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DRAFT FOOD SYSTEMS ASSESSMENT

ALBANIA

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Abbreviations

AUT	Agriculture University of Tirana
ATTC	Agriculture Technology Control Center
ANES	Agricultural National Extension Services
BSEC	BSEC Regional Cooperation
CSFS	Centre for Sustainable Food Systems
CPI	Consumer Price Index
CERGE-EI	Center for Economic Research and Graduate Education - Economics Institute
DSA	Development Solutions Associates
EBRD-AASF	European Bank for Reconstruction and Development – the Albania Agribusiness Support Facility
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FAOSTAT	Food and Agriculture Organization Corporate Statistical Database
F&V	Fruit and vegetables
GAP	Global Gender Gap Index
GI	Geographical Indication
GII	Gender Inequality Index
GDP	Gross domestic product
GNI	Gross national income
GVA	Gross value added
HBS	Household Budget Survey
HDI	Human Development Index
HLPE	High Level Panel of Experts on Food Security and Nutrition
INSTAT	Institute of Statistics of Albania
IPARD	Instrument for Pre-Accession Assistance for Rural Development
ISARD	Inclusive and Sustainable Agricultural and Rural Development

MARD	Ministry of Agriculture and Rural Development
MAPs	Medicinal and Aromatic Plants
MARD	Ministry of Agriculture and Rural Development
MARDWA	Ministry of Agriculture, Rural Development and Water Administration
MoES	Ministry of Education and Sports
MoFE	Ministry of Finance and Economy
MoHSP	Ministry of Health and Social Protection
NSDI	National Strategy for Development and Integration
NCDs	Noncommunicable diseases
NGOs	Non-governmental organization
PDO	Protected denomination of origin
PHC	Primary health care
PPP	Power purchasing parity
SARDF	Strategy for Agriculture, Rural Development and Fisheries 2021–2027
SDG	Sustainable Development Goal
SILC	Statistics on income and living conditions
SMEs	Small and medium-sized enterprises
UN	United Nations
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
WBCs	World Bank Countries
WHO	World Health Organization

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Executive Summary

This rapid assessment study report provides an initial broad understanding of the key challenges and opportunities of Albania's food systems and serves to guide further discussions on relevant interventions. An integrated, food *systems* approach highlights the interconnections between production, consumption and broader socio-economic and environmental contexts, foregrounding trade-offs and synergies.

Approach and conceptual framework. This study is based on the framework of food systems for diets and nutrition elaborated in the report of the Committee on World Food Security's (CFS) High Level Panel of Experts on Food Security and Nutrition (HLPE, 2017). Key areas of the analysis include: external factors affecting producers' and consumers' decisions (drivers), food supply chains, food environments, and consumer behaviour and diets, as well as how those elements contribute to nutrition and health outcomes for all in such a way that the economic, social and environmental bases are sustainable. This assessment is based on data from international and national databases, as well as expert interviews.

Drivers. The report focuses on five categories of drivers of food systems which are highlighted below.

Biophysical and environmental drivers. Albanian agriculture production is dominated by small, family farms, which by default are more exposed to certain types of risks which they have limited capacities to withstand. The risks of climate change for the agricultural sector are particularly immediate and significant because the majority of the rural population depends either directly or indirectly on agriculture for their livelihoods. Climate change has exacerbated the severity of production risks for a variety of agriculture sectors resulting in lower yields and/or quality due to extreme high temperatures (especially in the absence of irrigation); and the intensification or apparition of various diseases.

Innovation, technology and infrastructure drivers. Albania is ranked as one the lowest countries in the region regarding research output in major disciplines, including agriculture and food systems. There are also significant gaps regarding technology and knowledge transfer. Despite significant improvements in infrastructure in the previous two decades (including roads, electricity, telephone and internet coverage, etc.), social infrastructure and services are still insufficient, especially in rural and even more so in remote areas, which suffer from serious gaps in health services and educational infrastructure. The Net Attendance Ratio in rural areas is lower compared to urban areas.

Political and economic drivers. Albania was a closed economy until the early 1990s. Since then, it has embraced an open and free market economy. Overall, agriculture production has increased the transition to a market economy with the sector accounting for about one-fifth of GDP. Similar to other countries in the region, the Albanian economy was negatively affected by the COVID-19 crisis. More recently, the society is struggling with the effects of the Ukraine war, reflected in higher inflation, while farmers are facing substantially growing inputs prices, resulting in significant decrease of production, most notably in the case of livestock.

Socio-cultural drivers. Despite economic growth achieved during the past two decades, around 659 000 individuals live below the at-risk-of-poverty threshold. The COVID-19 pandemic and the more recent Ukraine conflict are further exacerbating inequality in income distribution. Between 1990 and 2018, the country's Human Development Index (HDI) value increased significantly (23 percent). HDI was 0.795 in 2020, placing the country in the high human development category (ranked 69 out of 187 countries).

Demographic drivers. The Albanian population shrank from 3.28 million in 1990 to almost 2.85 million in 2019, with population growth exhibiting an ongoing negative trend since 2000. Yearly migration flows have transformed the demographic structure of the Albanian population. This trend combined with a lower fertility rate has created the conditions for pessimistic projections (100 000 people less in 2031 compared to 2020). Rural areas have undergone economic restructuring and rapid demographic changes as the pace of rapid urbanization continues despite the overall decline in the country's population.

Food supply chains. In the horticulture sector, growing exports and a trade surplus have been observed for some of the main products produced in Albania, notably greenhouse vegetables. The dairy and meat sector relies significantly on the domestic market in the context of a high trade deficit. Within the agro-industry, dairy and meat processors are more consolidated than their fruit and vegetable equivalents, although the former rely on imported meat. Coordination across export-oriented value chains and the dairy value chain is better, although in some sectors or for some products, such as olive oil, short value chains are dominant.

Food environments. Once the transition to a market economy began in the early 1990s, trade liberalization and the combination of expanded retail and growth in local production capacities and storage proved instrumental in increasing availability of fresh products for longer periods of time at lower cost. However, there is still a need to further improve post-harvest capacities. In the case of livestock, there has been a substantial increase in the production of raw milk and fresh meat over the past two decades, despite the ongoing trade deficit. Albania still faces serious problems with regard to national food safety and controls in terms of legislation, infrastructure, institutional capacity and private investments, all of which will assume greater importance in the context of the regional EU accession process.

Consumer behaviour. In Albania, the early 1990s saw the beginning of a transition from a centrally planned economy to a market-oriented one, where economic growth, fast urbanization and regional trade liberalization contributed to the rapid evolution of consumption habits and lifestyle changes. This shift was marked by a substantial increase in the consumption of fruits, vegetable, meat and dairy products, and a concomitant decrease in the consumption of cereals/bread. Fast income growth combined with migration from rural to urban areas gave rise to a larger urban middle-income class of consumers, characterized by higher awareness for food safety and quality.

Diets. While the nutritional status of the Albanian population has improved due to enhanced nutrition and food security, undernutrition persists alongside increasingly higher rates of overweight and obesity among children and adults, the latter caused by rising consumption of empty calorie and inadequate physical activity. In previous studies, virtually all children recognized the importance of breakfast, but only 63 percent reported eating this meal (regularly). According to FAO data, the prevalence of moderate or severe food insecurity among the total population (three-year average) is 33.8. However, underweight and overweight-related issues are present in children and adults, with adult overweight increasing significantly since 1990. More than 22 percent of Albanian adults are obese and around 37 percent are overweight contributing to high incidence of diabetes and cardiovascular diseases.

Food systems outcomes and impacts. Despite substantial improvements, many people are still moderately food insecure, being unable to afford a nutrient adequate or healthy diet. Obesity and non-communicable diseases are slowly rising. The Albanian food system has experienced economic growth;

however, its performance is below potential due to low-productivity, high unemployment, low wages and slow wage growth, high inactivity, and low digital technology adoption and innovation. Structural changes and migration have produced high rural vs urban inequalities across the country. These gaps relate mainly to the slow pace of economic diversification and high dependence on rural populations in agriculture. Overall, the contribution of Albanian agriculture to climate change can be considered modest due to the small size of the sector and the low level of intensification. Low-quality inputs combined with improper usage have caused water pollution in some areas, exposing future agriculture production and human health to serious risks. Investment in the treatment of waste and the education of farmers, as well as the enforcement of legislation, are priorities.

Policy and institutional frameworks for food system sustainability. After being granted the status of EU candidate country in June 2014, Albania made some progress in aligning its agricultural policy with EU agricultural acquis. In 2014, the country adopted the Inter-Sectoral Agricultural and Rural Development (ISARD) for the period 2014–2020, in line with the EU accession process, while a new Strategy for Agriculture, Rural Development and Food for the period 2021–2027 was drafted during 2021. In terms of payments per hectare of agricultural land, Albania scores very low, compared to the European Union and also to other countries in the Western Balkans. With regard to the IPARD pre-accession programme, the IPARD II has now ended and ongoing preparations are underway for IPARD III.

In line with the sustainable food system approach, the priorities for the next decade, as stated in the National Pathways for Sustainable Food Systems (2021 UN Food Systems Summit), are as follows:

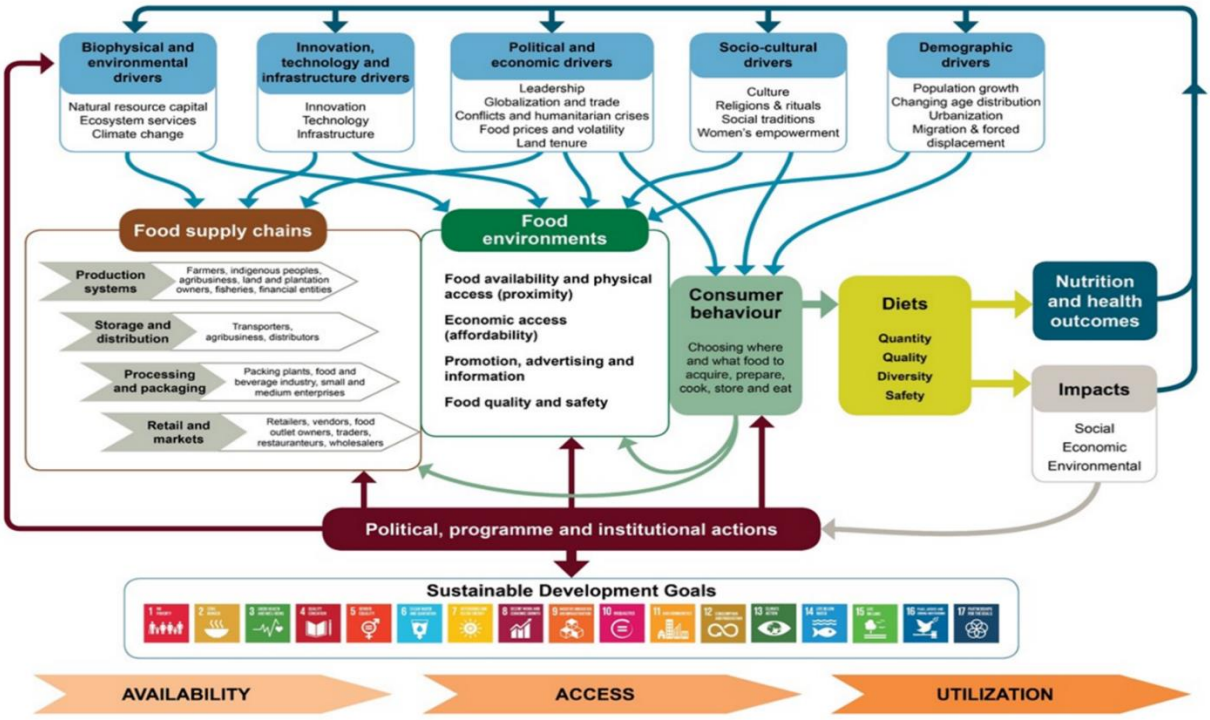
- Ensure a competitive value chain in food systems.
- Develop agritourism and short value chains as mechanisms of rural development.
- Establish an effective system of food/feed safety, veterinary and plant protection.
- Guarantee the sustainable use of natural resources, environmental protection, and preservation of ecosystems, and enable climate change mitigation and adaptation.
- Create effective systems of crisis management.

Chapter 1. Rapid Food Systems Assessments

This profile seeks to provide public and private sector decision-makers with a holistic and systemic overview of key components critical for the sustainability of the Albania national food system. It further aims to identify hotspots of unsustainability to enable prioritization of interventions at multiple scales.

The analysis was based on two frameworks: the 2016 Global Panel Report on Agriculture and Food Systems for Nutrition and the Committee on World Food Security's (CFS) 2017 High Level Panel of Experts on Food Security and Nutrition report *Nutrition and Food Systems*. Figure 1 illustrates the conceptual framework of food systems for diet and nutrition, which are analysed in this report and in the annexes.

Figure 1. Conceptual framework of food systems for diets and nutrition



Source: HLPE (2017).

The report is structured as follows: the second chapter presents an analysis of food system drivers. This is followed by analyses of food system elements (Chapter 3), and nutrition and health outcomes (Chapter 4). Chapter 5 provides an overview on political programmes and institutional actions. The final two chapters present conclusions and recommendations (Chapters 6 and 7).

Chapter 2. Food system drivers

2.1 Biophysical environmental drivers

Albania is located in the Western Balkans, Southern Europe, and has a population of about 2.8 million. About two-fifths of these people live in rural areas. Climate change is one of the main (environmental) drivers and one of the most significant challenges facing Albanian agriculture. Southern Europe is the most sensitive European area to climate change with climate impacts manifesting in the form of annual average temperature changes, declines in rainfall during the summer season, precipitation fluctuations throughout the year, flooding and extreme temperatures. In Albania, the decrease in rainfall and river flows as well as loss of soil moisture due to changes in evaporation-transpiration have negatively affected water supply. Conversely, floods are becoming an increasing problem especially in north-western Albania, although they also occur in other areas of the country. Looking ahead, climate change is expected to negatively impact river flow, which in turn will affect the generation capacity of hydropower plants, which are the main source of energy production in Albania (MARDWA, 2014; Imami *et al*., 2019).

Globally, climate change impacts mostly smallholder farmers whose vulnerability results from a variety of socioeconomic, demographic and policy trends that limit their capacity to adapt to change (Morton, 2007). As about 86 percent of farms are considered "small" in Albania (FAO, 2020), thus agriculture production in the country is dominated by small, family farms, which by default are more exposed to certain types of risks which they have limited capacities to withstand. The risks of climate change for the agricultural sector are particularly immediate and significant because the majority of the rural population depends either directly or indirectly on agriculture for their livelihoods (Imami *et al*., 2019).

Albania ranks among the top ten countries in the world for high economic risks from multiple hazards – 88.5 percent of GDP generated and 86 percent of the country's total territory is exposed to risks from two or more disasters.[1] The impact of disasters is increasing the vulnerability of Albanian citizens who are affected by them. The floods of 2015 and 2016, the 2019 earthquake and the COVID-19 pandemic, and latest Ukraine war all highlight the need for increased resilience in the private sector and strengthened capacities to mitigate, manage and recover from shocks.

[1] https://summitdialogues.org/wp-content/uploads/2021/09/FSS-Albania-National-Pathways-for-Sustainable-Food-Systems.doc

The main environmental challenges are water and air pollution, land degradation, biodiversity loss and waste management. In addition, rapid urbanization and increasing demand for natural resources have led to increasing depletion and degradation.

2.2. Innovation, technology and infrastructure drivers

Albania is ranked as one of the lowest countries in the region for research output in major disciplines (as well as in disciplines related to agriculture) based on the number of articles recorded in Scopus (Zhllima, 2022). There are five agricultural research institutes (Agriculture Technology Transfer Centres, ATTC) under the Ministry of Agriculture and Rural Development (MARD), two Higher Education Institutes (HEIs) of which the Agriculture University of Tirana (AUT) is considered a leader. Fundamental scientific research is also conducted at universities such as AUT (FAO, 2020). Research funds are provided by the Ministry of Education and Sports (MES) to universities, while research funding for ATTCs is provided from the MARD budget. Overall, the Albanian research output is limited reflecting low levels of funding (from the above-mentioned institutions and from very low Horizon 2020 participation).

There are also significant gaps in technology and knowledge transfer. Agricultural National Extension Services (ANES) aim to play a central role in enhancing research, innovation and technology transfer, and dominate public advisory service delivery. Of 238 employees, 170 are advisers and others are administrative and management personnel with defined roles and responsibilities for extension delivery and other functions, including statistics collection and data gathering (Zhllima, 2022). Although part of the main role of ANES is transfer of knowledge to farmers and to ensure information on standards (environment, food quality, marketing, organic agriculture, products with geographical indicators), their capability to address these needs is limited, while cooperation between researchers (or research institutes) and farmers is weak (Zhllima, 2020).

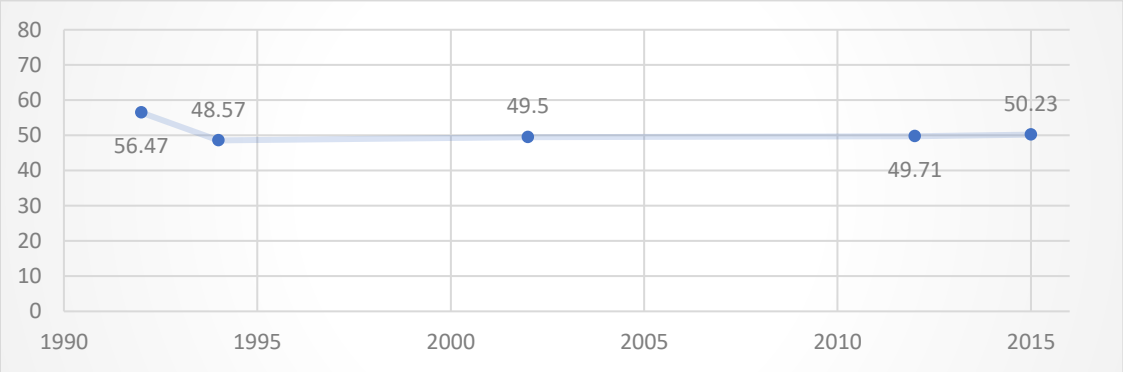
There is a persistent lack of innovation, and farmers often lack awareness and an understanding of the cost-benefit relationship regarding decisions in this area (FAO, 2020). Innovation and technology transfer is typically adopted from outside the country, while the role of foreign direct investment (FDI) and donor programmes in promoting innovation and the adoption of technology in food chains is sporadic (Zhllima, 2020). Technologies are often guided by farmers' experiences gained in neighbouring countries (e.g. returning migrants) or inspired by value chain leaders. One good example in innovation presented by external actors is the introduction of food safety and environmentally friendly agriculture practices (good agriculture practices, organic and GLOBAL GAP certification) (Imami *et al*., 2021).

