



PRO PËRMET CONSORTIUM
FOR TOURISM AND TYPICAL TERRITORIAL PRODUCTS
PROMOTION

NATIONAL CATALOGUE OF INNOVATIONS
IN ALBANIA

IDEASS - Innovation for Development and South South Cooperation

INTRODUCTION

By Vasillaq Nikolla and Roland Dama

Përmet District is located in the southeast of Albania, and has an area of 929 square kilometers. Situated in the heart of a valley crossed by Vjosa river, it is surrounded by beautiful mountains with flora and fauna unique to the area; Përmet town is known as the Town of Roses. The area has wonderful and accessible natural resources like the National Park Bredhi i Hotovës or the hot springs of sulphurous water in Langarica Valley, which form natural pools. In addition, there are numerous monuments of great historical interest, including many churches, monasteries of Byzantine period, and archaeological ruins and remains of Ottoman Empire (castles, bridges, etc.).



The area has attractions of interest to Christians, Muslims and in particular Bektashi, who find a pilgrimage site in the villages of Ali Postivan and Frashëri. Additionally, this valley is famous for its agro-food industry and typical products. The high quality agricultural products typical for the area are grapes (many varieties, including the native Debinë White, Merlot etc.), cherries, herbs and medicines, and fine quality cattle, goats, and eggs. Wine and raki of Përmet have always been among the best in Albania; also cheeses, meats, oregano, honey and gliko (typical fruit sweet) of the region enjoy a national reputation.

Despite many treasures of the region, Përmet district remains marginal in the context of Albania; it is one of the least developed areas, and it is a region with great emigration that is often excluded from present socio-economic changes. There are no tourism-specific projects in Përmet currently, and there is a lack of skills and know-how regarding tourism industry promotion. Consortium Pro-Permet aims to take the district to its best level, promoting human development of the peoples, increasing the development their typical local economy quality.

The creation of a *Consortium for Promotion of Tourism and Typical Products of the Territory (Pro Përmet)* provides an opportunity to producers and artisans to market their goods in a more effective and efficient manner while all help one other simultaneously.

This Consortium of Pro-Permet is a voluntary association among active Albanian entities in the sector of tourism and accommodation, producers of agro-food, entities of artisan activities that operate in Përmet Municipality, Këlcyrë and other district Communes. Members of Pro Përmet Consortium are collaborating especially to promote the territory, development of tourism by promotion of typical products, agro and handicraft products the development of accommodation such as hotels, restaurants and environmental preservation.



Pro Përmet has 15 members currently, 11 of which are manufacturers of regional products and the other 4 work in the field of hospitality and service.

Consortium follows a sustainable development method because it turns the beneficiaries and stakeholders in the project become the true actors of goals and outcomes for change within the sector. If a project is accomplished by people who shall benefit from the final outcomes, it is more likely to be continued. The Consortium is highly sustainable because it gives the consortium member the tools to develop and increase their own capacity and promote their products as a united group instead of relying on an outside entity or each working as individuals.



This Pro Përmet model has not been adopted by any other region of Albania. The activities and the project are easily transferable from one region to another and from Albania to another country. The project has the goal to foster collaboration within tourism and agricultural sectors instead of promoting competition within the group. Its practices can be utilized for other industries as well. The Pro-Permet Consortium is finding a way to create trust amongst producers and businesses so that in the future they are ready and willing to work with one another. This idea can be transferred easily to other sectors where there is a lack of cooperation between relevant actors. This project provides a true testament to the best practice sharing, 'what is good for the goose is good for the gander'.

The institution involved were Municipality of Përmet, the Gjirokastra Conservation and Development Organization (GCDO), Ministry of Agriculture, Food and Protection of Consumers (MBUMK), and Development of Mountains Area Forum.

WHAT PROBLEM DOES IT SOLVE?

