

## *Second meeting*

# **State of the art of the preparation of National Agricultural Policy Measures: Albania**

Author: Dr. Edvin Zhllima  
Agriculture University of Tirana, Faculty of  
Economics and Agribusiness  
[ezhllima@ubt.edu.al](mailto:ezhllima@ubt.edu.al)

1. Objectives
2. Methods
3. Main trends
4. Socio-economic development
5. National policy framework
6. Budgetary support
7. Concluding remarks

# 1. Objectives

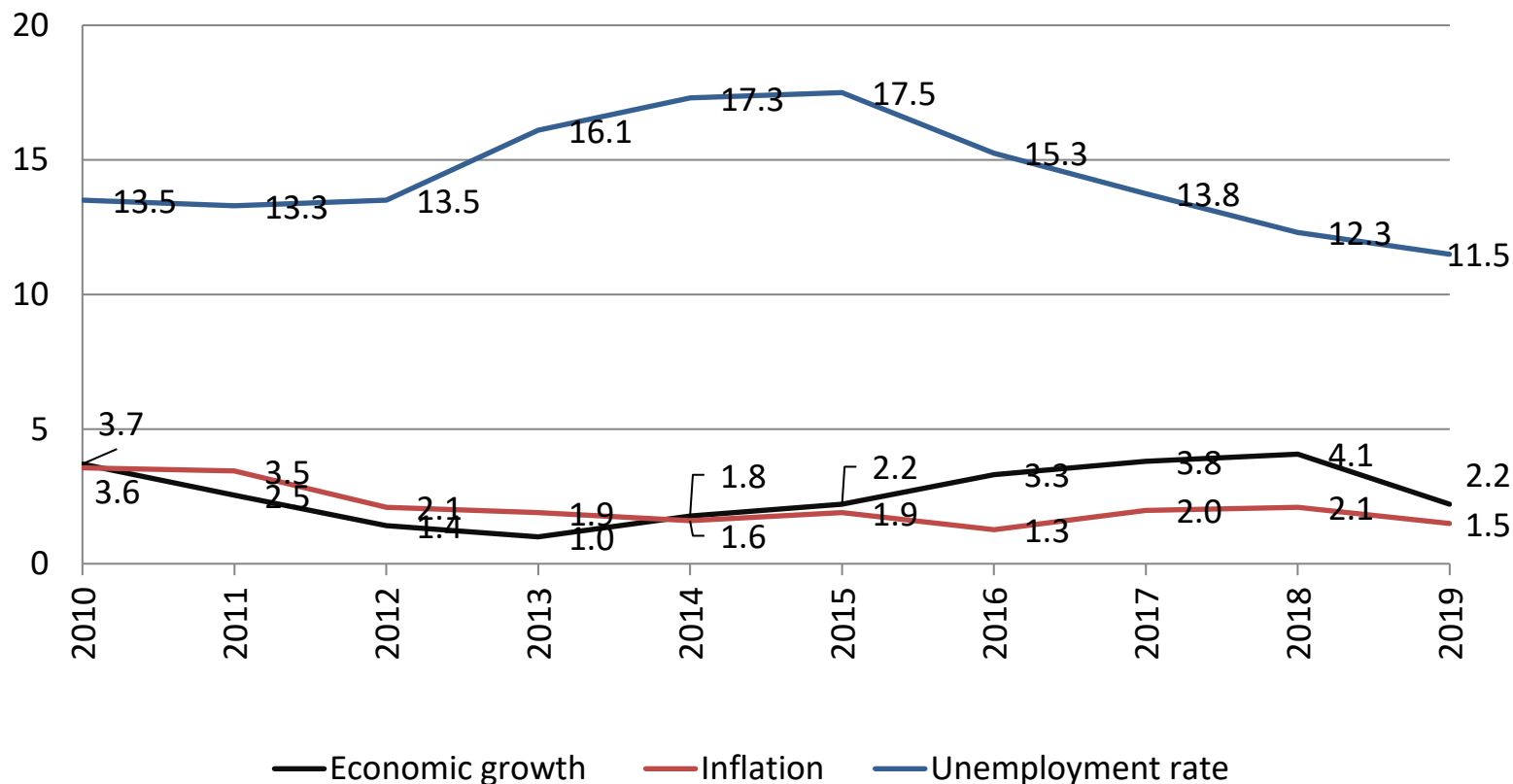
- The aim of this presentation is to present the results of qualitative and quantitative ex-post analysis of the agricultural budget, based on a review of direct support to agriculture.
- Objectives:
  - Present the information available for APM analysis
  - Present the draft results made still with a partial use of the APM tool
  - Highlight main open issues (data, classification of the measures, presentation and understanding of results) and future steps

