

**Semi-Annual Report
January-June 2001**

Assistance to Albanian Agricultural Trade Associations

AAATA

Cooperative Agreement No. PER-A-00-99-00001-00

by

**International Fertilizer Development Center
P.O. Box 2040
Muscle Shoals, Alabama 35662, U.S.A.**

Submitted to

**United States Agency for International Development
Washington, D.C.**

July 2001

Assistance to Albanian Agricultural Trade Associations

AAATA

Semi-Annual Report, January 1-June 30, 2001

Table of Contents

<u>I. Executive Summary</u>	1
<u>General</u>	1
<u>Summation of Project Shared Contributions</u>	1
<u>II. List of Acronyms</u>	3
<u>List of Acronyms and Explanation</u>	3
<u>III. Program Components</u>	5
<u>A. Agricultural Trade Association Strengthening</u>	5
<u>B. Agribusiness Development Unit</u>	15
<u>C. Finance And Credit Unit</u>	25
<u>D. Institution Support Unit</u>	28
<u>E. Media Unit</u>	34
<u>F. Credit Union Unit</u>	39
<u>G. AAATA/MOAF Statistical Support Unit</u>	43

I. Executive Summary

General

During this period, AAATA continued to achieve the goals established in RFA M/OP-98-1224. Activities during this period focused on (1) further development and strengthening of the Association and Business Management Center (ABMC) as well as the Albanian Agribusiness Council (KASH) and (2) emphasizing agribusiness activities in four focus clusters (greenhouse vegetables, olive oil, poultry production, and intensive field vegetable production as led by fruit and vegetable agro-processing).

While there are many detailed achievements within the text of this report, some are notable for their uniqueness and impact on Albanian agriculture. The impact of the First Annual KASH Congress is virtually indescribable. For the first time in the post-Communist period, Albanian citizens have banded together to insist that politicians and decision makers confront the present-day constraints in the agricultural sector and seek meaningful solutions to these problems. Attendance at this Congress was overwhelming—over 700 association members, 8 representatives of the parliamentary parties, GOA Ministers, representatives of the major donor institutions in Albania, bankers, NGO leaders, and representatives of the United States (Ambassador and USAID Chief of Mission). More importantly, the resolution adopted by the KASH Congress have been widely reported throughout the land and put in the hands of lawmakers for action.

With respect to agribusiness activities, demand-driven ideas continue to result in new products and new technologies. Strategic intervention based on competitiveness analyses is having an impact. Two major high-tech greenhouses producing tomatoes in late winter at a profit represent a major milestone in the 10 years since the collapse of the collective farm system in Albania.

Our list of critical clients continues to grow and agro-entrepreneurs are becoming wise consumers of credit as evidenced by the success of the AFADA Credit Savings Association and the ability of individual entrepreneurs to secure supplier credit.

Summation of Project Shared Contributions

During this period, shared contributions totaled \$2,336,275. Details by component are given below. As per the original plan, the project is performing well above the goals established for each project component for 2001.

Table 1

Component	Contribution
ABMC	\$ 148,836
ADU	\$ 1,817,600
FCU	\$ 223,000
ISU	\$ 9,700
MU	\$ 9,570
CUU	\$ 127,569
Total Contribution for January-June 2001:	\$ 2,336,275

Additionally, a table is presented showing cumulative contribution to period against total expected contribution as fixed in both RFA Proposal and early project Needs Assessment.

Table 2

Period	Budget	Actual
1999	\$ 1.1m	
1999-1		\$ 2.6m
1999-2		\$ 3.8m
2000	\$ 2.5m	
2000-1		\$ 1.3m
2000-2		\$ 4.7m
2001	\$ 3.0m	
2001-1		\$ 2.3m
2001-2		
Cumulative	\$ 6.6 m	\$14.7m

II. List of Acronyms

List of Acronyms and Explanation

1. AAATA Components:
 - AAATA—Assistance to Albanian Agricultural Trade Associations, the USAID Cooperative Agreement with IFDC
 - ABMC—Association and Business Management Center
 - ADU—Agribusiness Development Unit
 - CUU—Credit Union Unit
 - FCU—Finance and Credit Unit
 - ISU—Institution Support Unit
 - MU—Media Unit
 - TAU—Trade Association Unit
2. AAATA Sub-Contractors and Direct Collaborators:
 - AATDA—American-Albanian Trade and Development Association
 - CASP—Collaborative Agribusiness Support Program
 - DSCAMF—Development of Savings - Credit Associations Movement Foundation (Albanian NGO specializing in credit union formation and support)
 - LOL—Land O'Lakes
3. Agricultural Trade Associations:
 - AFADA—Albanian Fertilizer and Ag-input Dealer Association
 - AFPA—Albanian Fishery Professional Association
 - Alb-Flor—Medicinal Herbs Association
 - AMPA—Albanian Meat Processors Association
 - ANSPA—Potato Seed Association
 - AOA—Alimentary Oil Association
 - APEX—Association of Associations. Transitioning to KASH
 - APFA—Albanian Poultry Farmers Association
 - AVALB—Albanian Agricultural Mechanization Association
 - BKFSH—Natural Farmers Union
 - DENA—Dairy Processing Association
 - HABA—Horticultural Albanian Businessmen's Association
 - KASH—Counsel of Agricultural Trade Associations
 - LEEA—Dairy Production Association
 - UPM—Wheat Millers Association
4. Government of Albania:
 - DSI—Directorate of Statistics and Information
 - FRI—Food Research Institute
 - GOA—Government of Albania
 - LRI—Livestock Research Institute
 - MOAF—Ministry of Agriculture and Food
 - MOEC—Ministry of Economic Cooperation
 - MOF—Ministry of Finance
 - PCOA—Parliamentary Committee on Agriculture
 - VRI—Veterinary Research Institute
5. Donor Collaborators:
 - FAO—Food and Agriculture Organization of the United Nations

- GTZ—German Association for Technical Cooperation
 - PSOPA—Promotion of Self-help Organization in Private Agriculture
 - SRFSA—Sustaining the Restructured Fertilizer Subsector in Albania
 - TSU—Technical Support Unit (IBRD Agribusiness Project)
 - UON—University of Nebraska Business Education Project
6. Other:
- AAEF—Albanian American Enterprise Fund
 - ABA—American Bank of Albania
 - BOT—Bank of Tirana
 - KONKO—Mechanization Cooperatives
 - PSES—Private Sector Extension Services
 - QABI—Information and Agribusiness Center
 - TTC—Technology Transfer Center

III. Program Components

A. Agricultural Trade Association Strengthening

General Status

Agriculture Trade Associations made significant progress toward independence and self-sufficiency during the first half of 2001.

The Association and Business Management Center (ABMC) commenced formation in December 2000 and was registered with the Tirana District Court on April 28, 2001. The ABMC provides administrative support to member associations (via annual dues) as well as technical assistance to association member SMEs (through ASPU and other local service providers) on a fee basis. ABMC commenced banking relations with ALPHA Bank, Tirana, with the opening of a current account on May 14, 2001.

Eight trade associations, based on the principle cost sharing, established the ABMC to achieve financial sustainability by year-end 2001. The founding associations of the ABMC are:

- AFADA (Albanian Fertilizer and Ag-Input Dealers Associations)
- ACU (AFADA Credit Union)
- AVALB (Ag-mechanization Association)
- APFA (Poultry Farmers Association)
- HABA (Horticulture Businessmen Association)
- AOA (Edible Oil Association)
- AMPA (Meat Processing Association)
- AFPA (Fishery Professional Association)
- Other associations and foundations are expected to participate in the ABMC.
- Professional consultants will participate on a different capitalization and fee basis.

The functions of ABMC include:

- Organizing regular meetings of the associations and board of directors.
- In concert with KASH, preparing issue papers for public policy advocacy reform on agricultural sub-sectors and national issues.
- Providing a range of technical, business, and management training for fees.
- Producing a high quality magazine providing useful information and news for members.

- Organizing group procurement of agricultural inputs and equipment.
- Serving as a source of marketing and technical information and consultant referrals.
- Promoting linkages with agricultural trade associations in the region and the United States.

The Association and Agribusiness Management Center is effectively operating and providing services to individual association members as well as activities for common bond groups. Proposals to cooperate with other international donor programs have been submitted to the World Bank, other USAID Projects, and SwedeAgri. This practice is expected to continue for the remainder of the year.

The project's Association Support Programs Unit (ASPU) transferred association management functions to the ABMC during the past 6 months. This entity provided consulting services and technical assistance for entrepreneurs, as well as facilitated educational programs for cluster industries.

The Council of Agricultural Trade Associations (KASH) was established in the first half of 2000 by sixteen (16) agricultural trade associations to unite as a single voice for advocacy. Through its quarterly regional and national meetings, KASH members come together to raise advocacy issues, plan strategies, and resolve issues with governmental authorities.

KASH has established good relations with the MOAF, the Parliamentary Commission for Economy and Finance (PCEF), as well as the Parliamentary Commission for Agriculture and Food (PCAF). Regular meetings with these two parliamentary commissions took place during the first half of 2001.

Remarkable success was achieved in public policy advocacy for agriculture and agribusiness when 17 agricultural trade associations comprising of more than 900 entrepreneurs made their concerns known to lawmakers during the First Annual KASH Congress. Association members, agricultural specialists, politicians, banking experts, as well as members and leaders of Albanian political parties attended this convention.

A resolution outlining the major constraints in agriculture and suggested remedies was ratified by the Congress and presented to the GOA for action.

ABMC and KASH are two separate institutions, complementary to each other, and capable to deliver programs in advocacy for KASH association members and communication and education programs for ABMC association members.

Summary of Objectives

1. Develop association's capacity to provide services to members (ABMC).
2. Improve association financial well being (ABMC).
3. Boost membership, leadership, and strength (ABMC).
4. Solidify the organizational base of agricultural trade associations (ABMC).
5. Promote consumer quality awareness and build associations' image (ABMC).
6. Develop sector/industry strategies (ASPU).
7. Provide technical assistance to association membership (ASPU).
8. Encourage effective advocacy (KASH).

Activities in Support of Objectives

1. Develop association's capacity to provide services to members.
 - a. Trade missions conducted included:
 - HELEXPO AGROTICA Fair, Thessaloniki, Greece (January-February 3, 2001).
 - MEATXPO'01 Fair U.S.A. (February 18-20, 2001).
 - International Seafood Boston Show, U.S.A. (March 27-29, 2001).
 - AAI (Agribusiness Association of Iowa), U.S.A.
 - ALBAFLOR, California, U.S.A.
 - b. Access to Internet

Internet accesses to 700 association members in finding international market prices, source of equipment, and new technology, as well as training materials.
 - c. A revised schedule of fees for services was prepared in January.
 - d. Internal and External Training
 - Training for staff and association leaders in association management and strengthening.
 - A survey was undertaken and a database for eight association members was completed in February.
 - An additional survey was undertaken about association members' needs and interests to increase associations' range of services during May.
2. **Improve Associations Financial Well-Being**
 - a. Implemented new efforts to increase dues level for associations lower than \$100 per year; increased fees for both basic and new services (February).

b. Prepared association budget (March).