Since the political change, Albanian people have developed a distrust versus the government and organizations that 'suggested' ways to them on how to run their businesses. This mentality has persisted and people try to accomplish everything on their own and are reluctant to ask for help, even if they are floundering. This has created a situation where it has been difficult until now to create such a cooperative where producers and businesses from the same sector work together. It has been a standard practice in Albania for producers of local products and goods to work individually to promote and sell their products and services. With a lack of resources, training and experience, working alone to promote your business can be very tricky and expensive.



Generated from this situation, actually several factors have an actual negative impact on Permet district people, in particular, including:

- Failure to create an offer tailored to tourist attractions and region potential brings a lack of diversification in tourism provision. There is virtually no preparation for reception of tourists, and lack of information and marketing network for accommodations and area attractions resulted in an under-utilization of agro-tourism resources in the District.
- Production of processing companies remains very low, mainly due to low supply of raw materials, low mechanization of production units, and inadequate technical preparation of the workforce.
- Low quality and non-standardization of food product safety, due to lack of interest in packaging, hygiene in the workplace, and an unreliable supply chain of raw materials to production units by farmers and ranchers.
- Weak marketing of typical local products; namely, lack of attention for labels and brands, sale of products below cost, poor market knowledge, unsold stock due to lack of transportation options or basic knowledge of sales.

The table below summarizes the internal points of strength, weakness, the opportunities to be followed and the possible threats that could represent an obstacle to the area growth.

Factors	Internal	External
POSITIVE	<p><u>Point of strength</u></p> <ol style="list-style-type: none"> 1. Geographic position 2. Natural resources 3. Varieties of production 4. Presence of traditions and cultural values 5. Emigration 	<p><u>Opportunities</u></p> <ol style="list-style-type: none"> 1. Tourism development 2. Return of emigrants 3. Increase of agricultural farms 4. Presence of potential donors in Permet district 5. Collaboration and participation of local administrations, of companies and community 6. Promotion of traditions 7. Development of family tourism 8. Capacity of accommodation 9. Presence and continued growth of private sector credit
NEGATIVE	<p><u>Weak points</u></p> <ol style="list-style-type: none"> 1. Fleeing of cultural elite and specialists to other locations (Tirana) 2. Lack of knowledge and skills in business management and management by private companies 3. Land division in plots 4. Other bank interests 5. Lack of initiative in all areas especially in productive ones 6. Presence of informalities in all sectors 7. Lack of professional marketing 8. Damaged infrastructure across the region 9. Little involvement of community in decision-making 10. Absence of big enterprises 11. Lack of policies to support businesses 12. Lack of urban planning 13. Absence of trade unions 14. Mentality 15. Lack of respect for tax 16. Lack of knowledge on product quality 17. Lack of confidence and adaptation to local context 	<p><u>Threats</u></p> <ol style="list-style-type: none"> 1. Local tourism is underdeveloped 2. Opening of other regional markets 3. Continuous change of legislation 4. Unclear vision for development of tourism 5. Flight of investors to neighboring areas 6. Lack of funds for writing and implementing an economic development strategy 7. Lack of product standardization

Following the encountered problems, in general, Pro-Permet Consortium aimed at addressing the problem of under-utilization of tourism sector and agricultural capacities of the region by directly involving relevant actors from tourism and agribusiness sectors.

Pro Përmet has 15 members currently, 11 of which are manufacturers of regional products and the other 4 work in the field of hospitality and service. It includes:

- Gliko "Almeg": Manufacturer of Gliko, a fresh fruit-based Marmalade. Gliko is a typical dessert from Përmet District.
- Gliko "Bonjo": Manufacturer of Gliko, a fresh fruit-based Marmalade. Gliko is a typical dessert from Përmet District.
- "Bunker" Dairy: Dairy Manufacture. A specialized producer of typical Albanian dairy products including white cheese, caciocavallo cheese, cottage cheese and butter. 80% of the process is handcrafted by trained artisans.
- "Ndoni" Dairy: Dairy Manufacture. A specialized producer of typical Albanian dairy products including white cheese, caciocavallo cheese, cottage cheese and yogurt. 50% of the process is handcrafted by trained artisans.
- "Bejko" Winery: Winery of alcoholic beverages such as: Merlot red wine, Riesling white wine, grape Raki, Raki Muskat, Cabernet.
- "Atos" Winery: Winery of alcoholic beverages such as: Merlot red wine, Debinë white wine, grape Raki, Raki Muskat, juniper Raki, wood aged Raki, etc.
- "Bualjoti" Winery: Winery of alcoholic beverages such as: Merlot red wine, Debinë white wine, grape Raki, and Raki Muskat.
- "Iljarë" Winery: Winery of alcoholic beverages such as: Merlot red wine, Debinë white wine, grape Raki.
- "Kaso" Polutry: This poultry farm provides fresh chickens and birds for human as well as for animal consumption.
- "Naqellari" Embroidery: One of the area traditions is handmade works. This producer offers diverse handmade products including embroidery, cross stitch, knitting etc..
- Hotel "Alvero": This hotel is situated in downtown Përmet and offers contemporary accommodations, and has a beautiful, relaxing scenery overlooking Vjosa River.
- Bar - Restaurant "Amel": This restaurant offers a rich traditional cuisine and foreign dishes. It is the ideal place to organize a family event.
- Restaurant "Antigonea": This restaurant combines ancient history and the aroma of traditional dishes, typical for Përmet district.
- Restaurant "Edjon": This restaurant offers rich cuisine and a friendly environment that reflects best Përmet district hospitality.



Pro Përmet Consortium has the following objectives: implementation of joint economic activities in the area of food production and marketing of agricultural products; processing and marketing of fruit and vegetable production and marketing of alcoholic beverages; hotel bar restaurant services, as well as handmade works.

Consortium Pro Përmet enables more specifically:

- cooperation with other governmental and non-governmental organizations, national and international projects and programs operating in the country to achieve common goals for introduction of advanced technologies;
- promotion and organization of all activities related to production and marketing of members' products and services in hospitality field;
- to provide sustainable and rational management in development of activities and objectives for the entire district;
- to provide knowledge and information to all interested parties involved to ensure better integration and high quality marketing strategies;
- to engage each in its activity sector to improve the quality, production system, provided service;
- organization of initiatives and activities aimed at raising the awareness of civil society on importance of environment protection;
- registration of name "Pro Përmet" as a geographical origin brand, which represents Consortium territory and members;
- to be a factor for creating unity and cooperation regarding local realities;
- to organize and support activities such as: courses, events, cultural moments, eno-gastronomic meetings dealing with Përmet district activities.

The association will be more involved/included in these types of activities in order to develop its mission better.

Another goal is the creation and registration of a brand mark which promotes the typical products and Përmet area. Producers and tourist operators which are part of Pro Përmet and other organizations adopted a simple HACCP manual to follow proper disciplinary procedures, to increase the production volume, and to improve standardization and security of agricultural and typical food products, promotion of typical agro-food products and development of tourism in the territory.



Originality of "Pro-Permet" Consortium lies in having agricultural producers, tourist service providers, and artisans work together to promote and market the territory. By working together to further their own interests, "Pro Përmet"

is an example how to improve local economy by utilizing local resources while respecting traditions.

The Consortium innovation is having producers and business take charge and share their best practices. It is the application of the fundamental economic theory where each entity specializes in what they do best, be it making Raki or serving patrons at a restaurant. Once these businesses focus most of their attention on accomplishing their main purpose and work together in the areas they are lacking (e.g. marketing and promotion), time can be saved and everyone's productivity can be increased. Consortium creation gave the 15 producers and businesses the tools they needed to better make and sell their various products while simultaneously creating a support network for each. This innovative idea proved to be a successful model in improving the tourism capacity and promotion in the district.



Consortium follows a sustainable development method because it turns the beneficiaries and stakeholders in the project become the true actors of goals and outcomes for change within the sector. If a project is accomplished by people who shall benefit from the final outcomes, it is more likely to be continued. The Consortium is highly sustainable because it gives the consortium member the tools to develop and increase their own capacity and promote their products as a united group instead of relying on an outside entity or each working as individuals.



