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# **ALBANIAN AGRICULTURE COMPETITIVENESS PROJECT**

**Contract No. EDH-I-00-05-00004-00**

**DAI**

## **QUARTERLY REPORT**

**October – December 2007**

This report was prepared by DAI for revision by USAID.

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## OVERVIEW

Dates of project: July 13, 2007 – July 13, 2012

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### Overview:

The Albanian agricultural sector has great potential for rapid growth but producers need assistance if they are to meet the end markets' requirements in terms of volume, quality and characteristics. To realize this potential in both the domestic and export markets, AAC will strengthen capacity at the farm level while at the same time linking producers into efficient, market-driven value chains. The AAC program aims to stimulate growth in Albania's agricultural sector, which will contribute to achieving sustained, broad-based economic growth and poverty reduction in targeted rural areas. This will be achieved by providing technical assistance and training to producers and other value chain actors to improve productivity and competitiveness. AAC objectives will be reached through (1) building producer capacity to increase farm-level productivity, cost competitiveness, and post-harvesting management; (2) strengthening market development capacity in order to tie production to viable market opportunities; and (3) improving access to accurate timely marketing information. AAC will demonstrate how Albanian agriculture can evolve to meet the demands of the domestic and export markets while adapting to the changing environment.

### **Summary:**

AAC's initial period of operation positioned the Project for the successful implementation of its activities during subsequent quarters

To this end, during the Project's second quarter of operation, AAC staff met with many of the main commercial actors in the agricultural value chain, Albanian government officials, and donor organizations and donor-supported contractors. These meetings took AAC staff throughout Albania. The meetings provided the opportunity to introduce the goal of USAID in supporting AAC and allowed staff to introduce AAC's activities. In return, AAC staff obtained a well-rounded introduction to the agricultural and agribusiness sectors in Albania and a clearer perspective of issues confronting the growth of both sectors.

Addressing the core of the AAC's effort, from this initial round of meetings, AAC identified potential clients for intensive intervention with AAC technical and financial assistance resources.

The meetings held by AAC staff have enumerated a number of opportunities, issues and problems faced by the agribusiness sector in Albania, which will be addressed, where appropriate, in the project component discussions.

### **Coordination Efforts:**

AAC staff are continuously meeting with other USAID supported contractors and international donor organizations and their implementers engaged in providing assistance to the Albanian agricultural and agribusiness and financial sectors. These meetings have proven beneficial in providing information to AAC on the existing Albanian situation, as well as providing an exceptional source for identifying potential AAC clients, and offering opportunities for further collaboration.

Some of the organizations AAC has met with include: U.S. Peace Corps who have expressed interest in volunteers providing support to AAC clients; SNV, Spanish Aid, FAO, IFAD, and World Bank which have shared their client lists with AAC and offered opportunities for joint efforts. Cooperation with these organizations will most likely evolved into holding regular informal gatherings for the discussion of potential collaboration efforts, referral of potential clients, and a sharing of activities in order to provide more uniform technical assistance while maximizing each program's or project's individual effectiveness.

An initial meeting was held with several faculty from the University of Tirana. AAC introduced its work plan. Discussion centered on how the university might provide on-going advisory services to the field offices on technical and business related issues.

### **Operations:**

Concurrent with setting the foundation for AAC Program activities, during this initial period of operation, significant effort was made in hiring Albanian staff, setting-up the Tirana and two field offices, and arranging the logistics and operating procedures

necessary to support the AAC programmatic effort. Within a few months after the AAC Task Order was signed, the AAC LTTA expatriate and local staff was in the field and operating, the local support staff was hired, and the field office was functioning. During this period, the DAI AAC operation was officially registered with the Albanian Government.

AAC underwent a change in project management with the resignation of COP Peter Dickrell on 17 December. DAI appointed Paul Sommers as Interim COP in addition to his duties as production specialist.

Following is the staffing pattern for the AAC Project by the functional area to which each staff person is primarily assigned. While the area identified is the principle area of responsibility for the staff person, because the total number of AAC staff is small and the programmatic areas interface and support each other, there will continuous crossover by staff among the functional areas.

### ***Project Management***

Paul Sommers Chief of Party (interim)

### ***Component #1 - STRENGTHEN PRODUCER CAPACITY FOR COMPETITIVE COMMERCIAL FARMING***

Paul Sommers- Tirana  
Ilir Pilku- Grants Manager  
Piro Rapushi- Lushnje Office  
Josif Liko  
Luto Goga  
Lefter Turtulli- Korçe Office  
Mehmet Pupa  
Pellumb Tuxhari  
Ilir Mehmeti-Norther Region

### ***Component #2 - STRENGTHEN CAPACITY FOR MARKET DEVELOPMENT***

Chief of Party (Vacant) Tirana  
Paul Sommers Tirana  
Piro Rapushi- Lushnje Office  
Lefter Turtulli- Korçe Office  
Ilir Mehmeti- Norther Region

### ***Component #3 - INCREASE ACCESS TO AND USE OF TIMELY AND RELIABLE MARKET INFORMATION***

Bled Hodobashi-Tirana  
Monika Thimo-Korçe  
Majlinda Qorri-Lushnje

### ***Administration***

Merita Janushi

## **ACTIVITIES FOR FIRST YEAR**

### **COMPONENT 1**

#### ***STRENGTHEN PRODUCER CAPACITY FOR COMPETITIVE COMMERCIAL FARMING.***

##### **Task 1 – Consolidating Production**

- Identify existing and potential nascent producer groups or existing cooperatives with potential to become functional for-profit cooperatives
- Build capacity of cooperatives to initially offer their members at least one key service with a direct financial impact
- Build cooperatives' organizational and management capacity to ensure their sustainability
- Scale up outreach to new potential producer groups through informational outreach to producers using successful cooperatives as models and through existing networks

##### **Task 2 – Improving Production Practices**

- Develop commodity specific technical training packages to address key production constraints identified during the commodity competitiveness assessment
- Identify and build the capacity of existing public and private sector extension staff to provide technical advice to farmers
- Explore opportunities for collaboration with MoAFCP Technology Transfer Centers for applied research
- Provide cost-share grants to lead farmers to demonstrate new technologies and machinery that address a specific constraint on production of one of the AAC commodities
- Identify lead farmers and input suppliers to conduct farmer field trials to demonstrate the cost-benefit of adopting new technologies and methodologies
- Graduate firms that are successfully providing private sector extension and producer groups that have strong production practices.

##### **Task 3 – Strengthening Farmers' Access to Finance**

- Assist PSHM and other microfinance firms in increasing their outreach to the agricultural sector by linking them with producer cooperatives, individual producer and processors.