Statement of associations' budget as of 6/30/01 is as follows:

HABA	\$ 4,497
AVALB	\$ 13,041
AMPA	\$ 4,348
AOA	\$ 472
APFA	\$ 2,361
AFPA	\$ 763
AFADA	<u>\$ 8,534</u>
Total	\$ 34,016

Deposit in ABMC account is as follows:

HABA	\$ 4,076	May 2001
AVALB	\$ 3,020	June 2001
AMPA	\$ 3,000	May 2001
AOA	\$ 3,024	May 2001
APFA	\$ 3,000	May 2001
AFPA	\$ 3,000	May 2001
AFADA and ACU	\$ 12,000*	June 2001
Total	<u>\$ 31,120</u>	

*AFADA and AFADA Credit Union paid in full ABMC capitalization fee.

- c. Prepared and implemented the ABMC Business Plan; likewise each association prepared and implemented a business plan (April).
- d. Participation in tender for the delivery of focused training to specific target groups within the Rural Market Development Project, Korca District (June).
- e. Identify strategic partners to generate non-dues revenues.

3. Boost Membership, Leadership, and Strength

- a. First Annual KASH (National Agribusiness Council) Congress held on May 10, 2001.
- b. KASH regional meetings held on March 19-24, 2001.

Topics: KASH advocacy achievements in 2000 and 2001 objectives.

Regions	Participants
Shkodra	45
Tirana	40
Fier	116
Saranda	100
Korca	<u>50</u>
Total	351

c. KASH regional meetings held on June 16-23, 2001

Topics: Performance review of the ABMC during the January-June 2001 period and presentation of the KASH Congress resolutions. In addition to KASH members, several candidates for parliamentary elections participated in the meetings.

Regions	Participants
Shkodra	40
Tirana	40
Fier	94
Saranda	92
Korca	70
<hr/>	
Total	336

d. Associations Board Meetings

Topics

- Identifying industry issues.
- ABMC presentation and approval.
- Building communication and training programs.
- Generating revenues for association budgets.
- Membership drive.

Participation

Month	Association	Participants
February	HABA	5
February	AFPA	8
February	AVALB	9
February	APFA	7
March	AFADA and ACU	15
February	AOA	5
February	AMPA	4
<hr/>		
Total		53

4. Solidify the Organizational Base of Agricultural Trade Associations

- ABMC was legally registered on April 18, 2001.
- KASH and ABMC membership packages were developed.
- The Standard Operating Procedures, service agreement, service completion report, and weekly fee collection report were prepared for ABMC functioning.
- Seven associations General Membership Meetings were conducted in March (approximately 600 entrepreneurs participated).
- Organized KASH Regional Meetings (March and June).
- Seven associations Board Meetings were conducted in February-March.
- Three KASH Council Meetings were organized (March-April-May).

5. Promote Consumer Quality Awareness and Build Group Image. (ASPU)

- a. Participated in national, regional and international fairs for agriculture and agro-processing.
 - Seven AOA members participated in the International Exhibition of Olive Oil, Virgin and Extra-Virgin Oils. Verona, Italy (April).
 - Three HABA members and one APFA member participated in the AGROTICA trade fair in Thessaloniki, Greece.
- b. Arranged for media coverage to increase public awareness of the role of trade associations in general economic growth.
 - TV transmission of HABA workshop on “Monitoring of Quality and Safety in the Cannery Industry” (January).
 - TV emissions explaining the use of olive shaker units, in cooperation with Dardania TV, Elbasan (January).
 - One TV transmission on TVSH covering the olive oil workshop held in Dhermi (May).
- c. Collaborate with consumer organizations in promoting food quality.
 - HABA, AMPA and APFA collaborated with national consumers’ association for identifying false products and providing information on the quality and safety of their respective products.
 - In cooperation with the Food Research Institute (FRI) and the Veterinary Research Institute (VRI), developed and distributed food quality and safety brochures.
 - An article on how to recognize false olive oil based on certain tests and analyses was published in an IFDC-sponsored book on food safety.
- d. Train food producers in food safety and quality issues, in collaboration with FRI and VRI.
 - HABA, in collaboration with FRI, organized a national workshop on “Monitoring of Quality and Safety of Cannery Industry” (January). Workshop participants included HABA members, specialists and directors from the Ministry of Agriculture and Food, FRI specialists, and AUT pedagogues.
 - Olive oil samples from 12 processors were collected for analyzing to validate improvements realized due to the quality production campaigns held in 1999-2001.
 - Prepared and distributed Albanian language instruction leaflets on how to determine the acidity percentage of olive oil using a portable acidity kit (June).

6. Develop Sector/Industry Strategies (ASPU)

- a. Prepared a sector analysis for each of the strategic sub-sectors.
 - Prepared the IFDC/AAATA strategy for 2001-2003 on olives and edible oil, vegetables production and greenhouses, poultry, meat processing, and fish production.
 - Collected preliminary information on Albanian olives for conservation and reexport.

- Preliminary data collection and assessment of a HABA member's ability to be involved in the production and exportation of processed cucumbers to Israel.

7. Provide Technical Assistance to Association Membership (ASPU)

- a. Conduct individual visits to ag-processors with local experts.
 - A team of AOA experts, IFDC/AAATA staff, and the renowned international olive oil expert, Mr. Apostolos Kiritcakis, met with 11 major olive oil processors throughout Albania to provide technical assistance for improving present olive oil quality.
 - A 1-day extension seminar was held for with olive growers and processors on cultural practices, pest and disease control in the Elbasan area. (June).
 - A specialist of SYNGENTA Company and the manager of HABA contacted several greenhouse producers, discussing the possibility of supplying them with high quality tomato and cucumber seed. Trial seeds were provided to demonstrate seed quality and will be planted during the second planting season in July 2001.

8. Encourage Effective Advocacy (KASH)

During first half of 2001, KASH continued its consolidation as a specialized institution of advocacy. However, several associations conducted their own activities related to specific industry issues. For example:

- In early 2001, AMPA activity commenced an intensive media campaign in conjunction with MOAF to inform consumers on the safety of salami products relating to the concerns about "Mad Cow" and other foot and mouth diseases.
 - AFADA collaborated with the Soil Research Institute and MOAF to change a governmental decree on fertilization control. As a result, a temporary agreement was formulated with the finalized changes to take effect during the second half of 2001.
 - AVALB prepared a draft law on agricultural mechanization and was successful in getting the law included on the action agenda of MOAF for this year.
 - AOA prepared its suggestions for the draft law on "Olive Oil."
- a. The 16 member associations of KASH had their respective board meetings during the first quarter and 8 associations held general meetings before the First Annual KASH Congress. Main policy issues as well as the need for improvements in existing legislation were discussed during these meetings.
 - b. In March, KASH and Agricultural University signed a Memorandum of Understanding to work together for mutual interests.
 - c. The association presidents of KASH members held several meetings during the first half of the year where they presented their policy issues and needs for improvements in existing legislation, approved the platform of the KASH Congress, and reached consensus on the draft Resolution of KASH Congress. A meeting with the Expert Council on the draft resolutions also took place.

In April, KASH prepared a position paper to block a governmental draft degree in application of Article 36 of Law "On Tax System in the Republic of Albania," which could lead to arbitrary decisions by tax bodies. In collaboration with the Chamber of

Commerce of Albania, a meeting with the Director of General Directorate of Taxes was organized and as a result the draft did not pass.

- d. During late April/early May, a media campaign was organized to present major agribusiness policy issues and to promote active participation of KASH members and policy makers in the KASH Congress.
- e. On May 10, 2001, KASH held its First National Congress in Tirana. The purpose of organizing this Congress was to demonstrate to the GOA and the Albanian people the level of commitment and dedication to effecting advocacy by the major agricultural associations existing currently in Albania. The Congress was attended by more than 700 association members, 8 representatives of parliamentary parties, the Minister of Agriculture and Food, the U.S. Ambassador to Albania, the USAID Mission Director in Albania, representatives of the major donor institutions in Albania, as well as representatives of banking institutions, NGOs, etc.

After a discussion about the current state of agriculture and developments in the agro-processing industry, the resolution of the Congress was approved and presented to Albanian lawmakers and candidates of the political parties that will participate in the June 2001 parliamentary elections.

The main issues of the Resolution are:

- Necessity of Institutionalization of Cooperation.
- Problems in Regard to Agricultural Land.
- Agricultural Product Marketing.
- Reviews for Improvement in Fiscal System.
- Credit System.
- Food Quality and Safety.
- Struggle Against Corruption.
- Power Resources.

Upon adjournment of the Congress, its resolution was published in the most important newspapers of Albania.

- f. During the first 6 months of the year, KASH and ABMC held joint activities mainly KASH/ABMC regional meetings organized each quarter in five regions and sharing resources for mutual interests.
- g. KASH and other NGOs have formed an anti-corruption alliance.
- h. Two major agribusiness associations—Beekeeper’s Association, and a local producer association named “Adriatika,” etc., have indicated their interests to become members of KASH.

Achievements Contributing to Meeting Results Indicators

1. ABMC was legally registered on April 18, 2001.
2. KASH and ABMC membership packages were developed.

3. General meetings of each association were held to approve AMBC establishment and changes of their organizational structures and their capitalization.
4. Creation of SOP for ABMC, including an organization chart of the ABMC defining services and dues.
5. Services provided to the members consist of: individual technical assistance (local and international experts), site visits, trade missions, visa arrangements, proposals for other donor support, communications, marketing advice, introduction and facilitation with foreign companies, financial services support, training and technical publications, training in specific topics for common groups, business diversification, export promotion, networking, office services, English interpretation, agribusiness newsletter, new technology and machinery demonstrations, and sector assessments.
6. A fee schedule and procedures for ABMC services based on actual cost was established and direct payment for services provided are being communicated to respective associates.
7. Product information directed to consumers on the safety of salami products related to "Mad Cow" and other foot and mouth diseases was communicated via an intensive media campaign. Normal consumption of salami products resumed after the media campaign organized by AMPA.
8. MOAF took under consideration AOA suggestions for the draft law on "Olive Oil."
9. A governmental draft degree in application of Article 36 of Law "On Tax System in the Republic of Albania," which could lead to arbitrary decisions by tax bodies was blocked.
10. On May 10, 2001, KASH held its First National Congress in Tirana. Participants in the Congress included more than 700 ag-association members, 8 representatives of parliamentary parties, the Minister of Agriculture and Food, the U.S. Ambassador to Albania, the USAID Mission Director in Albania, representatives of the most important donor institutions in Albania, as well as representatives of banking institutions, NGOs, etc.
11. During the election campaign, agribusiness was an important issue; so for the first time in Albania, KASH could influence the agenda of political parties.
12. Membership in existing associations rose by 74% to a total of 561 paid members.
13. ABMC capitalization totaled \$ 31,120 by June 30, 2001.