# 2. Methods

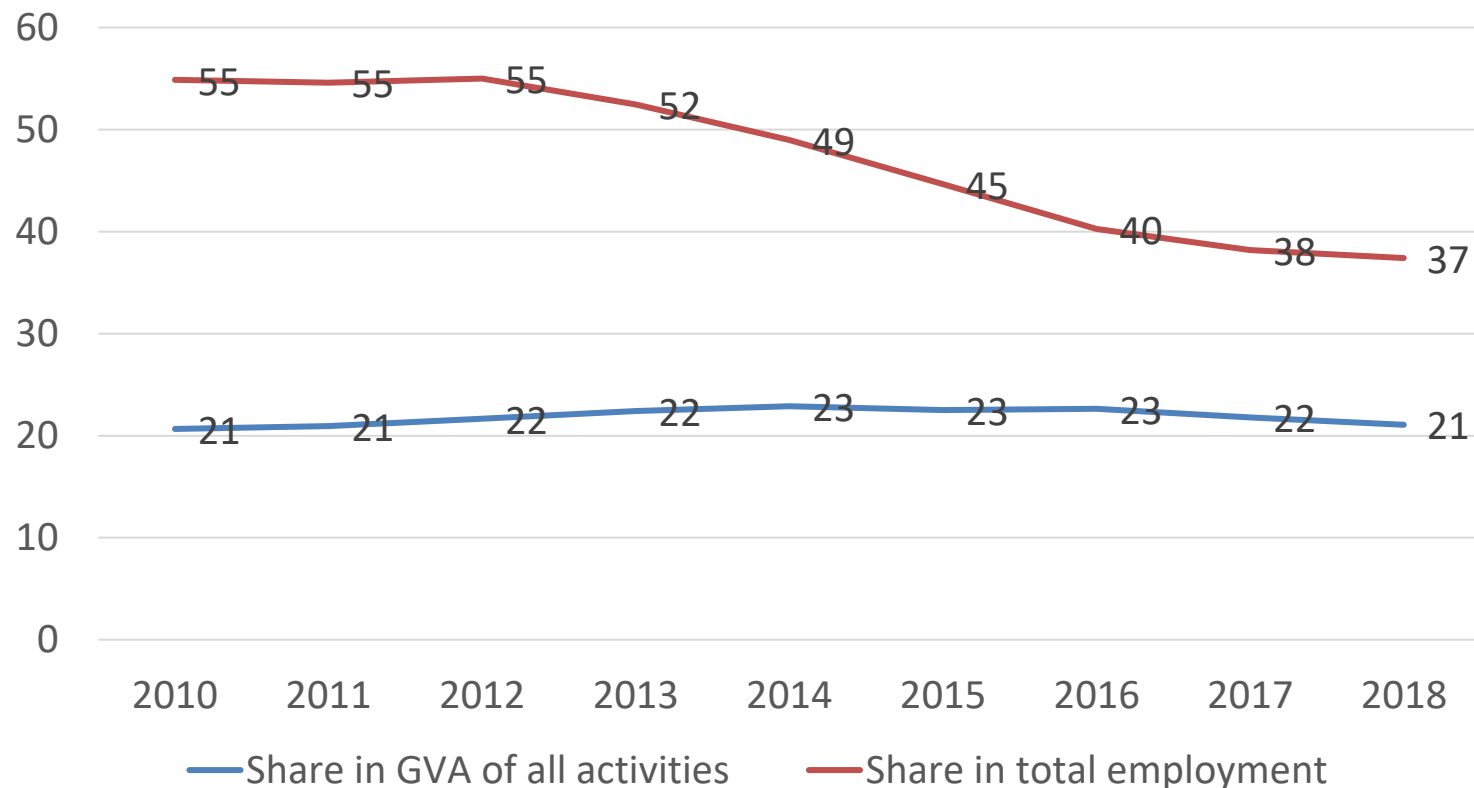
- *Agricultural Policy Measures (APM) database* for Albania was created using a common classification and systemization template, which enables both qualitative and quantitative analysis of implemented agricultural policies.
- The classification is based on measures used in the EU, in combination with the OECD approach.
- With APM classification, all agricultural policy measures are clustered in three main pillars:
  - market and direct producer support measures,
  - structural and rural development measures, and
  - general measures related to agriculture.
- APM model also includes the subdivision *Miscellaneous transfers to agriculture* - for the transfers missing information to allocate them into the appropriate categories)