## **COMPONENT 2**

### ***STRENGTHEN CAPACITY FOR MARKET DEVELOPMENT***

#### **Task 1 – Linking Producers to Buyers**

- Quick start activities working with suppliers of existing EDEM partners to address key constraints already identified and strengthen supply (for the buyer) and the market (for the producer)
- Study the nonfunctional wholesale market centers to determine whether it would be beneficial and feasible to revitalize them into active trading points

#### **Task 2 – Facilitating Access to New Markets**

- Facilitate a linkage between Euromax supermarket chain and suppliers
- Work with EDEM tourism team to link producers to new market opportunities

#### **Task 3 – Increasing the Supply of High-Quality Product**

- Identify methods of extending the growing season for selected commodities as part of the specified technical training packages
- Improve harvesting techniques of producer cooperatives and mitigate post-harvest losses by improving washing, sorting, basic storage and packaging
- Facilitate access to existing storage
- Facilitate access to finance for facilities to improve post-harvest quality.

## **COMPONENT 3**

### ***INCREASE ACCESS TO AND USE OF TIMELY AND RELIABLE MARKET INFORMATION***

- Identify the information needs of target groups through the regional agricultural roundtables and interviews with key stakeholders as a basis for designing the MIS.
- Establish a system to collect wholesale market prices for the main AAC commodities and agricultural inputs in major wholesale centers across Albania.

## SUCCESS STORY

### New Loan Enables a Ten Fold Increase for Tomato Grower

The year 1997 was a difficult one for Albanian farmers. A total collapse of the economic system following the pyramid scheme crisis was hardly encouraging for starting a farming business. But that did not stop Zenun Zeka from starting his tomato growing business that very year.

Zenun built a 500 square meters plastic greenhouse in his village of Drenovice, in the Kutalli commune in Berat. He started producing tomatoes and cucumbers and wanted to expand his business. Every other year he would increase the surface area of his greenhouse by an additional 500 square meters. In 2007 Zenun had 3,000 square meters of green house. Together with four other tomato and cucumber growers from Drenovice, Zenun created a producer's group that operates through joint sales. They gained the trust of a trader from Vlora who has been buying tomatoes and cucumbers from the group for several years now.

When the Albanian Agricultural Competitiveness program (AAC) called a roundtable with farmers, traders, banks and government institutions in October 2007, Zenun was one of the participants. He realized that there was support and assistance available to back his desire for expanding his business. In particular, he learned that commercial loans were available and there were ways to receive them.

AAC facilitated further contacts and meetings between Zenun and PSHM - the Albanian Partner for Microcredit – and as a result he applied for a loan. In a matter of days, PSHM issued a \$5,000 loan which Zenun will use to increase his greenhouse surface area from 3,000 to 5,000 square meters. That means a ten fold increase on his initial area.

This new investment will help Zenun to:

- Expand the production capacity of his business,
- Increase sales
- Increase business incomes

Ten loans totaling \$52,500 were provided to AAC farmer clients in the districts of Berat and Lushnje during the last quarter. Commercial support provided to farmers by financial institutions is a key indicator of real value chain growth and sustainability.

AAC has designed its program to engage this vital sector through the life of the project. Results are evident by the strong participation by leading rural lenders in the AAC roundtables and by the eagerness to meet with AAC staff based in Tirana and field offices.

Zenun Zeka is one of the first beneficiaries of the supportive environment AAC is helping to create. He can now look back at 1997 and never regret his decision to start a farming business.

## IMPLEMENTATION REPORT

### COMPONENT 1

#### ***STRENGTHEN PRODUCER CAPACITY FOR COMPETITIVE COMMERCIAL FARMING.***

The first component of the AAC program focuses on improving the capacity of producers to meet market demand through three activities described below: consolidating production; upgrading production practices through extension, new technology, mechanization, and inputs; and strengthening farmers' access to finance.

Described in the subsections below, all these activities will directly lead to increased incomes for farmers.

#### **Task 1 – Consolidating Production**

##### **Producer group identification**

Producer associations are viewed as a key strategy for achieving the aim of AAC. AAC recognizes the fledging efforts of several producers groups to provide meaningful services to their members. AAC plans to build on their efforts to date with the purpose of encouraging them to become for-profit cooperatives.

##### *TIRANA OFFICE - Northern Region*

##### *Olives*

Up to 6 olive pilot areas are identified: 1 in Tirana, 1 in Elbasan, 2 in Vlora, 1 in Saranda, and 1 pilot in Berat focused on table olives respecting existing olive grower groups/associations as well the relationships with olive processors for oil and pickled olives.

The main criteria of their identification were:

- a) located in the best olive climate and most important olive growing areas of the country
- b) having 20.000- 25.000 olive trees to produce a reliable quantity
- c) having a well identified and progressive olive oil processing unit
- d) entrepreneur's ability to produce and market abroad and/or locally high value olive oil (extra virgin and/or bio quality)
- e) existing olive growers association or growers willing to cooperate/work together
- f) as large as possible the geographic coverage of the "olive belt" areas
- g) the agronomic interventions on olive growing services in the flat / plain areas, based to olive specialists opinion, will have more rapid effects, than in others areas with aged olive trees.

The main feasible services identified are soil test analysis and fertilization based on real needs, right model and techniques of pruning, drip irrigation systems, pest and disease control (use friendly environment PPP), harvesting methods and tools.

#### KORCA REGIONAL OFFICE

The Korça staff has collected information on existing group producers in the area and organized several discussions with producer groups.

- There were a couple of horticulture associations established several villages e.g. Zvirine, Sovjan, Mollaj, Pirg, etc. Soon they were non-effective and lost their function.
- Recently, in some villages like Zvirine and Mollaj, AAC clients, apple growers were in favor of organizing themselves in groups in order to address key issues like: apple trading for getting a better price; facilitating in input buying; sharing information and timely completing the required services to the fruit trees, etc.
- Another idea was discussed in Vranisht village regarding the cooperation of a growers' group for apple storing and trading. The growers were in favor of the idea of investing for the warehouse in shares' base (calculated as per expected apple quantity supposed to be stored).
- AAC-Korce organized the meeting for the seedling producers in the Korca region. They asked for our support on updated information dealing with the new apple varieties and new rootstocks, training on new technologies, etc.

#### LUSHNJA REGIONAL OFFICE

After the two round tables organized in Lushnja and Berat, Lushnja Regional Office staff in cooperation with the consultant Mr. Steve Joyce worked on annual activity planning for 2008. Main criteria for selection of commodities, areas and potential farmers were set-up.