Contribution Calculation for January – June 2001

What	Contribution
Trade fairs participation	\$ 9,000
External training and study tours	\$ 15,700
Newsletter publications	\$ 1,100
Associations General meetings	\$ 29,500
Individual meetings and site visits	\$ 15,900
Association board meetings	\$ 4,800
Association committee meetings	\$ 2,900
Participation in international fairs	\$ 1,700
Collaborate consumer organization in promoting food quality	\$ 700
Training in food safety and quality	\$ 1,200
Provide technical assistance	\$ 1,200
ABMC budget	\$ 31,120
Total budget of seven associations	\$ 34,016
	\$ 148, 836
Total	\$ 148, 836

B. Agribusiness Development Unit

General Status

The ADU continued to assist Albania's emerging private agribusiness enterprises to expand their production and profitability by stimulating new investments. The unit targeted 41 agribusiness firms engaged in various sub-sector activities. An increasing number of agribusiness entrepreneurs are seeking assistance from AAATA, based on the Project's reputation, success of KASH activities, and the Project's ability to resolve technical problems while initiating innovative techniques.

The number of clients will be expanded greatly during the rest of the year as a result of the integration of the newly formed Agribusiness Consulting Group into the ABMC. The ACG will replace the Project's existing Agribusiness Development and Finance and Credit Units. The ACG will provide clients with a full range of business, financial, and technical services as well as generate income for the ABMC. This concept of a private consulting group servicing clients on a fee basis constitutes the primary focus of the Project going forward.

Today, Albania has one of the fastest growing economies of the transitional countries. Sustained, robust economic growth contributes to a growing demand for agricultural production and facilities critical to restructuring this sector. Moreover, the agricultural sector has contributed significantly to economic growth—from 37% of GDP in 1990 to about 52% in 2000. This growth has been accompanied by some notable changes within the agricultural sector. For example, livestock production has grown significantly during the past 10 years, while crop and fruit output has fallen at least in relative terms, partly because of constraints that emerged during the transition.

Major constraints continue to inhibit growth in agriculture sector, especially:

- Small and fragmented land holdings.
- The breakdown of traditional state processing and marketing systems.
- Poor existing infrastructure.
- A shortage of credit.

Other difficulties present challenges to the implementation of Project activities. These include: difficulties in forming effective associations in Albania's rural sector for mutually beneficial economic activities; inefficient agricultural production and product transformation methods resulting in high cost and low quality that are not competitive in either local or exports markets; agricultural producers, processors, and traders lack knowledge and access to information enabling them to make short-term tactical decisions on production and sales, or strategic decisions for long-run planning for investment, export, or new market development; and trade imbalances occur when Albania's open borders and low tariff position is not matched by similar policies by trading partners or where market pricing is distorted by government intervention.

The country requires outside support for input supplies, equipment, improved technology, and modern management practices for all aspects of agro-industry. Because of scarce domestic food production, population needs are balanced by imports.

Providing services to businesses suffering from the aforementioned constraints is a challenge. The ADU continued to work hard to establish trust with critical clients who are considering new ventures, expanding and modernize existing businesses, and/or catalyzing their respective sectors. The team has undertaken other industry analysis and comparative advantage studies together with other units to identify areas of growth within the agriculture sector. Activities to expand local production and substitute imports were channeled through the introduction of high-tech technologies and the provision of extension services to existing technologies. Utilizing the results of the comparative advantage studies, major efforts continue to identify promising product exports, which is a top priority of the project.

The Israeli agri-business consulting company, AGRIDEV, represented in Albania by their food-processing specialist, Mr. Amir Assaf, continued to provide an array of business and technical advice to the project's clients. In addition to local consultants, collaboration with other USAID projects and other international donors has allowed the Project to provide effective, high quality expertise for Albanian trade associations and individual agri-business SME owners.

The ADU also utilized local short-term consultants from various Albanian institutions, such as the Livestock Research Institute (LRI), the Food Research Institute (FRI), and Veterinarian Research Institute (VRI), to provide appropriate technical assistance to targeted agri-business SMEs.

Substantial assistance by project consultants was provided to clients in marketing management, specifically issues relating to product lines, brands, packaging, and labeling.

Agribusiness Assistance Reorganization and Process Development

During the extension phase of the Project (2002-04), the strategy is to focus more intently on the following sectors:

- A. Field Fruit and Vegetable Production, Processing, and Marketing
- B. Greenhouse Fruit and Vegetable Production, Processing, and Marketing
- C. Olive Oil Production, Processing, and Marketing
- D. Poultry and Associated Feed Supply Production, Processing, and Marketing
- E. Medicinal Herbs and Spices Cultivation and Processing

This sector focus will enable ACG to better coordinate the work in the regions, especially with the new regional offices and field coordinators in Fier, Lushnje, Vlore, and Saranda.

Services will be tailored to the needs of the clients. The Business Profiler and other documents prepared for client evaluation and production baselines will aid the Project's consultants in determining clients' needs and current business performance levels. In addition, a client database will be expanded to include all types of business information—financial, technical, and general business.

Summary of Objectives

1. Improve entrepreneurial skills and business planning.
2. Increase access to market information.
3. Upgrade technical abilities.
4. Promote diversification into new products/business.

Activities in Support of Objectives

1. Improve Entrepreneurial Skills and Business Planning

Focus: Provide counseling, training, and technical support in key business activities, such as improving business skills, facilitating technology procurement, conducting feasibility assessments and planning, and preparing financial proposals in collaboration with the FCU and other units.

- a. ADU, supported by local and foreign expert, Mr. Assaf, in collaboration with the FCU and ASPU, conducted individual counseling for 41 targeted SMEs and 15 other SMEs in improving general business management, marketing management, and assisting in the preparation of financial proposals for submission to identified financial entities. ADU continuously provided training and technical assistance support in key business activities such as skills enhancement, introducing new business opportunities, facilitating equipment procurement, and conducting feasibility assessments for individual firms and the agro-industry sector. Twelve (12) clients were introduced to the banks (ABA, Tirana Bank, and FEFAD) for future financing and increasing their current loans.
- b. Twelve (12), new agro-business ventures were referred to the ADU by banks, seeking technical assistance. All of them agreed to join the associations assisted by the AAATA Project.
- c. One hundred twenty six (126) site visits were made to agro-business SMEs in collaboration with other AAATA units, AGRIDEV specialists and local STCs as well as researchers from public institutions and bankers. These visits focused mainly on reviewing firms' operations and providing general management advice on efficient management, technical know-how in specific operations, and financial advice on better cash-flow management, asset allocation, and future investment opportunities.
- d. The ADU also provided training through seminars and workshops, together with local and foreign STCs and specialists from Albanian agriculture research institutes to associations' members. Training programs were focused on marketing; new product development; new technologies and know-how; high-tech and developed packaging materials; comparative advantages of open field and greenhouse crop production; monitoring and improving quality, safety, and standards of different products, and also how to develop targeted industries, such as olive oil, poultry and livestock feed,

greenhouse and field crops and special/unique commodities with potential for export possibilities, etc.

- e. Two (2) major industry assessments were completed, specifically on greenhouses and olive oil. Current action plans are to share the findings and recommendations of these assessments with HABA and AOA association members and ADU clients via regional seminars, workshops, and individual meetings.
- f. The ADU director along with technical staff, together with other Project units participated in the regional meetings and annual meetings of all association members of KASH.
- g. Marketing advice to the owners of the two high-tech greenhouses continued during the first half of 2001.
- h. The ADU prepared and published several articles in the “Agrobiznesi” magazine providing information on business management, individual entrepreneur success stories, and industry/sector trends.

2. Increase Access to Market Information on Domestic and Overseas Opportunities

Focus: Provide market information on equipment prices and commodities, arrange for trade mission opportunities, organize local surveys, and provide market and export information through trade fairs and direct contacts.

- a. The Internet was used to find world market prices for various agricultural commodities and inputs such as crude sunflower oil, red peppers, potatoes and potato seed, yellow corn and soy mill for livestock feed, machinery and equipment for different industries, poultry broiler chicks, table olives, extra-virgin olive oil for export possibilities, frozen meat and chicken leg quarters, quality seed and agricultural vehicles for project clients, etc.
- b. Ten clients received intensive training on Internet usage, while general Internet access has enabled ag-business owners to procure a variety of products and equipment, technology, and know-how.
- c. Equipment, raw materials, and input suppliers were identified for clients and association members through visits and trade fairs in several countries; over \$550,000 in trade credits was facilitated during the first half of 2001 by the ADU.
- d. Marketing management techniques in product promotion, price changes, and better communication between producers and wholesalers/brokers resulted in improved cash flow for eight companies mainly in the processed vegetable and fruit industry and poultry sector. As a result of last year’s TV campaign for promoting high quality olive oil standards, approximately 350 tons of locally produced olive oil, as well as 120 tons of last year’s olive oil stock, were sold in the local market.
- e. Several clients were assisted in developing packaging lines and installing equipment to improve their product shelf life. The “DELTADON” dairy-processing firm received assistance in installing a packaging line for milk and yogurt and for training employees in equipment operation. Also, a slaughterhouse and a packaging line for the poultry producer, “DRIZA,” was procured and installed.
- f. Three trade missions were organized to visit Greece, Bulgaria, and Italy to contact quality suppliers. Training support in equipment usage was also provided.

- g. The two high-tech greenhouse owners were continuously assisted in production technologies and product marketing. Comprehensive marketing plans were developed, including strategies, market and consumer analysis, competition, and marketing-mix action plans. The marketing plans included the implementation of brand names, labeling, product guarantees, taglines, business logos, as well as the establishment of sales record keeping and sales analysis.
- h. Several consultancies on marketing, product diversification and positioning and market analyses were provided for clients of the four focused sectors.
- i. A new column devoted to marketing issues was instituted in the “Agrobiznesi” newsletter. In addition, the ADU provided information on marketing management to clients via seminars and articles in “Agrobiznesi.”
- j. Project efforts to collaborate with all foreign donors involved in the agricultural sector resulted in the placement of a German volunteer consultant with the ADU. Dr. Wolfgang Garske joined the AAATA Project in May and is based in Fier. He will provide horticultural expertise to clients in this region.
- k. In April the ADU organized a regional assessment trip to review the quality and level of technical assistance provided to clients to date. Approximately 120 SME owners were contacted in the areas of Durres, Kavaja, Lushnja, Fier, and Vlora. The SME owners contacted are the Project’s primary clients in these regions and they varied from greenhouse producers and field crop growers to agroprocessors and poultry producers.
- l. Through collaboration with the Ministry of Trade and Economics, ADU has compiled a packet of information about EU quotas, as well as specific information about trade differential treatment with Norway.

3. Upgrade Technical Abilities through Training and Advising, Including Publications and Short-Term Consultants

Focus: Provide technical assistance and training to individual firms to increase their technical efficiency.