There have been significant improvements in infrastructure over the last two decades (including roads, electricity, telephone and internet coverage, etc.). However, there are still high deficiencies in rural areas, which have underdeveloped and poorly maintained infrastructure and public services including

transportation, electricity, running water, education, healthcare and so on. (FAO, 2020). These deficiencies are key drivers of migration from rural areas, while migration itself contributes to further deterioration of the situation and services.

One of the greatest challenges in Albanian agriculture is irrigation. Storage capacity in reservoirs has declined due to silt deposits and heavy rains, which increase flood risks. Currently, almost half of total cultivated land in Albania is under irrigation (see Figure 2). During the last decade, data show a steady stagnating trend for this indicator.

Figure 2. Percentage of cultivated land under irrigation (%)



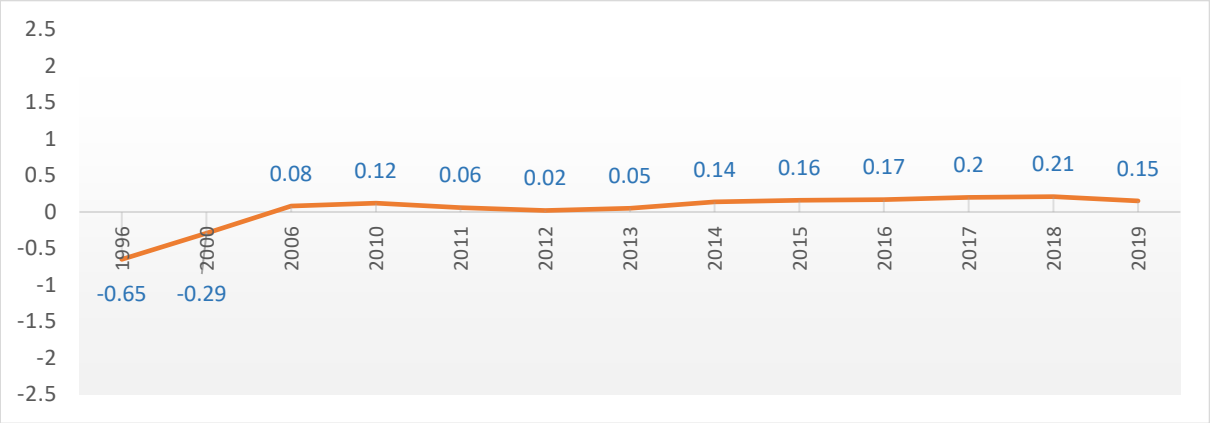
Source: FAO, AQUASTAT. www.fao.org/nr/water/aquastat.

2.3 Political and economic drivers

2.3.1 Politics and leadership

The administrative capacity and professional standards of key institutions in Albania remain limited. Weak progress has resulted in lower transparency and accountability, hindering the effective, efficient and transparent functioning of the public procurement system and public finance management (European Commission, 2020). Figure 3 shows the Voice and Accountability Index for Albania for the period 1996–2019. Data indicate a positive increased trend even though the index values are still significantly less than the optimal value of 2.5 points.

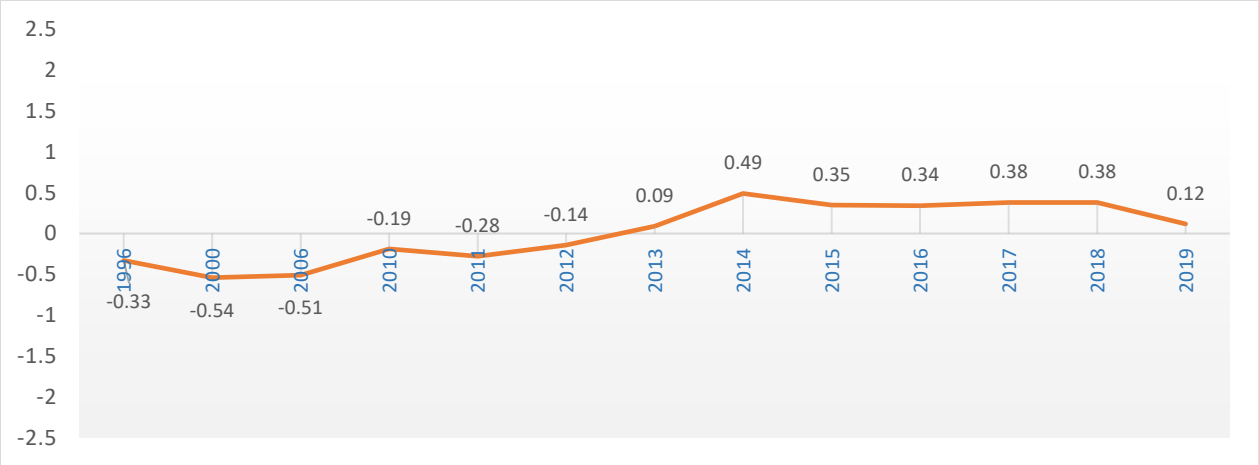
Figure 3. Voice and accountability Index [-2.5 (weak) to 2.5 (strong)]



Source: World Bank Worldwide Governance Indicators. https://info.worldbank.org/governance/wgi.

The political environment in Albania has been marked by intense polarization due to weak political dialogue and the slow pace of electoral reform and implementation (European Commission, 2020). The annual trend of the Political Stability Index indicates a positive increased trend (see Figure 4).

Figure 4. Political stability and absence of violence/terrorism Index [-2.5 (weak) to 2.5 (strong)]



Source: World Bank Worldwide Governance Indicators. https://info.worldbank.org/governance/wgi.

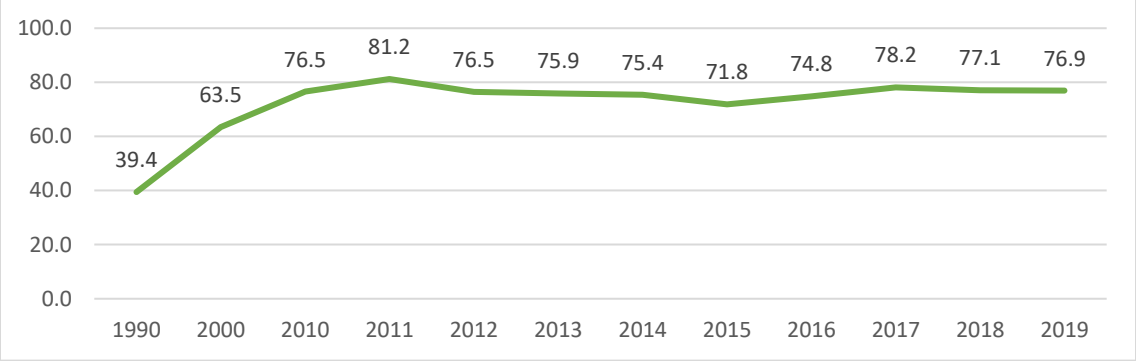
Despite progress, the country is still characterized by high levels of corruption, and elections are often an arena for the misuse of public institutions and resources as well as high levels of informality (Imami, Lami and Pojani, 2021; Lami *et al*., 2021).

2.3.2 Globalization and trade

Albania was a closed economy until the early 1990s. Since then, it has embraced an open and free market economy. Policy changes, trade liberalization and privatization took place at a rapid pace, allowing FDI and international trade to become key components of Albania's economy. There is clearly a long-term relationship between FDI, trade and economic growth (Hobbs *et al*., 2021).

Figure 5 illustrates the importance of trade as a percentage of total Gross Domestic Product (GDP). Compared to 1990, the share of trade in GDP has almost doubled, marking a drastic increase during the first post-communist decade, with data for the last decade showing oscillations.

Figure 5. Trade as a percentage of GDP (%)



Source: World Bank (2021). World Bank Data. https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS.

In 2019, Albania ranked 135th globally for total exports and 131st for total imports. The top exports of Albania are leather footwear (representing USD 352 million), footwear parts (USD 230 million), crude petroleum (USD 189 million), ferroalloys (USD 129 million) and non-knit men's suits (USD 116 million). The top imports of Albania are refined petroleum (USD 453 million), cars (USD 182 million) and packaged medicaments (USD 158 million) (OEC, 2021).

During 2020, 14.4 percent of total exports consisted of food, drinks and tobacco, while the corresponding value for imports was 18.3 percent (see Table 1), with strong oscillations from year to year. Overall, Albania has a high trade deficit in general and for food products in particular. For every USD 100 of food, drink and tobacco imports, exports amount to USD 35.2.

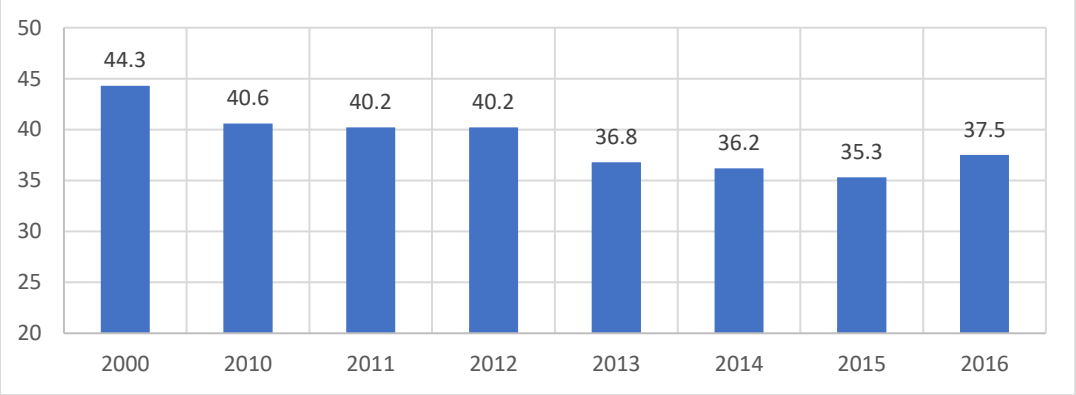
Table 1. Food, drink and tobacco (FDT) imports and trade statistics, Albania, 2020

Category	Percentage
Share of food, drink and tobacco exports in total exports	14.4%
Share of food, drink and tobacco import in total import	18.3%
Share of food, drink and tobacco exports to food, drink and tobacco imports	35.2%

Source: INSTAT (2021).

Among the main groups of agrifood products imported are meat and cereals, for which Albania historically has a high trade deficit (exports are insignificant while imports represent a significant share of the domestic market). Since 2010, the annual cereals import dependency ratio has been estimated at less than 40 percent. However, a slightly declining rate has been observed since 2000, as shown in Figure 6. The lowest rate was achieved in 2015, where 35.3 percent of the available domestic food supply of cereals was imported.

Figure 6. Cereal import dependency ratio, three-year average (%)



Source: FAOSTAT (2017). Food Insecurity. www.fao.org/economic/ess/ess-fs/ess-fadata/en/#.XkquN2hKg2w.

2.3.3 Economic, food prices and volatility

Albania emerged from the planned economy as one of the poorest countries in Europe and the region, and remains so. Its early transition was characterized by drastic economic reforms and economic revivals and growth, until 1997 when the country faced a major socio-economic and political crisis following the massive Ponzi schemes failures. Following fast GDP growth of around 6 percent during the 2000s, the economy grew on average by 2.4 percent over the last decade. This led to slight improvements in labour market patterns and contributed towards improved living standards and reductions in poverty and social exclusion (UNCT, 2020).

GDP per capita was in the range of around 5 300 to USD 6 500 (or USD 13 500 to USD 15 600, current PPP) during 2018–2021. Inflation has been stable, well below 3 percent for most years during the past decade. Average food consumer and agriculture producer price has also remained relatively stable over the same period. The contribution of agriculture sector to GDP has likewise remained stable, at around one-fifth (World Bank, 2021).

2.3.4. Land tenure

Following the collapse of the planned economy, the Albanian government implemented a radical agrarian reform in the early 1990s. Approximately 80 percent of the agricultural land surface was distributed free of charge, equally per capita, based on the land surfaces of each village (Zhllima *et al*., 2010). Clashes among customary and legal institutions for land tenure in villages (former land rights by inheritance and new land rights distributed by Law 7501) caused social tensions in rural communities and contributed to significant land tenure insecurity (Zhllima and Imami, 2012). The reform also gave rise to high levels of fragmentation which still persist. Given that Albania's land ownership structure was too fragmented to permit realization of the country's full productive potential, experts recommended government-sponsored programmes to consolidate holdings. However, this strategy that can be difficult to implement due to inadequacies in land tenure arrangements (Deininger *et al*., 2012). In the context of existing agriculture conditions, the rental market has been the most common mechanism used to achieve farm consolidation (Zhllima *et al*., 2021).

2.4 Socio-cultural drivers

The population of Albania is characterized by ethnic and religious diversity. While the country is dominated by the Albanian population, in some areas, mainly in the south and southeast of the country, other ethnic minorities such as Greek, Macedonian, Montenegrin as well as Roma, Aromanians, Egyptians and others are present. The religious structure of the Albanian population is also diverse. There are currently five officially recognized religions in Albania: Islam, the Bektashi Order, Catholicism, Orthodox Christianity and Evangelical Christianity. Remarkably, different ethnic and religious groups coexist in harmony, making Albania a very good example (Doka, 2022).

Although Albania is a relatively small country, there is a high diversity of agriculture production patterns (conditioned by different tradition and relief conditions) which is reflected in the country's food diversity. Both regional and cultural diversity combined with migration trends (including returning migrants) have contributed to a rich cuisine, contributing to Albania's attraction as a tourism attraction.

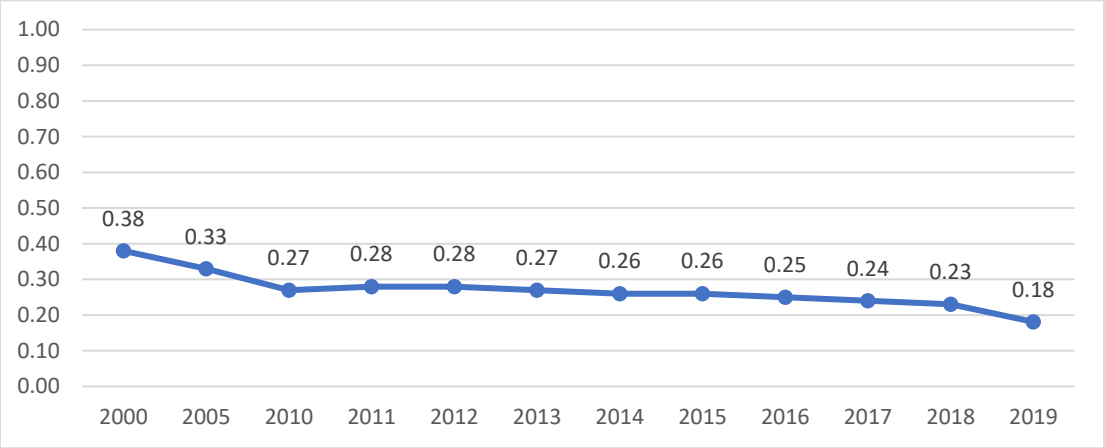
Albania performs relatively well in global development indexes. Positive examples include the 2020 Global Gender Gap (GAP) Index compiled by the World Economic Forum (ranked 20 of 153 countries); the 2019/20 Gender Equality Index (GEI) compiled by the European Union (60.4 out of 100 points, which is 7 points below the EU-28 average); the 2019 Gender Inequality Index of the Human Development Report compiled by the UNDP (ranked 69 among 189 countries); and the 2019 Women, Peace and Security (WPS) Index compiled by the Georgetown Institute (ranked 57 among 167 countries). Some of the indexes represent dualities: certain index categories related to women's formal representation in politics and presence in tertiary education perform well, while women's participation in economic life, access to essential productive resources and women's economic empowerment perform poorly.

Rural societies are rapidly reshaping gender identities in terms of governance and participation in non-agriculture sectors, but are hindered by a social structure that is characterized by customary norms and vulnerable economic conditions which conserve the patrilineal hierarchal structure and represent a barrier to legal progress. While urban women enjoy high representation in politics[2] and access to university education and the labour market, their rural counterparts participate in economic life to a much lesser extent and struggle to access essential productive resources due to unequal land rights and land inheritance and strong patrilineality and customary rules in tenure and decision-making, according to interviewed experts.

The Albanian average Gender Inequality Index (GII) score in 2019 was 0.18, which indicates a loss in potential human development due to gender inequality. Figure 7 indicates a positive decreased trend for Albania, with a 20 percent difference when comparing 2000 to 2019. The issue of gender inequality is discussed again later in this report in the context of social outcomes.

[2] Nearly half of municipal council members nationwide are women, and about a quarter of the Albanian Parliament consists of women (INSTAT, 2019).

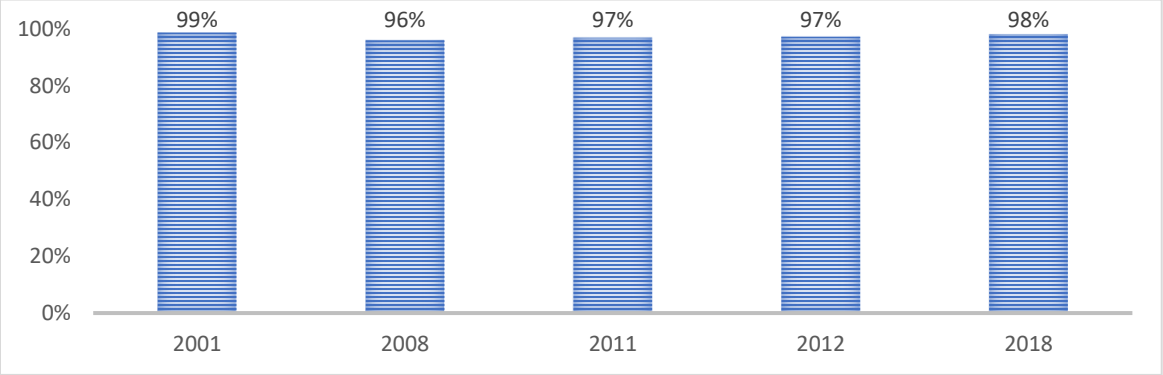
Figure 7. Gender inequality index – scale 0 to 1



Source: UNDP (2021). http://hdr.undp.org/en/content/gender-inequality-index-gii.

Albania maintains a high level of access to primary and basic education with a Net Enrolment Rate of 96 percent. In 2018, the adult literacy rate of Albania was 98 percent (people who can both read and write with understanding a short simple statement about their everyday life). Figure 8 presents the literacy rate of total adults (percentage of people aged 15 and above).