*Value Added and Intensive Commodities* were selected as follows:

1. Vegetables - tomato, cucumber and pepper
2. Melons - melon and water melon

*Identification of the most intensive areas* for each commodity was performed during the second quarter as follows:

1. Vegetables:
  - Ü Lushnje - Ballagat, Hysgjokaj and Gradishte Communes
  - Ü Berat - Kutalli, Poshnje and Otlak Communes
  - Ü Fier - Mbrostar-Ura, Strum and Bishan Communes
2. Melons:
  - Ü Lushnje - Divjaka municipality and Terbuf Commune
  - Ü Berat - Kutalli, Poshnje and Lapardha Communes
  - Ü Fier – Frakull Commune
  - Ü Saranda – Xare Commune



*Selected commodities – Vegetables and Melon*

#### *Potential farmers for each area were identified*

Several contacts and visits were organized with farmers during the second quarter. The most potential farmers were selected from the draft list (see Appendix 1). A Memorandum of Understanding was drafted where respective responsibilities for farmers and AAC project are described.

Lushnja Regional Office staff worked on identification of the most intensive areas of olive tree and the identification of the potential olive growers in the region.

#### **Cooperatives capacity building**

Transforming associations or growers groups from their current state towards a solid for-profit cooperative will require offering their members a compelling reason(s) for working together. AAC will work with selected associations identifying their perceived opportunities and challenges to growing as an association, identify with them priority services the membership can provide, and design a plan of action for delivering those services. Initial fact finding shows that current association members need services in the main areas of production technology, marketing, and options for financing

#### **TIRANA REGIONAL OFFICE**

AAC project is underway to identify interventions to help olive growers form their own associations as well as strengthening existing grower groups/associations.

The olive growers group and or/associations/cooperatives could be formed within olive producers who are regular suppliers with raw olives to processors. The common objective of the association/ cooperative will be that its members coordinate their olive services to produce quality olives and delivering them for further processing. From the existing experience, some olive processors keep regular contacts with a number of olive growers in the area who supply raw olives each year. At the initial phase these growers association/ cooperatives could be establish with a limited number of members (not less than 5), and the technical assistance services of AAC.

#### REGIONAL OFFICE KORÇA

The Vranisht growers' group is planning to set up a storage capacity (with capacity of 1000 tons); to store apples from November to March and increase selling prices. If the apple farm gate price in October is about 45 leke/kg, in December and afterwards, that could go up to 85 leke/kg.

#### LUSHNJE REGIONAL OFFICE

The team has been active in discussion options for existing growers groups on ways to take their group to the next stage in order to reduce costs and increase the price they receive for their produce.

#### **Cooperation with the institutions of public extension service.**

AAC fact finding and roundtables shows that growers are bombarded with information often by “advisers” with special interests. There is a strong need for transparent information presented with the grower’s interest as the priority. AAC’s outreach staff will be the project’s front line voice of quality advice. AAC recognizes the need to enlist the support of advisers from the public sector extension service in order the scale up AAC’s work.

Key national and regions personnel from the Ministry of AFCP attended and actively participated in the regional roundtables in Lushnje and two in Berat.

In 26-27 December 2007, two AAC staff introduced the AAC Project in Peshkopia Department of Agriculture, Food, and Consumer Protection. Besides apples, other interesting crops there are plums, cherries, pears, etc. To begin with the Technical Assistance for Diber area, we agreed to invite them to participate in Korca growers training. After attending the Korca Roundtable, they will be able to decide on their next steps.

Also, a good link was established there with the Peshkopi SNV (Duch Program). SNV there is going to work with Diber agriculture; as they have not yet decided on their priorities, they were willing to share our Annual Work Plan and coordinate with us in order to avoid any overlapping.

## **Task 2 – Improving Production Practices**

### **Develop commodity specific technical training packages**

AAC recognizes the work over the years by a variety of donors to address this issue. AAC's fact finding shows that many farmers have become skeptical of so called farmer training feeling the trainings were more about the organization presenting the training than their specific needs. AAC's approach to addressing this critical issue head-on is being done by pin pointing growers specific needs in terms of improving their production system, marketing opportunities and options for financing.

#### **TIRANA REGIONAL OFFICE**

##### *Olives*

Work has begun on the first version of a technical package for olive oil and table including information on best practices for olive cultivation, aid in the identification of pests and disease, the specification for quality olives, and the post-harvest skills and understanding necessary market information to obtain maximum prices.

The preliminary work is being done to prepare short practical guidelines on olive for oil growing, harvesting and processing of olives; producing table olives, super high density olive trees for oil - next success story.

The technical guidelines will form the basis for the 2008 monthly workshop series for oil and table olive growers.

Some of the suggested topics are:

- Ü use of new types olive granular organic mineral fertilizer (microelements)
- Ü drip irrigation systems installation in olive orchards,
- Ü olive fly pest control with eco-traps and cooper products,
- Ü new harvesting methods and tools use

It is expected these operations could increase the current yield from the 9-20 kg/tree up to 30-50 kg/tree.



*Pruning of Aged Olive Trees*

#### *New technologies*

- Ü Revitalizing aged olive trees through reforming pruning
- Ü Super density intensive olive orchards in Lushnja with Spanish Arbequina variety (2200 sapling/ha)
- Ü Irrigation method of table olives variety (Chalkidiki olive, big fruit size)

#### *Strengthen extension service*

- Ü Work with 10 local olive nurseries for virus free saplings and assistance to be provided to the new engaged olive growers.
- Ü Promote the new adopted oil and table olive varieties

### REGIONAL OFFICE KORÇA

On-the-farm training will deal mostly with topics like: winter pruning, chemical spraying, apple thinning, green pruning, etc.

Draft Annual Work Plan is already completed; each activity and training is planned to take place at the appropriate timing in accordance with the orchard and growers' needs.

Technical assistance has been provided by the outreach specialists to apple growers in calculating the right amount of fertilizer for apple orchards. This is a crucial issue that has an important impact on production and production cost.

### REGIONAL OFFICE LUSHNJA

*Technologies for both commodities vegetables and melon* were developed by Lushnja Regional Office staff (see Appendix 2).

The project staff is providing technical assistance to farmers related to implementation of advanced technologies. Assistance will be provided for farm record keeping as well, in order to support on farm financial and result analysis.

Several of the latest materials were used and meetings/consulting sessions were held with the best local specialists of the above mentioned commodities, such as:

- Doc. Prof. Zef Tedeskini, As. Prof. Harallamb Paco - Institute of Plant Protection.
- Doc. Prof. Sokrat Jani, As. Prof. Enver Toma – Technology Training Center in Lushnje
- Prof. Astrit Balliu - Agricultural University of Tirana.
- Agroblend, Bruka-seedling, Agrohelp - Input Dealer Companies.

### **Identify and build the capacity of existing public and private sector extension staff to provide technical services to farmers**

#### TIRANA REGIONAL OFFICE

A total of 15 meetings were held with MAFCP Crop Department, Extension and Science directorates as well as with regional directorates of AFCP in Tirana, Elbasan, Berat, Fieri and Vlora regions to present the AAC project and Olive component to partner and coordinate AAC activities with them.