INNOVATION IN PRACTICE

Success of Pro-Permet Consortium is based on the method by which it was organized and on a prior deep statistical investigation performed with regard to social-economic situation before innovation implementation.

Once the consortium was established, it was up to members of Pro Përmet to keep the group viable. Each member of consortium Pro Përmet has the right:

- to elect and be elected in Administrative Board and at the same time as a representative in the highest levels of the consortium;
- to attend and vote in the meeting of the General Assembly of consortium members;
- to obtain a copy of the balance sheet and calculate the results of its exercise, and all its practices;
- to benefit from services provided by the consortium, according to the statute and internal regulations;
- to request information about consortium performance problems. Regarding this issue, the Administrative Board is obliged to provide relevant information immediately after request filing in the General Meeting of its members;
- to participate in the distribution of profit from a fiscal period and in the liquidation process;
- to be elected as a member in every work of governing bodies specified in the statute.



Each member of "Pro Përmet" consortium is obliged:

- to pay an annual membership due, on time. If due payment is delayed, the Administrative Board notifies the member to pay the due within 10 days from the moment of issue of notice. If due is not paid, the member will be expelled from the consortium;
- to act in accordance with the purpose for which the consortium was organized and not to engage in competitive events with consortium members.



Provision of this set of rights and obligations sets up the sustainability structure for the project and was written to ensure the ongoing success of Pro Përmet.

Pro Përmet is part of Albanian Guarantee, which is a standard for typical Albanian products. This initiative enabled promoting of production and marketing of typical, high quality, Albanian products. Regional logo marketing of Southern Albanian Products also contributes to the increase of value of products and promotion of respect for traditional values, in this case, in the area of Përmet. Albanian Guarantee standard is owned by Association of Marketing (AAM) and all initiatives related to market infrastructure, certification and cross promotional activities under AAM responsibility at the end of SASA project (Sustainable Agriculture in Albania) in December 2011.

RESULTS

Investigation phase

According to the data provided to us by tax regional office for Gjirokastrer Region, Përmet District 68 companies of producers in the food industry, hotels and restaurants are registered. 50 of them were interviewed, as the others had gone out of business and the owners had left the country.

The types of products in Përmet District are divided pursuant to number of producers and activity type. Climatic conditions of the district and the territorial promote not only livestock sector development but also the wine sector. The ancient traditions that characterize Përmet District in processing grapes, milk, fruit processing to prepare glikò (typical fruit-based sweet) and collection of herbal plants, make these agro-industries numerous and very widespread. Most companies deal with processing of milk and grapes.

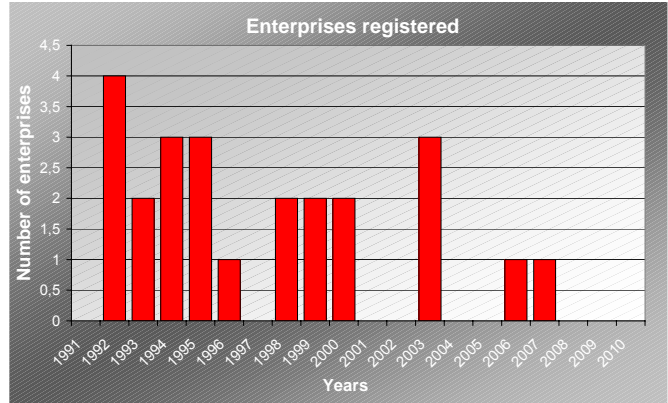


Figure 1

As shown in Figure 1, number of producers increased at the beginning of free market development in 1992-2000, when most of them were registered. This phenomenon came as a result of policies to support the opening of new business which included bureaucratic and fiscal incentives. After 2000, this number was reduced as a result of new State guidelines that increased the number of criteria for opening and continuing activities in the agri-food sector.

Turnover for 2009 is shown in Figure 2. It is clearly seen that wine production is highly superior to other products. This is so because grapes processing is an ancient tradition in Përmet District. Activities in livestock sector are widespread, and it follows that processing of milk and its derivatives is equally important. Furthermore, as is clearly seen in figure 2, harvesting of herbal plants is significantly high thanks to abundant presence of these plants in their natural state, which characterizes the flora of the entire Përmet District. To be underlined is the fact that collection of herbal plants is done directly in nature and they are not cultivated, and this ensures qualitative properties of these products.