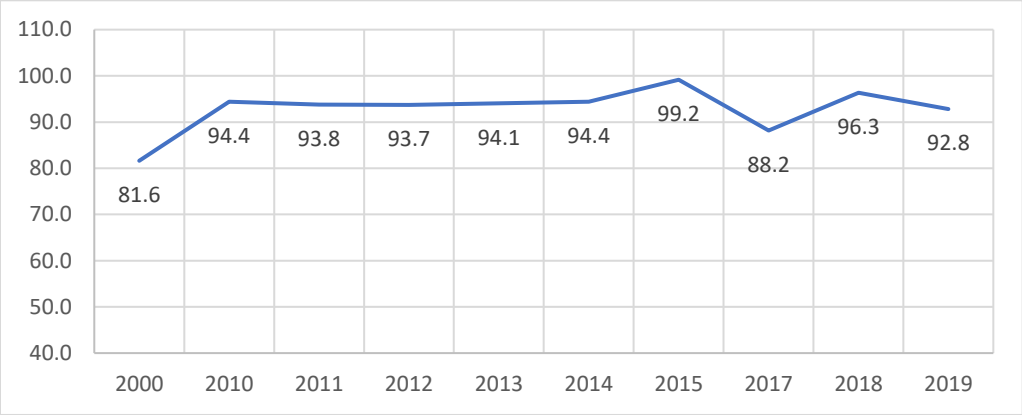
Figure 8. Literacy rate, adult total (%)



Source: World Bank. www.data.worldbank.org.

The lower secondary education completion rate in Albania is 92.8 percent (2019). Estimated data from World Bank (Figure 9) indicate that the completion rate has been increasing steadily since 2000, and has been relatively stable during the past decade.

Figure 9. Lower secondary education completion rate, total (%)



Source: World Bank. www.data.worldbank.org.

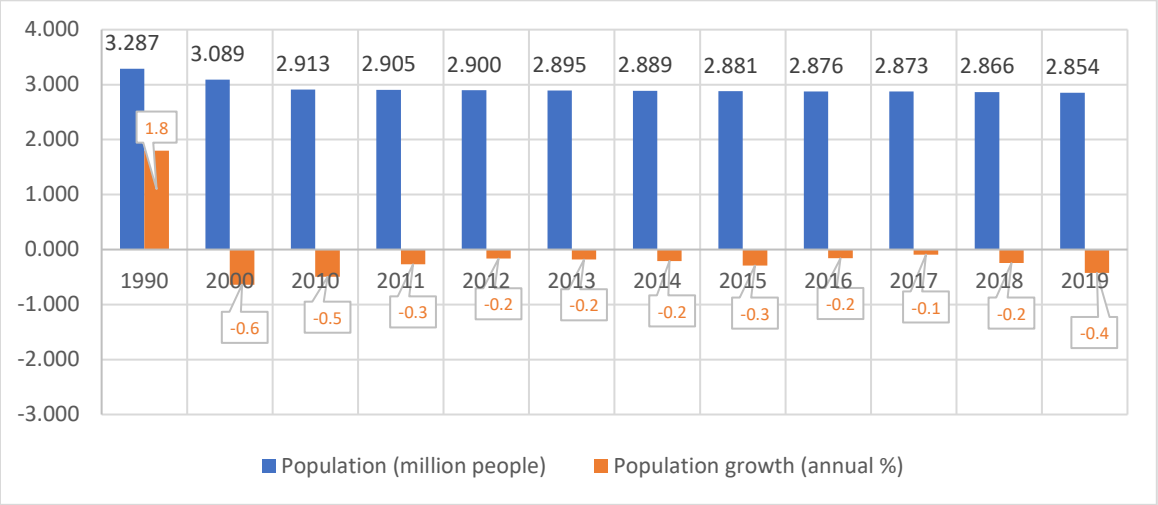
Education services in rural areas tend to be poorer, especially in more remote areas. Access and quality of services is a major issue: the Net Attendance Ratio in rural areas is 8 percent point lower for secondary education and the median of school completed years is almost 50 percent lower (7.5 vs. 14.4 years) when compared to urban areas. Access to health services in rural areas is also limited if compared with urban areas. The proportion of women reporting at least one problem in accessing health care is higher in rural areas (45 percent) than in urban areas (26 percent) (INSTAT, 2019).

2.5 Demographic drivers

2.5.1 Population growth and migration

The Albanian population shrank from 3.28 million in 1990 to almost 2.85 million in 2019 (see Figure 10), with population growth exhibiting an ongoing negative trend since 2000.

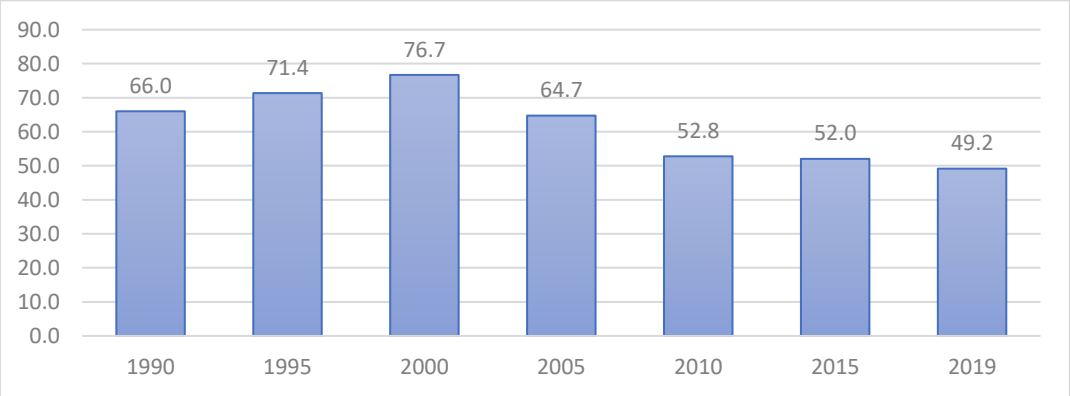
Figure 10. Population (million people) and population growth (annual %)



Source: World Bank data. www.data.worldbank.org.

The total number of international migrants reached almost 49 200 Albanians in 2019. From 1990 to 2000, the total international migrant stock of Albania increased from 66 000 to almost 77 000. However, the data indicate a decreasing trend in international migrant stock of almost 35 percent from 2000 to 2019 (Figure 11).

Figure 11. Total international migrant stock (000 people)



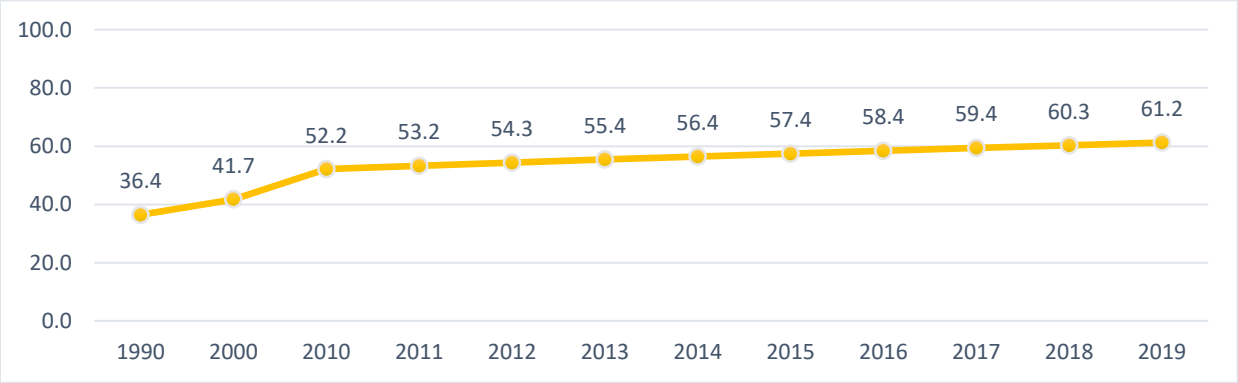
Source: UNDESA (2021). www.un.org/en/development/desa/population/migration/data/estimates2/estimates15.asp.

2.5.2 Urbanization

Yearly migration flows have transformed the demographic structure of the Albanian population as migration has been strongly linked to the urbanization process. This trend combined with a lower fertility rate has created the conditions for more pessimistic projections. Rural areas have undergone a gradual economic restructuring and rapid demographic changes as the pace of rapid urbanization continues despite the overall decline in the country's population. As a result, the urban population has been increasing and absorbing a large portion of rural outmigration.

During communism and the first two decades of the transition to a market economy, most of the population lived in rural areas, but as of the previous decade (2010s) three-fifths of the population are living in urban areas (see Figure 12). Rural outmigration is among the main factors impeding rural economic development (AGT-DSA, 2021a).

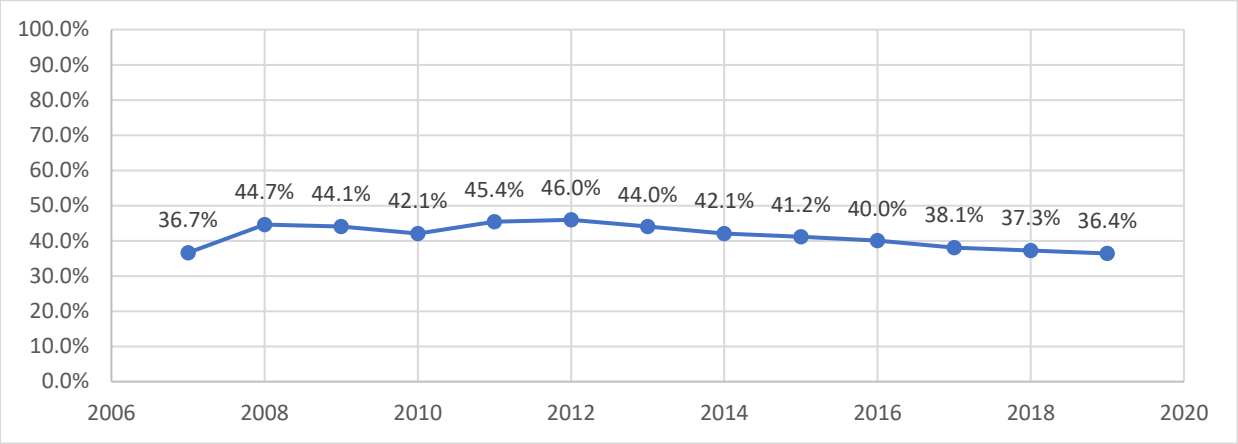
Figure 12. Urban population as a percentage of total population (%)



Source: World Bank data. www.data.worldbank.org.

Since 2007, a significant share of employment has been sourced from the agriculture sector in Albania. Currently, the share of employment in Albanian agriculture sector is around 38 percent (2017) (see Figure 13). Indeed, employment in the agriculture sector largely reflects demographic trends.

Figure 13. Share of employment in agriculture (%)



Source: FAOSTAT. www.fao.org/faostat/en/?#data/OE.

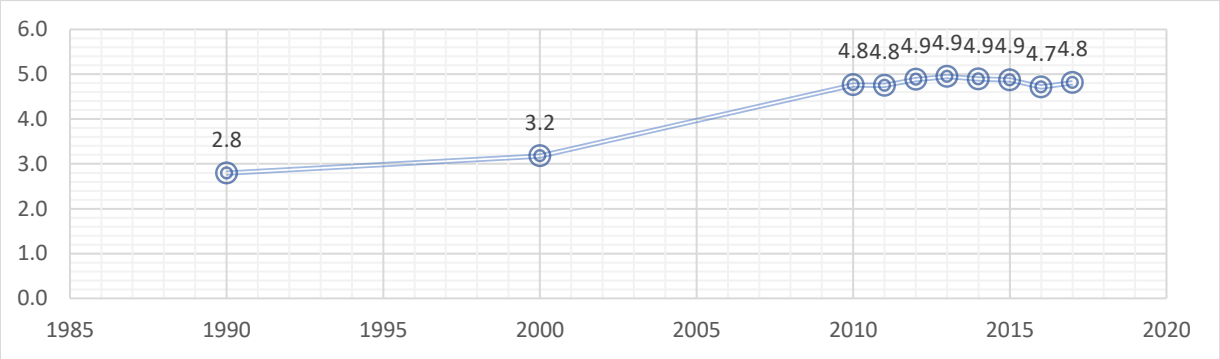
Chapter 3. Food system elements

3.1 Food supply chains

3.1.1 Production systems

Cereals. Due to small farm size and higher fragmentation, Albanian agriculture is not competitive in cereal production, compared to other countries in the region, such as Serbia. Cereal yields in Albania are currently 4.8 tonnes per hectare, and over the last decade recorded an average level of 4.7 to 4.9 tonnes per hectare (see Figure 14).

Figure 14.Cereal yield (tonnes/ha)



Source: FAO, FAOSTAT. www.fao.org/faostat/en/#data/QC.

Horticulture production amounted to 2 million tonnes in 2019, representing a substantial proportion of Albanian agriculture. This high volume of production has grown by almost a half since 2010. Vegetables production constitute 60 percent of the national output and lead sector growth with +22.1 percent in the same decade (see Table 2). Within this sub-sector the growth of greenhouse vegetables is remarkable. Following tremendous growth from 828.00 ha in 2010 to 2 172.00 ha in 2015 (+162.3 percent), the trend continued reaching 3 323.00 ha in 2019 (+53.0 percent) (AGT-DSA, 2021b).

Table 2. Production of fruit and vegetables in Albania

Production (000 MT)	2010	2014	2015	2016	2017	2018	2019
Vegetables	860	950	1 030	1 129	1 152	1 166	1 258
Potatoes	208	240	245	238	250	255	261

Watermelons and melons	264	259	281	277	296	281	300
Fruit	168	220	245	261	263	274	273

Source: INSTAT (2020)

Technological progress is not uniform across the sector, however. While open-field vegetables have seen a stronger increase in yields in comparison to harvested areas, the growth of the fruit sub-sector is mostly led by the expansion of harvested areas rather than improvements in yields (AGT-DSA, 2021b).

An increase in exports and an improvement in trade balance have also been observed for both vegetables and fruits Domestic supply (as a proxy for domestic consumption) is dominated by domestic production in Albania. The share of import to domestic supply or consumption has decreased remarkably. Since local production has significantly exceeded local demand (especially during peak production), exports are instrumental in reducing the pressure of oversupply in the local market (with devastating effects on farm prices). Indeed, in the case of vegetables, Albania has reached a trade surplus. Meanwhile, in the case of fruit, the apple value chain can be considered a priority sector both in terms of import substitution and export potential (Skreli and Imami, 2019a).

Dairy and meat. From the early 1990s to around 2015, the number of cattle head for all categories of livestock increased, but has declined in subsequent years. In the case of cattle and small ruminants, mixed orientation (both meat and milk production) dominates. Table 3 contains recent data on livestock in Albania.

Table 3. Number of livestock 2010–2019 (000 head)

Description	2010	2014	2015	2016	2017	2018	2019
Cattle	493	500	504	492	475	467	416
Sheep	1 806	1 896	1 918	1 972	1 926	1 864	1 758
Goats	775	904	932	941	933	917	863
Pigs	164	172	171	181	180	184	184
of which sows	*13*	*11*	*11*	*13*	*12*	*12*	*14*
Poultry	8 437	9 493	8 558	8 326	7 835	8 362	8 179

Source: INSTAT (2021).

Average milk yield in Albania is around 3 000 litres per cow/year, representing an increase of around 10 percent over the previous decade (from 2 620 litres per cow/year in 2010). However, yields remain significantly shy of EU averages of around 7 346 litres per cow/year. Sheep and goat milk production follows an extensive breeding pattern with milk yields per ewe at about 58 litres/year, and per doe at about 112 litres/year. Both yields are again low compared to EU averages. Small ruminant yields range from 30 percent to 70 percent of average yields in comparable EU regions (AGT-DSA, 2021c). According

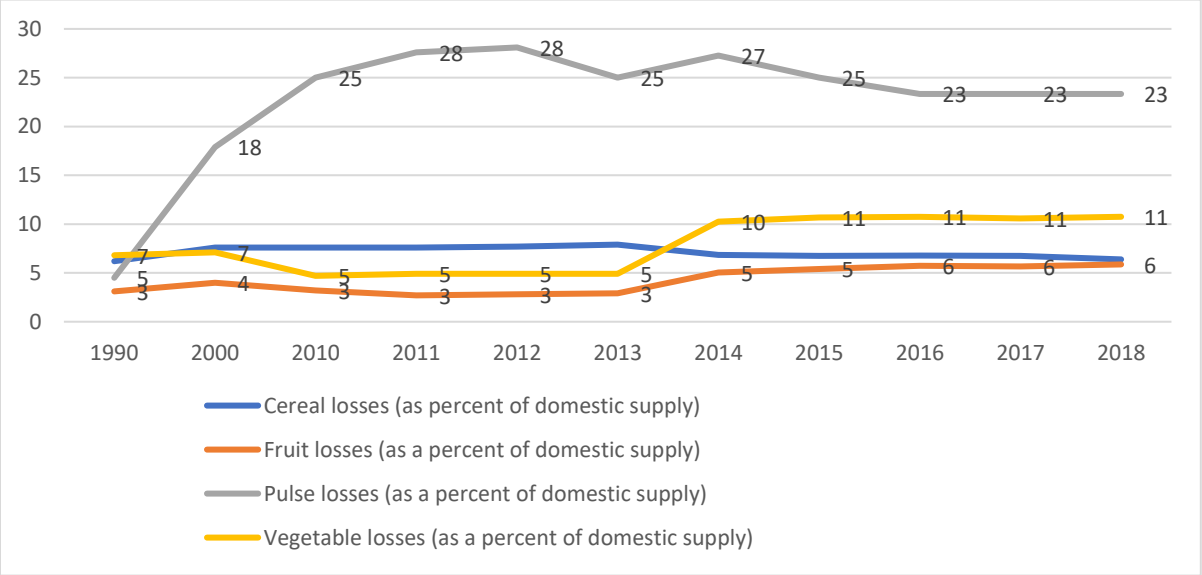
to anecdotal evidence, there is a drastic decline in the number of cattle and small ruminants as well as milk production during 2021 and 2022 (for more details see also Chapter 5).

Regarding meat (AGT-DSA, 2021d), beef and small ruminant meat production is generally not a separate activity, with farmers producing both milk and meat in the majority of cases. The average slaughter live weight was 202 kg/head in 2019, which is much lower than the EU average weight of 520 kg per head (the value ranges between 200 kg to 800 kg/head depending on breeds and type of product). Most local beef meat for fresh consumption is sourced from small non-specialized farms rather than larger specialized farms. In addition, small ruminant meat production is characterized by growing difficulties in finding young shepherds, contributing to an overall reorientation of traditional small ruminant breeding towards meat production. Pork meat production is characterized by low yield, and is dominated by small farms, and production is not as diffused (unlike small ruminants and cattle).