Four meetings are realized with Alimentary Olive Association its leadership (president and board members to establish sustainable links with our project and have their opinions in main intervention actions of AAC program.

100 olive growers are visited with the aim to link producers with technical assistance offered through ACC to improve quality and boost yields through post-harvest management, improved production practices, form producer groups for marketing in bulk, reducing costs of inputs and transaction costs in accessing services.

10 meetings were hold to involve embedded private sector extension services (wholesale and retail agri-inputs suppliers, olive nurseries in Tirana, Durres, Fieri, Vlora and Berat.

## REGIONAL OFFICE LUSHNJA

### *Cooperation with the institutions of public extension service.*

The Regional Office in Lushnje organized and hold several meetings with representatives of Public Extension Service as follows:

Agriculture and Food Directorate in Berat – Piro Bica director, Enver Brahusi, Chief of Extension Service, Tefta Drini, Chief of Soil Lab Test.

Agriculture and Food Directorate in Fier - Fatos Troka, director, Hetem Bidaj Chief of Extension Service Agriculture and Food Directorate in Lushnje - Isuf Çela - Chief of the Agricultural Production.

The discussion was focused on coordination of activities and collaboration related to assistance and support to farmers in the region.

### *Support to set up a private extension service unit in Divjaka Municipality.*

Divjaka is one of the most extensive areas in the cultivation of melons and vegetables in the open field, thus an initiative comes from the specialists of this area to set up “A Chamber of Agronomists”. AAC staff in Lushnja appreciates this initiative and recommends it for support. For this purpose Lushnja staff had discussions with a number of initiators such as: Rako Shkoza (plant protection specialist), Vlash Biti (agronomist), Anastas Prifti (specialist of the demonstration comparative fields in different crops), Nasi Shurdhi (agronomist), Petro Verdha (agronomist), Vangjel Kokoneshi (agronomist) and Jovan Gixho (agronomist).

### *Cooperation with local government representatives*

Regional Office Lushnje has organized several meetings with leaders of Local Government and Commune Mayors in different prefectures, e.g. Hysgjokaj Commune-Lushnje, Xare Commune-Sarande, Divjaka Mayor-Lushnje. The goal was to introduce the AAC project activities and coordinate / collaborate.

## **Collaboration with MoAFCP Technology Transfer Centers**

The Technology Transfer Centers are viewed as a key partner in the implementation of AAC. They have important resources in terms of land and skilled professionals to implement and monitor the key technologies to be introduced by AAC. The centers will also serve as a training venue for the planned farmer’s field days and other specialized training for professional advisers and growers.

## TIRANA OFFICE

A total of 4 meetings were organized by AAC to partner TTC in Vlora and Ag. University for the olive component and to ask their opinion on training plan for 2008 to upgrade olive growers in best practices on olive farming, post-harvest quality olives handling, improve smallholders' profitability.

Technology Transfer Center in Vlore (Olives) and Agricultural University have agreed to serve as local expertise pools for good olive grove management. Follow-up training sessions will be provided to participating farmer groups to ensure that they are able to maximize the know-how/techniques taught in the early training sessions.



*Olive saplings – TTC Vlore*

## REGIONAL OFFICE KORÇA

Korça Regional Office staff has been collaborating with Departments of Agriculture and Technology Transfer Centers on the following aspects:

- Implementation of proper technology for fruits production
- Best time for chemical treatment (against diseases and insects).
- IPM - Integrated Pest Management issues.

Relations established with the Agriculture Faculty at the Korçe University, collaboration will be focused on the advanced production technologies.

## REGIONAL OFFICE LUSHNJE

The office staff meet with key personal from the TTC. AAC plans to tap expertise from the TTC for the 2008 monthly lead farmer workshop series as well as provide direct on-farm support to AAC lead clients.

## **Demonstrate new technologies**

All three field offices identified, mostly by growers themselves, the priority technologies that will be presented through the monthly workshop series. The list of technologies will either reduce costs and or increase productivity both important to increasing the value of the grower's product.

## **Identify lead farmers and input suppliers to conduct farmer field trials**

AAC's view of the farmer roundtables and farm site visits as an important venues for identifying lead persons that can carry out the trials. Assessments by AAC field staff will also be used in the decision making process. AAC will work with those who are fully committed to improving their enterprises and view AAC as their partner in this effort. AAC will:

- Undertake client specific assessments in order to design field trials that add value to their enterprise.
- Provide technical assistance in the implementation of new technologies
- Promote the success of the trials through farmers field days at trial sites

### **TIRANA REGIONAL OFFICE**

#### *Olive*

AAC is promoting the fastest growing olive farming systems for small farmers: high density planting. This system is the most feasible one given Albania's small orchard plots. Preliminary data from other olive producing countries with high labor costs shows that high density planting can be profitable. AAC outreach staff will continue discussions with small growers on supporting their existing commercial orchards through a series of field trials and innovations.

### **REGIONAL OFFICE KORÇA**

Staff is preparing the ground to have input dealers accompany the extension specialists to work more closely with AAC clients (lead commercial apple growers). This collaboration will have a double impact and benefit; the input dealers will build their positive reputation/image and growers will be assisted in implementing the right technology.

### **REGIONAL OFFICE LUSHNJE**

Discussions have begun with lead growers on testing new cost saving techniques for growing open field melons and for greenhouse innovations.

## **Encourage consolidators and input suppliers to invest in private sector extension**

The growth in private outreach staff reflects the importance companies place on development of their value chain. While initial efforts are noteworthy much remains to be done. AAC sees the buyers group as a key intervention point for outreach activities.

Growers will listen to the requirements of those who buy their product. Buyers tell AAC they need to make sure their messages to their clients are effective and will lead to the quality produce the market demands. AAC is confident that the technology package will be applicable to the private extension sector. AAC plans to provide training to them and work side by side to ensure the link is successful.

Korça staff contacted “Oshafi” Company, a serious Albanian agriculture trade company. Last season, besides importing apples, they consolidated from Korca growers about 400 tons of apples.

They have built a refrigerator in Kashar (between Tirana and Durres) with the capacity of 600 tons. Another important moment they are building is by installing the equipment (at the refrigerator premises) for producing plastic boxes. This is basic in improving the apple quality, because when stored in plastic boxes (instead of piling them) there are fewer losses for apples. Staff is working with them to increase links with apple growers, even before harvesting takes place and establish contracts with apple growers before harvesting period. “Oshafi” Company representatives are positive but in their opinion, the focus should be on improving the quality. By facilitating the meeting of Oshafi representatives with apple growers, staff aimed to transmit to the apple grower’s market demand.

