

MED Greenhouses
**“Green Growth through the capitalization of innovative
Greenhouses”**

3.1.4. Joint Report on existing policies/frameworks

REGIONAL COUNCIL OF BERAT

Project Details:

Programme: **Interreg MED 2014-2020**

Priority Axis: **1. Promoting Mediterranean innovation capacities to develop smart and sustainable growth**

Objective: **1.1. To increase transnational activity of innovative clusters and networks of key sectors of the MED area**

Project Title: **Green Growth through the capitalization of innovative Greenhouses**

Project Acronym: **MED Greenhouses**

Reference No: **3082**

Lead Partner: **TEI of Thessaly**

Total Budget: **1,171,400 €**

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Deliverable Details

WP: 3. Capitalising

Activity: 3.1. State of Play in Policies, Financing, Technologies & Stakeholders

Deliverable Title: 3.1.4. Joint Report on existing policies/frameworks

Responsible Partner: PP1. University of Thessaly

Involved Partners: All

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1. Introduction

1.1 Objective

The overall objective of the “MED Greenhouses” project is to improve eco-innovation capacities of public & private actors in the greenhouse/agriculture sector, through stronger transnational cooperation, knowledge transfer and better collaborative networks. The main beneficiaries will be Greenhouse Farmers, Businesses specialized in Agro-food and Greenhouse industry, Policy Makers - Unions of Agricultural Cooperatives, Research & Technology Institutes, etc.

WP3 “Capitalising”, aims at i) improving the existing innovative framework conditions in the MED area, providing tailored recommendations to stakeholders and favouring eco-innovative investments in the agricultural sector, and ii) creating synergies and cooperation mechanisms strengthening innovative clusters and networks.

Activity 3.1 aims at i) systematizing existing knowledge and presenting the state of play on technologies of innovative greenhouses in the partners’ territories, ii) developing a database of Stakeholders and beneficiaries, iii) identifying available financial channels for eco-innovative technologies, and **iv) reporting present policies/frameworks**. Through this activity, the partners will be able to identify the obstacles and the existed bottlenecks in their regions and design tailored policy recommendations for the establishment of innovative (geothermal) greenhouses.

Del. 3.1.4. aims at identifying existing policies / framework and regulations at national and international level, for each involved country. All partners will be involved and a Joint report will be elaborated by PP1.



Agricultural Research Institute



2. National Council of Berat

2.1 Law on Agriculture and Rural Development

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| <p>Short description of the policy/framework</p> | <p>The Law on Agriculture and Rural Development has been adopted in 2007. It regulates the programming of policy measures related to agriculture and rural development; it provides public advisory services for agriculture, research and training, and for the setting up of an information database. It also provides the legal basis for the institutions responsible for the implementation of agriculture policy by establishing the Agriculture and Rural Development Agency (ARDA) for the implementation of national support schemes and introduces the principle of monitoring and evaluation of the national support schemes.</p> <p>“This law determines the objectives, the means and the programming of policies for agriculture and rural development, for agriculture public service, for research and professional training, as well as for information database in the field of agriculture and rural development”(Law Nr 9817 date 22 /10/ 2007).</p> <p>Responsible authority: ARDA</p> |
| <p>Identified policy/framework area of application</p> | <p>-National</p> |
| <p>Level of Operation</p> | <p>The Law provides the legal basis for the national support policies, which are set out annually in the National Action Plan and enforced by a Decree of the Council of Ministers. It is a national law and it is compulsory.</p> |
| <p>Beneficiaries</p> | <ul style="list-style-type: none"> -The farmers, the groups of farmers, the persons or legal subjects that have an agriculture activity or any other activities related to agriculture; -The persons or legal subjects that have activity in the agro – processing industry; -The persons or legal subjects that offer service for agriculture activities and other rural activities. |
| <p>Link of the policy/framework to innovative</p> | <p>The law represents the legal framework under which other policies and development strategies in the agricultural field are undertaken. Therefore, it provides the legal base upon</p> |

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| greenhouses | which the strategies for the development of a sustainable agricultural sector are based. |
| Synergies with other policies | The law ensures the implementation of the National Action Plan. |