Most livestock farms are small. Meat farms hold an average of 2.5 cattle, 51.0 sheep, 37.8 goats, 9.3 pigs and 139.0 broilers (AGT-DSA, 2021d). Poultry meat production consists mostly of chicken meat. Core production is centred around broiler factories (i.e. integrated poultry breeding activities) following an internationally standardized pattern. However, thousands of farmers follow a more “extensive” pattern of production (although often for self-consumption) (AGT-DSA, 2021d).

Data tracking production losses show relatively low levels for vegetable production at 11 percent and cereal and fruit production at 6 percent, although pulse losses are higher at 23 percent (see Figure 15).

Figure 15. Production loses (% of domestic supply)



Source: FAO, Food Balance Sheets. www.fao.org/faostat/en/#data/FBS.

3.1.2 Storage and distribution

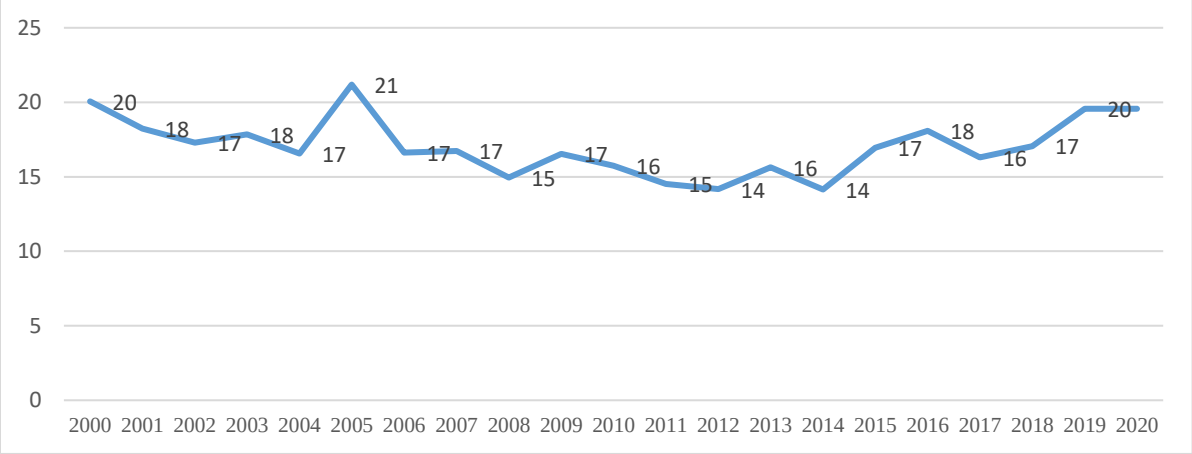
Financial support through donor or government funding has supported investments in increasing storage capacities. With few integrated companies and no real consolidators active in the Albanian agriculture sector yet, collectors represent the most important segment in the chain between production and consumer markets.

Apple is the sector where storage is most significant. There were about 100 cold apple consolidators (cold storage operators) in 2020 with a total capacity of 17 000 Mt, which implies substantial growth when compared to 2017. About 75 percent of cold storage facilities are concentrated in the Korca region (AGT-DSA, 2021b). Some are large farmers who invested in cold storage to meet their own demand, and over time, started to act as collection points and traders (Imami, 2018).

3.1.3. Processing and packaging

The food, beverages and tobacco industry represents an important manufacturing sub-sector in the country. In 2020, the share of food, beverage and tobacco subsector value added in the total value added of the manufacturing sector was 20 percent (Figure 16).

Figure 16. Share of food, beverage and tobacco subsector value added in total value added of manufacturing sector (%)



Source: World Bank. https://data.worldbank.org/indicator/NV.MNF.FBTO.ZS.UN?view=chart

Only a small share of vegetable and fruits is processed by agro-industry or on farms. Indeed, processing is one of the weakest parts of this sector (e.g. contribution to exports is negligible when compared to fresh fruits and vegetable).

The growth of the horticulture sector has incentivized many farmers/wholesalers to invest in the storage and marketing of fresh fruits. The consequent rise in domestic production has not gone unnoticed among wholesalers, importers and larger farmers, and has led all these actors to make investments in cold storage facilities for the express purpose of storing fruit.

3.1.4 Retails and markets

Supermarket chains are expanding at a rapid pace. At present, supermarket chains play a relatively minor role in the sale of fresh fruit and vegetable and raw meat, but their role in the sales of processed food, is of growing importance. This expanding channel is supplied by large and medium-sized processors of fruits and vegetable, dairy and meat, who can meet their quality-driven requirements for consistency and timeliness of supply.

In the case of fresh fruits and vegetable, the main channel consists of green markets and convenience shops: Green retail markets are situated in different parts of the city in municipalities or in a certain part of town in smaller urban areas. Sometimes these markets are owned or licensed by local government authorities and have been established either spontaneously or have existed for a long time – in the vein of traditional local village markets. Convenience shops are located in every neigbourhood and sell a wide range of food items including fresh fruit and vegetables.

In the case of **dairy**, there are three other types of retail outlet (in addition to supermarket chains).

- *Specialized shops for dairy products*. While specialized in dairy products, these shops typically also sell a limited range of other food products. Quality is emphasized mainly through “reputation” and “trust” rather than packaging and labelling. They are typically supplied by a network of small processors with whom they have established trust-based relationships.
- *Convenience shops*. These are found in every neighbourhood and sell a wide range of products including cheese. They are supplied by small or medium-sized dairy processors as well as intermediaries. Some of these shops also sell products from larger processors.
- *Bakeries*. Some bakeries also sell dairy products in addition to bakery products. They typically have a refrigerated counter and operate with a single large processer/supplier (AGT-DSA, 2021c).

In the case of **meat**, there are three other types of retail outlet (in addition to supermarket chains).

- **Specialized meat chains linked to processors:** In parallel to the growth of larger supermarket chains, specialized retail chains focused on meat products have emerged.
- **The Halal retail segment**: The "branded" halal market is developed and growing, with the majority of outlets still un-certified.
- **Traditional meat/butcher shops:** While the role of supermarket chains for channelling processed meat products is crucial and growing, traditional butcher shops maintain an important role in retailing fresh meat. They remain the backbone of meat retailing in Albania and their "quality" reputation is critical to sustaining the trust of consumers in meat quality and safety. Traditional butcher shops are generally small and specialized (AGT-DSA, 2021d).

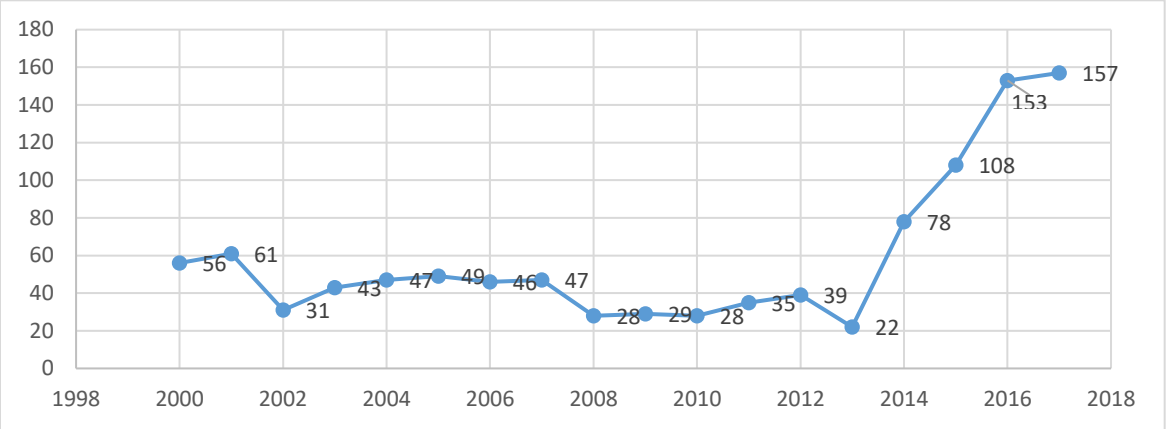
E-commerce: Prior to the COVID-19 pandemic, e-commerce or online sales/direct marketing were not common avenues for food purchases. However, this business expanded fast during the COVID-19 pandemic, and there are reported cases of successful emerging entrepreneurs in this space. Some of these also engage in production to ensure quality and consistency of supply. The promotion of high-quality and/or organic produce characterizes some of these operators and has opened up a new market segment that merits further exploration to ascertain its sustainability within the horticultural sector following the pandemic (AGT-DSA, 2021b).

3.2 Food environment

3.2.1 Food availability

Per capita food supply variability corresponds to variability of the "food supply in kcal/caput/day" as disseminated in FAOSTAT. In 2017, Albania had a per capita food supply availability of almost 160 kcal/person/day, which has tripled since 2000 (Figure 17).

Figure 17. Per capita food supply variability (kcal/person/day)



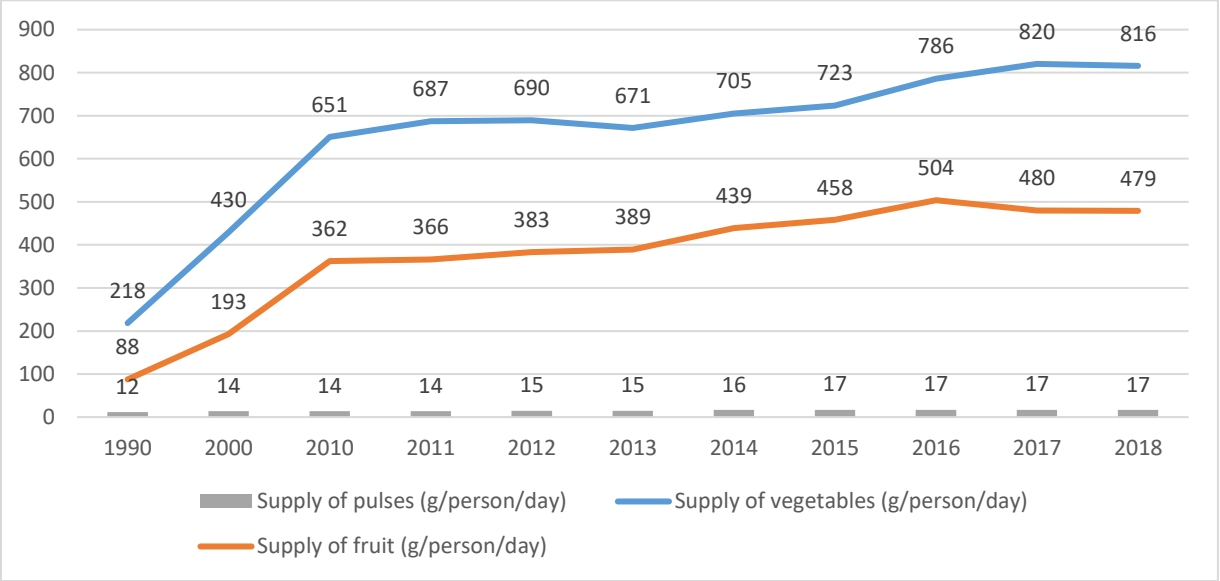
Source: FAO, Suite of Food Security Indicators. www.fao.org/faostat/en/#data/FS.

After the transition to a market economy, demand from Albanian consumers for fruit increased significantly. As part of trade liberalization and the combination of expanded retail, production and post-harvest/storage capacities, and in tandem with increased incomes and standards of living among the Albanian population, consumption of fruit more than tripled compared to the pre-transition and early transition period. Increase in local production capacities and storage was instrumental to increased consumption, making fresh products available for consumers for longer periods of time at lower costs (Zhllima, Imami and Merkaj, 2012).

Similar to fruit, demand for vegetables from Albanian consumers also increased significantly during and after the early transition period, benefiting from the growth in local production and the increase in incomes and standards of living (Zhllima, Imami and Merkaj, 2012). Overall, consumption of vegetables more than tripled compared to the pre-transition period.

Adequate amounts of pulses, fruit and vegetables indicate a diversified and healthy diet. Data for Albania reveal a continually increasing trend of fruit, vegetable and pulse supply. In 2018, Albanians consumed on average 816 g of vegetables, 479 g of fruits and 17 g of pulses (see Figure 18). These high figures may reflect also potential overreporting of agriculture/production statistics (see also FAO, 2020), which are used to calculate the supply.

Figure 18. Supply of pulses, vegetables and fruit (g/person/day)

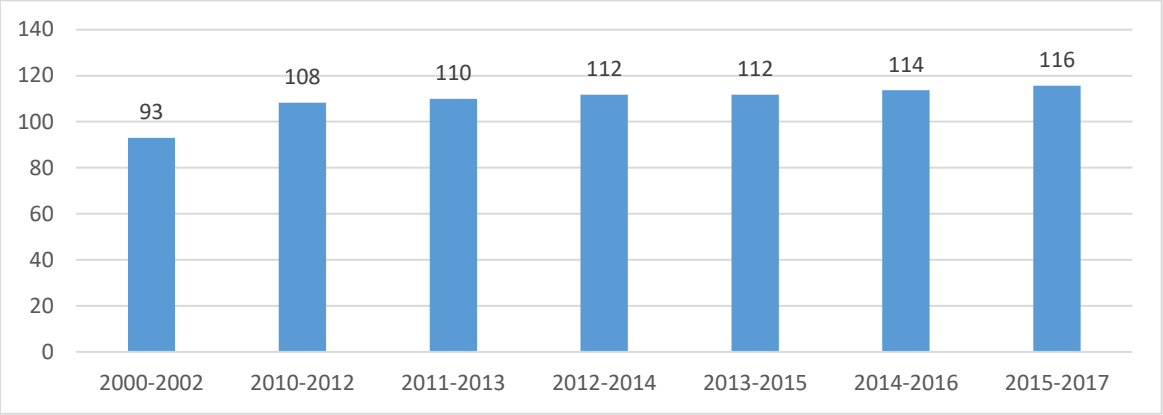


Source: FAO, Food Balance Sheets. www.fao.org/faostat/en/#data/FBS.

During the post-Communist transition period, consumption shifted from mainly cereal-based foods to more meat and dairy products (in addition to fruits and vegetable, as shown above), as a result of higher income per capita and market liberalization. By the late 2000s, per capita consumption of meat was three times higher than during the pre-transition period. Despite this increase, however, meat consumption remains significantly lower compared to Europe in general and the EU specifically (Skreli and Imami, 2019b).

As indicated in Figure 19, the protein supply trend in the Albanian consumption context offers a national-level estimate of the availability of protein and provides an insight into the nutritional quality of the food supply. For example, in Albania increased consumption of protein-rich foods (as indicated from the average protein supply – from 93 to 116 g/person/day) is an important sign of improved diet quality.

Figure 19. Average protein supply (g/person/day)



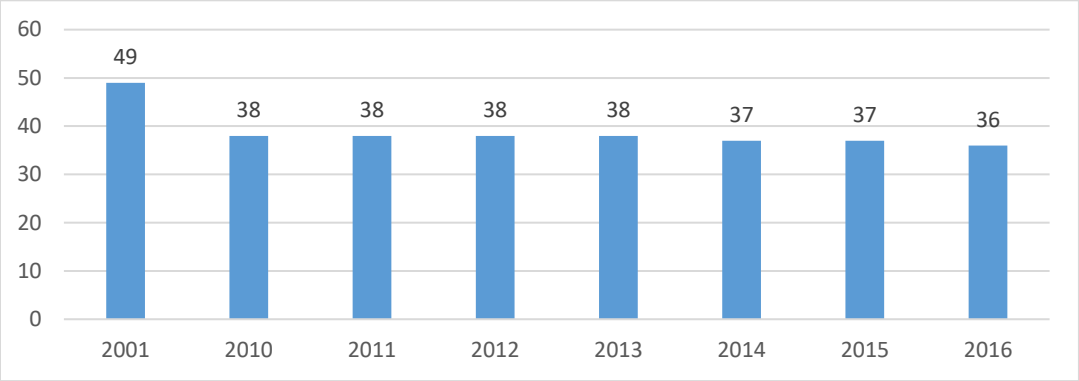
Source: FAO, Suite of Food Security Indicators: www.fao.org/faostat/en/#data/FS.

Consumption of fish and shellfish has increased globally and in Europe particularly since 1990. A similar pattern is also observed in Albania, although consumption levels of fish and sea fruits are much lower compared to European figures, despite access to the sea and the presence of many lakes. With the increase in income and changes in lifestyle, further consumption increases among Albanian consumers may be expected. Furthermore, growth in tourism is expected to contribute to higher demand for fish and shellfish during the tourism (summer) season.

Dairy products represent an important part of the Albanian household consumption basket. Milk production is dominated by cow milk (more than 80 percent). The majority of dairy production is destined for domestic markets; however, the recent production increase is associated with growth in domestic demand (Skreli and Imami, 2019c). Cheese is the main dairy product and one of the main food items in the Albanian consumer's shopping basket. An important factor driving consumer preference is the type of milk used for cheese-making (fresh milk preferred to powder milk) (Imami, *et al*., 2016). Consumption of cheese in Albania appears to be much lower compared to European levels, which implies that demand for cheese in Albania may increase in the coming years with the rise in income.

Data on evolutionary trends since 2001 indicate a decreased level of dietary energy from cereals roots and tubers (see Figure 20). These staples used to account for almost half of total dietary energy in 2001, but as of 2010 the share was less than 40 percent.

Figure 20. Share of dietary energy from cereals, roots and tubers (%)



Source: FAO, Suite of Food Security Indicators. www.fao.org/faostat/en/#data/FS.

Production and consumption of olives and olive oil is a longstanding Albanian tradition. A large proportion of the harvested olives are processed into olive oil by farmers at mills (for a service fee). In addition to self-consumption, farmers commonly sell olive oil directly to households, restaurants and retailers (Zhllima *et al*., 2015). Apparent consumption of olive oil in Albania is higher than the global average per capita, although much lower when compared to southern Europe. This implies space/potential for growth in domestic consumption (and demand) in the coming years (in tandem with further increase in income and consumer awareness about the health benefits of olive oil consumption) (Skreli and Imami, 2019d).

3.2.2 Food affordability

Albanian household expenditures for "Food and non-alcoholic beverages" represent 41.3 percent of the overall budget or approximately an average value of EUR 275. Expenditure share changes from year to year (see Table 4).