### **Task 3 – Strengthening Farmers’ Access to Finance**

A key indicator of real value chain growth and sustainability is the degree of commercial support provided to the main actors by the financial services sector. AAC has designed its program to engage this vital sector through the life of the project. Already results are evident by the strong participation by leading rural lenders in AAC roundtable series and eagerness to meet with AAC staff based in Tirana and field offices. Concrete achievements have already occurred with lenders providing finance to AAC farm enterprise clients as a result of project activities.

#### **Assist PSHM and other microfinance firms**

The AAC roundtables showed that PSHM is active in loaning to growers and also that there is room for expansion. AAC will assist by:

- Providing technical assistance to growers groups in farm enterprise management, especially simple activity-based costing.
- Facilitate a roundtable series linking growers to PSHM and other companies providing agricultural financing.
- Develop a guideline for growers on options for securing agricultural financing.

#### **TIRANA OFFICE**

Several meetings were held with financial institutions during the second quarter in order to strengthen farmers’ access to finance:

- Ü PSHM – Opportunity International. Meeting with Mr. Robert HART, Director; Mr. Denis DERRALLA Operation Director. AAC objectives and commodities were introduced to PSHM in order to find ways of cooperation and support farmers in getting loans.
- Ü Union of Credit Unions JEHONA NGO – Meeting with Ms. Elvana Sharkaj the Executive Director. AAC project goals and objectives introduced, discussion focused on farmers’ credit support.
- Ü PSHM Lushnja Branch – Mr.Zoi VODO and Ms. Dudie Guri, Loan Officers. Information was received on the agriculture credit supported by PSHM in the areas of Lushnja, Divjaka and Berat. Introduction of the AAC Project.
- Ü PSHM Fier and Korca Branches - Information was received on the agriculture credit supported by PSHM. Introduction of the AAC Project.
- Ü Credit Union in Progradec – Mr. Enver Gorica. Information on their role in the area and credit portfolio. Relations established between the Credit Union and AAC Korca Office.
- Ü As a result of the AAC and COP presentation during the donor’s project meeting held in November contacts were established with IFDC focal point. A follow up meeting was organized with IFDC, Mr John H. Allgood and discussion was held on use of the USDA monetization fund. They were willing to collaborate with AAC project in providing short term loans (maximum size \$50,000) for some specific commodities such as watermelon in the area of Saranda. A field trip in Saranda is foreseen to be organized in the near future.
- Ü Continue inventorying information related to credit program availability to support agriculture sector.

### *Olives*

In order to better know the actual situation on olives cost of production (its components include [soil preparation, saplings, planting, irrigation, fertilization, weed & disease control, harvest, insurance, taxes, repairs, capital recovery (depreciation and interest) on buildings, equipment, irrigation system and land] the AAC technical and business staff has collected the primary table olive figures of three level input users and is working to elaborate and present soon the right conclusions. Their cash flow was presented in the last month Berat Olive Roundtable.

Advice and facilitate access to finance for smallholders to purchase inputs including fertilizer and improved planting materials.

### REGIONAL OFFICE KORÇE

Three meetings with PSHM were organized during the second quarter. During these meetings, a presentation of both AAC and PSHM work was made. After learning about their experience and influence in agriculture sector, a discussion took place on the idea of giving financial support to apple growers in the Region of Korca. This will be promoted in two main ways, by:

- Ü Organizing training in small groups
- Ü Individual meetings between AAC clients and PSHM especially when they need a loan.

As a result a plan with the main training topics was prepared:

- Ü Business Plan preparation for establishing a new fruit orchard
- Ü Business Plan preparation for water system supply
- Ü Business Plan preparation for buying inputs (pesticides/insecticides/fertilizers)
- Ü Business Plan preparation for processing apples (beverage processing)

#### REGIONAL OFFICE LUSHNJE

##### *Loan Facilitation*

The following loans were provided in collaboration with Lushnja Regional Office:

##### ***PSHM Loans***

Six loans for new greenhouse investment and working capital for inputs, totaling 1,900,000 Lek

##### ***Albania Development Fund Loans***

One loan for new greenhouse investment and working capital for inputs in the amount of 800,000 Lek.

##### ***JEHONA Credit Union Loans***

Three loans for new greenhouse investment and working capital for inputs, totaling 1,500,000 Lek.

***Table 1. Loans provided to clients with AAC assistance***

<b>Nr.</b>	<b>Date</b>	<b>Name</b>	<b>Amount</b>	<b>Institutiton</b>	<b>Location</b>	<b>Purpose</b>
1.	10.12.07	Zenun Zeka	400,000	PSHM	Drenovice	New invest. Greenhouse 0.1ha
2.	10.22.07	Ramazan Plaka	400,000	PSHM	Muçias	New invest. Greenhouse 0.1ha
3.	12.07.07	Shpetim Goga	400,000	PSHM	Goriçan	New invest. Greenhouse 0.1ha
4.	12.21.07	Pellumb Shefqeti	400,000	PSHM	Kutalli	New invest. Greenhouse 0.1ha
5.	11.12.07	Bilbil Xhelo	100,000	PSHM	Banaj	Working capital/inputs
6.	12.19.07	Hidajet Daulle	100,000	PSHM	Gajda	Working capital/inputs
7.	12.06.07	Gramoz Sinjari	800,000	Alb.Dev.Fund	Donofrose	New invest. Greenhouse 0.1ha Working capital/inputs
8.	10.29.07	Rrapo Goga	500,000	JEHONA C.U	Goriçan	New invest. Greenhouse 0.1ha
9.	10.29.07	Gurim Goga	500,000	JEHONA C.U	Goriçan	New invest. Greenhouse 0.1ha
10.	10.29.07	Arshin Gjozi	500,000	JEHONA C.U	Goriçan	Working capital/inputs

## COMPONENT 2

### ***STRENGTHEN CAPACITY FOR MARKET DEVELOPMENT***

Component 2 of the AAC program will focus on strengthening market capability by linking producers to buyers, facilitating access to new markets, and increasing the supply of high-quality product. AAC and EDEM Staff have a noteworthy track record of accomplishments in the early stages of the project. Strong links are expected to grow with the launching of AAC's monthly lead farmer workshop series. Marketers are invited to actively participate in the meetings so that lead growers (suppliers) and marketers (lead buyers) interact in a timely manner and under the framework of AAC and EDEM activities.

Each of tasks are described below.

#### **Task 1 – Linking Producers to Buyers**

- **Quick-start activities working with suppliers of existing EDEM partners**

##### REGIONAL OFFICE KORÇE

Staff is working together with EDEM, with Mr. Armand Pora, a processor from Pogradec. He is interested in producing dried apples, a much demanded product from Albanian consumers. Accompanied by a good specialist, he was looking for apple varieties Idared and Gold. They also visited the Vranisht refrigerator-warehouse where a considerable quantity of apples was stored up to the end of last December.