2.2 National Action Plan

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| Short description of the policy/framework | <p>It is the programming document that describes how the government will implement the strategies in different areas and during different time periods. In the National Action Plan are annually set out the policies for the national support to agriculture. The national plan is composed from: the strategy of agriculture and the strategy for rural development. <i>"The national plan is based on the medium-term objectives of agriculture and rural development policy, the measures, the development programs and activities, the realization of these objectives, the following evaluation of the effectiveness, as well as the necessary public funds that are used for the implementation of agriculture and rural development policies. The national plan is elaborated by the Ministry in collaboration with other institutions that are responsible for the rural development, and it is approved by the Council of Ministers for a period of seven years".</i> (Law Nr 9817 date 22 /10/ 2007).</p> <p>The action plan includes:</p> <ul style="list-style-type: none"> -The conditions, criteria, and procedures for the presentation and the implementation of general measures as well as of every specific measure of agriculture and rural development policy; -The financial plan for the implementation of general measures as well as of every specific measure of agriculture and rural development policy; -The means and the approaches for the implementation as well as the control for the execution of the agriculture and rural development policy; -The procedures for the monitoring and evaluation of agriculture and rural development policy. <p>Responsible authority: Ministry of Agriculture Rural</p> |
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|---|---|
| | Development and Water Management, Payment Agency |
| Identified policy/framework area of application | -National |
| Level of Operation | The national plan is implemented through a decree issued by the Council of Ministers. It is enforced by the Law on Agriculture and Rural Development. The National Action Plan is mandatory. |
| Beneficiaries | <p>The beneficiaries of the financial plan provided by the National Action Plan are:</p> <ul style="list-style-type: none"> -The farmers, the groups of farmers, the persons or legal subjects that have an agriculture activity or any other activities related to agriculture; - The persons or legal subjects that have activity in the agro-processing industry; - The persons or legal subjects that offer service for agriculture activities and other rural activities. |
| Link of the policy/framework to innovative greenhouses | Within the National Action Plan it is established the The Program for Agriculture and Rural Development. The main aims of the Funding program are: to support the development of the agriculture in the country, to guarantee in a gradual approach the effectiveness of the measures for agriculture and rural development policy. The National Action Plan provides funding to the beneficiaries and an economic support to actors that operates in the agricultural fields. |
| Synergies with other policies | The National Action Plans provides the support schemes necessary to guarantee the financial support for the implementation of the "Inter Sectoral Agricultural and Rural Development Strategy" (ISARDS). |

2.3 The “Inter Sectoral Agricultural and Rural Development Strategy” (ISARDS)

| | |
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| <p>Short description of the policy/framework</p> | <p>The “Inter Sectoral Agricultural and Rural Development Strategy” (ISARDS) has been implemented after the country has received the status of EU candidate country in 2014. The ISARDS 2014-2020 is reflected in the National Plan for European Integration 2016-2020 (NPEI). It has been adopted under the legal framework of Law on Agriculture and Rural Development issued in 2007. The strategy is in compliance with the “Europe 2020” strategic framework and in line with the EU strategic planning approach for the Common Agriculture Policy (CAP) 2014-2020. ISARDS describes the budgetary support to agriculture and rural development.</p> <p>It focuses on sustainable and inclusive growth and at the same time on the specific needs for the development of agriculture, agro-processing and rural areas in Albania. ISARDS 2014-2020 also provides the legal basis for the national support schemes, which are set out in the Annual Action Plans. National support schemes are determined by an annual budgeting program and enforced by the decisions of the Council of Ministers. It includes specific objectives for restoring, preserving and enhancing ecosystems dependent on agriculture and forestry. Support for the introduction of environmentally friendly agricultural production methods (organic farming) is among the envisaged measures. Other measures focus on the extension of forest resources. The Strategy also provides for fostering innovation and knowledge transfer to the agricultural sector and rural areas by developing advisory services and agricultural technology transfer centres to support farmers and aquaculture producers. The Strategy recognizes that organic farming is in the initial stage of development. The main aim of ISARD is to identify the strategic framework to treat the challenges faced by the agriculture and agro-processing sector, as well as the development of rural areas in a sustainable economic, environmental and social manner, proposing similar policy instruments to the CAP, paying a special attention to the preparation of the sectors, policy instruments and institutional approximation for EU membership, to achieve a sustainable improvement of competition in Albania.</p> |
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| | Responsible authority: Ministry of Agriculture and Rural |
| Identified policy/framework area of application | -National |
| Level of Operation | ISARD is a national and compulsory strategy implemented through the adoption of IPARD II. |
| Beneficiaries | -Farmers and rural population; -SMEs |
| Link of the policy/framework to innovative greenhouses | The strategy is aimed at aligning the national agricultural strategies to the EU common agricultural policy boosting the technological innovation in the first sector and enhancing the development of sustainable practices in agriculture. |
| Synergies with other policies | The strategy works in compliance with the IPARD II program. |

