



ALBANIAN FOUNDATION FOR  
TRAINING & DEVELOPMENT



Groupe de Bruges

***“The future of agriculture and rural areas in an  
enlarging Europe:  
dealing with diversity”***

**Tirana International Hotel  
Tirana, Albania  
Friday October 16 2009**

## **Workshops reports**

### **1. Preparing for accession: what can Albanian agriculture and rural areas offer to the European Union?**

Moderator: Mr. Bart Soldaat, secretary of the Group de Bruges

Expert: Mr. Mark Cropper, DG Agri, European Commission

The workshop identified a number of resources that Albania could offer:

- Natural resources in terms of bio diversity, unspoiled nature and landscapes (mountain areas). These offer good opportunities to develop rural tourism and renewable energy sources (water)
- Good climate and soils in the valleys for food production.
- Local quality products that have the same potential as PDO products in the EU. There is a domestic and export market for these products.
- The flexibility and adaptability of the people, the willingness to learn

To be able to utilize this potential a number of actions and priorities were defined:

- There is a need for capacity and skills building through training and education. To develop for example rural tourism requires a completely different set of skills and attitudes

- The notion of public goods that can form the basis of public and private services needs to be adopted and communicated to both producers, policy makers and the general public
- There is a great need to develop and improve the market infrastructure, to connect producers with consumers, production with consumption
- Cooperation and building of networks is important to achieve this
- This should be backed up by appropriate legislation, investment subsidies and public institutions
- Concerning local products more priority should be given to developing standards and certification to improve and control quality. This is important to reach the urban consumers and to improve export.

Other remarks:

- Relative little priority was given to direct subsidies, contrary to current government policy, but this may have been due to the fact that there were few farmers in the group
- Virtually no priority was given to technology and research. This was explained by the fact that in Albania there is little attention for applied research. There is however a great need for this kind of research to support farmers and other rural entrepreneurs.

## **2. (Re)migration: an asset for rural development?**

- The workshop identified positive and negative aspects of (re)migration related to rural development:
  - the rural areas revitalization examples from professor Kasimi's study are sound experiences to develop policies and strategies of rural development in other areas and in Albania.
  - there is a tendency of emigrants accentuated by the crisis to return to the home area
  - a better and more integrative EU policy on migration, principally the recognition and the legalization, will make it for migrants more flexible to move in and out where the work force is really needed.
  - internal migration in Albania has affected more the mountain and hilly areas and was directed to plain areas mainly near the big cities and in the suburbs
  - emigration is directed to neighbour EU member countries like Greece, Italy but also to Germany, the UK, etc.
  - remittances are the main income in cash for many rural families
  - migrants returned to their home have carried back with them much needed and hard gained capital and hard learned knowledge.
  - this mix has been the basis for new economical activities and development in the rural areas, both in agriculture and other non farm businesses.

- the government and the financial institutions should offer more easy access to capital and business infrastructure for the emigrants that have returned home with new knowledge and professions.
- there is also a strong tendency from the public structures and existing businesses to live "on rent" from the income/remittances from migrants.
- the brain drain and vital work force oriented to leave the villages are factors that strongly influence the basis of sustainable local development
- conditions should urgently be put into place to permit remigrants and their families to invest their capital, knowledge and willingness in productive activities rather than "burying" them in planned and uncontrolled building activities, like new houses or consumistic attitudes.

### **3. Financial and fiscal aspects of agricultural and rural development: credit facilities, subsidies and tax policies**

Moderator: Mr. Florian Xhafa, expert on European legislation

Expert: Mr. Emilio Chiodo, assistant professor at the University of Agricultural Economics, Teramo, Italy

The main findings of the workshop are:

- The state aid, provided in the form of risk coverage and collateral, will increase the crediting of the agriculture sector from financial institutions and bodies;
- All forms of financing the sector (being subsidy or private sector financing) should be oriented toward investments that would promote agriculture development and make it competitive in a global market. The financial aid provided mainly for social sustainability might harm the development of the sector;
- The restructuring of the sector in new forms of cooperation will increase the rentability of the sector as well as will facilitate its crediting or financing;
- The updating of the agriculture financial statistics would allow a proper evaluation of the real financial needs of the sector.

### **4. What conditions are needed for agriculture and rural areas to develop?**

Moderator: Mr. Fatos Fico, director of the Albanian Foundation for Training and Development

Expert: Hans Popp, retired vice-minister of the Swiss Ministry of Agriculture

The workshop identified the conditions to be put in place for agriculture and rural areas to develop:

- To have a satisfactory development of human and institutional capacities
- To have enough financial support

- To have a well developed social and physical infrastructure, like schools, health centres, roads, modern communication connections
- To have and/or create conditions for cooperation, between farmers and between the different stakeholders
- To have integrated and sustainable development policy and strategies

To achieve these conditions the following actions are needed:

- To increase the human and institutional capacities of those involved in and working with rural development through more training, better selection, better payments, etc.
- To increase rapidly and considerably the financial resources directed to agriculture and rural areas, both public and private
- To develop rapidly the rural infrastructure both social and physical
- Social infrastructure: a fast development of modern vocational training schools
- Physical infrastructure: to maintain and improve existing roads parallel to building of new roads, but at the same time preserving the land, respecting nature, the landscape and where necessary compensate for losses
- Connecting the Albanian rural world to the new communication era: Internet, affordable mobile communications, etc.
- To approve urgently an adequate law on producer cooperation recognised on paper and in practice, but in particular from the Ministry of Finance and its structures
- To change the mindset of the public that rural means only agriculture and that the farmer is only a land owner and worker but instead to consider the multifunctionality of agriculture and the multiple role of farmers.

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*The conference has been made possible through financial contributions of*



*With support of*



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