomes they have from the forest activities. Specifically, meetings with producers groups are organised in 10 Regions presenting and discussing on the specifics of each model and how this models can be adapted to their daily function.



Key stakeholders have knowledge on the information flows and coordination for further development of forest value chains. Organising buyer-seller meetings has been a very important activity to support producers groups to identify and link with the buyers. Mushroom collectors in Prespa area, Korca Region agreed to sell their products to a French-Albanian company and mountain tea collectors sold the product to a company in Tirana, based on the signed contracts. Diber made agreement with producer group on cultivation of medicinal Plants, and other regions as well have had different opportunities on making business agreements, where most of them are informal.

Producers groups have been supported to develop capacities on: technical advice, marketing, management and product development in order to improve the services to their members and increase the incomes. CNVP supported these groups in addressing these aspects through the training and coaching provided to producers. Market demands are related to: product quality; products certification and some of them, product quantity and still needed to work more on these aspects in support to local producers. Reflected needed further knowledge and information to reach these markets. More than 70% of existing informal producers groups, are willing to be formally registered.

3.1 Successful models

Marketing organisation of Prespa (Korca region)

Prespa Marketing Organization was established as a NGO in June 2014, supported by CNVP. They started with a preliminary market analysis. Farmers have to pay about 100 Euro per year to become a member of the organisation in order to financially sustain the organisation. In the area of Prespa National Park four producer groups are active. Each of these groups focuses on a particular product: the production and marketing of honey, collection and marketing of medicinal plants, mountain tea, the collection and sell of mushroom, However, all these groups faced some marketing challenges.



CNVP in collaboration with Prespa national park organised a number of meetings with producers' group's representatives on different models to improve the marketing and sustainable management of the products. The main purposes of this organisations are: 1) market identification, 2) intermediary role between producers and traders, and 3) negotiation on producers' behalf. The marketing organisation plays thus a facilitating role, while the producers sell the produce by themselves.

The marketing organisation already made remarkable achievements in its first 2 years of operation. Through negotiation with traders, the selling price of the mountain tea increased by 30% compared to the previous year (2015). Efforts were made to enhance the marketing of honey through increasing the quality of honey products and, improve the packaging and labelling (with support from different projects/ organisations). Furthermore, staff of the marketing organization are negotiating with Albanian traders to buy their mushrooms. At present the mushroom collectors have to cross a mountain range to sell their mushrooms in Macedonia and starting from this year, in Albania too.

Sustainable use of medicinal plants in Dropulli i Siperem, Gjirokastr region

CNVP assisted a group of around 50 people from three villages Likomil, Klishar, and Selo, to get organised in a functional informal group. They realised that without proper management the resources were wasted and decided to find a way to manage the area of around 1700 ha (900 ha of forest and 800 ha of pastures), arrange the collection of products, find the market and generate and share the incomes. The area of Dropulli i Siperem is rich in medicinal plants, especially wild sage.

The community agreed to form a board representing the three villages. The board is composed of the three elders of the three involved villages and is supported by one volunteer from the community to do the accounting. The board is responsible for the sustainable collection, contracting workers to do the collection, selling of products (including setting and negotiating the price), and sharing of the incomes among the 175 households living in the three villages. Before the season starts a board meeting takes place to agree upon the above. Every season about 40 collectors are hired.

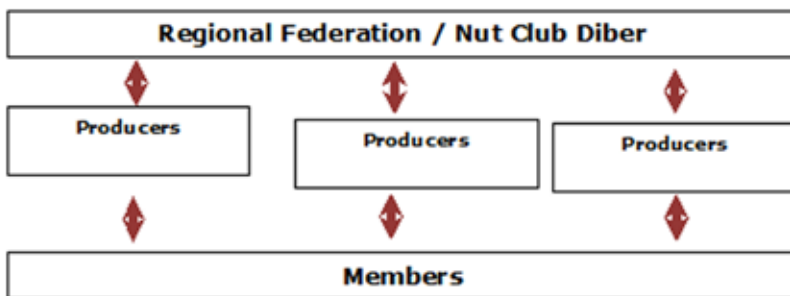
80 % of the income generated from selling the medicinal plants are equally distributed to all the households including families that have temporarily emigrated but still maintain land/house in the area). The remaining 20 % are reinvested in the community. The community decides upon

these investments during a general assembly meeting. During this meeting also the situation of last year is discussed as well as the directions for the next year. In the past few years, they have reconstructed the cultural centre, invested in the water supply system in one of the villages and in the entrance road to the area.