- a. Nine clients were supported with technical assistance specifically in equipment identification, procurement, and installation; new plant construction; enhanced operations; and product diversification. Total client investment in equipment, building construction, and new operations for the period totaled \$1,250,000.
- b. Three clients were assisted with know-how for production line preparation and product filling of jars and cans, planning and training entrepreneurs in the mechanics of a tomato paste packing line, techniques on irrigation systems and fertigation, and installing a slaughter house and training staff on the use of the equipment.
- c. Potato industry members were assisted in the product marketing during the Spring season. This effort included local TV discussions, product flyers, seminars, variety demonstrations, and dissemination of publications on production techniques. These activities were organized in the traditional areas for potato cultivation—Korca, Lushnja, and Fier. Over 240 industry members participated in these events and were introduced to new potato varieties, new production techniques, and the concept of an integrated marketing approach to potatoes.

4. Promote diversification into New Products/Businesses and into Foreign Markets

Focus: To facilitate processing firms in developing new product lines and new domestic and foreign markets, assist companies in business diversification, and joint ventures possibilities.

- a. Several training workshops were organized in new product development, high-tech Israeli greenhouses and quality food/safety standards. Two additional training seminars were conducted focused on olive oil quality and product monitoring in fruit and vegetable processed products. Specific technical support was provided for 12 clients on a one-to-one basis concerned with developing know-how in ways to improve yield and quality processing output.
- b. Project efforts to establish contacts with agricultural sector enterprises in the Balkans, EU and non-EU countries were very successful during the period. Contacts were made through attendance at trade fairs, commercial attaches based in Tirana, and collaboration with development agencies, (GTZ, etc.). As a result, Albania's main products—dried figs, fresh herbs, fresh tomatoes, cucumbers, fruit compotes, tomato paste and ketchup, and canned and pickled vegetables—were all promoted for export by ADU activities. (See the attached table of exports.) Together with the Project's food technology expert, the unit has prepared several strategies for ketchup, fresh vegetables, olive oil, fruit jams, dried and processed figs, pickled pepper, cultivated fish (trout and mussels), and various frozen vegetables and fruits.
- c. Growers of field crops have been assisted during this period in finding new markets. Contacts have been established between field crop growers/producers with a Tirana-based wholesaler association to facilitate the movement of products and commercial transactions between producers and traders. Potatoes have been the dominant crop in this effort. Producers from Korca, Divjaka, and Fier have been able to sell their product at a profitable commercial rate in the markets of Tirana and Lushnja.
- d. The ADU undertook a trial effort to export dried figs to the United Kingdom through an Israeli middleman. The Albanian client was assisted in preparation of required documents for export, transportation contacts and arrangement, as well as contacts with both the middleman and the buyers.
- e. Major efforts were made to arrange for business contacts between Albanian field crop/greenhouse producers and international companies concerning the export of fresh vegetables to EU markets. The ATLANTA Group, an international fruit and vegetable trader, based in Germany has expressed serious interest in pursuing imports of fruits and vegetables from Albania. Other middleman contacts have been established for regional markets in Croatia and Slovenia for fresh fruit and vegetables.
- f. In close collaboration with GTZ, the World Bank, and SIDA, the ADU is assisting in the development of marketing and distribution centers in the areas of Korca, Lushnja, and Fier. The ADU has provided technical assistance in financial and business management matters related to investment requirements and business planning for these activities.
- g. The ADU has prepared several promotional kits for specific investments in greenhouses (at various levels of technological assistance) to foster private investment in the sector.

- h. Encouraging foreign investments and fostering joint ventures has been a major focus of ADU activities. Fish farming and unique crop production (i.e., strawberries) for export possibilities have been the major thrust during the first half of 2001.

Achievements Contributing to Meeting 2001 Result Indicators

1. Forty-one priority clients have been provided with intensive business services and all association members have been offered general business training and services. The ADU facilitated \$1,250,000 in client self-investment and \$550,000 in trade credit to clients during the first half of 2001.
2. The unit has conducted an average of 21 visits per month versus the 10 visits/month planned and held three major workshops.
3. In conjunction with the ISU and ASPU, the ADU team conducted five training seminars, two industry sub-sector analyses, and three trade missions to Italy, Bulgaria, and Greece.
4. ADU assisted seven (7) AAATA clients in diversifying into new product lines, four (4) clients in enhancing and enlarging their existing businesses (two in hi-tech greenhouses and two (2) in potatoes and other field crops production), and three (3) clients in exporting to new markets.
5. ADU helped ag-entrepreneurs export nine (9) domestic products with a total quantity of 250 tons generating \$350,000.
6. The team analyzed the business and production performance of 41 targeted companies of which 14 doubled their production and turnover. One (1) in dairy processing; three (3) meat processors; one (1) edible oil producer, two (3) poultry producers/processors, five (5) fruit and vegetable processors industry, and (1) seed and sapling grower.

Contribution Calculation for January-June 2001

What	Contribution
Site visits to clients 126 x \$100	\$ 12,600
Trade mission, 10 people x 5 days	\$ 5,000
New capital investment by clients	\$ 1,250,000
Supplier trade credits	\$ 550,000
Total	\$ 1,817,600

ADU/AAATA List of Clients

Number	Firm Name	Owner Name	Location	Activity	Telephone Number
Dairy Processing					
1	Mireli	Aqif Caca	Kavaje	Dairy processing	382025870
2	Deltadon	Edmond Gjata	Lushnje	Dairy processing	382027195
Meat Processing					
3	Meat Master	Cesk Kimça	Shkoder	Meat processing	2242438
4	Sagi	Gligor Lengo	Tirane	Meat processing	382020917
5	Armet	Arben Thomai	Tirane	Meat processing	
6	Apollo	Sokol Meqemeja	Tirane	Meat processing	h.37720,off.33806
7	Arilta	Arben & Ilir Tafaj	Tirane	Meat processing	
8	Kennedy	Sadete Tola	Tirane	Meat processing	
9	Tona	Nikolla Tona	Korçe	Meat processing	
Olive and Edible Oil					
10	Kapllani	Lulezim Kapllani	Vlore	Olive oil	
11	Papagjika	Agron Papagjika	Sarande	Olive oil	
12	Gjikondi	Anastas Gjickondi	Qeparo	Olive oil	
13	Leka SH.P.K.	Mark Leka	Lezhe	Edible oil	382021585
14	Piku	Petrit Piku	Elbasan	Olive oil	
15	Aliraj	Pellumb Aliraj	Vlore	Olive oil	
16	Vajra Bimore	Bajram Dine	Fier	Edible oil	382022668
Poultry/Egg Producers					
17	Cengo	Sefedin Cengo	Peshkopi	Poultry/egg producers	3422079
18	AIBA	Igli Cela	Durres	Poultry/egg producers	
19	Driza	Hiqmet Driza	Fier	Poultry/egg producers	382024664
Flour Milling					
20	Ekonomi	Kurt Ekonomi	Durres	Flour milling	off.05223474,h.23424
21	Leonidgent	Guri Zaçellari	Korçe	Flour milling	
22	Onir	Pellumb Rrasa	Elbasan	Flour milling	5457132
23	Habin Shop	Albert Shopi	Elbasan	Flour milling	5453161
24	Ferizaj	Safet Ferizaj	Kavaje	Flour milling	5742158
25	Agroinvest	Fuat Haxhiymeri	Tirane	Flour milling	
Fruit and Vegetables Processing					
26	Shpiragu	Kristaq Gallani	Berat	Fruit and vegetables processing	6234451
27	Albkonserva	Xhovani Gallani	Lushnje	Fruit and vegetables processing	off.06522305,h.22451
28	EN & ZY	Enver Ferizaj	Kavaje	Fruit and vegetables processing	382024365
29	Redi	Qani Gjylsheni	Kavaje	Fruit and vegetables processing	Off.05743114, h.2813
30	Backa	Petrit Backa	Fier	Tomato processing	
31	Koçi	Agron Koçi	Elbasan	Fruit and vegetables processing	5452294
Greenhouse					
32	Alfa Romeo	Fatmir Kallbaqi	Durres	Greenhouse	h. 5224936
33	23 Korriku	Irakli Kola	Lushnje	Greenhouse	
34	Goxhaj	Liljana Goxhaj	Tirane	Greenhouse	
35	Bajkaj	Ismail Sinani and	Sarande	Greenhouse	
Fishing					
36	Mani	Hysen Mani	Sarande	Fishing	
37	Arjan Palluqi	Arjan Palluqi	Tirane	Fishing	h. 50622
38	Sezairi	Besnik Kadia	Lezhe	Fish trader	
Mechanization					
39	"Auto Trak 93"	Xhoxhi Marku	Tirane	Machinery	35609
40	Muho SH.P.K.	Shkelqim Muho	Cerrik	Machinery	5458949
Seed And Sapling/Fruit And Viticulture					
41	Luigj Frangaj	Luigj Frangaj	Lezhe	Seed and Sampling/Fruit & Viticulture	

New Investments Made by AAATA Clients from January to June 2001

A. Dairy Processing Sector

Company Name	Owner's Name	Location	Investment Value	Purpose
Deltaton	Edmond Gjata	Gorre	\$20,000	Equipment for producing yellow soft cheese
Total			\$20,000	

B. Meat Processing

Company Name	Owner's Name	Location	Investment Value	Purpose
Apollon	Sokol Meqemeja	Tirane	\$80,000	Increasing storage capacity
Meat Master	Cesk Kimca	Tirane	\$50,000	New equipment
Total			\$130,000	

C. Poultry Farmers

Company Name	Owner's Name	Location	Investment Value	Purpose
Aiba	Igli Çela & Agron Duka	Durres	\$300,000	New equipment and building
			\$300,000	Poultry eggs equipment
Driza	Hiqmet Driza	Fier	\$20,000	Slaughter house
			\$30,000	Land for the new feed mill
Total			\$650,000	

D. Horticulture and Fruit and Vegetable Processing Sector

Company Name	Owner's Name	Location	Investment Value	Purpose
En & Zy	Enver Ferizaj	Kavaje	\$30,000	Equipment for roasted peppers and packaging
Redi	Qani Gjylsheni	Kavaje	\$20,000	Steam Generator + New Equipment
Shpiragu	Kristaq Gallani	Berat	\$50,000	Building Equipment
Total			\$100,000	

E. Olive & Edible Oil

Company Name	Owner's Name	Location	Investment Value	Purpose
Vajra Bimore	Bajram Dine	Fier	\$350,000	New Refinery
Total			\$350,000	

Subtotal of Investments: (January–June 2001) = \$1,250,000

Trade Credits For The Period January – June 2001

A. Meat Processing

Company Name	Owner's Name	Location	Trade Value	Purpose
Armet	Arben Thomai	Tirane	\$300,000	Importing chicken leg quarters from United States
Total			\$300,000	

C. Poultry Farmers

Company Name	Owner's Name	Location	Trade Value	Purpose
DRIZA	Hiqmet Driza	Fier	\$250,000	Chicken feed and chicks
Total			\$250,000	

Total Trade Credits (January – June 2001) = \$550,000

C. Finance And Credit Unit

General Status

During the first half of 2001, the second-tiered banks in Albania continued to make small progressive steps in their activities as indicated by increases in both deposits and short-term lending. Interest rates continued to fall with the rate difference between time deposits and loans constantly narrowing.