2.4 The IPARD II Program, pre-accession assistance for rural development

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| Short description of the policy/framework | The first step of ISARD, which consists of starting the IPARD II Program (pre-accession assistance for rural development), is progressing. The IPARD II Program has been adopted by the Government of Albania (GoA) and approved by the European Commission (EC) in July 2015 and ratified by the Albanian Parliament in March 2016. The IPARD II program includes seven measures, distributed into two packages by start of implementation. The first package includes four measures; the Package 2 includes three measures. Responsible authority: Ministry of Agriculture Rural Development and water management and National IPARD Agency |
| Identified policy/framework area of application | - National |
| Level of Operation | The participation to the IPARD program is not mandatory. There is a call published on the Ministry of Agriculture and Rural Development website. In order to participate it is |

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| | <p>necessary to send an application to the National IPARD Agency that after an evaluation process will decide whether projects proposals are eligible to receive the financial supports or not. Participants must own a land lot bigger than 2.0 ha to receive funding.</p> |
| <p>Beneficiaries</p> | <ul style="list-style-type: none"> - Farmers, both physical or legal entities, including cooperatives registered in the National Farm register (for Measure 1); - Agricultural microenterprises and SMEs (for Measure 2). |
| <p>Link of the policy/framework to innovative greenhouses</p> | <p>The currently operational Measure 1 "Investments in physical assets of agricultural holdings" has been conceived with three aims:</p> <ul style="list-style-type: none"> - Provide support for gradual alignment with standards, rules, policies and practices of EU membership in the framework of EU membership; - Providing support for economic, social and territorial development for sustainable and inclusive growth. - Addressing the challenges of climate change through the promotion of efficient use resources and renewable energy. <p>Regarding the production of renewable energy (at farm level), the measure supports only those investments for consumption purposes within the farm. Applicant must confirm through one licensed power control that the installed wind power and photovoltaic (PV) capacities do not produce more than one-year energy consumption. The investment is considered acceptable when the (theoretical) energy capacity of the renewable power plant ("investment") does not exceed 120% of the farm's (3-year) average consumption.</p> |
| <p>Synergies with other policies</p> | <p>In 2016 the country has adopted the National Renewable Energy Action Plan to boost the energy production from renewable resources in order to accomplish the objective to use 38% of the total energy from sustainable sources. The plan introduced a particularly innovative indirect support scheme to energy production from RES, working as a sliding feed-in premium that does not burden public finances.</p> |

2.5 Main multilateral and bilateral programs implemented in Albania during the period 2007-2013.

This section provides an insight of the main rural development programs implemented by the Albanian government with the support of international bodies such as the UN agencies or the World Bank to boost the agricultural sector.

- **Sustainable Development in Rural Mountains Area Programs (SDRMA)**

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| <p>Short description of the policy/framework</p> | <p>The policy has been implemented with the support of the International Fund for Agricultural Development (IFAD) during the period 2007-2013. The total cost of the operation was USD 23.35 million. The interest areas of the project were 21 districts of Albania. The goal of the Program for <i>Sustainable Development in Rural Mountain Areas of Albania</i> was to increase household incomes through three objectives:</p> <ul style="list-style-type: none"> ✓ additional resource mobilization in and for the mountain areas; ✓ accelerated economic growth and poverty reduction; ✓ strengthened abilities of local institutions to support private- and public-sector investment. <p>The primary aim to increase the household incomes of the Albania's mountain areas was addressed paying a special attention toward the poorer rural populations. The Program had also several components targeting private-sector development, small-scale infrastructure and local development planning. By supporting the 17 Strategic Investment Programs in eight different value chains and by building capacities of farmers, processors, entrepreneurs, SDRMA has positively addressed the core economic constraints, linking producers with processors and markets and strengthening the institutional value chain set up (vertical and horizontal value chain integration).</p> <p>Responsible Authority: three components of the Program had to be realized under the supervision of Mountain Areas Development Agency (MADA), a fourth component had to be implemented by the Mountain Areas Finance Fund (MAFF). The UN agency involved in the project (IFAD) has worked in collaboration with the Albanian Ministry of Agriculture (MARDWA).</p> |
| <p>Identified</p> | |