Table 4. Expenditure share for food and non-alcoholic beverages by type of household (percentage)

Type of household	2007	2009	2014	2015	2016	2017	2018	2019
One person	54.2	50.6	45.5	52.6	51.3	45	50.6	44.8
Adult with children	59.2	50.9	51.8	54	52.2	47.1	50.6	43
Two adults without children	51.2	54	46.7	50.6	49.5	46.1	48.6	44.7
Two adults with children	49	50.6	44.4	48.6	45.4	45.8	44.1	41.1
Three or more adults without children	44.4	46.6	42.2	47.5	41.5	41.4	43.4	39.7
Three or more adults with children	47.3	49.3	44.5	48.3	45.3	44.4	43.2	40.6

Source: INSTAT (2020b).

Estimation of household consumption expenditure in 2019 shows a 5.6 percent increase on 2018. According to the 2019 Household Budgetary Survey, food accounts for the highest share of household spending (41.3 percent). Almost 60 percent of spending in the bottom quintile goes to food. In contrast, expenditure on food in the top quintile is much smaller at only 40 percent (INSTAT, 2020b).

The main food products in terms of share of expenditures are meat and vegetables. According to the 2019 Household Budgetary Survey (INSTAT, 2020b), in terms of the share of food expenditures, "meat and its products" account for 20.7 percent, "vegetables" for 18.1 percent, "milk and milk products/derivatives and eggs" for 14.4 percent and "fruits" for 9.4 percent.

The latest data published by Eurostat (2021) show that Albania has the most expensive food in the region. Meat products cost more in Albania, and regardless of being a coastal country, fish prices are more expensive than in all other countries. Albania also tops the list for dairy products and eggs.

3.2.3 Promotion, advertising and information

Food safety and quality are key product attributes for consumer choices. Recent research has shown that expiry date, domestic and local origin, and brand reputation are the most frequently used safety and quality cues for Albanian consumers. International food standards or certification such as ISO or HACCP are less frequently used as quality cues by consumer groups (Haas *et al*., 2021).

Packaging is another important factor in consumer decision-making, and has received higher attention in the context of COVID-19, with food packaging practices subject to revision. However, most raw products (fresh vegetables and fruit) are sold unpackaged in Albania. In the case of meat, most consumers prefer to buy directly from a butcher with the goods wrapped after purchase. The situation is similar with cheese, with research showing that most consumers prefer buying unpackaged to packed cheese (Zhllima, Mehmeti and Imami, 2021).

Law No. 9863/2008 "On Food", accompanied by other relevant by-laws, sets out the legal framework on food in Albania, and highlights the mandatory use of labelling, including information about composition and nutritional values, origin and so on. The legislation aims to ensure higher levels of protection of public health from food-associated hazards (for more details regarding food safety, see the following subsection).

3.2.4 Food quality and safety

As noted above, Law No. 9863/2008 "On Food" establishes the legal framework for food safety in Albania. In the field of food safety, there are over 100 legal acts and by-laws that regulate various aspects of this field and its relationship with other fields – many of which were introduced in the context of EU integration. The major challenge has been and remains implementation.

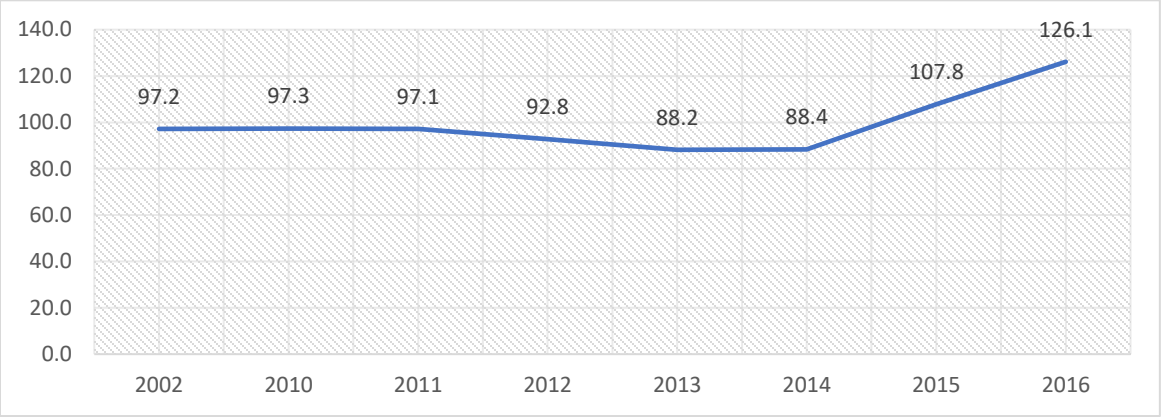
There are gaps in food safety standards throughout the downstream food value chain. The national food safety control system faces serious problems in terms of legislation, infrastructure, institutional capacity, control and enforcement. In addition to weak law enforcement, another factor impacting food quality and safety is limited knowledge among farmers about animal diseases, inputs, food safety standards and their consequences for the health of family farms and end consumers (FAO, 2020; Haas *et al.,* 2019; Gjeci, Bicoku and Imami, 2016). These issues are exacerbated in the case of livestock, and consequently, meat and dairy products (FAO, 2020; Gjeci, Bicoku and Imami, 2016; Imami *et al.*, 2011; Vercuni *et al.*, 2016; Zhllima, Imami and Canavari, 2015).

In many cases, farmers do not comply with food safety requirements, even when aware of them (FAO, 2020). Experts also view that only limited controls are applied to hormone and antibiotic usage in the case of the livestock sector. Smaller farms and small dairy processors represent the greatest challenge in this regard, as they usually lack the capacity to monitor milk quality and safety standards.

The quality of inputs and the ways in which they are used in horticulture production reveal risks to human health. Farmers often harvest crops after fertilizing or using pesticides, disregarding the required waiting period to ensure low residuals. Serious issues also relate to the quality of some pesticides which may affect the performance of agriculture production, human health and the environment. There is also concern regarding the quantity or time of pesticide usage by farmers, which might have similar consequences. Farmers often lack the necessary know-how and are typically advised by input suppliers who might, in some cases, tend to orient farmers towards the types of pesticides and inputs that have higher margins rather than the best or most effective. A risk of orientation towards overuse of pesticides also exists, with high residuals found in fruit and vegetable (FAO, 2020; AGT-DSA, 2021b).

In the past, Albania used significant lower amounts of fertilizer compared to other countries in the region, such as Serbia or Italy, where the agriculture sector is more intensive (FAO, 2020). However, over the last decade, data show a slight increase in fertilizer consumption in Albania from a level of around 90 kg per ha of arable land to 126 kg in 2016, associated with intensification of the agriculture sector (see Figure 21). The increased use of fertilizers (alongside pesticides) has given rise to food safety concerns (see the following subsection).

Figure 21. Fertilizer use (kilograms per hectare of all arable land)



Source: FAO, FAOSTAT. www.fao.org/faostat/en/?#data/EF.

3.3 Consumer behaviour

In Albania, the early 1990s saw the beginning of a transition from a centrally planned economy to a market-oriented one, where economic growth, fast urbanization, regional trade liberalization and gradual integration into the European Union contributed to the rapid evolution of consumption habits and lifestyle changes. This shift away from a planned (post-socialist) economy was marked by a substantial increase in the consumption of fruits, vegetable, meat and dairy products, and a concomitant decrease in the consumption of cereals and bread, as highlighted earlier.

Fast income growth combined with migration from rural to urban areas has given rise to a larger urban middle-income class of consumers. Increasing food demand from this emerging class combined with gradual consolidation of the retail sector, including the expansion of supermarket chains, has had significant implications for consumer purchasing behaviour and the agriculture sector (Grunert *et al*., 2021).

Food quality and safety are important attributes that determine food consumption (Grunert *et al*., 2021). In addition, origin is very important. In Albania, as in most Mediterranean countries, consumers have a strong inclination towards product origin. Albanian consumers generally prefer domestic products – both in the case of fresh and processed agriculture products. There are also significant differences in perceptions based on the region of production within Albania. Most consumers view the region/area of origin as either important or very important when deciding to buy Albanian produce, including dairy products, most notably cheese. Furthermore, most consumers are willing to pay a premium for cheese produced in the preferred region representing a potential to develop regional

brands, including Geographical Indication (GI) or Protected Denomination of Origin (PDO) marked products (Imami *et al*., 2015, 2016).

Similar to dairy products, there is a strong preference among Albanian consumers for meat of local origin (Albania has several local/autochthone breeds of sheep and goats). Imami *et al.* (2011) found that all consumer classes prefer domestic lamb meat. In this context, the country has developed GI of Hasi goat (endemic breed) and kid goat meat (Cela *et al.,* 2019).

Albanian meat consumption basket is dominated by beef, which accounts for around 50 percent of total meat supply consumption. This contrasts with EU patterns where beef consumption makes up a much smaller share (less than 20 percent) of total meat consumption. Albanian consumption of poultry meat remains much lower when compared to European levels, implying potential for a further increase in local consumption. While preference is a strong driver, so is cost. It is notable that EU meat consumption is dominated by pork and chicken meat, which are also the lowest cost meats (Skreli and Imami, 2019b). Markets and consumer behaviour are analysed in more details later in this section.

Previous studies (Imami *et al*., 2011) have also found a strong preference among Albanian consumers for domestic olive oil. Many local varieties with unique characteristics exist in Albania. There is therefore a potential to develop regional brands, including GI or PDO (Imami *et al*., 2015) and to link this activity to agritourism. For most consumers the main indicator of a guarantee of quality is personal/direct interaction and familiarity with the producer, while the main assurance of origin is direct purchase from the producer (Imami *et al.,* 2015).

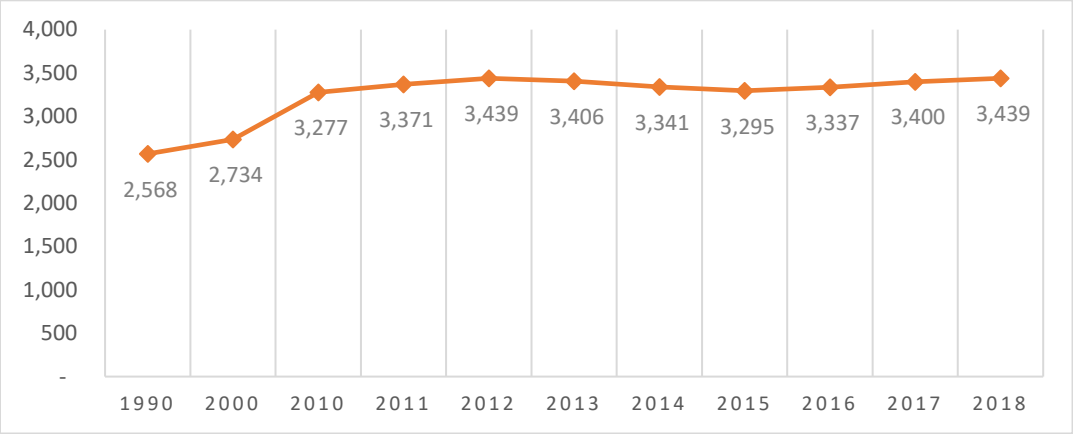
Overall, Albanian consumers lack a complete understanding of organic food (definition and certification). However, understanding of the definition of organic food is limited even in more advanced economies with a rather developed organic food (production and trade) sector (Imami *et al*., 2017; Skreli *et al.*, 2017). Despite these gaps in understanding, most Albanians appear to show a strong preference for organic food, with consumers viewing organic products as safer and healthier compared to other (conventional) products. Such food safety concern is the major driver behind the preference for organic food. Conversely, environmental awareness is not considered an important driver, reflecting relatively low environmental awareness among average consumers (Imami *et al.*, 2017).

The market for organic food in Albania is still small (Zhllima *et al.*, 2021), but consumer preference for organic food offers potential for market development. Perceptions of a positive link between organic food and health-related issues represent an important advantage for organic food, and can be capitalized on by producers/traders through marketing promotions (ibid).

3.4 Diets

Dietary energy supply (kcal/capita/day) is an indicator calculated nationally that serves as an estimate of the amount of calories from food available for human consumption. Figure 22 shows the average daily supply of calories (measured in kilocalories per person per day) for Albania from 1990, 2000 and 2010–2018. Overall, per capita calorie supply has been approximately constant since 2011 at 3 440 kcal/person/day (2018 data).

Figure 22. Dietary energy in food supply (kcal/person/day)

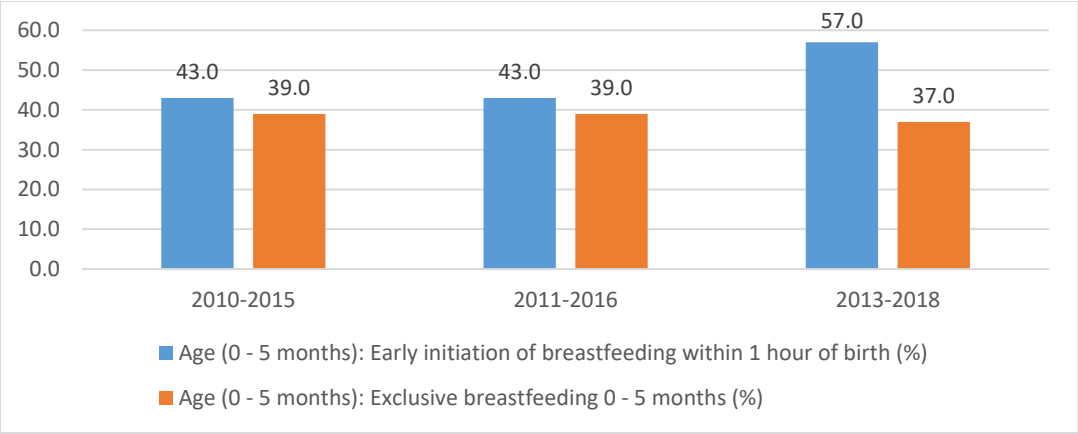


Source: FAO, Food Balance Sheets: www.fao.org/faostat/en/#data/FBS.

In Albania, many children exhibit poor nutritional status, have unhealthy diets and inadequate physical activity. While virtually all children recognized the importance of breakfast, only 63 percent reported having eaten this meal (regularly) (Hyska *et al.*, 2020).

According to WHO, early initiation of breastfeeding and exclusive breastfeeding for the first six months of life prevents neonatal and infant deaths by reducing the risk of infectious diseases. Data for Albania reveal that early initiation of breastfeeding within one hour of birth have increased during the last decade from 43 percent to 57 percent, while exclusive breastfeeding between 0 and 5 months has decreased slightly from 39 percent to 37 percent (Figure 23).

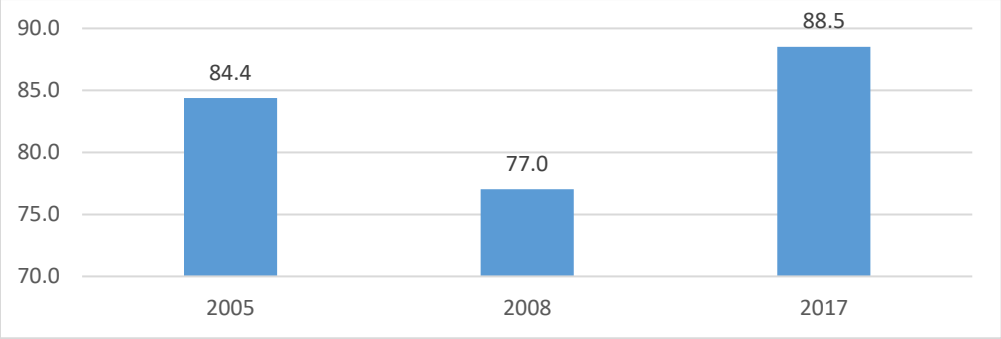
Figure 23. Early initiation of breastfeeding within one hour of birth (%) and exclusive breastfeeding (%), age 0–5 months



Source: UNICEF (2021). https://data.unicef.org/resources/dataset/infant-young-child-feeding.

Figure 24 presents data on the introduction of solid, semi-solid or soft foods to infants in Albania. The proportion of infants 6–8 months of age who receive solid, semi-solid or soft foods is almost 89 percent in 2017, representing a significative increase compared to 2008.

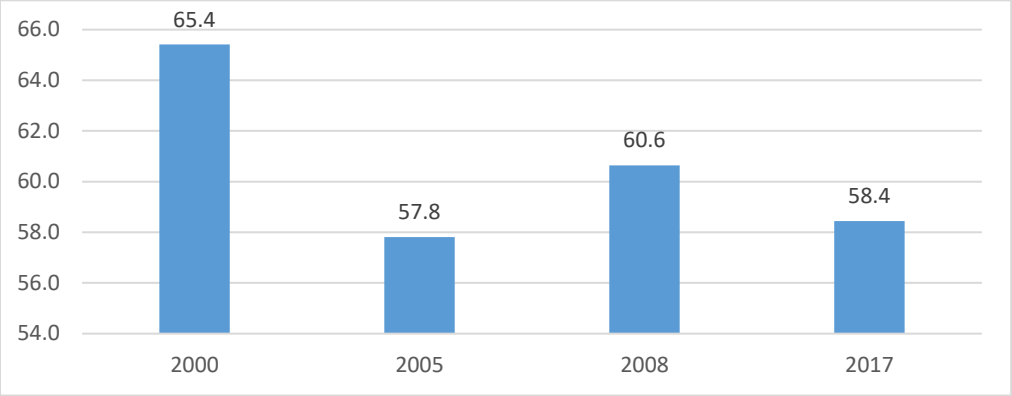
Figure 24. Introduction of solid, semi-solid or soft foods (%), age 6–8 months



Source: UNICEF (2021). https://data.unicef.org/resources/dataset/infant-young-child-feeding.

Continued breastfeeding is common in Albania where about 58 percent of children were still breastfed at one year of age in 2017 (Figure 25).

Figure 25. Continued breastfeeding at one year (%), age 12–14



Source: UNICEF (2021). https://data.unicef.org/resources/dataset/infant-young-child-feeding.