# 3. MAIN TRENDS

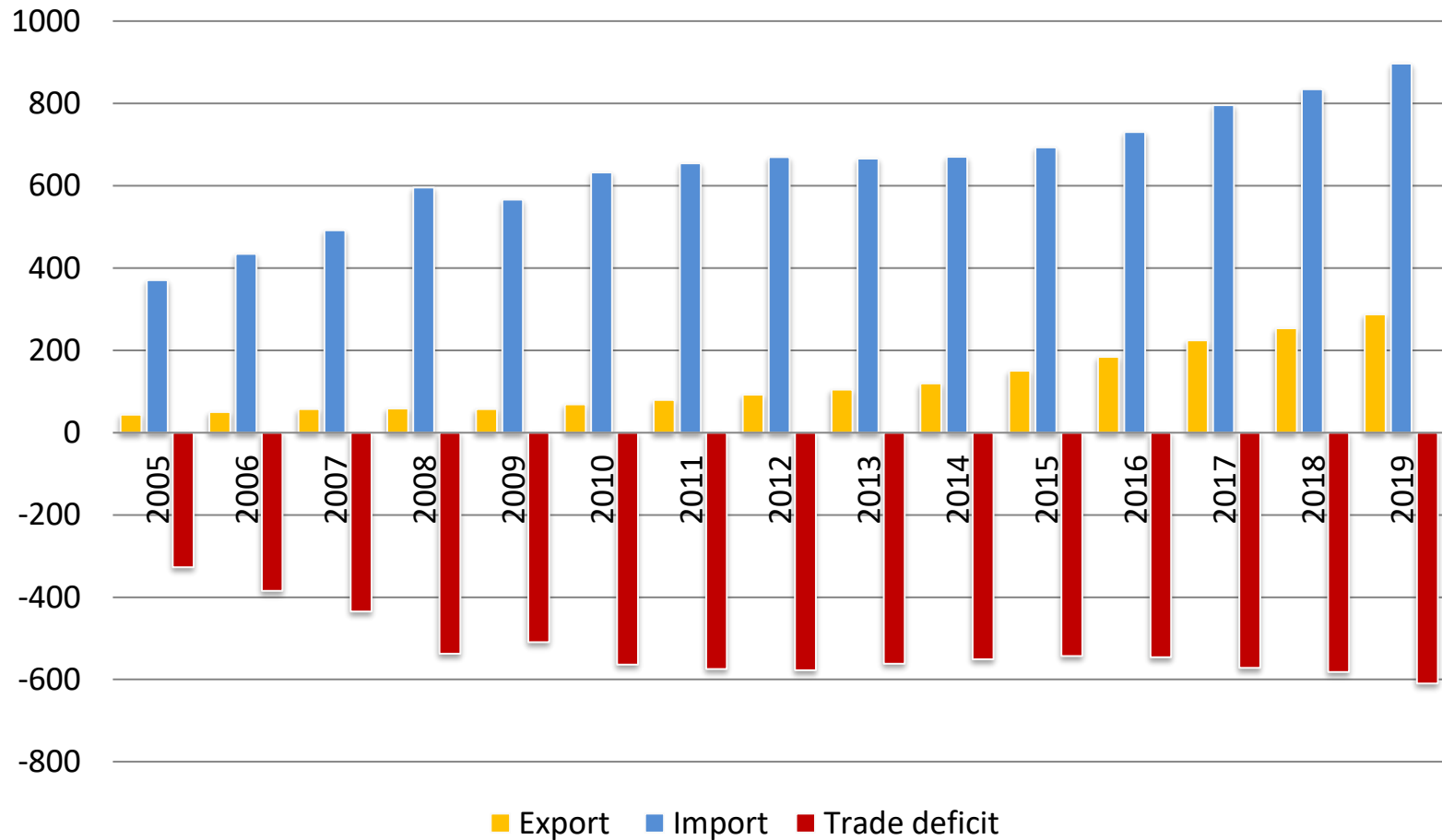
# Economic growth (real change in GDP), Inflation and Unemployment rate (%)



# Share of agriculture GVA and sectors' employment as % of total employment



# Agrifood trade





# 4. SOCIO-ECONOMIC DEVELOPMENT

- i. Based on the type of cluster (contiguous grid cells of 1 km<sup>2</sup>), 500 inhabitants per km<sup>2</sup> and a number of inhabitants of less than 50,000 per km<sup>2</sup>
- ii. Based on degree of urbanization (LAU level 2 areas) less than 20% rural is named urban area
- iii. Based on a division of urban-rural typology using NUTS level 3 regions.