Although Albania is enjoying a stable macro-economic climate, banks are not responding to the increasing financing needs of agriculture and ag-related industries. However, the retail-branch network is expanding and there has been an emphasis on improving client services, both of which are signs of emerging competition within the Albanian banking industry. Two major industry happenings are expected during the 4th quarter of 2001; the newly privatize National Commercial Bank will be fully operational and the Savings Bank of Albania will be totally privatized.

AAATA/FCU continued establishing relations with targeted entrepreneurs, providing financial-related services, and enhancing relations with private banks. We observed an increased interest from some banks in agribusiness lending. This is reflected not only in the augmentations of contacts with the project but also by using us as a referral for specific issues. It is evident that the increased institutionalization of trade associations, the inaugurations of high-tech greenhouses, the recent success of the KASH Congress, etc., have encouraged some bankers to rethink their positions about lending to agricultural enterprises.

However, if no other stimulating instruments became available soon (i.e., credit guarantee schemes, agribusiness oriented development funds, etc.), it is hard to believe that the majority of banks will respond to the financing needs of small private enterprises, especially those involved in the agroprocessing industry.

Summary of Objectives

1. Identify sources of capital and commercial credit and ways to gain access to them.
2. Provide critical services on a billable basis to interested target entrepreneurs that help satisfy financial institutions and potential investors.
3. Improve the terms and conditions for commercial borrowing by agribusiness clients.
4. Assist bank personnel in understanding changes in the Albanian agribusiness environment.

Activities Performed in Support of Objectives

- 1. Identify sources of capital and commercial credit and ways to gain access to them.**
 - a. Several meetings with key staff members from FEFAD Bank were held during the first and second quarters. Recently, FEFAD Bank initiated a pilot rural micro-credit program for small farmers. The program is based in Tirana and will serve farmers in the surrounding area. Additionally, possible interventions are foreseen in assisting greenhouse growers with seasonal term loans (maximum \$7,000) for working capital purposes. We are providing FEFAD with updated information, financial assumptions, and introductions to potential clients for these loans.
 - b. Good regular relations continue with the American Bank of Albania, and it continues to be the primary lending source for AAATA clients. During the first 6 months of this year, five out of eight credit requests were approved for loans.
- 2. Provide critical services on a billable basis to interested target entrepreneurs that help satisfy financial institutions and potential investors.**
 - a. In collaboration with the ADU, 25 site visits to targeted clients were conducted during the first 6 months of 2001. We continued to provide one-to-one financial advice, management expertise, business diversification assistance, business plan preparation, and assistance with credit requests, when needed. Five additional business plans were prepared for clients in various agro-processing industries seeking short-term working capital and medium-term capital asset financing.
 - b. The monitoring of loans made to entrepreneurs through FCU mediation continued on a regular basis and information/reports on outstanding loans, current business performance, and cash-flow performance were submitted to the ABA.
- 3. Improve the terms and conditions for commercial borrowing by agribusiness clients.**
 - a. Continued participation in regional association meetings informing clients about current bank lending policies and future lending prospects.
 - b. Continued mediations between ABA and AAATA clients on improving terms and conditions for medium-term loans needed to support agribusiness. Revolving credit lines have been successfully introduced for our clients enabling them to overcome seasonal cash-flow problems.
- 4. Assist bank personnel in understanding changes in the Albanian agribusiness environment.**
 - a. Bankers and other financial institution personnel have participated in several AAATA events such as regional meetings, inauguration of high-tech Israeli greenhouses, KASH National Congress, etc.
 - b. The newly created ABMC was introduced to several banks as a potential agribusiness center for information and technical expertise and was warmly received as a much-needed business support system.

Achievements Contributing to Meeting Results Indicators

During the first half of 2001, five loans were approved (two disbursed) from the ABA to AAATA clients involved in fruit and vegetable processing and the dairy industry. To date, AAATA/FCU has been able to help mobilize over \$2.8 MM from private banks, primarily the American Bank of Albania.

List of Business Loans January–June 2001

Activities	District	Banks	When	Amount	Purpose
1. Fruit and vegetable processing	Berat	ABA	June	\$80,000	Working capital
2. Dairy industry	Lushnja	ABA	May	\$140,000	Working capital

Total: \$ 220,000

Contributions Calculations for January – June 2001

What	Contribution
Site visits to clients (25)	\$ 2,500
Business plans (5)	\$ 500
ABA disbursed loans (2)	\$ 220,000

Total \$ 223,000

D. Institution Support Unit

General Status

An important activity during this period was the problem of addressing the fear of BSE (mad cow disease), especially during January and February, when the fear of the disease resulted in a sharp decline in the sales of fresh meat and meat byproducts. In January, the Ministry of Agriculture and Food (MOAF) issued orders prohibiting the importation of live cattle, cattle organs (brain and spinal marrow), and feed. However, many experts believed that the announcement of this directive came too late. To make matters worse, misinformation about the disease spread to the public by various media sources. The releasing of untrue information created a feeling of insecurity among consumers.

Due to the “Foot and Mouth Disease” that broke out in England during February-March 2001, there was a general decline in meat and sausage sales in Albania. After April, sales began to increase slowly although by June-end sales had reached only 65% of the amount generated during the same period the year before.

Good news came by the end of May when Albania was proclaimed free of “Foot and Mouth Disease,” which led to the exportation of live animals from Albania.

Both the FRI and VRI, in collaboration with the AAATA Project, have conducted more analysis for trade associations members, primarily AMPA and AOA, than in past years, although both institutes on the whole performed fewer analysis than the year before. This is attributed to the rise in use of regional laboratories, which have commenced conducting analysis supported by donor funding.

Summary of Objectives

1. Improve output and service to agribusiness growth.
2. Program liaison with government agricultural agencies and donors.

Activities Performed in Support of Objectives

1. Improve output and service to agribusiness growth

Focus: AAATA systematically works to introduce its clients to FRI’s and VRI’s analytical capabilities and regulatory responsibilities, as well as their role as reference centers for food control and analysis. AAATA will also work, through the media, to increase the awareness of the Albanian agribusiness community regarding the two research institutes. Associations’ clients will be assisted through various seminars and publications concerning food quality control and safety.

- a. During January, a workshop on the “Quality of the Fruit and Vegetables Processed and Marketed in Albania,” was conducted by HABA in collaboration with four FRI researchers. Fifty-four (54) professionals and entrepreneurs participated in the workshop, including members of HABA, FRI researchers, AAATA agribusiness specialists, representatives of the Agro-Processing Directory of the Ministry of Food and Agriculture, foodstuffs inspectors from Lushnja and Tirana, pedagogues from the Agricultural University of Tirana, members of the Expert Advisory Council, General Directory of Standards and Quality, and the mass media. Samples were taken from the Albanian cannery industry and HABA members, while other samples were imported from Italy, Greece, and Macedonia. All samples were analyzed by the FRI and the results shared with workshop participants.

The AAATA Project’s Israeli agro-processing expert shared his experience with the participants and facilitated workshop discussions.

- b. The VRI was funded with \$2,000 to prepare several TV talk programs on a private TV station (BBF). Topics included food quality and safety from consumers viewpoint; microbial pollution of food and its impact on public health; and urban and industrial pollution, its presence in the food chain, and its impact on public health.
- c. Two books were published during the second half of 2001:

“*Tomato Cultivation in Greenhouses*,” written by a member of the Expert Advisory Council, was published during February. The book focuses on training for farmers on cultivation of this crop in open fields and in greenhouses. Other appropriate audiences for this work include state and private extension service specialists, and agricultural university students (graduate and undergraduate).

In April the third issue of “Quality, Food Safety and Food Control” was published, which included 14 papers presented in three workshops on Food Quality and Safety. Also included in this publication were three articles on poultry, olive oil quality, and HACCP.

- d. Specialists from VRI, FRI, and the Project’s Expert Advisory Council attended several association annual meetings as well as the KASH regional meetings. It is expected that this interaction will promote a better understanding of the problems the agro-industry sector is facing and help the research institutes better orient their activities toward addressing these problems.

2. Program liaison with Government Agricultural Agencies and Donors

Focus: To foster better coordination among projects and international donors working with agricultural associations. The AAATA Project facilitates donor coordination meetings as well as stimulating local expert participation in program planning.

- a. During May, an Expert Advisory Council meeting was organized together with the presidents of the KASH member associations. The meeting dealt with the problems to be discussed at the KASH Congress. Expert Council members were very active in this meeting and provided insight to solving the problems confronting agribusiness today. Also, all Expert Council members were invited to participate in the KASH Congress organized on May 10, 2001. One of the members presented a welcoming speech for the Congress, in which he stressed the future cooperation and the “think-tank” role that this Council will play to help Albanian agribusinesses.
- b. Draft standards in conformity with the standards of the United Nations and Economic Commission of Europe have been prepared for the APFA association. These five

standards include: “Eggs In Shell,” “Hens’ Egg Products for Use in the Food Industry,” “Preserved Eggs in Shell,” “Eggs-In-Shell for Processing,” and “Chilled Eggs-In-Shell.”

- c. An evaluation seminar was conducted by the TEMPUS Project on “Strengthening the Co-operation Between Higher Education and Rural Economy: Continuing Education and Integrated Extension-Curriculum Development in Two Albanian Universities.” The aims of the Project were to:
- Develop the curriculum for agricultural extension training in higher education for achieving the improvement of responsiveness of undergraduate education in a changing environment.
 - Equip graduates of such schools with competencies that will serve them well in placements in public or private extension services.
 - Establish teaching laboratories.
 - Facilitate the retraining of public and private extension employees who in turn will provide lifelong learning for their clients—the farmers of Albania.

Achievements Contributing to Meeting Results Indicators

Activities performed in support of FRI and VRI

1. One workshop on food safety, quality control, and adulteration was conducted.
2. Experts of FRI and VRI served as local STCs and provided technical assistance to 11 enterprises.
3. One meeting of the Agricultural Experts Advisory Council was organized.
4. Two books entitled “Tomato Cultivation in Greenhouses” and “Quality, Food Safety and Food Control” were published.

Contribution Calculations for January-June 2001

What	Contribution
Workshop with HABA	\$ 1,500
Publishing of <i>Tomato Cultivation in Greenhouses</i>	\$ 1,000
<i>The Quality, Food Safety and Food Control</i>	\$ 600
One Expert Council Meeting	\$ 650
Participation on KASH Congress	\$ 650
Total	\$ 4,400

D.1 Private Sector Extension Service (PSES)

General Status

Public extension in Albania is presently not able to respond to requirements for technical assistance at either production or processing levels. As the AAATA Project has shifted to new clientele, the PSES is developing new concepts of private sector extension services. These new concepts are grounded in the AFADA experience.

In collaboration with AVALB, HABA, AOA, and ANSPA, the Private Sector Extension Unit continued to develop demonstrations and on-farm research connected with several different aspects of agricultural practices. These demonstrations take place at the existing TTC established 2½ years ago.

A major focus of the Unit was the sustained technical assistance provided to the three entrepreneurs involved in greenhouse vegetable production. The PSES staff visited the two owners of Israeli greenhouses twice a week and the owner of the Greek-produced greenhouse approximately once a week.