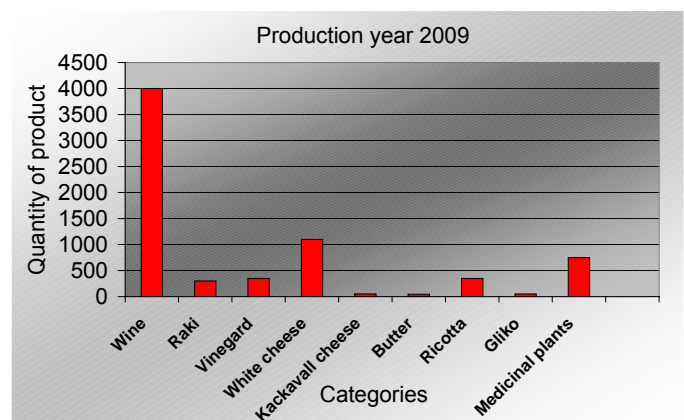


Figure 2

Over the years, the processing technique of milk, grapes, etc. glikò, experienced no improvement, but it is still the same craft, which identifies fully the traditional and local product and allows the product to meet the criteria to address to a wider market. All respondents stated that though technology for their product is 100% organic, regardless of this quality, the absence of standardization, is very popular with local consumers. Only a few small productions use advanced technology, because of economic investment in technological improvement, or because it was the result of their previous experience in the industry, gained mainly abroad and with a good level of market knowledge.

As regard the job market, Figure 3 shows that there are 207 workers in Përmet District in surveyed companies (food producers and tourist accommodations). This figure was provided by management of these companies. Of 207 working employees, only 74 are regularly registered while 133 work illegally. It is a decision taken by employers to evade payment of taxes.



Figure 3

Method application

Pursuant to data collected during the investigation phase, Pro Permet Consortium was built, the structure of which reflects the typical real needs of the interested area. Results of adopted methodology to organize Pro Permet Consortium allowed its members to have the following results:

- net income increase by 10% in the last year.
- Consortium website has more than 10.000 contacts annually.
- consortium members revenue of 14.000 € from sale of products in the two last years, more than 1.500 visitors within the last year.

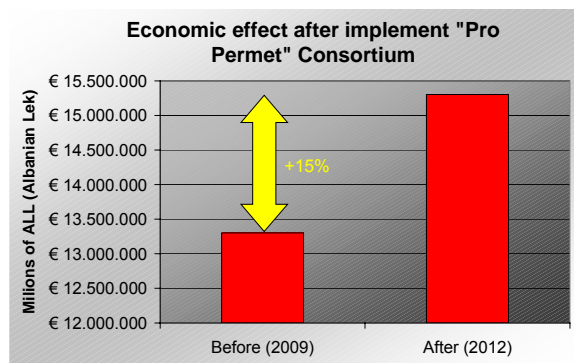


Figure 4

From the social-economic viewpoint, the most telling data responding to success of Pro Përmet Consortium are the increased profits and number of employees of all participants in the group. In 2009, before the project was implemented the total net profits from all 15 consortium members was 13,302,080 lek and in 2012, profits increased to 15,302,680 lek; a 15% profit increase (Figure 4). As regards the employment by 15 member businesses, in 2009, it was 104 (including part time and full time employees) and in 2012 they were employing in total 150 people (both part time and full time); a 44% increase (Fig.5).

The data show that Pro Përmet Consortium approach is achieving its goal of promoting the area through promotion of agro-food products and crafts, development of hospitality and accommodation facilities, and environment preservation. Participating members have developed and continue to develop their businesses and increase the possibilities for Përmet district. Success of this activity was measured by changes in practices by Municipalities in Përmet district when it came to actors in tourism or agribusiness sectors.