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| policy/framework area of application | - Regional |
| Level of Operation | Actual project costs amounted to US\$23.35 million, 96.3% of the original appraisal cost estimates. At completion, a loan from the International Fund for Agricultural Development (IFAD) funded 32.6%, a loan from the OPEC Fund for International Development funded 16.9%, a loan from the Council of Europe Development Bank funded 28.2%, and the Government of Albania and its beneficiaries funded 22.3% of total costs. 97% of the US\$7.6 million IFAD loan was disbursed. |
| Beneficiaries | The beneficiaries were SMEs, farmers and processors of Albanian mountain area, specifically 21 mountainous districts with a population of about 1.7 million (about half the total national population), including a large majority of the rural poor were involved in the Program. |
| Link of the policy/framework to innovative greenhouses | The Program has implemented 44 small-scale economic infrastructure projects, such as roads, bridges and domestic water supply systems, which contributed to access to markets and services and lower transportation cost, particularly for perishable livestock / agricultural products. Some farmers and entrepreneurs successfully used project grants or loans to expand their operations, resulting in higher incomes and the creation of jobs. Many SMEs benefited from the program loans, in particular 165 matching grants were provided, of which 124 were small and valued between US\$2,500 – US\$10,000 and 41 focused on small and medium enterprises (SMEs) valued up to US\$15,000 each. |
| Synergies with other policies | The Program worked in synergy with another strategy adopted in the ensuing years, precisely during the period 2009-2014 ' <i>The Mountain to Markets Program</i> ', implemented by IFAD as well. The program budget was EUR 6.8 million. It provided poverty-reduction measures based on participatory and systematic identification of investment opportunities in poor mountain areas. |

- **USAID 'Agriculture Competitiveness Programme' (2007-2013)**

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| <p>Short description of the policy/framework</p> | <p>USAID 'Agriculture Competitiveness Program' (2007-2013) had three components: strengthening producer capacity for competitive commercial farming; strengthening capacity for market development; increasing access to reliable market information. It focused on five strategic value chains and associated activities: tree crops; greenhouse crops; open-field crops; medicinal and aromatic plants; and processed commodities. The Program had a total budget of USD 10.5 million and used various instruments – trainings, demonstration of new technologies, grants, credit facilitation, and policy and regulatory reform dialogue. The program had made significant contributions to the development of the targeted value chains and had a substantial impact on beneficiaries.</p> <p>Responsible Authority: USAID agency in collaboration with the Albanian Ministry of Agriculture (MARDWA).</p> |
| <p>Identified policy/framework area of application</p> | <p>- National</p> |
| <p>Level of Operation</p> | <p>AAC provides program services to more than 1,200 individual farmer-clients, farmer associations, traders, consolidators, wholesalers, and other stakeholders involved in the production and sale of high-value agricultural commodities such as greenhouse vegetables, melons, citrus, and apples, and selected open field crops. The program has trained over 7,000 participants in such topics as agricultural enabling environment, use of market information, and agriculture productivity. AAC has used a variety of technical assistance instruments, including training, demonstration plots, and participation in trade missions and study tours. The project has also awarded competitive grants to 139 beneficiaries to promote adoption of improved production and postharvest technology, enabling value chain actors to participate in regional agricultural fairs in Tirana, Berat and</p> |