Various publications support PSES activities. Appropriate and timely printed material has been a PSES priority given the lack of information provided by public extension. Not only do these materials differ from public sector extension conceptually but also in terms of delivery mechanisms. These publications reach producers through association membership that is active and self-financed.

Summary of Objectives

1. Development of PSES concept and supporting ideas.
2. Organize demonstrations and farm-level trials focusing on critical agricultural practices.
3. Support associations by providing a package of practices in appropriate publications.

Activities Performed in Supporting Objectives

- 1. Development of PSES concept and supporting ideas.**
 - a. Two additional specialists (potato seed and pest/disease control management) were hired on a part-time basis to assist with disease control and management in greenhouses.
 - b. On-the-job training of PSES staff was conducted by an Israeli specialist on several topics—high-tech Israeli greenhouses management, fertigation, pest and disease management, and climatic regime in high-tech greenhouses.

- c. Training of HABA, ANSPA, AOA, AVALB, BKFSH, ALBFLO, “Biza” and “Adriatic”—Divjaka regional association members on the methodology of extension service with focus in innovation and adopted techniques, communication and extension, needs assessment through analysis, and sector specific technical issues.
- d. A 2-day seminar was held on Extension Service Methodology focusing on finding qualitative solutions to the problems of potato production technology and mechanization. There were 40 participants from ANSPA, BIZA, Adriatik-Divjake Associations, AVALB and AFADA. Lectures were provided from the Project’s technical staff as well as Professor Stavros Androulidakis and experts from “Sirmoudis Brothers,” a private consulting company from Greece.
- e. A seminar on extension service methodology was held focusing on increasing the quality of Albanian olives and the oil produced through effective pest control and disease management. Fifty-four participants comprising of AOA members, public extension service personnel, farmers, producers, and processors attended the seminar. The seminar was held in collaboration with the Arboriculture Institute of Vlore, PPI Durres, USAID-funded “Monitoring and Management of Pests” Project, regional DBU/MOAF-Elbasan, and the local NGO “CEFA.”
- f. In collaboration with ANSPA and the local GTZ/Lushnja project, the PSES conducted a seminar on “New Techniques on Potato Cultivation, Marketing, and TTC’s Importance on Establishment of Varieties Structure Meeting the Needs of Producers, Processors, and Consumers.” Fifty entrepreneurs of various backgrounds attended the seminar.

2. Organize demonstrations and farm-level trials focusing on critical agricultural practices.

Focus: Demonstration the use of new inputs and implements for both open field crops and greenhouses.

- a. Demonstrations were organized in collaboration with HABA, ANSPA, and AFADA members including two regional associations—“Adriatik”-Divjaka/Lushnje and “Biza” for potato seed production. Introduced 30 new varieties and compared new imported varieties (Holland, Germany) with potato varieties using locally produced seed provided by local supplies from Lushnje and Divjaka.
- b. Open field TTCs for potato and vegetable crops were conducted to demonstrate the performance of a new potato hybrid with respect to the climatic and agro-ecological conditions in Fier.
- c. Demonstration of potato and spring vegetable varieties was held in Divjaka and Lushnja. Introduced sixteen new potato varieties from Germany. Conducted field demonstrations of the different variety performance of outdoor cultivated spring vegetables including twenty varieties of watermelon and seventeen varieties of various melons.
- d. Tested 12 varieties of potato and introduced six new potato varieties in Korca and Devoll. Set up demonstration plots for potato varieties in Pogradec and Shkodra.
- e. Established a TTC to demonstrate the effects of various greenhouses coverings and improving greenhouse-working parameters (temperatures, radiation, etc.)

3. Support associations by providing a package of practices in appropriate publications.

a. Leaflets produced:

- Practical Instructions for Nutrition of Potato.
- Practical Instructions for Irrigation and Irrigation Techniques of Potato.
- Best Melon Varieties for Greenhouses Cultivation.
- Technical and Practical Instructions for Potato Variety Performance Test and Testing Field Organization.
- Technical and Practical Instructions for Potato Variety Zonal Performance Test and Zonal Testing Field Organization.

b. Other publications:

- Two manuals for “Training in Extension Service Methodology.”
- Technologies of cultivation in High-Tech Greenhouses for other two crops (translated and adopted).

Contributions Calculations for January-June 2001

What	Contribution
Workshop with ANSPA	\$ 1,000
Workshop with AOA	\$ 500
Workshop with ANSPA	\$ 300
TTC Divjaka (potato and vegetables)	\$ 1,500
Open Day Lushnja/G.House	\$ 2,000
Total	\$ 5,300

E. Media Unit

General Status

The Media Unit continues to support the Project by reporting on Project activities and related programs in the mass media.

During the first half of 2001, the Media Unit helped further the development of the Albanian Agribusiness Council (KASH) and its member associations. A major accomplishment was the commencement of the First Annual KASH Congress held in Tirana during May. This congress was convened to relate the current constraints in agriculture to decision makers and the general public, and it addressed the solutions poised by the agribusiness community to solve these problems.

The Media Unit continued to provide valuable information about food quality and standards in an effort to educate the Albanian general public about food safety.

Summary of Objectives

1. Establish a positive image of quality Albanian client businesses and products.
2. Promote the image of agribusiness associations, agribusiness clients, and associations members as progressive forces in the development of agribusiness sector.
3. Establish a positive image of Albanian Agribusiness Council (KASH) and advocacy issues.
4. Provide necessary information to consumers and clients on food quality and safety.
5. Inform decision makers and the public on agribusiness policy and regulatory issues.
6. Develop regional media's agribusiness awareness and stimulate agribusiness-related programs.

Actions in Support of Objectives

- 1. Establish a positive image of quality Albanian client businesses and products.**
 - a. Assisted in the organization and promotion of the inauguration ceremony for two high-tech greenhouses in Lushnja and Durrës. Ensured participation of journalists from public, private, and local TV stations; radio stations; newspapers; and the Albanian Telegraphic Agency. Promoted articles about the event in various newspapers.
 - b. Prepared advertisements for the Project in the *Albanian Observer Magazine*.
 - c. Prepared and printed of three "Agrobiznesi" newsletters and an additional supplement devoted to the events of the KASH Congress.

2. **Promote image of agribusiness associations, agribusiness clients, and association members as progressive forces in the development of agribusiness sector.**
 - a. Prepared and produced a wine logo for a HABA Association member.
 - b. Prepared and produced logos and labels for tomato packaging for two HABA Association members.
 - c. Prepared and produced labels and leaflets for a poultry business owned by an APFA Association member.
 - d. Provided media coverage for the General Meetings of AVALB, AOA, HABA, ANSPA, AFADA, AMPA, AFPA, and APFA. Ensured participation of journalists from public and private local TV stations, regional radio stations, newspapers and the Albanian Telegraphic Agency. Promoted articles about the events in various in-country newspapers.
 - e. Prepared 54 notifications regarding the General Meeting of AVALB, AOA, HABA, ANSPA, AFADA, AMPA, AFPA, and APFA on TV Shqiptar and Klan TV.
3. **Establish positive image of Albanian Agribusiness Council (KASH) and advocacy issues.**
 - a. Ensured comprehensive media coverage of the First Annual KASH Congress The Media Unit organized the following activities related to the KASH Congress:
 - Production of a 30-second TV spot about KASH.
 - Preparation/design and production of 500 posters.
 - Production of five flags with KASH Logo.
 - Production of four street banners.
 - Production of one central street banner.
 - Production of a large logo emblem for the stage.
 - Preparation and printing of “Agrobisnesi” Newsletter No. 9.
 - Twelve Notifications about the Congress on TV Shqiptar and TV Klan.
 - Preparation of 44 broadcasts about the KASH Congress on various Albanian television stations.
 - Coordinated 25 ads about the Congress in 5 different newspapers for 5 consecutive days.
 - Managed the recording and videotape preparations of the event as well as supervising the photo shoots.
 - b. Thessaloniki International Trade Fair, Greece. Ensured media coverage of Project participants by a Greek TV station and the Albanian Telegraphic Agency. Also conducted a small press conference about the Project’s participants in the fair.
 - c. Provided media coverage of the regional meetings of KASH. Media participants included journalists from local TV stations, regional radio stations, and newspapers.
 - d. Prepared 37 local notifications about KASH regional meetings in local radio and TV stations.

- e. Provided media coverage for the Memorandum of Understanding Ceremony between KASH and the Agricultural University in Tirana.
- 3. Provide necessary information to consumers and clients on food quality and safety**
 - a. Produced 12 TV programs in collaboration with BBF TV Station and the Veterinary Research Institute for important matters related to Albanian food quality and safety.
 - b. Provided media coverage of the workshop organized by Veterinary Research Institutes on Mad Cow Disease.
 - c. Conducted a media campaign about Mad Cow Disease in response to misinformation disseminated by various print and radio journalists.
 - 4. Inform decision makers and the public on Agribusiness policy and regulatory issues**
 - a. Produced radio emissions on “Top Albania Radio” about the KASH Congress and its resolutions.
 - b. Produced a TV emission on “Vision+” TV station about KASH Congress and its resolutions.
 - c. Provided information about KASH advocacy efforts by conducting TV interviews, publishing articles in several magazines about KASH, and publishing the resolutions of the KASH Congress in seven Albanian daily newspapers.
 - d. Provided media coverage for the meeting of KASH and the Expert Council in the preparatory phase of the KASH Congress.
 - 5. Develop regional media’s agribusiness awareness and stimulate agribusiness related programs.**
 - a. Provided media coverage of the KASH Regional Meetings. Ensured participation of journalists from local TV stations, regional radio stations, and newspapers. Promoted articles in various newspapers.
 - b. Prepared 37 local notifications for KASH Regional Meetings on local radio and TV stations.
 - c. Provided media participation with panelist for the PSCS organized in Albania.
 - d. Provided media coverage for the Tempus Program workshop conducted in collaboration with IFDC.
 - e. Conducted media activities for AFADA members:
 - Production of a generic TV spot for DAP.
 - Ten notifications on Albanian TV.
 - Nine notifications on Klan TV.
 - Broadcast 36 times TV spot for DAP in Shijak TV.
 - Broadcast 10 times TV spot for DAP in Albanian TV.
 - Broadcast 64 times locally TV spot for DAP in Vlora “6+1” TV.
 - Broadcast 60 times locally TV spot for DAP in Elbasan “Egnantia” TV.
 - Broadcast 30 times locally TV spot for DAP in Fieri “Kombi” TV.

Achievements Contributing to Meeting Results Indicators

1. The KASH Congress was one of the most successful achievements of the Project during the January-June 2001 period. Media coverage was important in bringing to the forefront of public awareness, the pending issues facing the agricultural sector today. While raising public awareness, the media campaign also forced lawmakers to respond to the constraints addressed by the KASH Congress. This, in turn, makes politicians and decision makers more accountable to the public.
2. Activities held in collaboration with the Veterinary Research Institute and Food Research Institute improved public awareness regarding food standards and safety.
3. The regional media campaign aimed at improving the collection and processing of olives resulted in better quality products this season and highlighted the importance that a strong regional media campaign can have on processors and consumers.
4. Media presence at the Thessaloniki International Trade Fair in Greece strengthened the presence of KASH members in the region and fostered the establishment of regional business contacts.
5. The Media Unit assisted five association member-clients with complete media and public relations services during the first half of the year.