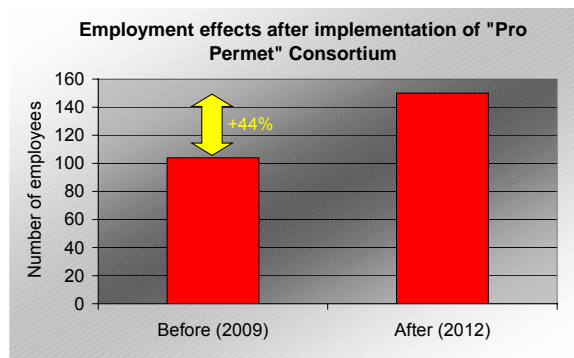


Figure 5

Evaluation

Pro-Permet Consortium activities had continuous monitoring and evaluation by Albanian Institutions and CESVI in cooperation with other partners. From surveys and SASA (Sustainable Agriculture in Albania, SASA Project) report, we were able to deduce the innovation success. Increase in employment and profits were used as an indicating measure of success of training received by members of Pro-Permet consortium. Improvement of hygienic production of agriculture products was also used as indicator for project success evaluation. Before the start of Consortium activities, baseline markers were created for various products and then periodically rechecked to see the improvement of product production standard. The evaluation plan included also surveys of consortium members to understand their knowledge of the EU standards and to change business practices to better reflect the EU laws and processes to prepare for accession. Along this same line, members were expected to obtain ISO and HACCP certification as an evaluation measure. As for the public institution aspect of the Consortium, the supporting partners evaluated the support that these entities gave to producers and provided recommendation for further collaboration. Continued evaluation of success of Consortium relates to sustainability of its activities. Evaluation of how consortium is operating and improving relies more on the group member and they will make decisions on how to change and adapt activities to better fit their needs. They will make these recommendations as a group.

INTERNATIONAL INTEREST

Pro Përmet consortium is supported by CESVI Organization, and in particular, it operates with the collaboration of institutional and local partners as Përmet Municipality, Gjirokastra Conservation and Development Organization (GCDO), MBUMK, and Development of Mountainous Area Forum within the project "Enhancement of Përmet tourist environment and its typical products" made possible the creation of a Consortium (Shoqëri e Bashkëpunimit Reciprok) named "Pro Përmet" from 2010-2012.

TO KNOW MORE

Authors suggest visiting the following websites, to go in depth of the project, considering the environment in which it was developed:

- <http://www.visitpermet.com/>
- http://www.gjirokastra.org/sub_links/gcdo_sub/gcdo_history.html

CONTACTS

The author Vasillaq Nikolla and the Official Representative Roland Dama as President of Pro Përmet Consortium, are available to provide technical support and innovation transfer to the interested countries. In order to establish collaborations, please contact:

Iris Kazazi, Albanian Association of Marketing
e-mail: iriskazazi@msn.com

Brunilda Pudja, Albanian Association of Marketing
e-mail: bruna_pudja@yahoo.com

Gilberto Jace, Mayor of Përmet Municipality
e-mail: gilbertojace@yahoo.com

Sadi Petrela, Gjirokastra Foundation
e-mail: spetrela@gjirokastra.org

Entela Diamanti, Chamber of Commerce of Gjirokastrë
e-mail: ediamanti@gmail.com

Shemsho Lamaj, Regional Directory of Agriculture Gjirokastrë

Sokol Haxhiu, Swiss Cooperation for Development Albania
e-mail: sokol.haxhiu@sdc.net

Teodor Bilushi, Italian Honorary Consul in Gjirokastrë
e-mail: teodor.bilushi@libero.it

Giorgio Ponti, CESVI Project Manager Albania
Ph. and Fax +355 (0) 81323725 - Mob.+355 (0) 682063751



PROMOTERS OF NATIONAL CATALOGUE OF INNOVATIONS IN ALBANIA

IDEASS - Innovation for Development and South South Cooperation



REPUBLIKA E SHQIPERISE



MINISTRIA E BUJQËSISË,
USHQIMIT DHE MBROJTJES SË
KONSUMATORIT



Empowered lives.
Resilient nations.