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| | Korça, as well as organized trade missions and study tours in 14 countries to expand domestic and export markets. |
| Beneficiaries | Farmers, SMEs that operates in the agricultural field, producers and processors. |
| Link of the policy/framework to innovative greenhouses | The program has involved actors from the quadruple helix, farmers, academics, SMEs and institutions. One of the main aims of the program was boosting the technological advancements in agriculture especially in the greenhouse sector. |
| Synergies with other policies | AAC has collaborated with USAID's Regional Competitiveness Initiative (RCI) to train extension officers and progressive farmers in greenhouse-management techniques, and introduce regional exporters and food processors to the challenges of exporting to the EU. RCI is a regional USAID initiative to improve competitiveness across Europe and Eurasia by engaging the bilateral efforts of USAID Missions, USAID projects and other local stakeholders in selected sectors, including other donors, and public and private organizations. |

2.6 Swot Analysis

The following table presents the SWOT analysis of the ongoing identified programs presented in sections 2.1-2.4.

| Strengths | Weaknesses |
|---|--|
| <ul style="list-style-type: none"> - Political Willingness to keep up with the EU common agricultural policy; - Legal and institutional support; - International financial supports; - Collaboration with the European Bank for Rural Development and the World Bank; - Growing trend in agricultural sector; - Untapped geothermal resources and energy market liberalization; | <ul style="list-style-type: none"> - Land fragmentations and smallholders (according with MARDWA 86% of the total holdings are smaller than 2ha); - Insufficient institutional support; - Lack of advisory and training system; - Delays in approval of measures because of budgetary shortages; - Lack of homogeneity in the policy framework; - Lack of monitoring support; - Poor Planning - Poor Governance and administration |

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| | especially in rural areas; - Lack of Financial Resources; - Lack of Infrastructures; - Lack of data; |
| Opportunities | Threats |
| - - EU Guidelines - External Support - Funds - Political willingness - Existing Policies | - Economic exposition to foreign markets; - Lack of alignment with EU CAP; - Lack of foreign investments; |

3. Assessment of the findings

3.1 Methodology

The policies/framework and tools identified by the Regional Council of Berat, are evaluated based on the following indicators and scale, as this was provided by the Task Leader.

| Scoring Indicator | 1 lagging | 2 low | 3 moderate | 4 good | 5 advanced |
|--|-----------|-------|------------|--------|------------|
| Level of operation | | | | | |
| Governance and administration | | | | | |
| Institutional Capacity | | | | | |
| Political Willingness | | | | | |
| Financial support | | | | | |
| Coordination among stakeholders | | | | | |
| Monitoring and Evaluation | | | | | |
| National, Regional and International Conflicts | | | | | |
| Synergies with other policies | | | | | |

3.2 Evaluation

Based on the indicators and the scoring scale presented in section 3.1, the following table presents the evaluation of the ongoing identified policies / frameworks applied in Albania and related to agricultural sector.

| Policy/ framework | Evaluation indicator (Low 1-High 5) | | | | | | | | | Total Score |
|--|--|--|-------------------------------|------------------------------|--------------------------|---------------------------------------|---------------------------------|---|-------------------------------------|----------------|
| | Level of opera tion | Governan ce and administr ation | Institutio nal Capacity | Political Willingne ss | Financi al support | Coordination among stakeholders | Monitoring and Evaluation | National, Regional and InternationalCon flicts | Synergies with other policies | |
| 1. Law on Agriculture and Rural Development | 5 | 5 | 3 | 5 | 2 | 3 | 4 | 1 | 5 | 33 |
| 2. National Action Plan | 5 | 4 | 5 | 5 | 2 | 3 | 3 | 2 | 5 | 34 |
| 3. Inter Sectoral Agricultural and Rural Development Strategy | 5 | 4 | 4 | 5 | 3 | 3 | 2 | 2 | 5 | 33 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|-----------|
| (ISARDS) | | | | | | | | | | |
| 4. IPARD II Program, pre-accession assistance for rural development | 5 | 4 | 4 | 5 | 5 | 3 | 3 | 3 | 5 | 37 |

Based on the available information, the highest score was taken by **IPARD II Program, pre-accession assistance for rural development** and the **National Action Plan**. The policies/frameworks were assessed based on the indicators presented on section 3.1.