Contribution Calculations for January-June 2001

What	Contributions
Lushnja greenhouse tomato logo and label production	\$ 300
Durres greenhouse tomato logo and label production	\$ 300
Wine label production for two clients	\$ 300
Two label productions for Driza	\$ 300
Complete packet of media services for one AFADA dealer	\$ 620
Media coverage for two greenhouse inaugurations	\$ 600
Media coverage for KASH Congress	\$ 1,600
TV emission on Vizion+ TV for KASH Congress	\$ 750
TV emission on Top Albania Radio for KASH Congress	\$ 200
KASH regional meetings media coverage	\$ 800
Media coverage for General Meeting of AVALB	\$ 800
Media coverage for General Meeting of AOA	\$ 400
Media coverage for General Meeting of HABA	\$ 400
Media coverage for General Meeting of ANSPA	\$ 400
Media coverage for General Meeting of AFADA	\$ 400
Media coverage for General Meeting of AMPA	\$ 200
Media coverage for General Meeting of AFPA	\$ 200
Media coverage for General Meeting of APFA	\$ 200
Media coverage for various meetings of KASH	\$ 600
Total	\$ 9,570

F. Credit Union Unit

General Status

During the January-June 2001 period, the Development Credit Savings Movement Albanian Foundation (DCSMAF) continued to support the Credit Union Unit (CUU) of the AAATA Project in its effort to provide ag-trade association members with access to low-cost credit. DSCMAF's role is critical to the success of the credit union movement in Albania, and it continues to provide the Project with full time technical assistance provided by the Irish League of Credit Unions (ILCU). DSCAMF and IFDC/AAATA are partners working towards the goal of providing credit at the farm level. The AFADA CU remains the largest credit union established in Albania to date.

IFDC/AAATA continues its contractual relationship with Land O'Lakes (LOL) in supporting that organization's efforts in establishing credit unions at village collection points for its women's dairy groups. The LOL goal is to establish a minimum of six credit unions—one at each of its major collection/processing regions.

Summary of Objectives

Assist in the development of safe, sustainable, quality credit unions serving agribusiness trade association communities.

Activities in Support of Objectives

1. Develop Safe, Sustainable, Quality Credit Unions Serving Agribusiness Trade Associations and their Communities. Help Identify and Mobilize Groups, and Establish Procedures and Framework.

Focus: Participate in AFADA meetings to meet members and build a better understanding of credit unions.

- a. The CUU, in collaboration with DSCAMF, participated in all the AFADA Regional meetings held during the first half of 2001. A total of 230 AFADA members attended these meetings and were informed about the AFADA Credit Savings Associations activities, as well as general credit union concepts.
- b. The CUU assisted in organizing the AFADA Credit Union Annual General Meeting on April 2001, which was attended by 114 AFADA CU Members. This meeting was held to:
 - Elect the new structure of the AFADA CU.
 - Make two revisions to the existing statute.
- c. Six ACSA Executive Council meetings were held during the reported period. These meetings focused on:
 - Reviewing routine activities.

- Examining the financial records of the AFADA Credit Union.
 - Preparing a new strategy to increase membership (including women).
 - Preparing a new strategy to increase savings to the \$100,000 level.
 - Approving new loans.
- d. One meeting of the National Credit Union monitoring body was held during this period.
Participants: Two representatives of the AFADA Credit Union.

Focus: Develop the loan procedures and training programs for the AFADA Credit Savings Association (ACSA).

- a. New ACSA officers were trained in the procedures for accounting, budget, and internal auditing.
- b. Financial Performance Reporting Report was reviewed.
- c. Approved loans were reviewed.
- d. AFADA Credit Committee training (advanced training).
Participants: Credit Committee (three members).
- e. AFADA Supervisory Committee (advanced training).
Participants: Supervisory Committee (three members).
- f. AFADA Credit Union Chairman training.
- g. AFADA Treasurer Training.
- h. All loans are constantly monitored to make sure that agreements are adhered to. When arrears occur, members are notified immediately advising them to bring their accounts up to date.

Focus: Participate in ANSPA meetings to meet members and build a better understanding of credit unions

- a. The CUU, in collaboration with DSCAMF, participated in all the KASH Regional meetings held during the first half of 2001. A total of 120 ANSPA members attended these meetings and were informed about the ANSPA Credit Savings Associations activities, as well as general credit union concepts.
- b. The CUU assisted in organizing the ANSPA Credit Union Annual General Meeting on April 2001, which was attended by 130 ANSPA CU Members (included members of ANSPA Association). This meeting was held to elect the new structure of the ANSPA Credit Union.
- c. Six ANSPA CU Executive Council meetings were held during the reported period.
These meetings focused on:
 - Reviewing routine activities.
 - Examining the financial records of the ANSPA Credit Union.
 - Preparing a new strategy to increase membership.
 - Preparing a new strategy to increase savings.

- d. One meeting of the National Credit Union monitoring body was held during this period.

Participants: Three representatives of the ANSPA Credit Union.

Focus: Further develop and training programs for ANSPA Credit Union.

- a. ANSPA Credit Committee training (beginner training).

Participants: Credit Committee (three members).

- b. ANSPA Supervisory Committee (beginner training).

Participants: Supervisory Committee (three members).

- c. ANSPA Credit Union Chairman training (beginner training).

- d. ANSPA Treasurer training.

- e. Financial Performance Reporting Report.

Achievements Contributing to Meeting Results Indicators

1. Two hundred and thirty AFADA Members received in-depth information about the ACSA as well as general information about credit union concepts, membership, member participation, loan requests, etc.
2. Membership in ACSA rose 65% during the first half of 2001—from 78 members on December 2000 to a total 122 by June 2001.
3. Twenty-five percent of the AFADA CU membership is now composed of women.
4. Membership savings increased by approximately 180% during January-June 2001 from 5,300,000 leks to 14,100,000 leks (\$95,200 exchange rate \$1=148 leks).
5. Seven loans were issued for AFADA CU members during the first half of 2001.
 - Amount of loans issued: Leks 4,900,000
 - Total Repayments: Leks 700,000
 - Credit outstanding (not due): Leks 4,200,000
6. One hundred and twenty ANSPA Members received in-depth information about the ANSPA CU as well as general information about credit union concepts, membership, member participation, etc.
7. Membership in the ANSPA CU as of June 2001 stands at 70 members.
8. ANSPA Membership savings is 450,000 leks = \$3,040.

Contribution Calculations for January–June 2001

What	Contribution
Presentation to AFADA Regional Meetings (230 members)	\$ 11,500
ACSA Executive Council Meetings (6 x 7 members)	\$ 2,100
AFADA AGM 114 members	\$ 1,570
ACSA Member savings	\$ 95,200
Loans approved	\$ 33,100
Presentation to ANSPA Regional Meetings (120 members)	\$ 6,000
ANSPA CU Executive Council Meetings. (6 x 10 members)	\$ 3,000
ANSPA AGM 130 members	\$ 7,800
ANSPA CU Member savings	\$ 3,040
Total	\$ 127,569

G. AAATA/MOAF Statistical Support Unit

Sustainability of Agricultural Statistical Services in Albania

General Status

Since 1992, USAID/Albania assisted the Government of Albania (GOA) in the reorganization of agricultural statistics and the development of capacity building in information services. Due to severe budgetary constraints of the MOAF, the sustainability of the current system has been extremely questionable.

For the years 2000 and 2001, USAID through IFDC/AAATA project provided limited financial and technical support to the Directorate of Statistics (DSI) of the Ministry of Agriculture of Albania (MOAF).

Under the direction of the Senior Biometrician/Statistician from IFDC HQ, activities during January-June of year 2001 were directed to evaluate software development to support district offices and to the planning of activities beyond the year 2001 and seek MOAF commitment to a budgetary allocation for DSI to carry on a sustainable level of collecting and disseminating agricultural and information services.

The Consultant traveled to Albania on March 23, 2001, and stayed in Tirana until May 20, 2001. The IFDC office in Tirana provided all the logistics, translators, and facilities during the Consultant's stay.

Summary of Objectives

Assist in the development of a sustainable Statistics Unit within the MOAF, that can provide reliable agricultural statistics.

Activities in Support of Objectives

For the year 2001, USAID through the IFDC/AAATA project has provided limited financial and technical support to the service in order to establish a prioritized level of sustainable activity in DSI. These services are currently being provided at the central, district, and prefecture levels. This is expected to allow, after the year 2001, continued development of agricultural statistics and survey activities, data management, and report production under MOAF responsibilities. Under this assistance, training has been provided in areas of statistics and survey analysis needed by DSI/MOAF. Basic activities within the present support project include, among others, the following areas:

- Assistance in service organization
- Development of field expertise in agricultural surveys
- Training of personnel in areas of statistics, data processing, survey development, software development, and economic analysis
- Planning of future activities, budget analysis, and determination of software and equipment requirements

1. Service Organization

The Directorate of Statistics and Information (DSI) has a central office in Tirana. The central office presently consists of 9 persons (including the Director). There are two sections in which 8 staff members are presently serving. In addition, 29 persons are located in 12 prefecture/district offices and an additional 30 persons operate in 24 other district offices. The service continued contracting annually about 400 enumerators for interviewing farmers in agricultural surveys. Each prefecture/district has a head (chief) of statistics that coordinates data collection and summarizes or reports information at prefecture and district level. The DSI service does not have direct line authority over prefecture/district statisticians that are supervised directly by Prefecture/ District Chiefs of Statistics.

The Director of Service of Statistics and Information coordinates the activities and reports to the Deputy Minister of Agriculture and to other directorates of the ministry. Although there is flexibility within the service to determine the agricultural data needs and report types, presently, the data and reports produced are the ones requested by Ministry offices and national and international organizations. The central office of DSI is the one in charge of organization of surveys and coordination of activities associated with development of surveys, the production of statistical tables and reports, and training activities.

Personnel in the central office have been trained in areas of sampling, information management, agricultural statistics, and data analysis. These personnel perform specific tasks associated with production of statistics and management of survey activities such as data editing, data entry, and production of tables, database management, and statistical analysis. Prefecture/district statisticians generally follow the processes established by DSI central office. A Head of Sampling and Surveys in the central office controls and coordinates personnel in central office and coordinates with prefecture/district directors at the national level preparation of annual surveys, timelines, data collection, data entry/editing, and table preparation. This person also coordinates with the DSI Director and district directors the publication of survey results and the annual agricultural statistical yearbook published by MOAF.

Assistance in Service Organization:

- a. Assistance in service organization has been provided to determine specific functions and activities of persons in central office.
- b. A management information service area has been established. This area is in charge of database maintenance and production of reports from surveys. There are dedicated persons in charge of activities such as management information systems, establishment and maintenance of databases, and development of applications for continued support of services.
- c. The coordination and operations of agricultural statistical activities with district offices has been evaluated with the collaboration of the DSI Director. Consequently, there is more active cooperation with other directorates in the Ministry of Agriculture and with national and international organizations. This cooperation included the revision and analysis of information and preparation of outlook reports. DSI information from surveys has been organized and structured in databases. This information is currently being analyzed and will provide valuable insights about the regional situation on production and use of agricultural inputs.