- In 2018, at risk poverty threshold 23.4%.
- Severe material deprivation is estimated at 38.3 %.
- GINI inequality index is 35.4%.
- GDP per capita in predominantly and significantly rural regions is 20 percentage points lower than the country average.

- Less than 10% of the households in predominantly and significantly rural areas have access to Internet, while only 28% of households in rural areas have computers.
- Median years of school in rural areas (7.5 and 14.4), respectively.
- Net Attendance Ratio in rural areas is 8 % point lower for secondary education.
- Women in rural areas have a higher proportion of reporting at least one problem in accessing health care (45%) than women in urban areas (26%) (INSTAT, 2018).

## 5. National policy framework

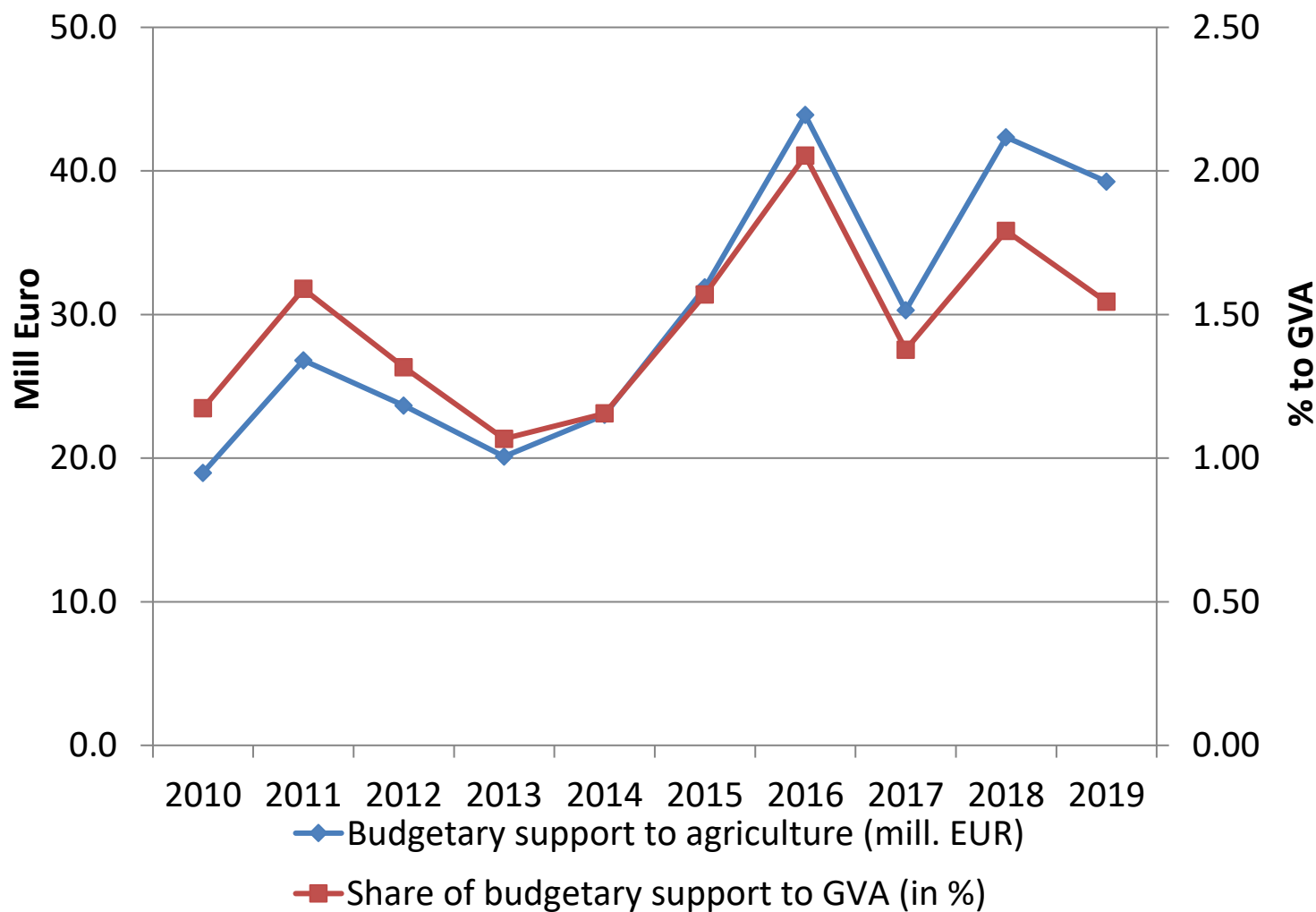
- ISARD 2014-2020 is transposed in the action plan implementing ISARD 2014-2020.
- The implementation of the medium-term priorities of ISARD 2014-2020 are detailed in the annual action plans.
- MARD action plan is coded, assigned to a responsible body and aligned to a specific paragraph in the National Plan for European Integration 2018-2021.
- MARD action plan provides the framework for setting up the ARDPF.
- Integrated Programme for Rural Development (2018-2020)