Organised nut Producers in Nut Club Diber region

The Nut Club in Diber, decided to be organized under the umbrella of the regional Federation. They are established since 2008, after the analysis they developed among members and supported by CNVP. At the beginning they had limited members, today Nut club has more than 80 members (45 women)

The number had increased fast due to the increased interest of farmers. The expanding on geographic perspective was more than an incentive from the project and was a need to achieve market demand.



Services that offers: Technical information, Improved quality of products; Low prize inputs (very good quality seeds); Literature (technical); Publications; Exchange experience;

As the group is relatively big, needed further support in consolidation. They have achieved good results and market access making use of local, National fairs organized.

The trading of products is done at individual level, and the Club is serving more as information sharing, marketing and functioning. Products are sold all, but needed further storing facilities in order to keep the product longer and have better prices for the products. Nut club is really functioning as a group and usually during the fairs organized, they have played an important role on organization of producers and participation.

Chestnuts Producer Groups of Rec village, Shkodra region

Nuts have a high potential for strengthening the livelihood in Rec village (Shkodra region) and other villages of northern Albania. Chestnuts in Rec village cover a surface of over 350ha and have improved management and farmers started to be successfully in organization, production and marketing of their products.

The association started with 7 members and has since grown to 80 members at present. The quantities of chestnuts sold out from this village has grown significantly from 10 tons in 2004

to 400 and 600 tons nowadays. Profit from chestnut production counts more than 70% of total household year incomes.



In year 2013 the producer group of Rec was reorganized into Agricultural Cooperative Association of “Reci Prodhimtar”. The group now is able to legally engage in activities of production, manipulation, processing, transportation, distribution and commercialization of natural/processed forestry, agricultural and livestock products. The ordinary members that always share 100% of their products with the association are stimulated with better prices for their products. They are the first who get a part time job based on the harvest or post-harvest works needed and organized by the association.

CNVP is giving support in cooperation with Local Governments, Forest & Pasture User Association of Shkrel and Forest Federation of Shkoder, mainly to: Support local involved farmers in receiving legal user-ship rights of their forest areas and setting future management objectives; business development; Improve production through introduction and implementation of proper trees and fruits management techniques; Product certification and increasing awareness on EU standards; Improving the technology in support services and quality of production; Establishment of forest reinvestment schemes; Strengthen market linkages, networking and promotion; Social inclusion in forestry, promote women’s economic empowerment; Further diversification of products (for example chestnut honey and sage honey); Expanding to other areas.

MAP producer group Diber

CNVP in framework of FLED project has supported the establishment of women group in Melan and provide intensive training and coaching to the women group on different aspects on sustainable harvesting of medicinal aromatic plants, post care and market oriented to add value to their products. The women group is actively participating in all events at regional and national level such as fairs and other events creating a possibility for them on B2B on Medicinal plants and herbs.

CNVP facilitated exchange and leaning events to women groups, and as result of experiences it was seen of big interest the cultivation of Calendula officinal, Malva Silvestris and Cianys in Diber. As result 10 women were introduced and wanted to cultivate this product and women,

looking at the first results from the product (incomes to the family), saw of big interest to continue with this product, as there is market demand and it is secure.

The group is really strong and CNVP is coaching and training the group on product development and linking with market. Promotion of this initiative has led to interest of other farmers that want



to start with this products but as well expanding with other varieties. Still there is big demand for incentives (storing, etc) to facilitate the work better for the women. CNVP is promoting Medical and Aromatic Plants as an alternative for income generation for people leaving in rural areas

Gjinar NTFP Women producer group

Gjinar is one of the target areas CNVP is implementing FLED project. Gjinar is well known as well for its big potential for tourism development.

CNVP supported the Forest User Association in Gjinar in its functioning and reorganization, where specific focus and attention was put on women participation and representation.



CNVP has supported the women group in Gjinar in forest fruit local product promotion and group functioning. Considering that Gjinar is very optimal for family tourism, CNVP has addressed a lot on product and customer service with tourism purpose as well. As a leader one of the women was identified by the Association members as one the women to be part of the board of the Association. In all the meetings special attention was given to women participation & economic empowerment and women role on the development if their family economy.