Chapter 4. Food system outcomes

4.1 Nutrition and health outcomes

4.1.1 Nutrition and health

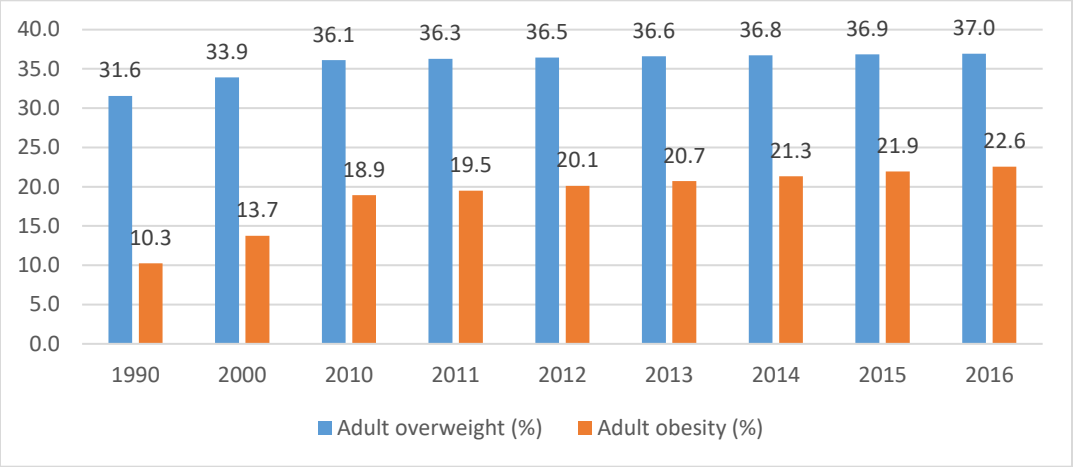
Although awareness about nutrition issues has increased in recent years, studies regarding the nutritional status and nutrition knowledge of the Albanian population, especially farmers and inhabitants of rural areas, are almost non-existent. However, a study by Pipero *et al.* (2015) that examined the nutrition status of the Albanian population identified some notable trends including prevalence of anaemia, which is highest among children in mountainous, followed by coastal and rural areas.

While the nutritional status of the Albanian population has improved due to enhanced nutrition and food security, undernutrition persists alongside increasingly higher rates of overweight and obesity among children and adults. The latter caused by rising consumption of empty calorie food is leading to high incidence of diabetes and cardiovascular diseases. According to interviewed experts, the level of community education and information regarding good nutrition practices is still low, particularly in rural communities, despite the potential offered by accessible natural resources. The remaining sections in this chapter provide insights into nutrition from a number of different perspectives.

Excess weight and obesity are major public health problems in the adult population, especially among middle-aged women. Experts have been exploring the strong possibility of linkages between high obesity prevalence, lower physical activity, dietary changes and high levels of smoking and the rise in non-communicable diseases in Albania (Shapo *et al.*, 2003).

More than 22 percent of Albanian adults are obese and around 37 percent are overweight. The prevalence of both these indicators has increased, as shown in Figure 26, especially prevalence of obesity among the adult population. Prior to 2000, the percentage of obesity among Albanian adults was approximately half that of the current proportion.

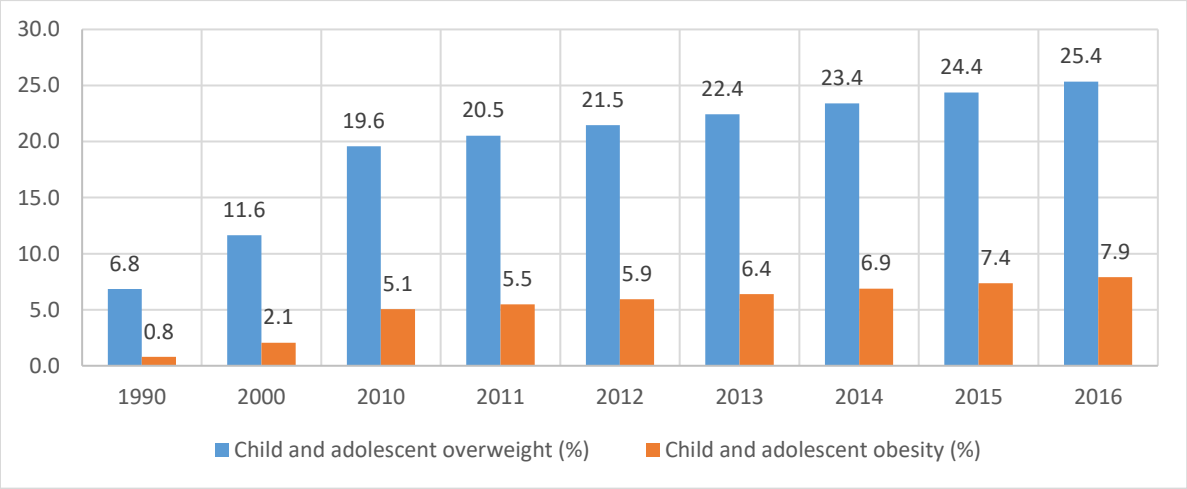
Figure 26. Adult overweight and obesity (%)



Source: NCD Risc. http://ncdrisc.org.

When considering child and adolescent overweight and obesity data, a higher prevalence is observed. Both indicators are increasing annually, with a larger share of child and adolescents overweight (25.4 percent in 2016) (Figure 27). Child and adolescent obesity was almost non-existent prior to 2000 in Albania, but now accounts for almost 8 percent of the child and adolescent population in the country.

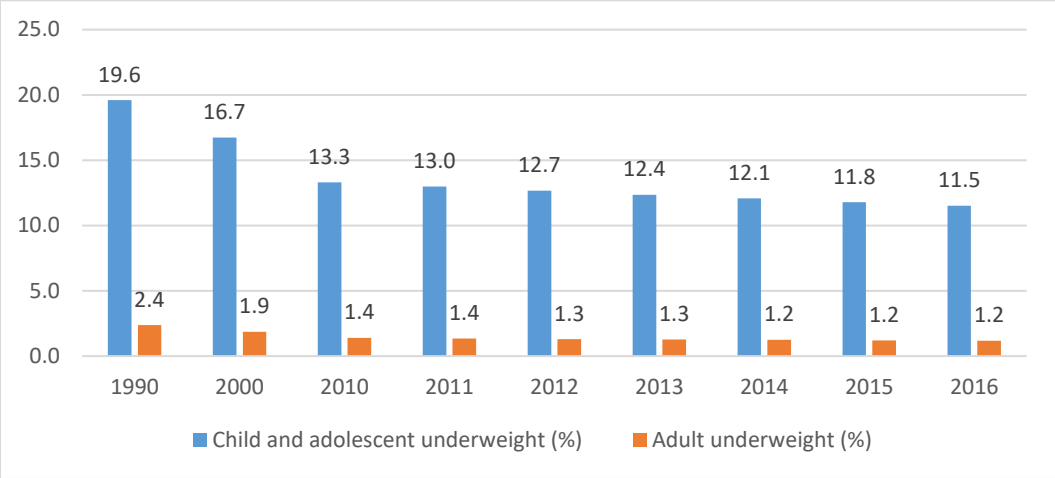
Figure 27. Child and adolescent overweight and obesity (%)



Source: NCD Risc. http://ncdrisc.org.

The reverse picture is observed for underweight among the Albanian population (Figure 28).

Figure 28. Child, adolescent and adult underweight (%)

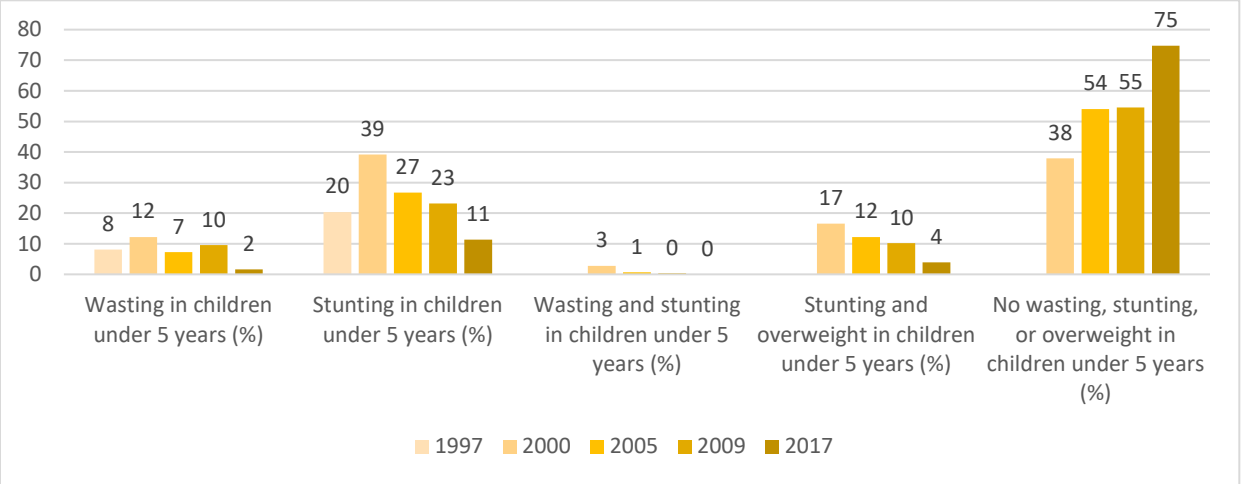


Source: NCD Risc. http://ncdrisc.org.

According to WHO criteria, 9.8 percent of boys were obese versus 5.5 percent of girls ($P < 0.001$). The prevalence of both overweight and obesity were much higher among urban children compared with their rural counterparts (Hyska *et al.*, 2014).

While most current data from the UNICEF-WHO-World Bank Group Joint Malnutrition Estimates show that stunting, wasting and overweight prevalence among children under 5 years old has declined since 2000, around 11 percent of children aged under 5 were stunted in 2017, and 2 percent suffered from wasting (see Figure 29). Furthermore, absence of stunting, wasting and overweight among children under 5 years old has increased since 1997 (far-right columns).

Figure 29. Data on wasting and stunting in children under 5 years (%)



Source: UNICEF, WHO and World Bank (2021). Joint global database on child malnutrition. https://data.unicef.org/resources/dataset/malnutrition-data.

As highlighted in Chapter 3, the significant problems related to nutrition and food security in Albania are often interlinked. For example, many children exhibit poor nutritional status and have unhealthy diets. Prevalence of moderate or severe food insecurity affects above one-third of the total population. Nutrition and food security are both linked to the availability of resources (e.g. land, water, etc.) and the typology of production in the case of rural areas – in addition to income.

Spending on health as a percentage of GDP remains low in Albania, and has been allocated largely to improving infrastructure and quality of services through increasing wages for nurses and doctors. Low health spending means that the share of out-of-pocket spending (formal and informal) in total health spending remains high compared to other countries in the WHO European region.

The Albanian health system is predominantly public[3] while health and wellbeing planning and services remain largely centralized and are organized into three levels: primary, secondary and tertiary healthcare. The national territorial reform approved by Parliament in 2014 saw changes to the structure of the health service, with greater decentralization; however, no real estimates of overall health service performance are as yet available. There are 42 public hospitals in Albania organized into a three-tier system: municipal, regional and tertiary. In regional hospitals a shortage of health workers, especially specialists, has led to an increasing number of patients accessing healthcare in larger cities.

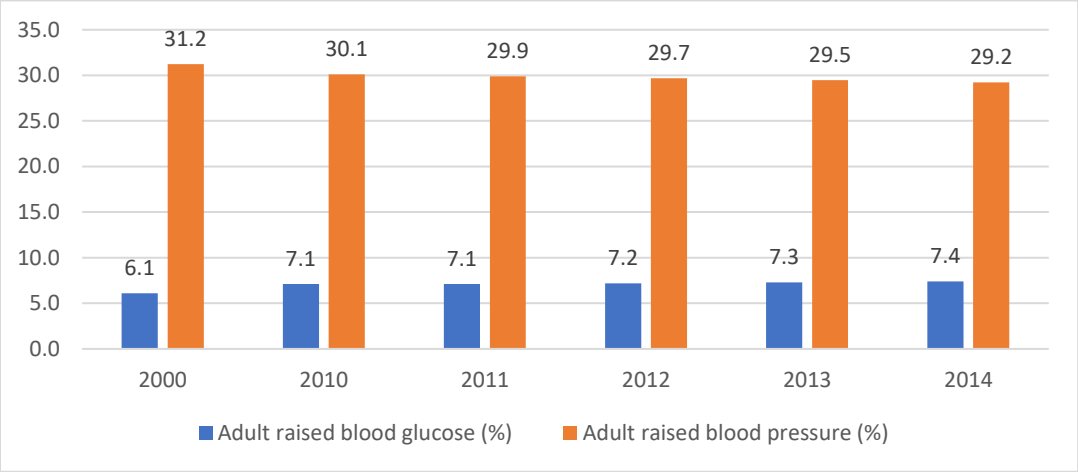
[3] The health system includes a private sector that covers pharmaceutical and dental services, with some private specialized diagnostic clinics and hospitals, concentrated mainly in the capital of Tirana.

Across the country, public health care (PHC) is delivered through an urban and rural network with 413 PHC care facilities located across 61 municipalities. In terms of staffing numbers, the doctor–patient and nurse–patient ratios are 1:2500 and 1:400, respectively. However, there remain a number of barriers to patients accessing PHC services and general practitioners making home visits, especially in winter, notably long travel distances, poor quality of roads, lack of public transport and long waiting times, especially in rural areas. Other persistent problems in PHC services include high variation in staff composition with inadequate skill mix, and insufficient infrastructure, equipment and laboratory services and management (UNDP, 2021).

4.1.2 Noncommunicable diseases

Figure 30 shows the percentage of the adult population with raised blood glucose (or diabetes) and elevated blood pressure. The data show a very slight decrease in adult elevated blood pressure since 2000. There were no significant changes in adult elevated blood glucose over the same period.

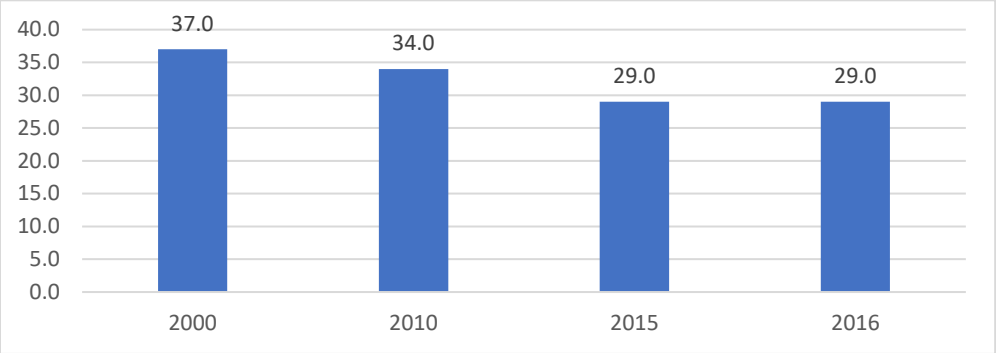
Figure 30. Adult blood glucose and pressure levels (%)



Source: WHO, Global Health Observatory. www.who.int/gho/ncd/risk_factors/blood_glucose/en.

Health data on the percentage of premature deaths linked to noncommunicable diseases indicate a decreasing trend in Albania, with the proportion of noncommunicable disease deaths that were premature decreasing from 37 percent in 2000 to 29 percent in 2016 (Figure 31).

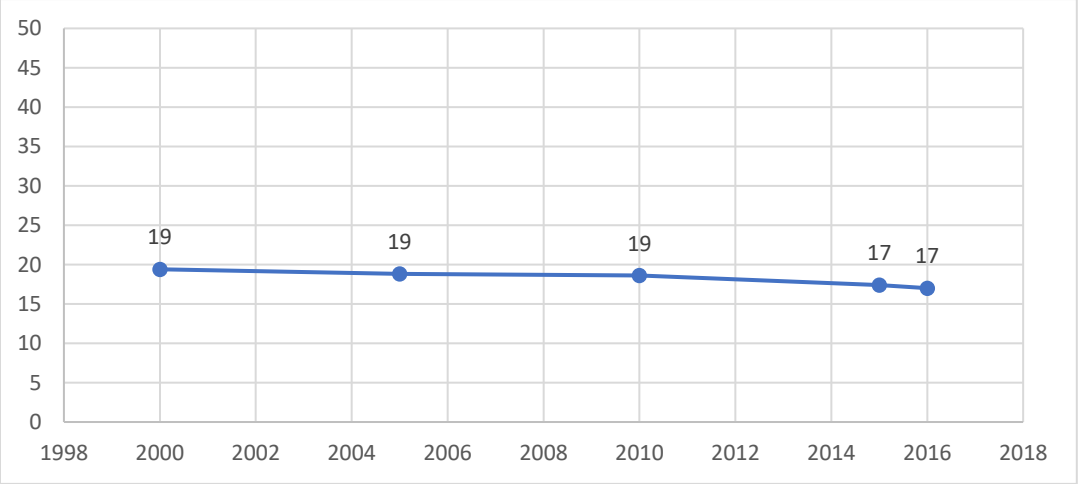
Figure 31. Percentage of premature deaths linked to noncommunicable diseases



Source: WHO, Global Health Observatory (2021). http://apps.who.int/gho/data/node.imr.

WHO data also reveal modest improvements regarding the probability of dying between the ages of 30 and 70 years from cardiovascular disease, cancer, diabetes or chronic respiratory disease, with the share of the affected population decreasing from 19 percent in 2000 to 17 percent in 2016 (Figure 32).

Figure 32. Probability of dying between 30–70 years from cardiovascular disease, cancer, diabetes or chronic respiratory disease (%)



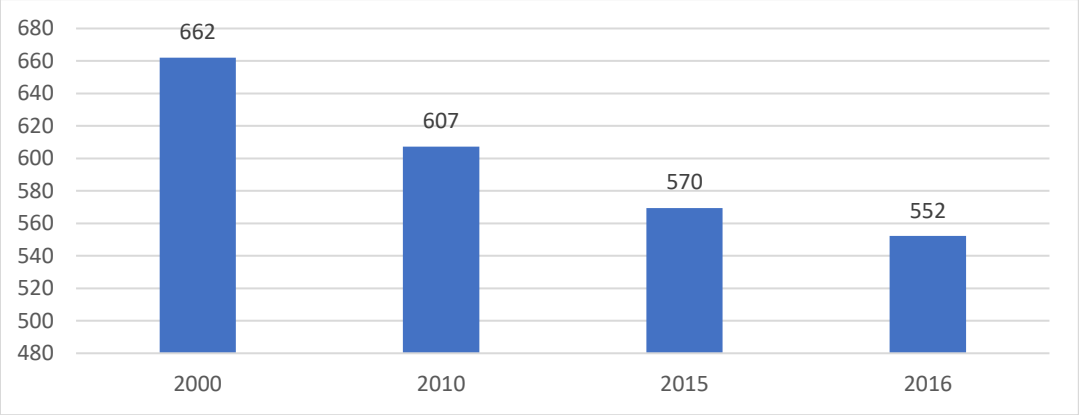
Source: WHO, Global Health Observatory. http://apps.who.int/gho/data/node.imr.