- d. The IFDC consultant has produced reports and has discussed with others as well as the Director of DSI relevant aspects associated with the use of survey frames, the reports required from surveys, periodic publications, and the consolidation of a service that will contribute to the sustainability of the system. The head of operations (services), the service staff, and the prefecture/district directors have been involved in these discussions.

2. Development of Field Expertise in Agricultural Surveys

The present support project appointed an Albanian technical specialist for the duration of the project. The Albanian specialist, the IFDC consultant, and an Albanian computer specialist have been working continuously in developing field expertise in different areas associated with the development of agricultural surveys.

Survey development and data analysis actually constitute the main activities of the statistical services of DSI. Other services provided by DSI include the production of summary reports and consolidation of statistics with other directorates of the Ministry and with the Institute of Statistics (INSTAT). The service also assists the Minister and the Deputy Minister in gathering agricultural information.

Assistance in development of field expertise in agricultural surveys has been directed in the following survey activities:

- a. Agricultural Surveys. During the year 2000, DSI planned and executed two agricultural surveys and assisted other institutions in the development of regional surveys. During the first six months of the year 2001, DSI developed the first annual agricultural survey. The surveys have been planned and executed directly by DSI. The national surveys use a total sample of about 3200 farm operators. Survey information focuses on household demographic characteristics, crop areas, crop production/sales/prices received, livestock production and milk/product sales/price received, gross income, and farm practices. This information is used to monitor annual agricultural changes at country and prefecture level.
- b. An additional activity of the agricultural surveys is the Outlier survey. This survey was conducted during October-November of 2000 to estimate production levels of large-scale farm enterprises. The sample selection is done from a list frame and the questionnaire and data collection system uses the same format and manuals as the ones used for agricultural surveys.

District heads supervise field survey operations according to manuals and instructions provided by the central office in Tirana. There is adequate organization and field coordination in data collection and in the execution of manual edits/revisions of the data that are collected at prefecture/district level. DSI personnel at the central office trained approximately 400 temporary interviewers. Most of the interviewers work for the Ministry of Agriculture in extension activities, technical assistance, and other services. They currently receive from DSI continuous training and manuals in sample selection, interview process, questionnaire completeness, data entry and basic statistics.

- c. Quality control of field activities has been evaluated and built into the agricultural data collection process to ensure completeness, consistency, and accuracy of results. The interviewer training has been simplified and standard manuals have been produced to reduce costs and facilitate training of district personnel.

- d. The data processing, specifically the software program used for data entry/data analysis, have been revised and updated. New computer programs and statistical packages have been installed to improve efficiency in report preparation. Table preparation and reports have been reevaluated. These activities started in the year 2000 and are being executed with the consultant in close work with the Albanian technical assistant, the head of surveys, and computer operators at central offices.
- e. Work was done in the evaluation of the actual area-sampling frame (ASF) used for the surveys. For this process, we recovered the PSU and segment location from the GIS work done previously in 1994. A report was prepared and provided to the DSI Director and The Minister of Agriculture. The IFDC consultant has been instructing and discussing future activities in area sampling and surveys with the head of sample and survey section of DSI.
- f. Additional work is being done in developing a multiple-frame sampling strategy for obtaining estimations at district level. An assessment will be done of sampling and survey costs at district level. The director of the service and personnel of the DSI of central office are being involved in this assessment.

3. Agro-Industry Surveys

During the current year (2001), DSI has planned, executed, and reported two surveys. Data is being collected from a list frame of all agri-businesses in the country. Sampling is based on major production activity, is conducted on all firms with less than 20 employees, and is valid at prefecture level. A 100 percent sample is taken of firms with 20 or more employees.

Prefecture/district heads do the data collection and perform manual edits. There is one person at the central office that enters/processes data and maintains a database system. This person has been trained in data entry, report preparation, and computer use for the survey services in agro-industry. The information being collected deals with operational status, ownership, employment and labor costs, expenditures, quarterly investments, and quantities of agro-industry products produced and sold as well as the price received for these.

The survey process is working normally and the results are shared with some institutions and with INSTAT. The MOAF requires that this data summarization be provided quarterly as separated data sets (rather than as cumulative totals over quarters).

Some problems were detected in the computer program that summarizes the survey data and the maintenance of the database. Under the supervision of the consultant, a new computer program has been developed for data editing and summarization. This computer program has been documented in a manual and explained to the Albanian technical assistant and the agri-business specialist in charge of the survey. The system and manuals were discussed with district heads of statistics to establish a management of information for agri-industry surveys. Revisions were done of personnel requirements documentation and procedures on quality control and data collection at prefecture/district levels.

The Greenhouse Survey

DSI has already initiated the preparation for the 2001 survey. The survey is based on list frame sampling with stratification by size of the area under greenhouse. Information is collected on vegetable production, sale and price received, labor, costs, and investments.

The consultant reviewed questionnaires, manuals, procedures, and reports with the statistician and with data operators. Evaluation was done of the sampling procedure and the calculation of coefficient of variations and expansion factors. The manual for data collection was standardized and the reporting systems were simplified. A new computer program and data management procedures were implemented to develop a more efficient information system from the greenhouse activities.

Price Surveys.

DSI is collecting monthly and weekly prices on agricultural products – both fresh and processed - in all 36 districts of Albania. The monthly prices are collected using purposive sampling. Prices are averaged across outlets by commodity in each district and forwarded to DSI central office for reporting and compilation in a database. Training activities and discussion have been maintained to determine proper use of this information. Procedures have been established for quality control and data management of the price information.

The IFDC consultant and the assistant collaborated with the DSI Director, district heads, and other directorates in determining the purpose, use of the data, and the reporting system. A more adequate processing and database system was established and strategies for developing food price indexes were discussed with the Director of DSI. A report on price index concepts was prepared as a training activity.

The weekly price survey is done on a purposive sample of local informal markets of approximately 60 agricultural commodities – produced locally and imported – in 12 districts. Data is collected at the district level and summarized at the DSI central office. This information is disseminated on a weekly basis through both the news media and radio. The process is running normally and data is well accepted. A computer program was developed and advice was provided on data management (use of graphics), basic analysis (indicators), and reporting system.

Statistical Yearbook

The Directorate publishes an annual summary of statistics compiled at district and central level on crop areas, livestock and crop production, livestock numbers, prices/costs, and export and imports of commodities produced and processed. One report was prepared in the year 2000 and the corresponding yearbook the year 2001 has already been compiled and published. The yearbook consists of information compared and evaluated against the agricultural statistical surveys. Additional information is obtained from INSTAT or other sources.

This publication is rather general but contains very popular information on the agricultural situation of the country. Its management is done by the Head of Sample and Surveys and requires low resources for its publication. Many agencies use this information as a first approximation of the agricultural situation of the country.

4. Training of Personnel

Training has been a continuous activity developed initially by the IFDC consultant, and later by trained personnel from the DSI service. Two types of training were required – on-the-job training and formal training through short-term courses.

On-the-job training courses started with evaluation of data entry, editing of the agricultural surveys, and the preparation of sampling for the greenhouse and outliers surveys.

Additional work was done in the evaluation of the data entry/edit computer program for agricultural surveys and in the design of the agribusiness program and price survey reports.

Another on-the-job training activity was the development of skills in the use of computer statistical software packages for analysis and reporting. This activity started during October of 2000 when the planning and organization of agricultural survey data was completed. A complete statistical package (SPSS) has been installed and training has been provided in the use of this program for data management and report preparation. This program replaced an old computer program (ASPS) used to perform data entry and report preparation.

Misconceptions with respect to sampling schemes and the use and characteristics of frames, the sample size, and analysis of information were clarified. The consultant has prepared training materials in some of these subjects, principally in sampling systems, analysis of data series, and the use of index numbers to summarize agricultural information. He also prepared material on basic concepts such as data evaluation and analysis for crop production projections and agricultural price analysis among regional areas. These training materials are being translated to Albanian and are being compiled as guides for continuing training.

The short-term training formally started during the second visit of the consultant. This training activity involved personnel of central office and prefectures. Short-term training in statistics will be concentrated in the following areas: building and use of sampling frames, stratification, miscellaneous survey techniques, and data analysis and presentation. Short-term training has been provided with the help of the Albanian assistant, and in some instances, has involved personnel from the Directorate of Economics and Science and Extension Services.

Short-term training in computer data and use of processing software was also arranged using the facilities provided by the Harry T. Fultz Technical Institution. This Albanian school has good facilities and flexible schedules. The school provided the consultant with curriculum and fees for training personnel from DSI central office. Discussions have been maintained with the director of the school and the DSI Director with respect to future training activities. Presently the school has provided the following training to personnel of DSI:

- Short-term training in the use of spreadsheets
- Training in the use of ACCESS for database management
- Training in the use of ACCESS for report preparation

5. Budget, Equipment Resources, Software Developments

The consultant has worked with computer operators of DSI and identified the characteristics of equipment (computers-printers) in use in the central office and the kind of software required for the survey activities of DSI. The present support project provided a capacity computer that can be used as server in a local network system, one quality printer, and a lower capacity computer that can be used for data analysis and database management. Additional computers and processing equipment have been provided with the cooperation of the Ministry of Agriculture. DSI presently has updated the equipment and the capacity to continue providing quality services in agricultural statistics

Software capabilities of DSI central office have been supplemented with an efficient statistical package for data analysis. Major revisions and upgrades of the software have been done during the past and present year (2001). The following computer programs have been developed:

- Data entry - edits for agricultural surveys
- Data entry - edits and report preparation for agro-industry surveys
- Report preparation for price analysis

Computer resources were primarily used to organize survey data management and support database organization. The consultant is working with the Director of DSI and Albanian counterparts in the evaluation of equipment requirements at prefecture and district levels.

The Director of DSI has provided cost estimates for supporting DSI survey activities during the year 2000. The estimates indicated that at least US \$43,000 were required to execute survey activities associated with training of interviewers, data processing and quality control, and reporting. Details of these costs were discussed with the Director. There has been discussion to find ways to reduce these costs and ensure complete responsibility of the Ministry for the associated survey costs beyond the year 2001.

Based on budget discussions and technical assistance suggestions, the costs have been significantly reduced. These cost reduction alternatives have included staffing pattern adjustments, integration of some surveys activities, reduction of paper work, standardization of manual, reduction in the number of interviewers to train by transferring more responsibilities to prefectures/districts, and sharing of costs with other directorates.

The consultant met with the Minister and Vice-Minister of Agriculture and discussed the sustainability of the service. The Minister has expressed concerns about the budget situation but expressed his full commitment to find adequate solutions for the budgeting of DSI surveys and other future activities after the year 2001. As part of this process, the IFDC consultant in cooperation with the Vice-Minister of Agriculture and DSI Director prepared a proposal to secure financial aid for future DSI services. The World Bank is evaluating this proposal.