Women groups has been very active in the local fair organized in framework of a big event being organized every year in Gjinar named Friends of Mountain. Very active in promoting the

area and is dealing with homemade products from forest fruits and other such as different raki, compote, jams, herbs, medicinal and aromatic plants etc. Women contribution to the family income is considerable and many of them have started to run their house as a guest house for tourists. Women groups has participated in different regional and National events facilitated by CNVP and they presented and promoted the products of Gjinar. Still there is big demand for other supportive incentives in order to add more value to the products of the Gjinar area. The group demand is very high on processing of the harvested fruits, NTFP, Medicinal and aromatic plants remains the challenge for the women of Gjinar. CNVP has facilitated and increased capacities of these women in being more active and addressing promotion and product value as well

Forest Fruit Producer group Golaj Has Municipality

Golaj village is one of the three target villages where CNVP is implementing the Sida-funded project FLED –Forests for Local Economic Development in Hasi Municipality in Kukes region. Since the beginning of the project (2014) in the village women farmers showed a remarkable interest to participate in different project activities particularly those on gender and women economic empowerment. Women are known in the village for their hard work and dedication to family farm and despite many difficulties that they encounters in ther daily life, want to learn new things and explore more in order to generate more incomes for the family as they make a living on relying in their forest and agriculture land.

In 2015 CNVP introduced to the farmers to plant new varieties of non-timber forest products (NTFPs) referring as well very good experence of bordering villages from Kosovo. Different types were planted such as goyberry, aronia, raspberries and strawberries. Farmers have



embraced the initiative and in particular women are the ones supporting and working on this initiative. First results are good and promossing. Storage and processing requires special facilities and skills and Sanije remains hopeful that she will continue to be supported in this initiative in order to complete the cycle and see the benefits.

3.2 Marketing and promotion

Related to aiming better marketing and promotion, the project has supported the producer groups as follows:

- **Marketing and business opportunities**

The project has facilitated different trainings for forest producers to create NTFP product profiles, proper packaging based on the market demands and required standards. Training module and presentations are prepared on the NTFP value chain on European standards for further upgrading of the value chains.

Strengthening the NTFP value chain, supporting the functioning and structure of producer groups, supporting market opportunities, networks and assessing opportunities to increase the quality of some forest products to achieve the appropriate standards, have been discussed topics in forums throughout the project



- **Creating networks and relations between forest producer groups and key players**

For forest producer groups it is important to create networks and relations with other forest producer groups to increase economies of scale but also to pool their resources, assets and competencies. During the project it was highlighted the establishment of networks and relations also with external key players who are essential for the success of the producer group, including: 1) traders/ wholesalers (for example through facilitated meetings between producer groups and buyers and/ or fairs) to establish long term trade relations preferably with written contracts, 2) FPUAs to avail services from FPUA and to ensure that forest produce is collected in a sustainable manner through annual harvesting plans, 3) the new municipalities as the new owners of the communal forest and pasture areas to ensure access to these areas where a large portion of the marketed forest produce is collected (new administrative law), and 4) rural development programmes and the ministry of agriculture to apply for subsidy schemes.



• **Developing business opportunities**

Developing business opportunities start with knowing market demands and having information on the quality and quantity requirements and price. Buyer-seller meetings have been a good starting point for discussions, understanding the market, and building trade relations as described above. Through market analysis, producer groups can then identify their shortcomings, niches and best marketing opportunities. By Knowing the market, may imply that the producer groups has to work on the quality of the product/ standardisation of products, certification, branding, etc.



Producers have expressed that as a producer group it is easier to access information regarding the market, to ensure better quality of the products and to sell produce based on contracts. Being organised also helps in resisting unfair competition, defining proper prices in the market, etc. Focus has been on formalised group, aiming increase trust, to have good products, and to work on certified and to brand products and thus better able to profile the producer group, which will increase the trading and marketing opportunities.

Strengthening NTFP value chains by support functioning and structure of producer groups, support market opportunities, networks and assess possibilities to enhance the quality of some forest products to adhere to EU standards

• **Participation in Fairs**

CNVP supported producer groups to participate at local, regional and national fairs of non-timber forest (NTF) products in Shkodra, Dibra, Elbasan, Berati, Kukes, Korca, Gjirokastra and Tirana, aiming to promote local products. All forest producer groups presenting and selling

NTPF products, like: honey, mountain tea, medicinal plants, nuts etc. The fairs were visited from local people as well as participants from other regions. This was a good opportunity for the producer groups to exhibit, sell products and build market relationships with businesses.