3.3 Missing Links & Proposed Improvements / Recommendations

Based on the findings of section 2 and the evaluation of section 3.2, the following recommendations for each identified policy/framework can be drawn in order to further improve its impact and favor eco-innovative investments in Albania.

| POLICY/Framework | RECOMMENDATIONS |
|---|---|
| <ul style="list-style-type: none"> - Law on Agriculture and Rural Development | <ul style="list-style-type: none"> - Public advisory services for agriculture have to be boosted as well as research and training. The information database needs to be improved in order to have a more clear vision of the agricultural sector's peculiarities. |
| <ul style="list-style-type: none"> - National Action Plan | <ul style="list-style-type: none"> - More funds has to be provided in the plan in order to finance the support schemes necessary to guarantee the financial support for the implementation of the national strategies for rural development. |
| <ul style="list-style-type: none"> - Inter Sectoral Agricultural and Rural Development Strategy (ISARDS) | <ul style="list-style-type: none"> - More funds have to be provided to foster innovation and knowledge transfer to the agricultural sector and rural areas, to develop advisory services and agricultural technology transfer centres in order to support farmers and aquaculture producers. |
| <ul style="list-style-type: none"> - IPARD II Program, pre-accession assistance for rural development | <ul style="list-style-type: none"> - More advisories systems have to be provided in order to increase the number of beneficiaries. |

4. Conclusions

After receiving the status of EU member country in 2014, in Albania, many reforms have been undertaken to align the national agricultural strategies with the EU Common Agricultural Policies. In fact, in 2014 it has been adopted the “Inter Sectoral Agricultural and Rural Development Strategy” (ISARDS 2014-2020) to boost the country competitiveness. The strategy is supported by the legal framework of the Law on Agriculture and rural development issued in 2007 and it is in compliance with the “Europe 2020” strategic framework. Albeit the strategy focuses on sustainable and inclusive growth and on specific needs for the development of agriculture, agro-processing and rural areas in Albania, there are still many issues that have to be addressed. The strategy, for example, recognizes the importance of the creation of an advisory system to boost the knowledge transfer on new technologies among farmers. It also points out the importance of the creation of advisory services that can foster the innovation in the agricultural field. However, despite the forward-looking measures adopted in the legal framework the implementation of policies still lags behind. In particular, according with authors, the budgetary plan provided to support the first sector has increased in the recent years but not as it was expected according with the 2020 aims. The reduction in the financial support is a consequence of the recent financial recession. Another issue that has to be addressed is the mismatch of political targets set in different documents that creates a non clear understanding on the overall strategy to undertake to boost the Albanian first sector. Furthermore, the Ministry of agricultural rural development should provide more funds to the advisory services and knowledge transfer activity between farmers because one of the main problems related to the Albanian first sector is the lack of education of farmers that often rely on traditional knowledge to run their businesses. Hence, more focus and financial support should be provided to implement the advisory measures that can foster the Albanian competitiveness. Another problem that has to be tackled is the general lack of data that often hamper the adoption of specific policies and hinder the possibility to have a general and thorough vision of what is really happening in the first sector. For this reason the creation of a Market Information Systems and a Farm Accountancy Data Network are needed. Another important issue that can mine the productivity of the overall sector is the lack of adequate infrastructures and the poor financial budget bounded to their improvements. This issue stems also from the general lack of financial resources provided to regional and local administrations that should enhance the construction and the development of a modern road network that can sharply boost the agricultural competitiveness and development reducing the transportation costs and aligning the country with the most advanced countries in Europe.

5. Bibliography

- Gjeci, G., Zhllima, E., (2016). Albania: Agricultural Policy Development and Assessment Research project "NATIONAL POLICY INSTRUMENTS AND EU APPROXIMATION PROCESS: EFFECTS ON FARM HOLDINGS IN THE WESTERN BALKAN COUNTRIES (EUEWB)".
- <http://azhbr.gov.al/wp-content/uploads/2018/10/UDHEZUESI-1.pdf>
- https://eeas.europa.eu/delegations/albania/52855/ipard-ii-instrument-pre-accession-assistance-rural-development-albania_en

ANNEX

In the table below are represented the total amount of money and the maximum indicative contribution for IPARD II in million euro for the period 2014-2020 from European Union. In 2016 EU contributed for 13 million euro, in 2017 for 14 million, in 2018 for 12 million and for the years 2019 and 2020 EU will contribute for 16 million, for a total of 71 million for the entire period 2014-2020.