Under the planned economy, despite constraints in food supply and consumption, the adult mortality rate, including mortality from cardiovascular diseases, was similar to that in other Mediterranean countries. For example, age-standardized mortality for coronary heart disease in Albania, in 1990, was less than half the rate in the UK but similar to that in Italy. Analysis of the geographical distribution of mortality within Albania showed that mortality was lowest in the south-west where the majority of olive

oil, fruits and vegetables are produced and consumed. This paradox of high adult life expectancy in very-low-income country can be explained by diet – namely, low consumption of total energy, meat and milk products but high consumption of fruit, vegetables and carbohydrates (Gjonça and Bobak, 1997).

Data from WHO show that the noncommunicable disease mortality rate decreased from around 662 per 100 000 population in the year 2000, to approximately 552 per 100 000 in 2016 (see Figure 33).

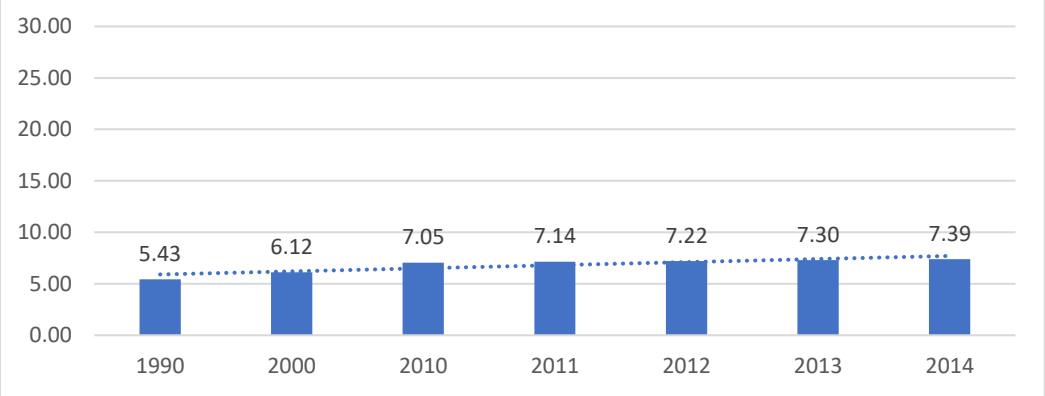
Figure 33. Noncommunicable disease mortality rate (per 100 000 population)



Source: WHO. http://apps.who.int/gho/data/node.imr.WHS2_131?lang=en.

Data reveal an increasing diabetes trend compared to 1990 (Figure 34). This may be due to a change in lifestyle including diet (described earlier in the report).

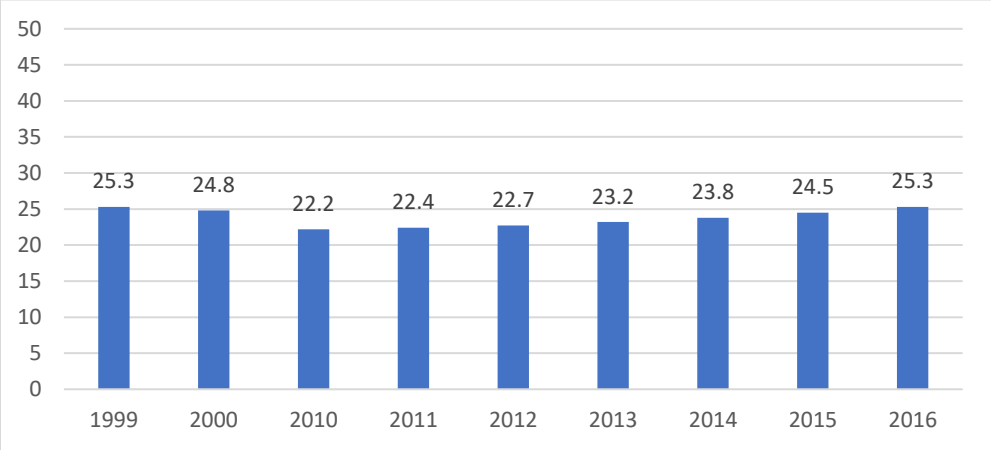
Figure 34. Adult diabetes prevalence (%)



Source: NCD Risc. http://ncdrisc.org.

Anaemia prevalence among women aged 15−49 years was 25.3 percent in 2016 (Figure 35). The lowest prevalence of anaemia among women aged 15−49 years was recorded in 2010, and since then prevalence has increased very slightly.

Figure 35. Anaemia in women aged 15–49 years (%)



Source: WHO Global Health Observatory. https://apps.who.int/gho/data/view.main.ANAEMIAWOMENPREVANEMIAv?lang=en.

In Albania, the second leading risk factor that accounts for most of the non-communicable disease burden is dietary risks. Most children and parents have exhibited satisfactory knowledge about nutrition and were aware of the causes leading to overweight and obesity. However, there was a gap in the level of parental knowledge regarding the health consequences of obesity, which requires attention in future interventions and programmes. For example, among parents, only about one in three recognized that overweight and obesity may lead to a decrease in quality of life (Hyska *et al.*, 2020).

4.1.3 Food security

Food systems seem capable of providing basic macronutrients to the population in abundance, evidenced by the relatively modest share of stunting in children and increasing obesity in adults. Although food availability may be overestimated due to inflated production figures, there is strong evidence that food insecurity is moderate at 11 percent, according to the Household Food Insecurity Access Prevalence (HFIAP), even in households with a high level of poverty (World Vision, 2020)

Rural food security is moderate due to flexible food systems, characterized by small farms (less than 2 ha), with low productivity and market orientation, as a large part of production is processed within the

farm,[4] and consumed or sold locally through short value chains. Low population density, high equality of land use and abundant, extensive common land (pastures and meadows) provide good conditions for rural communities to access a diversified but highly seasonal food intake. In addition, consistent flows of remittances reduce the risk of food insecurity.

4.2 Economic outcomes

Albania's economy although stable, performs below its potential due to low-productivity, high unemployment, low wages and slow wage growth, high inactivity and low digital technology adoption and innovation. The national unemployment rate was 11.4 percent in 2019, and has not changed substantially despite the economic shocks of 2020-21. However, GDP was negatively affected by the earthquake of 26 November 2019, and subsequently by the COVID-19 pandemic and more recently by the Ukraine war.

Across the country, structural changes and migration have produced high rural vs urban inequalities. Urban production assessed as share of GDP is around 11 times higher than rural production (World Bank, 2018), while the urban population is about a third larger than the rural population.[5] **These gaps relate mainly to the slow pace of economic diversification and the high dependence on rural populations in agriculture.** In 2018, about 460 000 people were employed in agriculture representing 36.5 percent of the total labour force (SWG, 2020), and the agriculture sector was experiencing stable growth with a yearly Gross Fixed Capital Formation of around EUR 53.7 million and a yearly productivity value (GVA) per labour unit in agriculture) of EUR 5 500. Productivity continues to be weak, not only compared to the EU-28 (five times lower) but also compared to other Western Balkan countries (SWG, 2020).

Migration and low but increasing productivity have contributed to an overall reduction in the number of people employed in agriculture. Although the unemployment rate in rural areas is considered lower than urban areas, estimates provide evidence for hidden unemployment in agriculture sector of about 25 percent (FAO, 2020). The main underlying reason is the fragmentation of the sector, weak access to

[4] According to the agriculture census, almost 20 000 farmers are engaged in on-farm processing, which corresponds to about 50 000 employed people in rural areas.

[5]The situation is expected to worsen in the future, taking into account the reduction in GDP growth due to COVID-19 (5 percent less than 2019 according to the IMF (2019) retrieved from www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19) as well as a weakening of safety nets (the number of households subject to Economic Aid in 2018 was 33 percent less than 2017 according to INSTAT).

markets and low access to services and inputs. Access to market is poor, due to sizeable costs,[6] missing value chain links and high informality.[7] Mobility is very limited due to extensive farm structures (the distance between plots was measured at 20 minutes on average) and low access to motorized equipment.[8]

4.3 Social outcomes

Albania is one of the poorest countries in Europe. In 2019, the at-risk poverty rate was 23.0 percent (representing a 0.4 percentage point decrease compared with 2018 and 0.7 percentage point drop compared with 2017). Severe material deprivation[9] was estimated at 37.1 percent in 2019 against 38.3 percent in 2018, decreasing by 1.2 percentage points (INSTAT, 2019). An estimated 659 000 individuals were living below the at-risk-of-poverty threshold in 2019, against an estimated 671 000 individuals in 2018. The at-risk of poverty threshold for a one-member household was set at ALL 170.78 in 2019 compared to ALL 160.74 in 2018 and ALL 145.02 in 2017.[10] According to the World Bank (2021), poverty (at USD 5.5 per day) is estimated to have increased in 2020 by 1 percentage point, equivalent to 28 000 additional poor. The presence of significant inequalities can therefore be confirmed, with the COVID-19 pandemic and the war in Ukraine expected to heighten inequality in income distribution.

Recent figures on poverty in rural areas are not available;[11] however, development indicators are expected to be much worse than in urban areas due to poor infrastructure, dysfunctional labour markets, limited access to social services and a poor business environment (AGT-DSA, 2021a).

[6] One-quarter are related to inputs costs according to figures provided by FAO (2018a). www.fao.org/3/I8914EN/i8914en.pdf.

[7] According to INSTAT (2017), up to 9.8 percent (31 372 farms) were officially registered with the fiscal authorities and the rest (up to 90.2 percent of the farms) operate informally.

[8] Only one-third of the rural population have access to motorized equipment (see FAO, 2018a), while other studies report one-third of households (INSTAT, 2018).

[9] Material deprivation is defined as the percentage of the population with an enforced lack of at least four out of nine material deprivation items.

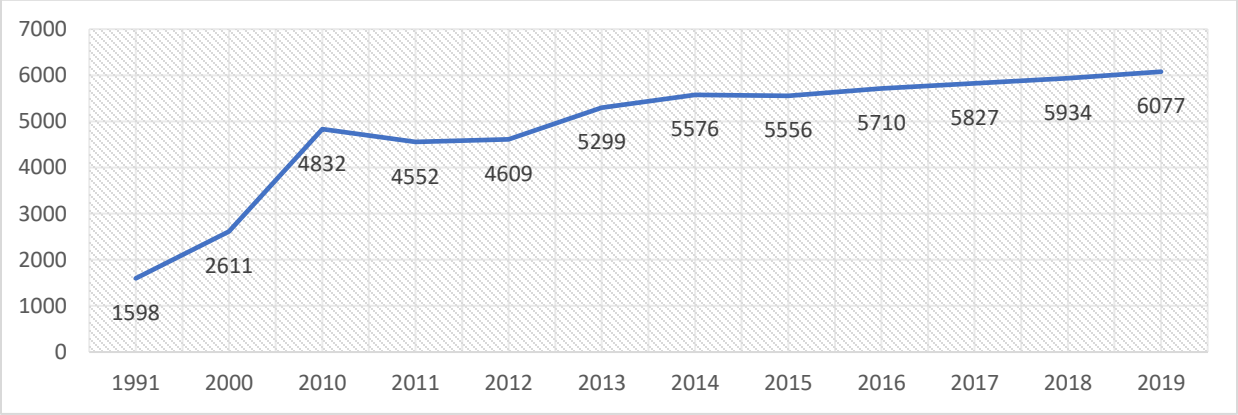
[10] In 2021, when this report was drafted, USD 1 was approximately equivalent to ALL 100.

[11] No rural-urban disaggregation is available for poverty for 2012 onwards. Between 2008 and 2012, poverty declined in rural areas and increased in urban areas, reflecting internal migration from rural to urban areas. In 2018, the at-risk poverty threshold (percentage of individuals with incomes below 60 percent of the median equalized income) was 23.4 percent according to the Income and Living Conditions Survey (EU-SILC). Severe material deprivation was estimated at 38.3 percent. The Gini Inequality Index was 35.4 percent (AGT-DSA, 2021a).

Inequalities with urban areas are estimated to be lower in terms of food poverty, especially for lowland areas in the western part of the country.

Agriculture value added per worker is a measure of agricultural productivity, and has been increasing constantly in Albania, reaching USD 6 077 in 2019 (see Figure 36). However, despite the increase in gross value added (GVA) per worker in recent years, Albania still has the lowest level of GVA per worker compared to other WBCs (World Bank Countries) (World Bank, OECD and ILO, 2019).

Figure 36. Agriculture value added per worker (constant 2010 USD)



Source: World Bank. https://data.worldbank.org/indicator/NV.AGR.EMPL.KD?view=chart.

Similar to other post-Communist countries, Albania has a fairly developed system of residential institutions, although the institutionalization rates are low. Social services are mostly funded by the state and often delivered by non-governmental organization (NGOs). However, they are underfunded and 90 percent of all services are located in urban areas, as is also the case with health services (FAO, 2020).

In 2019, the at-risk of poverty rate in Albania was 23.0 percent (representing a decrease of 0.4 percentage points compared with 2018 and 0.7 percentage points compared with 2017), while severe material deprivation[12] is estimated at 37.1 percent (a decrease of 1.2 percentage points compared to the previous year) (INSTAT, 2019). Around 659 000 individuals were living below the at-risk-of-poverty threshold, and according to the World Bank (2021), poverty (at USD 5.5 per day) is estimated to have increased in 2020 by 1 percentage point, equivalent to 28 000 new poor. The same

[12] Defined as the percentage of population with an enforced lack of at least four out of nine material deprivation items.

trend can be detected in relation to inequalities. The COVID-19 pandemic and the more recent Ukraine conflict are expected to further exacerbate inequality in income distribution.

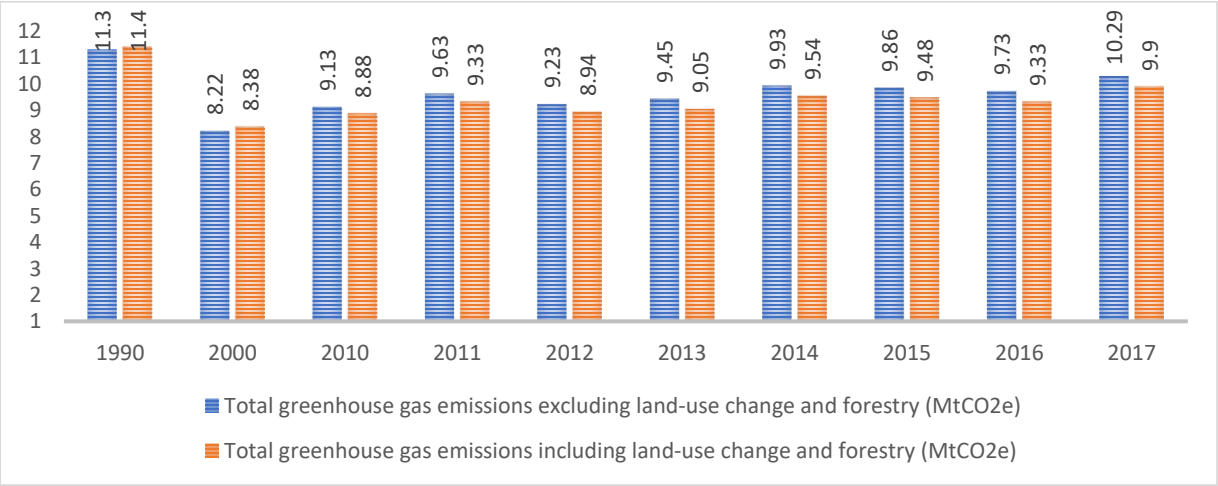
Low income revenues from agriculture and underemployment lead family farms to develop livelihood strategies based on income diversification linked with the migration of one or several of its members. The reduced economic opportunities in rural areas (both on-farm and off-farm), along with limited social services, education opportunities and social welfare (including leisure) push many family farm members to use migration and the associated remittances to transition out of agriculture (FAO, 2020).

Emigration and economic restructuring have also created high gender inequalities. The strengthening of men's role in earning cash incomes and the revival of customary rules with the demise of institutional state structures in rural areas, weakened women's social and economic influence in decision-making processes within the household and the community (Zhllima, Xhoxhi and Imami, 2020).

4.4 Environmental outcomes

Agriculture, including livestock, is considered one of the key contributors to climate change through *inter alia* greenhouse gas emissions (GHGs). Overall, the contribution of Albanian agriculture can be considered modest due to the small size of the sector and the low level of intensification. Despite the increasing trends, GHG emission remain below 1990 levels (Figure 37).

Figure 37. Total GHG emissions excluding/including land-use change and forestry (MtCO2e)



Note: MtCO2e = Metric tonnes carbon dioxide equivalent.

Source: FAO (2019). FAOSTAT Emissions Database. Climate Watch. www.climatewatchdata.org.

The overall amounts of agrochemicals used are within optimal levels for both pesticides and chemical fertilizers, despite increases in recent years. But low-quality inputs combined with improper usage (described above) have caused water pollution in some areas, exposing future agriculture production and human health to serious risks. Special attention needs to be paid to such hazardous substances which were widely used during the transition period and even earlier. Additionally, the use of chemical fertilizers – both nitrogen and phosphorous – may require monitoring since specific farmers may apply them excessively, despite overall low levels of use at the national level (FAO, 2020).

Major problems regarding water quality relate also to the pollution level of settlements and farms that fail to meet environmental protection requirements. In many settlements, there is a lack of safe storage for manure on farms and a lack of sewage systems. The transmission of nitrogen, phosphorus, pesticides, sediments and salts from agricultural production to surface water and groundwater represents an important source of water-quality problems, and is a growing concern in Albania. (MARDWA, 2014).

Chapter 5. Food system resilience

5.1 Climate change

As highlighted in Chapter 2, climate change has affected the severity of production risks in several agriculture sectors. Notable impacts include damage to the flower, fruits or parts of the plant from hail, frost, wind or flooding; lower yields and/or quality due to extremely high temperatures, especially in the absence of irrigation; and the recent appearance or intensification of various diseases. Previous research findings also indicate decreases in plant and animal prevalence, loss of water supply, the emergence of new diseases and shifts in the timing of certain plant health risks. They also indicate a strong increase in vulnerability to threats from rats, insects and pests, as well as forest and pasture degradation (Imami *et al.*, 2019; Zhllima *et al.*, 2020).

According to the REC (2011), increasing temperatures and reduced precipitation are expected to change the harvesting period for cereals and grassland production. The findings also emphasize that changes in temperature and humidity will provoke a change in the reproductive cycle of weeds and pests, which will trigger the appearance of new diseases. A World Bank (2013) study found that the direct temperature and precipitation effects of future climate change are mixed. While rainfed wheat and irrigated alfalfa yields are expected to improve (if pest damage does not increase), the yields for some crops may reduce due to the increase in temperatures and precipitation. The situation is less promising in northern mountainous areas where yields of rainfed alfalfa and maize are expected to deteriorate in the future. Sutton, Srivastava and Neumann (2013) also note that climate change impacts are expected to reduce high value vegetable production in lowland areas.