About 100 local, regional and National fairs were organized with high participation from different producers groups and products sold during the fairs.

The producers are also often highlighting understanding of the markets, business and negotiating skills, and give producers the possibilities to create business relations with others. Through the fairs CNVP supported the producers improve their negotiation skills, marketing skills and product promotion.

Linkages with buyers, input suppliers and all those aspects necessary across the value chain, producers properly access markets and achieve good prices for the products, thus ensuring the long term sustainability. Keeping a participatory approach to their business and their procedures of internal management builds trust and cooperation.

• Representation

Producer groups are supported to represent their members in negotiating and promoting products. Other issues such as negotiation on prices and facilitate contracts/ agreements between the group (members) and traders have been addressed and supported by the project. Contracts help to ensure the sale of produce and is considered safer than the verbal agreements. Also profiling as a group helps to get better prices. This has been very well implemented by the marketing Prespa Marketing Association, REC Shkoder and shared with other groups as well. Women are easily involved and represented in producer groups.

Apart from representation related to marketing, representation is also important in other issues pertaining the members and forest users. As an individual forest user it is difficult to make your voice heard but as a group it is possible to influence (local) public and private actors. This is reflected in all the awareness programmes and events organized with the groups. Good cooperation and networking is enforced more than at individual level. This in order to increase and establish trust from wholesalers and traders and increase cooperation with the producers. Proper representation was done in events organized by Ministry of Agriculture, Ministry of Tourism and other events.

3.3 NTFP access & sustainable management

Working with Producer Groups is given high focus on access to services in all the levels. Information regarding programmes either being governmental or other have been offered to the

producers. CNVP has worked very closely with the Federations in this regards. Special attention was given on farmer's cooperation to become eligible for agricultural subsidy schemes. One of the eligibility criteria is the parcel size (at least 3 dynym to 1 ha depending on the agricultural crop and location), but many farmers have smaller agricultural plots. Farmers can pool their resources, cultivate the same crop and become together eligible for the subsidy schemes. The subsidy scheme is thus an incentive to motivate farmers to collaborate and work together to apply for agricultural subsidies. In this way also the adverse impacts of land fragmentation are reduced. Farmer associations can support their members in their efforts to collaborate and apply for subsidies. Cooperation and networking can also be among groups with similar objectives which can evolve in networks, umbrella organisations or Federations. Emphasise on these relations aiming producer's resources, assets and competencies.



Provision of training, access external technical trainings, being organised (in whatever form of a forest producer organisation) is often a prerequisite to apply for projects, subsidy schemes and/or compensations from the government or other donors. Producer organisations could also often avail technical assistance and training through their networks and umbrella structures. For example, FPUAs at the local level can avail services and technical assistance from the Regional Federations while the National Federation supports the Regional Federations. Already Regional Federations have supported FPUAs with numerous trainings, information and awareness.

Forest produce is mainly collected from communal forests and pastures by both individual collectors and producer groups without following the management plan. In general, the management plan focuses on wood and includes operational plans for annual allowable cuts of wood. It doesn't provide details on the sustainable collection of MAP, nuts, and other NTFPs. This makes it difficult to organise sustainable collection and harvest of NTFPs following the management plans. On the other hand even though management plans may provide for sustainable harvest and collection of NTFPs there is often not a sufficient connection with the people actually collecting NTFPs and the FPUAs and municipalities who are responsible for the implementation of the management plans (being the manager of communal forest and pastures). Furthermore, there is not a proper licensing system to manage the collection of NTFP and also a proper system to monitor the implementation of the management plan is lacking. This situation might lead to unsustainable collection and harvest.

In framework of the FLED project CNVP worked very closely with the municipal structures and

producers on proper harvesting and collecting forest produce. The sustainable management of forest produce is paramount to ensure a sustainable supply of forest produce that can be marketed. Forest management tend to be more sustainable when tenure is ensured, and it gives more role, access and use of the forest products.

4. CHALLENGES, OPPORTUNITIES AND LESSONS LEARNT

During the project timeframe a lot of efforts were put of establishment and creation of producer groups. Functioning producer groups related to the forestry sector are mainly informal. If producer groups become formalised they will have to pay taxes such as VAT which for forest products is the same as for other products, namely 20%. The informal market for forest produce creates thus unfair competition for formalised groups because the formalised groups will have to pay taxes which somehow needs to be covered in the price. Becoming formalised and registered as a SHBB does therefore not seem to have a high priority from the producers. During the process several challenges were identified. These challenges are mainly related to: 1) the (high) costs to establish and operate the forest producer organisation especially if registered as an SHBB, 2) informal nature of the market on forest produce, 3) the organisational strength of the producer organisation and 4) the lack of ownership over forest land. Most forest produce is seasonal and thus the activities related to the marketing of the forest products is seasonal.