Table 1- Maximum indicative EU contribution for IPARD II funds in million EUR by year, 2014-2020

| YEAR | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2014-2020 |
|--------------|------|------|------|------|------|------|------|-----------|
| TOTAL | - | - | 13 | 14 | 12 | 16 | 16 | 71 |

The table below represents the total budget breakdown of the IPARD program. In the first column from left are listed all measures of IPARD program to boost Albanian agriculture. The row on the top of the table splits the amount bounded to each measure in total public aid, in EU contribution, the percentage of the EU contribution on the total, the national contribution and the percentage of the national contribution. EU finances 75% of all measures provided by the IPARD program, except for the technical assistance that is financed by EU for 85% and 15% by the national government. The total amount to finance the program is 94,337,255 million euros out of which 71 million are financed by EU.

Table 2 - Financial Plan per measure in euro 2014-2020

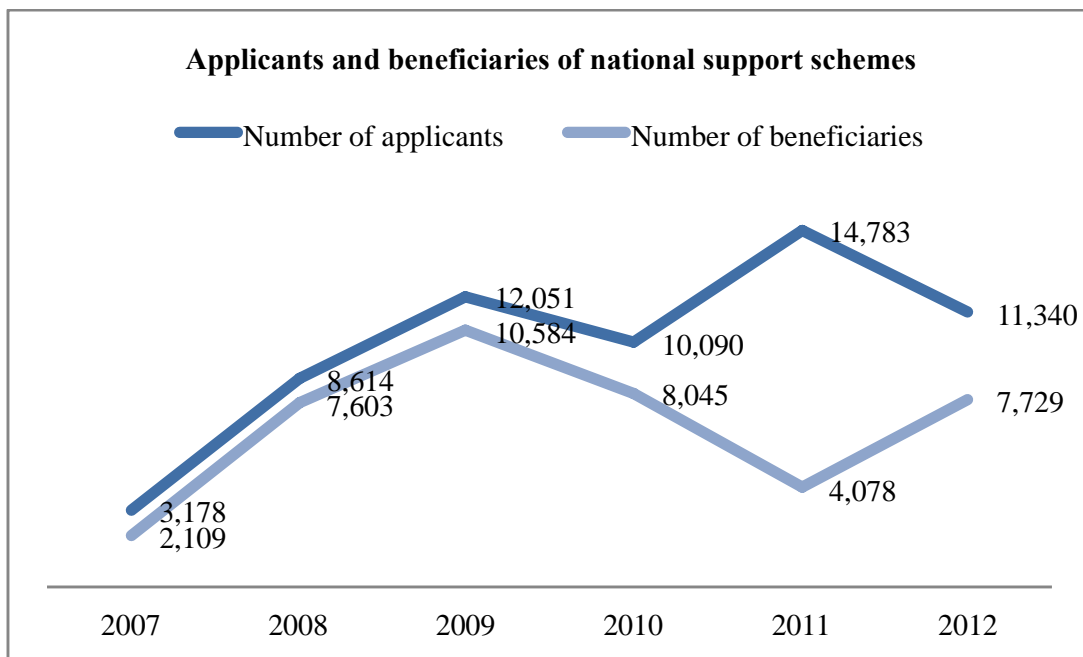
| Measures | Total Public Aid (EUR) | EU contribution (EUR) | EU contribution rate (%) | National Contribution (EUR) | National Contribution aid (%) |
|--|------------------------|-----------------------|--------------------------|-----------------------------|-------------------------------|
| Investments in physical assets of agricultural holdings | 41,866,667 | 31,400,000 | 75% | 10,466,667 | 25% |
| Investments in physical assets concerning processing and marketing of | 35,333,333 | 26,500,000 | 75% | 8,833,333 | 25% |

| | | | | | |
|--|------------|------------|-----|------------|-----|
| agricultural and fishery products | | | | | |
| Farm diversification and business development | 14,666,667 | 11,000,000 | 75% | 3,666,667 | 25% |
| Technical assistance | 2,470,588 | 2,100,000 | 85% | 370,588 | 15% |
| Total | 94,337,255 | 71,000,000 | - | 23,337,255 | - |

Source: Delegation of the European Union to Albania

The graph below represents the total number of farmers that applied for national support schemes and the total number of beneficiaries.