This processor is also looking for other fruits e.g. plums, onions, leeks, cabbages, carrots, etc. in order to dry/process them.

Processing factories like “Champion”-Shkoder, “Sidnej” – Berat, and “Ballkan” – Korce, in 2007, collected apples of poor quality (about 150 tons) mostly for marmalade. They are interested to follow in the years to come with more quantities. Also, a quantity of 25 tons of third quality apples and immature apples (from apple thinning in last June) were collected and used by the perfume and cosmetic industry. Such outlets should be in our focus as our clients need to have more markets, considering the fact that not all production is top (first and second) quality.

#### **Study the non-functional wholesale market centers**

##### REGIONAL OFFICE KORÇE

This issue would be very beneficial for selling more agricultural products in the region. The problem is that the situation looks very complex and it is very difficult to see any solution without dealing with the property (land) issue first. From our information, the objects were built on private property and you cannot do much with activity planning there, without compensating the owners first. As a conclusion, it looks a difficult issue for our project to address (at least at the moment).

## **Task 2- Facilitating Access to New Markets**

### **Work with EDEM tourism team to link producers to new market opportunities**

#### REGIONAL OFFICE KORÇE

In EDEM Tourism B2B (Business to Business) days, it is possible to introduce Korca apples and establish linkages of producers and marketers. Although this season's apples are almost sold out, staff is planning to establish links between producers and wholesalers for the future.

## **Task 3 – Increasing the Supply of High-Quality Product**

### **Improve harvesting techniques of producer cooperatives**

#### TIRANA OFFICE

##### *Olives*

- Introduce to the association/growers the modern olive harvest tools and equipments (harvest nets, handy and mobile shakers, containers etc)
- Promote the early olive time base to the variety, area and climate to ensure production of high quality olive oil
- Promote the appropriate forms of rapid olives delivery for processing (processors services for harvest and transport, containers, lifts etc)

#### REGIONAL OFFICE KORÇE

The idea of working in groups and harvesting apples based on the quality was discussed in Vranisht village. Although the growers had an average price, the buyer/wholesaler asked them to sort (in plastic packaging) based on the quality; and they did it successfully. This is a new development, as usually other growers don't prefer selling on the quality bases; they would prefer to have an average price for all apples, even assessed/priced on the trees (before harvesting them).

In Pojan Commune, staff encountered another interesting idea. The Head of Commune explained that there are plans to set up 3 refrigerators (2 for fruits and 1 for vegetables). The investment would be private and the commune will help by facilitating the procedures (construction permission, land property, etc.). They were positive to the extent that they were planning to store different varieties of apples in two refrigerators by easing the marketing process, by orienting the traders to choose the preferred apple variety.



*Harvesting Apple - Korçe*

### **Facilitate access to existing storage**

#### **TIRANA OFFICE**

AAC promoted within growers groups/processors the contracting farming of olive growers with the processors to realize a standard storage of olive oil in appropriate stainless and steel tankers

#### **REGIONAL OFFICE KORÇE**

There were some good efforts to consolidate apples and store them for a later period and get a better price. Two are the main traders dealing with this issue: Oshafi Trade Company and Vranisht Refrigerator owner. They collected respectively 400 tons and 300 tons of apples from Korca region. If apple quality will be improved, they are willing to expand this experience in the years to come.

#### **REGIONAL OFFICE LUSHJNE**

AAC staff explored options for adding value to high value melons and greenhouse crops with lead farmers through on-farm /community storage units. Discussion will continue in the next quarter.

## COMPONENT 3

### ***INCREASE ACCESS TO AND USE OF TIMELY AND RELIABLE MARKET INFORMATION***

Market information has the potential to revolutionize the Albanian agriculture sector by addressing one of the key causes of the fragmented and inefficient state of the Albanian marketing system: the lack of prompt, accurate information to inform market decisions. Competitive value chains depend on the timely flow of information from the market upstream to the producer and from the producer along the value chain to the end buyer. The AAC MIS staff in Tirana and in the field offices was busy collecting baseline information on constraints and opportunities. AAC also submitted a scope of work for a specialist in MIS to assist with the launching of Component #3.

#### **Identify the information needs of target groups**

While specific staff is assigned to the task, the entire AAC team is involved with this effort as a part of their routine work with key client growers, buyers, and the financial services sector. The roundtables also provided a good venue for the interaction of these actors regarding MIS related issues. Meetings were also held with organizations that have funded MIS related activities, especially the FAO and World Bank.

#### TIRANA OFFICE

##### ***Client Feedback.***

The roundtables carried out in Lushnja (1) and Berat (2) revealed some preliminary signals about information needs of the agricultural market and its relevant participants. Several field visits and client meetings also were carried out by the Market Information Specialist together with Korça extension staff. From the roundtables and the client visits several findings were helpful for the market information system. Following are a few points of interest revealed during these events:

- Farmers/producers view the current market system as *volatile* in terms of price structure and this creates insecurity and confusion.
- The vegetable distribution system *does not have* regular and established distributors. Client farmers reported that they wait on and are at the mercy of the first buyer that comes along.
- The only information being currently received and digested by clients comes by *informal* ways: calls with only one or two close buyers or markets, word of mouth from relatives or social circle.
- Prices are perceived as *low* by our clients.
- Marketing activities are poor and not based on market information

### ***Partner Feedback.***

Several meetings were carried out with partner organizations. The MoFACP department of statistics and information was contacted to create some synergy of efforts and identify potential gaps that AAC's MIS can fill. As a result, an initial understanding was achieved whereby the Ministry staff (Agricultural departments) in the regions could be activated as information gatherers or distributors. A meeting with GTZ representative Roland Çela revealed some weaknesses of previous efforts on building market information systems and how AAC can avoid mistakes and take the MIS several steps further. Through a series of focus group discussions organized by FAO, several issues regarding the lack of market data and intelligence were discussed between representatives of FAO, Agricultural University, MoAFCP and AAC. This included product loss calculations, data flow through several value chains and market intelligence needs among various actors in the value chain. A meeting with ACIT (the current host of the ALBAMIS, the only information system available in Albania) established that the new AAC system should move away from being merely an IT exercise and focus on end-user needs

### **MIS STTA and Continuing Activities.**

A scope of work was prepared and submitted to USAID for a short-term consultant expected to provide assistance to AAC in conceiving and building the MIS. In the meantime, the MIS Specialist is continuing to assess the information needs of direct clients in Korça, Lushnja and other regions.

The above activities and findings provided a preliminary background for the conception of the AAC Market Information System.