- National Legislation:
  - a. Law on Agriculture and Rural Development, No 9817, from 22.10.2007.
  - b. Decision of Council of Ministers “For Establishment of ARDA as a Paying Agency”, no. 1443 from 31.10.2008.
  - c. Order of Prime Minister No. 38, from 23.03.2011 “On the Establishment of the Organizational Structure of Agricultural and Rural Development Agency.”
  - d. Official Nomination of the Head of PA no.49 from 26.02.2010
  - e. DECISION No. 846 dated 21 / 11 / 2012 “On designation of functions, responsibilities and relationships among the authorities and the structures of decentralised management of the EU instrument for pre-accession assistance for rural development (IPARD), Component V”.
- EU legislation:
  - a. EC Regulation No. 1085/2006 on the establishment of an Instrument for Pre - accession (IPA)
  - b. EC Regulation No. 718/2007 on implementing regulation no. 1085/2006.
  - c. Law No. 9840, from 10.12.2007 for the ratification of Framework Agreement
  - d. Draft Sectoral Agreement

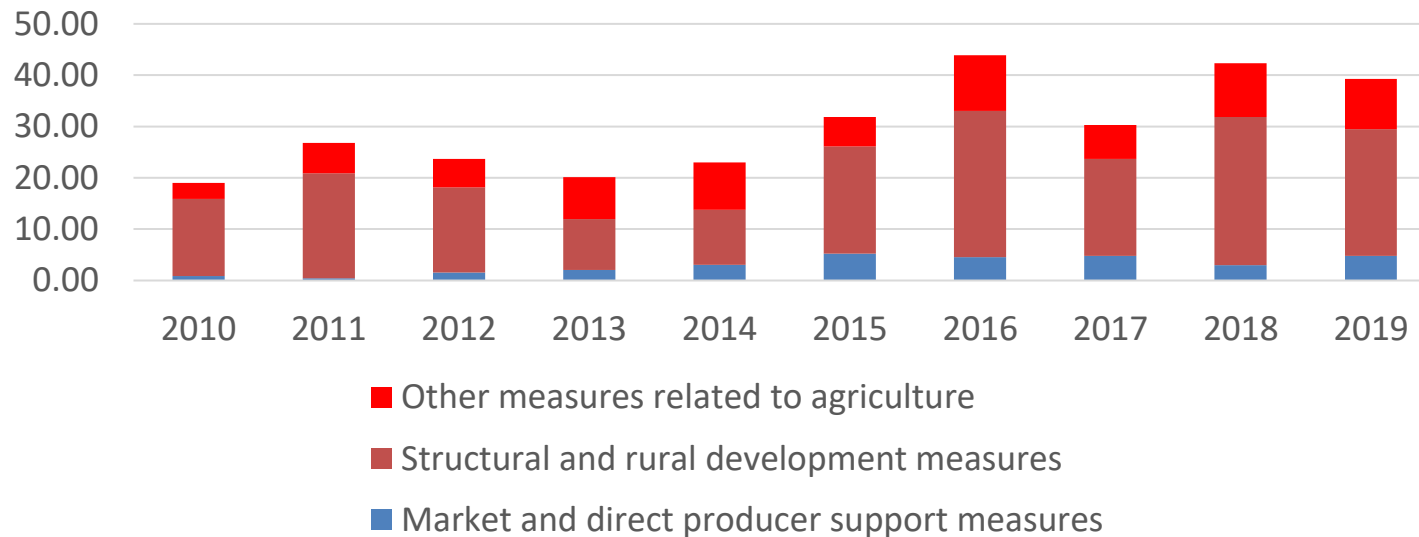
## 6. Budgetary support policies



# Support scheme in Mln EURO for the period 2010-2019



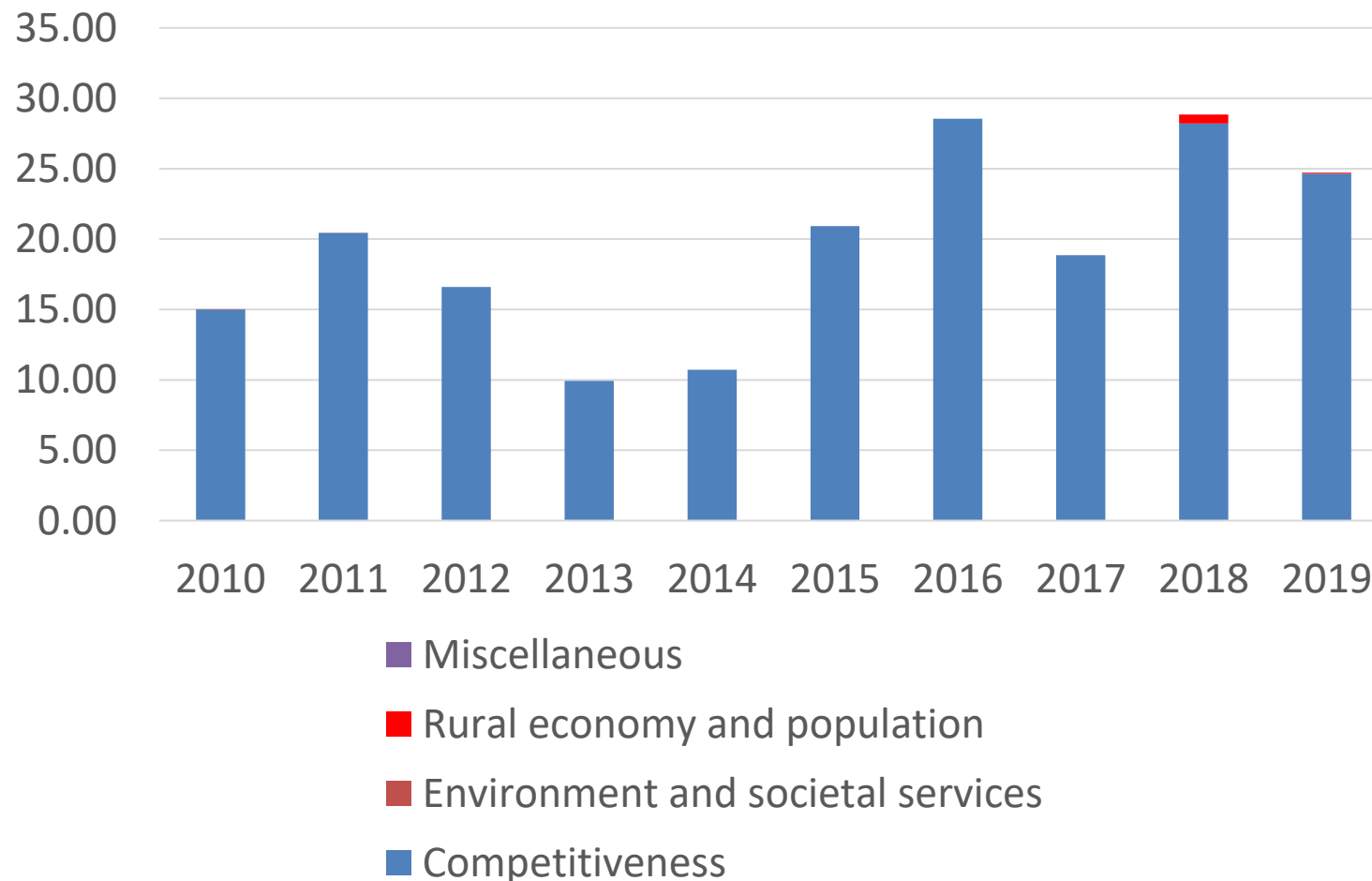
# Agricultural budget due to previous analysis