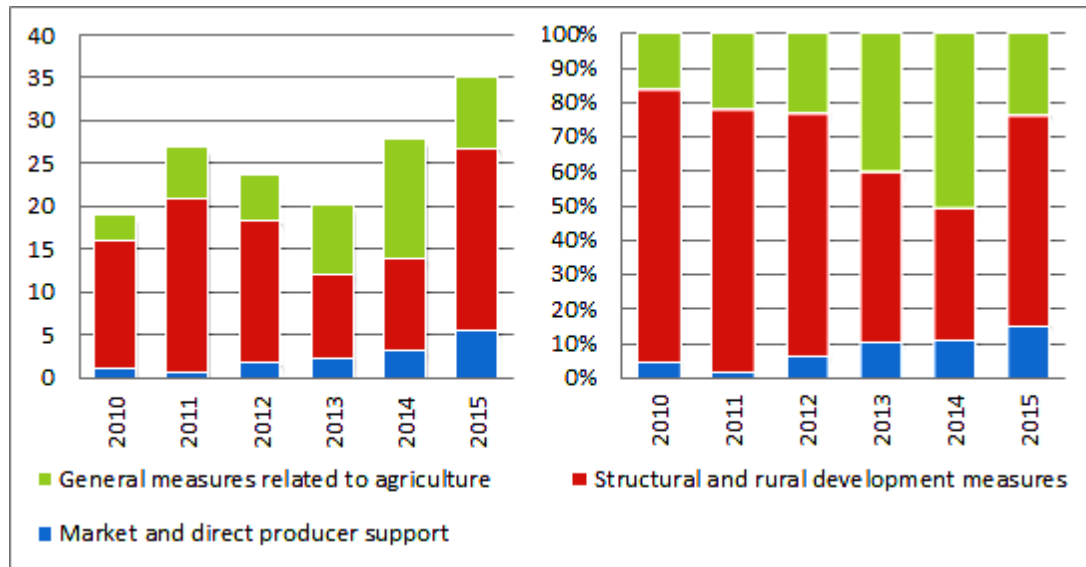
Graph 1-Applicants and beneficiaries of the national supports scheme



Source: Ministry of Agriculture, Rural Development and Water Administration, Rural Development Programme 2014-2020

The graph 2 and table 3 below represent the budgetary expenditures for the agro-food sector and rural areas for the period 2010-2015.

Graph 2-Break down of budgetary expenditure for agro-food sector and rural areas (Mill EUR), 2010-2015



Source: APM Database - Albania 2016/Retrieved from: Gjeci, G., Zhllima, E., (2016)

Table 3-The relative level of budgetary support to agriculture in Albania, 2010-2015

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|-------|-------|-------|-------|-------|-------|
| Budgetary support to agriculture (EUR million) | 19 | 27 | 24 | 20 | 28 | 35 |
| Gross Value Added (GVA) in agriculture (EUR million) | 1,535 | 1,612 | 1,765 | 1,914 | 2,024 | 2,052 |
| Share of support to agriculture in GVA (%) | 1.2 | 1.6 | 1.3 | 1.1 | 1.4 | 1.7 |

Source: APM database - Albania 2016; Agricultural statistics database - Albania 2016/Retrieved from: Gjeci, G., Zhllima, E., (2016)

In the table below are listed all the measures that will be implemented under the IPARD II program and the expected start year of implementation.

Table 4-IPARD II program measures by expected start of implementation

| Measure | Start of implementation |
|---|-------------------------|
| Package 1 measures | |
| - 'Investments in physical assets of agricultural holdings' | 2016 |
| - 'Investments in physical assets concerning processing and marketing of agricultural and fishery products' | 2016 |
| - 'Farm diversification and business development' | 2016 |
| - 'Technical assistance' | 2016 |
| Package 2 measures | |
| - 'Advisory services' | 2017 |
| - 'Implementation of local development strategies - LEADER approach' | 2018 |
| - 'Agri-environment-climate and organic farming measure' | 2018 |

Source: Ministry of Agriculture, Rural Development and Water Administration, Rural Development Programme 2014-2020