### **Establish a system to collect wholesale market prices**

#### **REGIONAL OFFICE KORÇE**

In October the office elaborated a list with the wholesales market prices for the main products with which the AAC project works. The information includes the prices for domestic and imported commodities. All this information is gathered twice a month in order to see changes in prices which will help calculate cost of production, product adding value due to keeping it in refrigerator, etc. All the needed information was collected at wholesale market in Korca. Part of this information is also a price list for the main inputs.

Information collected by our clients tells that the selling period is the most difficult for apple growers. To sell their apples, you see them waiting on the village streets for any trader's vehicle to pass by and begin negotiations. To help resolving this awkward situation, we may consider working on drafting the "Map of Korca horticulture". The goal would be on telling details like: quantity of apples available, their variety, way of packaging, distance from the markets or main roads, etc. Afterwards, this information could be provided to consolidators/wholesalers and the result could be to establish direct linkages among producers and traders.

## **MONITORING & EVALUATION**

### ***Introduction***

The AAC program pays special attention to monitoring the performance of our activities. The whole M&E system includes the USAID results framework, PMP document, TAMIS software, human resources and data collection tools. Establishing a functional M&E system helps the AAC program improve its reporting to USAID, clarify its strategy and fine tune its operations. AAC's Performance Monitoring System is the foundation of AAC's communications strategy and of its internal monitoring and evaluation (M&E). The performance monitoring system will allow AAC staff to build on winning initiatives and take corrective action when needed.

This part of the report includes activities related to M&E from October 2007 to end of December 2007. They correspond to the PMP part of the Work Plan.

### ***Summary***

During the second quarter the foundation of the M&E system was laid by elaborating the USAID new results framework, determining the scope of our monitoring efforts, compiling the Table of Performance Indicators, defining and describing each Indicator on reference sheets, establishing the TAMIS software, designing the baseline and impact surveys, training regional and Tirana staff on M&E, and linking up the TAMIS software with the data collection tools.

## **M&E Activities Report**

### **REGIONAL OFFICE LUSHNJE**

During this quarter the steps taken towards the building of the M&E system included:

- The setting up of the network, IT infrastructure and office communications. This prepared the physical environment for information collection.
- Initial setup of and training on the TAMIS software, a DAI proprietary database system that is used for administration and grant management in addition to Monitoring & Evaluation.
- Four training days carried out by the M&E Specialist with the Regional Manager, M&E Specialist and Extension Officers in Lushnja. A better understanding of the importance of monitoring was achieved, a clear division of roles among Lushnja staff was given, and the connection between performance indicators and daily activities was established. A thorough discussion of all AAC indicators and data collection tools provided clarity as to what we are required to achieve, by when, and how. The staff now has a proper understanding of the M&E system as a crucial management tool and not just a reporting requirement.

- A one day follow-up teamwork was carried out on how the TAMIS software ties in with the monitoring efforts. The staff was assigned responsibility on data collection, entry and processing.

Due to the physical distance and the late recruitment of the Regional Manager, only one M&E training visit has been carried out in Korça.

#### REGIONAL OFFICE KORÇE

In the process of identifying the commercial clients, we were able to establish contacts with primary clients. By collecting the baseline information, we managed to calculate the average cost of apple production and draw conclusions on the net profit for apple producers. During this period, more than 125 visits were completed with our clients and average cost of production was calculated for about 30 growers. All the baseline information will help us build our work and evaluate our work's results in the future.

In December, the training concerning TAMIS (Technical and Administrative Management Information System) took place. The backstop of this program, Miss. Virginia Tauss, explained the way TAMIS works by focusing on three integrated components of AAC TAMIS: technical management, grants management, and project administration. The training lasted two days and was a very useful methodology that integrates work plan management, impact and performance monitoring, and administration into an easy-to-use information system.

In 22-23 November, the monitoring and evaluation specialist Bled Hodobashi organized a two days training for AAC Korca staff. This training consisted in explaining the main goals of monitoring and evaluation process, its advantages and components. One of the main issues discussed in this training dealt with the indicators, and the linkage between activities and indicators. An important topic of this training was also the baseline information, the way it must be collected and evaluated. The result was a better understanding of the monitoring and evaluation system, how it will function and its importance in our daily work.

The M&E / MIS Specialist is continuing to work with the Korça staff on training and preparing for the monitoring activities.

#### *Challenges*

- Several clarifications of AAC indicator definitions were needed before the whole system is in place. These are currently being discussed with the USAID CTO.
- Discussion of some of the assigned target values is needed. Several indicators do not have values assigned and several others have unclear or unrealistic values.

***Activities Planned for Next Quarter***

- Presentation of the final baseline survey and the collection of baseline data for all primary clients
- Thorough discussion of all 22 AAC indicators with Korça staff; practical application of indicators and task division among staff regarding monitoring
- Mainstreaming the PMP into the operational plans of each office. At the planning stage the indicators and their significance will be considered before implementation takes place.
- Use of TAMIS for activity data entry and processing; finalization of reporting forms according to program needs.

## ROUND TABLES

### **LUSHNJA AND BERAT ROUNDTABLES**

The roundtables were conducted on October 9<sup>th</sup> in Lushnja and October 10<sup>th</sup> in Berat.

### **Major Themes from Lushnja and Berat Regional Roundtables**

Over 110 participants attended the regional roundtables held October 9<sup>th</sup> in Lushnja and October 10<sup>th</sup> in Berat. Most participants were members of grower groups and associations, but attendees also included MOAFCP Extension Service staff, input supply dealers, buyers, and representatives of financial institutions.

The roundtables were highly participatory. Major themes include the following:

#### Production

- Grower associations offer the best solution for organizing technical advisory services (MOAFCP and private extension; for reducing cost of production at farm-level; and for increasing volume of a specific commodity available to potential buyers. Grower associations should specialize in one commodity.
- Growers are not getting “the right advice at the right time.” Fertilizer application and plant protection were the two areas cited most. The result is that growers “overusing” chemicals, thereby increasing their costs of production and reducing product quality (more chemical residues).
- Growers lack confidence in the quality of input supplies available in the market, especially seeds and seedlings. They also lack confidence in MOAFCP soil analysis services.
- Land fragmentation is identified as a major constraint to increased production.
- Growers are not seeing bank credit as an option for financing seasonal production costs and new technologies, primarily because the interest rates are deemed too high.
- Growers are not keeping records of costs of production.

#### Markets

- There is a mismatch between the quantities of production that buyers are looking for and what individual growers are producing. The

Kemishta growers formed a federation of grower groups because buyers needed enough produce to “fill the truck.”