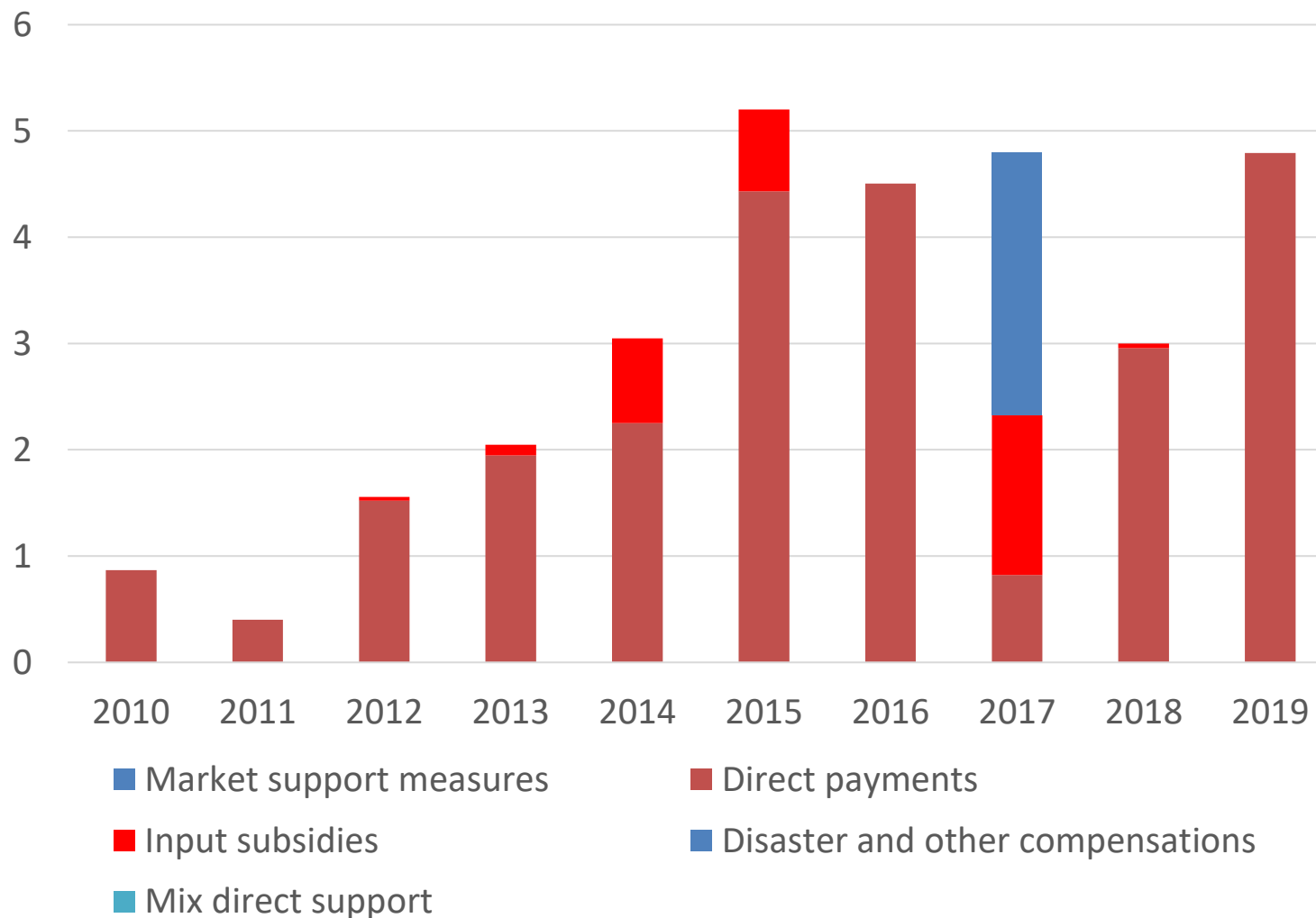
## FACTS:

- Increase of total agricultural budget
- Increase in direct support and rural development measures
- Increase in every administrative sense
- Decrease in market support in relative terms
- The measures for environmental protection almost do not exist. The same state is for support to the diversification of the rural economy. Very modest support for Axes 3 mainly goes to improving of infrastructure.
- The support for improving the competitiveness of the agricultural sector is predominant in Pillar 1 and composed mostly of on-farm investment support.