At present forest producer groups still need further skills to manage the group properly and operate in a professional and commercial way. They need to become more market oriented, while knowing market demands, standards and other requirements. Lack of capacities Furthermore, many forest producer groups lack the necessary infrastructure and further market identification



Most forest producer organisations are very fragile and further capacities needed to create possibility for good premises for collection and processing of the products, further stronger market information and marketing, branding and packaging. To build organisational strength is thus key to develop successful producer groups and this takes time and serious efforts.

Secured tenure over their forest parcels is other important issue. People would like to have explicit ownership over their individual forest land because property rights over land, buildings,

and other assets are needed to formalise a business. Landownership rights are also a requirement to become eligible for subsidy schemes. Unfortunately, the current political context does not allow for private ownership over communal forest and pastures and it will be a long process to change this situation. These issues are addressed at national level conferences in particular to have better criteria's that favourite the local communities in order to benefit from rural development schemes and projects

Another challenges that was identified is the lack of good functional formalized models which could inspire other forest producer organisations and from which they could learn. User Associations and Federations are able to deliver services to producers, and needs to continue the relationship established. Further attention needed to be focused on B2B relationships and formalized product delivery.

5. CONCLUSIONS AND RECOMMENDATIONS

There are several advantages for individual forest users to be able to increase their family incomes through sustainable use if NTFP products. There is huge demand for NTFP products and this is reflected in national and regional strategies prepared by different institutions. The advantages relate to better marketing and business opportunities, lobbying and advocacy, receiving technical assistance and building networks and relations. The farmers are open to new varieties, technologies in order to benefit more. Reflected in increased women leadership in these processes, in particular to cultivation forest fruits and medicinal Aromatic Plants, for which there is huge demand. Many forest users are aware of these advantages, and most individual producers expressed interest to be more and more involved in these type of work. Forest producer organisations can be either informal or formally registered.

Key issues to make producer organisations effective

Internal organization – the foundation

- Self-governance is crucial, with financial and political independence, openness and equitable benefit-sharing the keys to success.
- Federations and umbrella organizations are vital in scaling up influence and power.

Tenure and governance – the critical preconditions

- Access and clear rights to land, justice and equality are fundamental prerequisites.

What you know and who you know – the key entry points

- Learning from each other is essential, as is access to technical knowledge, skills and training.
- Local producers' active participation and influence in processes of governance reform pave the way for progress.

External services and support – the enabling environment

- Government agencies and services must adapt their “offer” to better meet smallholder needs, seeing them as partners.

- International organizations and NGOs would do well to learn lessons from the past. The large-scale private sector can play a greater role, but must accept the fair sharing of benefits, investments and responsibilities.

Markets and business opportunities – the end game

- Building on local markets will help increase resilience to market shocks.
- Building brand recognition though business support remains a common gap.
- Increasing access to affordable finance will be increasingly important.

In conclusion - one way forward

- Producer organizations should be included in all programmes related to climate change, food security and nutrition, landscape restoration, rural livelihoods, and engagements with the large-scale private sector.

(source ETFRN, 2015)

CNVP operates in the Balkan region. It focuses on natural resource management, forestry, agri-rural development and renewable energy, as well as the impact of climate change on the environment.

As a civil society organisation, CNVP acts as a facilitator to:

- Strengthen community capacity to achieve local development goals;
- Maximise the production and service potential of rural areas through sustainable and locally controlled natural resource management;
- Promote the use of natural resources to improve socio-economic development and rural livelihoods; and
- Conserve the bio-diversity of natural resources at a time of serious environmental and climate change.

Core Values

- **Green** - intervening to build a greener economic environment within the ongoing process of climate change
- **Clean** - promoting renewable energy and improved household/industrial waste management
- **Seen** - operating in the Balkans and the European Neighbourhood Space
- **Lean** - improving the efficiency of service delivery continuously and systematically
- **Committed** - working to achieve sustainable agri-rural and forestry development
- **Innovative** - incorporating new ideas into decision-making processes
- **Team** - sharing responsibility to achieve targeted results

Connecting Natural Values & People

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