- Contract farming has had little success in Albania because “trust” is lacking between buyers and growers, and growers say they do not understand the legal framework. Buyers say growers break contracts at harvest if the market prices for produce are higher than the contract price agreed to.
- Growers will increase profits if they made the first grading in the field, instead of “piling everything into the same box.” Growers would benefit from training on grading and sorting.
- Better packaging of produce is needed – “better to have 6-8 kg boxes, rather than the 25 kg boxes.” Kemishta Federation growers noted that their packing box with their own logo also strengthened their ties to buyers.
- Low-cost cooling systems at collection points would bring added value.
- Lack of market information is “a well known issue.” Growers do not know price differences for commodities even in nearby cities (e.g., Berat and Lushnja), and there are sometimes significant differences.
- The Lushnja wholesale market, and soon to be constructed Berat wholesale market, is not customer friendly. It runs on government hours of 9-5 p.m., and they are closed on holidays. Growers say they prefer to line up at the roadside routes to Tirana at 4 a.m., rather than waiting for the 9 a.m. market open time.

#### **TABLE OLIVE ROUNDTABLE - BERAT**

Olives Value Chain assessment was undertaken by AAC program to identify the key actors and their role in the chain, key challenges faced by each actor in the chain and points of intervention in the chain to boost efficiency and increase total generated value. AAC program views VCA as the first step in identifying key weak points and opportunities for interventions that will add value to the entire supply chain.

Olives VCA included field visits to main olive growing regions realized in October-November 2007 contacting different individual and associated growers, as well as knowing the previous activities conducted by other donor agencies/organizations.

**Table Olive roundtable** organized with more than 80 key actors of the respective value chain in Berat, by 18 December 2007 was the final stage of Olive Value Chain commodity.



*Table Olive Round Table in Berat*

### **Findings:**

The OVC assessment identified key constraints limiting the efficiency of the olives value chain in Albania. These findings were updated and validated during the analysis phase with contribution of: - **growers, buyers, processors, marketers** linked by trade and services and each add value to the product;- **supporters public and private services**, like business development services (inputs etc), transport, financial services;-**policy makers** favor conditions, i.e. laws, regulations and their enforcement. Albania's competitive advantages for olive production could be low labor cost, high number of olive trees and an open and better trading/marketing system. During last two decades these competitive advantages have not been realized, because of poor supply and inconsistent quality of olives. The primary causes are:

### **Growers:**

Two key constraints identified are poor yields and poor product quality generating from lack of knowledge on olive growing as a business, weak linkage to market, commercially viable olive growing enterprise models have not yet developed for small growers, poor basic cultural practices not done correctly (poor variety of tree stocks and use of seedlings/saplings not certified, aged trees not pruned, poor soil fertilization, control of pest and diseases, harvesting/post harvest practices not done as a value added activity (lack of quality-based product differentiation, including grading with appropriate price incentives, poor sorting and packaging, post-harvest losses), lack of olives producer associations.

### **Processors:**

Most processors are small family owned business located in the olive growing villages. Most run *fee for service* enterprises, not buying olives and take ownership of the oil.

They have to refine their business model so that their product remain competitive in the domestic market and be present in regional and world markets, underused processing capacity due to lack of: Amount, timing, quality raw material, weak links with olive growers, and limited financing for operations.

### **Marketing:**

Some processors are grown and able to supply the market with specialty-type high value products, as well as with high quality extra virgin and Bio olive oils. Lack of access to finance for inputs and capital investment, Lack of coordination among buyers, sellers, collectors, and producers as to the requirements to meet worldwide recognized Oil and Table Olive standards. Albanian olive products are under pressure to be competitive against imports. Packaging: Most oil is sold in old plastic soda bottles. Consumer is not confident they are really buying pure olive oil. No domestic certification program in place to assure consumers.



*Koroneiki and Arbequina Intensive Olive Varieties  
recently introduced in Albania*

## OTHER ACTIVITIES

The AAC program office launching ceremony in Korça, was held on October 5, 2007 with participation of USAID vice General Administrator and USAID Albania mission director and Albanian Central and Local Authorities.



*From left to right:*

*Mr. Ted Landau, Director USAID Mission Albania,  
Mr. Artur Agolli, Leader of Proger Commune,  
Mr. Douglas Menarchik, USAID Assistant Administrator,  
Ms. Merita Petushi, General Secretary of MoAFCP*



*AAC Project Launch in Korçe  
Visit to Apple Growers, New Apple Orchard in Proger village, Korçe*

Two identification missions of AAC are realized in North-West regions of Shkodra and Lezha to establish regular contacts with potential farming actors in the field of growing vegetables, melon and fruit trees which belongs to the 4 commodities mandate of AAC.

Prepare the AAC template for Cash Flow and Cost Production Analysis per each commodity. Training developed by Grant manager with Lushnja Regional Office staff members on the cash flow and cost of production analysis.

Prepare the Grant Manual and send for approval. Work with TAMIS consultants in defining and developing grant guidelines, grant application forms and grant administration procedures. Collect ideas for grant use from AAC regional offices.

## **CONSULTANT SERVICES and TRAINING**

Three STTA's provided assistance to the AAC project during the quarter:

*Ms. Cecile Hipos* – November 16 to November 24, 2007

Set up the office network in Tirana and both regional offices in Lushnje and Korçe.

*Mr. Alan Shroeder* – November 21 to December 2, 2007

PERSUAP – Visits were organized to meet key actors in the agro-input supply chain including traders and growers in several districts of the country. Mr. Schroeder was accompanied by AAC staff of Regional Office in Lushnje and the local consultant Mr. Astrit Balliu, professor at Agricultural University of Tirana. Report produced.

*Ms. Tami Fries* – November 28 to December 8, 2007

*Ms. Virginia Tauss* – November 28 to December 14, 2007

Installation of TAMIS. Individual and group sessions were held with staff members in Tirana and both regional offices in Korçe and Lushnje. Frame and indicators were defined. Individual and/or group presentations and training were developed with all staff.

Active participation in three on the job training done for the AAC program staff:

- Ü AAC retreat and cooperation with EDEM clients (October 07);
- Ü AAC IT network policy use (November 07);
- Ü TAMIS systems and our respective activities appearance completion on it (December 07).

## **ADMINISTRATIVE**

- Completed AAC staff - Ms. Merita Janushi was hired in the position of Project Assistant, on October 16, 2007. Mr. Lefter Turtulli was hired in the position of Regional Manager for Korçe Office on November 1, 2007.
- Finalized project registration (NIPT number)
- Completed set-up of Tirana and regional offices (furnishing, equipment, phone and internet lines).
- Set-up Local Area Network
- Set-up Internal Communication System TAMIS (local offices and Home Office communication)
- Trained Tirana and Regional Offices staff members on use of TAMIS.
- Finalized the project policy manual
- Finalized and signed employee contracts.
- Finalized and signed office leases and service contracts.
- Provided training to Tirana's administrative staff and regional offices on administrative and financial issues.
- Completed office filing and documentation system
- Produced and submitted financial reports to USAID
- Produced and submitted weekly calendar plans and quarterly reports to USAID