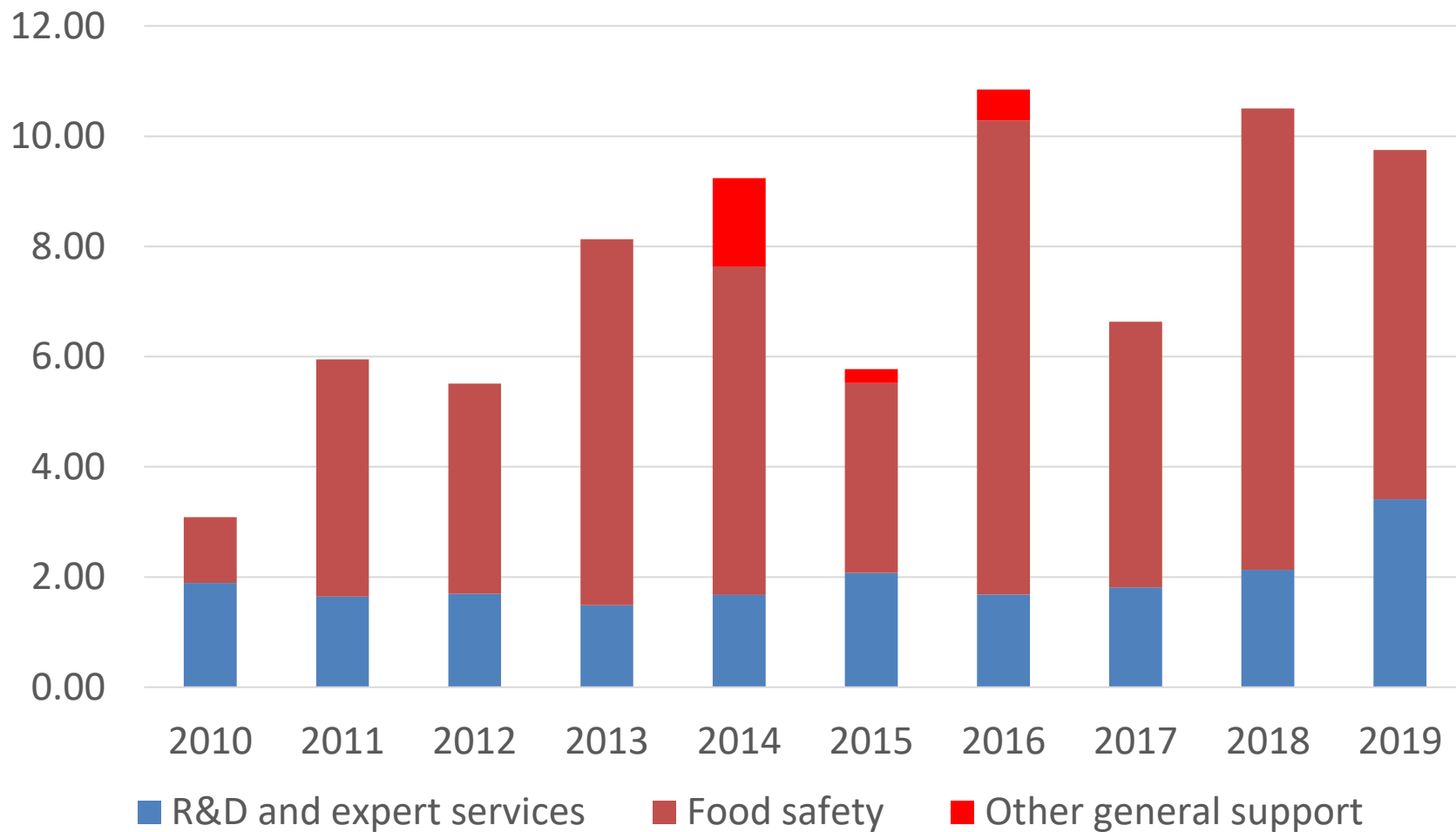
# Composition of the budgetary support to the agrifood sector & rural areas in Albania in 2010-2019 (Mln. EUR)



# Market and direct producer support in Albania in 2010-2019 (Mln. EUR)



# The breakdown of other measures related to agriculture in Albania in 2010-2019 (Mln. EUR)



# Number of measures and sectors supported

Years	Sectors/products supported
2017	5 sectors: vineyards, fruits and nuts, MAPs, livestock and beekeeping and aquaculture, greenhouse.
2018	12 sectors: Fruits, nuts, citrus, MAPs, olives, vineyards, greenhouse vegetables, melon and strawberry in tunnels, fishing and aquaculture, production with Global Gap certification and other certifications, organic production, livestock/and its by products and beekeeping.
2019	5 sectors: livestock (cattle and small ruminants), fishery (anchovies and sardines), olives/olive oil, beekeeping breeding, rural tourism/agro-tourism/ diversification of economic activities in rural areas.
2020	5 sectors+ 1 cross-sector: livestock (cattle and small ruminants), greenhouse vegetables, organic, beekeeping breeding, Global GAP certification (vegetable, fruits and MAPs) rural tourism/agro-tourism/ diversification of economic activities in rural areas.

Years	Number of measures
2008	12
2009	18
2010	9
2011	17
2012	21
2013	23
2014	20
2015	17
2016	19
2017	17
2018	52
2019	10

## 7. Concluding remarks

# Support measures

- MARD should benefit from the opportunity given in the framework of designing ISARD 2021-2027
- National policies limited support toward protection of landscapes, valuable natural habitats, biodiversity, rural livelihood and support of vulnerable population and climate change.



# Capacities

- MARD is lacking a management and control systems such as the Integrated Administration and Control System
- Policy design should follow a standard policy cycle approach and ARDPF changes should be based on situation and outlook studies (sector suitability), and impact analysis studies.
- Statistical activities should be improved and aligned toward EU requirements and standards.

# Thank you for your attention!