Awareness, education and know-how related to climate change should be taken seriously, and related investments made. This requires greater awareness about climate change, and how to handle its effects at farm level. Once this knowledge is in place, better and more efficient use of inputs can be achieved, and agricultural extension services can be advised and trained on issues related to climate change. As small farmers in Albania has limited financial resources, their adaptive capacity is particularly low, and requires stronger efforts on the part of government and development partners to in enhance the adaptive capacity of the Albanian agricultural sector.

Applied research should also be given priority. Better understanding of the types of climate change-related risks and potential mitigation mechanisms would enable better policies and decisions. Furthermore, there is a need for more applied research on the impacts of climate change and the development of feasible mitigation mechanisms. Climate change affects mostly products produced for the export market, which require standards. It is therefore important to introduce and promote varieties and techniques adapted to climate change conditions, and to learn from other countries facing similar climate challenges (Imami *et al.*, 2019).

5.2 COVID-19 impacts

Albania was one of the first countries to be affected by COVID-19. The first quarter of 2020 saw signs of contraction especially in exports and tourism (Bank of Albania, 2020) with GDP reducing by 2.5 percent in annual terms, mainly affected by the drop in investments, trade exchanges of goods and services, and consequently final consumption. Recession hit the Albanian economy in 2020 (Bank of Albania, 2020), although the following year saw a partial recovery.

The COVID-19 pandemic has also had widespread and significant social effects, notably an increase in the number of unemployed and poor people. The sudden fall in revenues and overall demand caused liquidity shortages in many SMEs, forcing them to lay off workers to lessen the severity of the problems they faced (United Nations, 2020). The pandemic has affected not only household salaries and informal wages but also remittances. These remittances make up a proportion of consumption spending and account for about 9.5 percent of national production in Albania (Musabelliu, 2020).

One of the main repercussions for Albania arising from the pandemic was the reduction in sources of livelihood and consequent reduced domestic consumption and malnutrition. This issue was especially concerning given the levels of vulnerability among the population and existing high poverty rates (World Vision, 2020).

A recent study (DSA, 2021) on the impacts of COVID-19 in the Albanian agriculture sector summarized the effects as follows:

- Disrupted supply chains in some sectors increased food losses, leading to product waste.
- Travel restrictions and measures increased the costs for wholesalers to access wholesale markets, especially in relation to informal activities.
- Closures in the hospitality industry caused price shocks for high value products and losses. Some sectors such as food processing (wine) have been affected more than others.
- The effects of the epidemic on the health and movement of the labour force has caused delays in processes such as harvesting and planting as well as routine agriculture services.
- Small producers selling informally experienced a reduction in sales of field vegetables.
- Reduction of income from off-farm labour and increased food security constrains especially for staple food.

5.3 Ukraine conflict

Since early 2022, the Albanian agriculture sector has been exposed to spill-over effects from the war in Ukraine. Prices of inputs have increased significantly, and in some cases have doubled. Albania is particularly vulnerable because most inputs for agriculture (e.g. fertilizers) and livestock (e.g. animal feed/cereals) are imported. The impact of the war appears to be far more problematic for Albanian farmers than the effects of the COVID-19 pandemic, and has resulted in large-scale abandonment of farming activity, both in horticulture and livestock sectors. The small size of Albanian farms exacerbates the severity of these impacts due to their limited resources. Available government support is also very limited.

While it is too early to make a quantitative assessment of the impact of the war on the Albanian agriculture sector, anecdotal evidence and in-depth interviews suggest that more than one-fifth of farmers in some areas have abandoned dairy cattle farming (main livestock) and fruit farming in recent months, while many among those who persist are considering whether to cease activities. Even those who intend to continue farming often cannot afford to purchase the sufficient amount of quality inputs, with the result that lower quantity and quality of inputs produce lower yields of diminished quality.

However, as the collection and analysis of data/information (both primary and secondary information) for this report was undertaken prior to the war, its impact on Albanian food systems is not reflected in this report. Future research should address this gap.

Chapter 6. Policy and institutional frameworks for food system sustainability

After being granted the status of EU candidate country in June 2014, Albania made some progress in aligning its agricultural policy with the EU agricultural acquis. In 2007, the country adopted the Law on Agriculture and Rural Development, which defines the main legal framework regulating the programming of agricultural policy; and in 2014, adopted the Inter-Sectoral Agricultural and Rural Development (ISARD) model for the period 2014–2020, as required by the EU accession process.

Various policy priorities outlined in ISARD 2014–2020 have been continuously reviewed in regard to their date of introduction and associated implementation strategy. ISARD 2014–2020 has also been transposed onto the National Plan for European Integration 2016–2020, which outlines the medium-term objectives for the development of agriculture and rural areas in Albania. Implementation of medium-term priorities are detailed in annual action plans, which also provide the legal basis for setting up national support schemes. These establish the specific measures available to the agricultural sector in a given year, while the financial allocation for support schemes, defined in the annual action plan, is provided by the annual budgeting programme and enforced by decisions of the Council of Ministers.

Recently a new Strategy for Agriculture, Rural Development and Food for the period 2021–2027 was drafted and was under consultation during early 2021. With regard to the IPARD pre-accession programme (following the ISARD 2014–2020 planning period), the IPARD II Programme was adopted by the Government of Albania and approved by the European Commission in July 2015, and implemented over subsequent years. The IPARD II programme has now ended and preparations are underway for the IPARD III programme. Furthermore, the mandate of the new Socialist Party government (following the election in April 2021) foresees a substantial increase in governmental subsidies in coming years, estimated at EUR 32 million in 2022 (Monitor, 2021). Despite growing trends, in terms of payments per hectare of agricultural land, Albania scores low, compared to the European Union and other countries in the Western Balkans, such as Kosovo (Martinovska Stojcheska, 2021).

The agriculture sector attracts limited funding not only from the government but also from the banking sector. The overall share of agriculture credit to entire lending is below 2 percent (FAO, 2020). Although there are 16 banks and more than a hundred nonbanking institutions operating in Albania (UN WOMEN, 2016), these are almost inexistent in rural and, particularly, remote areas. Indeed, micro-financial institutions are often the only actors providing access to finance for smallholders. Due to these circumstances, previous surveys show that only 10 percent of rural people are inclined to use banking services. Coverage of information and technology is also more limited in rural areas: only 28 percent of households in rural areas have computers (INSTAT, 2018).

There are several key institutions related to food system sustainability. The Ministry of Agriculture and Rural Development (MARD) is the institution responsible for developing and implementing policies on agriculture, rural development, food safety, consumer protection, fisheries and aquaculture, and the sustainable use of water resources. MARD supervises two organizations: the *National Food Authority (NFA)*, which is responsible for supervising food safety and the *Agricultural and Rural Development Agency*, which manages the financing schemes of the government and donor funds such as the IPARD to private enterprises. These institutions have been transformed and have benefited from substantial support from EU in the context of EU integration. Other relevant institutions include the Ministry of Education and Sports (MoES), and the Ministry of Health and Social Protection (MoHSP). There are also several consumer and producer/farmer associations, but in the majority of cases these are not well-organized and have limited influence on the policy-making process. For more details on these institutions and associations and their roles, see Annex 4 (Stakeholder Mapping).

Chapter 7. Conclusions

An assessment of the Albanian food system requires evaluating the nutritional and health outcomes as well as the economic, social and environmental sustainability of the food system prevailing in the country.

The country emerged from the planned economy as one of the poorest countries in Europe and the region. Albania's economy, although stable, performs below its potential due to low-productivity and high unemployment. Around 659 000 individuals live below the at-risk-of-poverty threshold – a situation worsened by the COVID-19 pandemic and more recently by the ongoing Ukraine war.

Overall, agriculture production has increased since the transition to a market economy with the sector accounting for about one-fifth of GDP. In the horticulture sector, a growing export and trade surplus has been observed for some of the main products produced in Albania, notably greenhouse vegetables. The dairy and meat sectors rely largely on the domestic market. Within agroindustry, dairy and meat processors are more consolidated than fruits and vegetable processors, although the former rely largely on imported meat. Coordination in export-oriented value chains and dairy value chains (at least in the case of key exporters and processors, respectively) is far more organized, while in some sectors or for some products, such as olive oil, short value chains are dominant.

Social aspects. The Albanian Human Development Index (HDI) – a composite scale consisting of a long and healthy life, access to knowledge and a decent standard of living – was 0.795 in 2020, placing the country in the high human development category (ranked 69 out of 187 countries) (UNDP, 2020a). Between 1990 and 2018, the country's HDI value increased significantly by 23 percent (UNDP, 2020b). Social infrastructure and services are insufficient, especially in rural areas, and particularly in disadvantaged and/or mountainous rural areas, where there are serious gaps in health services and educational infrastructure. The Net Attendance Ratio in rural areas is 8 percent point lower for secondary education, while the median for completed school years is almost 50 percent lower compared to urban areas. Access to health services is also limited compared with urban areas. Massive migration to urban areas (especially Tirana) is typically associated with the illegal construction of houses, giving rise to impoverished squatters (Imami *et al*., 2022) in some parts of large cities with poorer services or infrastructure. Fast, chaotic urbanization has also given rise to food insecurity in some parts of the country (e.g. impoverished squatters characterized by higher levels of unemployment and poverty).

Environmental aspects. Albania is one of the most exposed European countries to the effects of climate change. Globally, climate change impacts mostly smallholder farmers whose vulnerability results from a variety of socioeconomic, demographic and policy trends that limit their capacity to adapt to change. As

about 86 percent of farms are considered “small” in Albania, agriculture production in the country is completely dominated by small, family farms, which by default are more exposed to certain types of risks which they have limited capacities to withstand. The risks of climate change for the agricultural sector are particularly immediate and significant because the majority of the rural population depends either directly or indirectly on agriculture for their livelihoods. Agriculture, including livestock, is considered one of the key contributors to climate change through inter alia greenhouse gas emissions (GHGs). Overall, the contribution of Albanian agriculture can be considered modest due to the small size of the sector and the low level of intensification. Low-quality inputs combined with improper usage have caused water pollution in some areas, exposing future agriculture production and human health to serious risks. Investment in the treatment of waste and the education of farmers, as well as the enforcement of legislation, are priorities.

Chapter 8. Towards food system sustainability – next steps and recommendations

In September 2021, the UN Secretary-General convened the **UN Food Systems Summit** bringing together government representatives of different countries, as well as key players from the worlds of science and business, environmental activists, youth organizations and other stakeholders who will contribute to transforming the world's food systems by 2030. The goal of the Summit was to boost nature-positive production and ensure that everyone all over the world has access to healthy food. Several national dialogue meetings were organized.

The National Dialogues outlined key trends to ensure sustainable food systems in Albania by 2030. The findings of the National Dialogues were summarized and are compiled below, and form the immediately priorities to achieve Albanian food system sustainability.

1. **Ensure competitive value chains in food systems (Action Tracks 1, 3 and 4).** Major changes include increased competitiveness of agricultural products in Albania, the development of associated value chains and compliance of products with marketing standards all along the value chains.

2. **Develop agritourism and short value chains as mechanisms of rural development (Action Tracks 3 and 4).** Develop a comprehensive approach to sustainable development that entails coherent, future-oriented national policies, strategies and visions for food and nutrition security that are people-centred, with a focus on poor smallholders and food insecure, vulnerable communities, women and youth, using different support mechanisms and approaches.

   The **development of rural territories** in Albania is key to addressing issues such as food security, environmental protection, economic development and a high quality of life and security. Competitive agricultural *and* non-agricultural production as well as efforts to help the country better adapt to climate change are also essential factors for the development of food systems in Albania. In addition, implementation of the EU Association Agreement is resulting in the introduction of complex reforms in numerous fields, especially food safety.

3. **Ensure effective systems of food/feed safety, veterinary and plant protection (Action Track 2).** Establish a food safety surveillance system with an associated traceability system, and build up professional and laboratory capacities.

4. **Guarantee the sustainable use of natural resources, environmental protection, preservation of ecosystems, climate change mitigation and adaptation (Action Track 3).**

Develop new multisectoral approaches and multi-stakeholder platforms to help overcome structural barriers to transformational change in food and agriculture systems.

5. **Elaborate effective systems for crisis management (Action Track 5).** Ensure that effective crisis management plans are in place.

Food systems transformation will be achieved through inclusive multi-stakeholder collaboration in Albania. In this regard, it is of the utmost importance to involve civil society in the policy implementation process along with public agencies. It is vital to actively communicate with the direct stakeholders of food systems, such as producers, unions, associations, NGOs, scientific circles, donors, international organizations, higher educational and vocational institutions ,and local municipality representatives, as well as the civic sector in local municipalities.

Taking into consideration the high rates of out-migration and ageing among farmers, the significant proportion of the rural population at risk of poverty and climate change impacts, and the prevalence of small farms, raising the productivity and ensuring the sustainability of family farms (SDG 2.3) and introducing resilient agricultural practices and reinforcing capacity for adaptation to climate change (SDG 2.4) are key to achieving Agenda 2030. From a development perspective, any contribution to sustained, inclusive and sustainable economic growth (SDGs 8.1, 8.2 and 8.4) strongly implies a need to develop food systems.

A sustainable food system lies at the heart of the SDGs. Integration of the sustainable food systems concept into implementation of the SDGs will help Albania ultimately implement all aspects of Agenda 2030. Particular attention needs to be paid to the implementation of SDG 1, SDG 2, SDG 3, SDG 4, SDG 5, SDG 8, SDG 9, SDG 13, SDG 15 and SDG 16.

Successful implementation of national strategies and programmes, the SDGs, and synergies between various sectors (agriculture/rural development, urban planning, nutrition, health, etc.) will contribute to the good health of the population. This will also help improve livelihoods, especially in rural areas, and boost the resilience of people against climate change and other shocks.

The integration of nationalized SDGs into the implementation of recommended pathways, as well as alignment with national strategies, will enable the broad coverage of all sectors and sub-sectors which are drivers of sustainable food systems. Along with the National Strategy for Development and Integration (NSDI) several strategic documents will be integrated into the process, such as the Strategy for Agriculture, Rural Development and Fisheries 2021–2027 (SARDF), the National Environment Strategy and Action Plan, and strategies related to the health sector, education, gender and youth.

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Annexes

Annex 1. General country and agriculture sector context

Albania is located in the Western Balkans, Southern Europe, and has a population of about 2.8 million, about two-fifths which live in rural areas. Based on the new EU typology for NUTS 3 statistical regions, only the area of Tirana is considered an urban or predominantly urban area, with rural inhabitants accounting for less than 20 percent of the total population (AGT-DSA, 2021a; INSTAT, 2021).

Agriculture is one of the main sectors of the Albanian economy in terms of contribution to GDP and employment. The agriculture sector accounts for about one-fifth of the country's GDP, and employs around one-third of employed people nationwide – the highest proportion among all Western Balkan countries. Agriculture has played a buffer role during periods of economic deterioration and continues to play an important role in maintaining social equilibrium. The sector is the main source of employment and income for rural households, which are characterized by higher levels of poverty when compared to urban areas (FAO, 2020).

The land reform implemented in the early 1990s, which distributed state agricultural land equally among the rural population, resulted in small and fragmented farms, hampering the growth and competitiveness of agriculture, and limiting women's de facto possibilities to enjoy the benefits of land ownership and land rights given, among others, the registration system. In addition, the low level of land-related investments, erosion, degradation and loss of agriculture land to other uses remain persistent challenges (Zhllima, Xhoxhi and Imami, 2020).

According to the last Census of Agricultural Holdings carried out in 2012, about 98 percent of agricultural holdings/farms in Albania are family holdings. The Albanian agriculture sector is thus dominated by small farms (of up to 2 ha) which account for about 86 percent of the farm population. Small farm size (average ca. 1.2 ha) combined with high fragmentation (e.g. three or more parcels per farm) is one of the major challenges facing the agriculture sector (FAO, 2020), as small farm size results in low efficiency and/or productivity. Produce is sold mostly either locally or within the country due to lack of connection to long supply chains, and most primary agriculture production is not processed (with the exception of the dairy sector). As farming does not provide an adequate income, smallholder households depend heavily on remittances.

The rural economy in Albania is highly dominated by agriculture activities. For instance, data from the 2012 Census of Agriculture Holdings reveal that diversification activities were present in less than 7 percent of the overall number of farms in the country (approximately 20 000 farms carrying such

services). The main reason for such weaknesses relates to remote infrastructure, a weak logistical base and a poor enabling environment for developing entrepreneurial activities in rural areas. In particular, access to electricity, road and water infrastructure and sanitation in rural areas is limited compared to urban areas (European Commission, 2021).

One factor contributing to limited market access, in addition to small farm size, is recurrent gaps in food safety (and quality) standards throughout the downstream food value chain. Albania's national food safety control system faces serious problems in terms of legislation, infrastructure, institutional capacity, control and enforcement, which affect real and perceived safety risks for consumers. Despite legal and institutional changes, many farmers still lack information or awareness related to standards. Problems in the Agricultural Health and Food Safety System have been identified by several studies, and food safety is a major concern for Albanian consumers. In addition, the agri-food value chain is changing rapidly in Albania with the expansion of supermarkets, which are typically very demanding towards suppliers in terms of quantity, quality and continuity, prices, and the introduction of demanding commercial practices. Thus, access to market is becoming more difficult for local producers, and especially for smaller farms. Compliance with standards not only affects access to market but also access to specific support grants, most notably IPARD (FAO, 2020; Zhllima, Imami and Canavari, 2015).

Albanian farmers face major constraints in realizing high-quality, consistent supplies also due to the low quality of inputs, such as seeds and seedlings, fertilizers and plant protection materials, which often results in low yields or complete failures of cultivated crops. However, problems often associated with inputs have arisen not only because of input quality, but due to lack of know-how. Farmers often lack appropriate knowledge about production technology and use of inputs conditioned by limited access to advisory services (related to production technologies) (AGT-DSA, 2021b; FAO, 2020). This combination of low quality inputs and improper use affects food safety standards and water/soil pollution.

Albanian rural households and agriculture producers have also been struggling with the adverse effects of the COVID-19 pandemic, ongoing Ukraine conflict as well as with the impacts of climate change. As one of the most exposed countries to increased climate extremes in the region, Albania is more vulnerable to climate change, because the income-generation and economic activities of the nation are highly dependent on the agriculture sector, which is dominated by smallholder farmers (Zhllima *et al*., 2020).

Low income from agriculture, the challenges faced (see above) combined with poor limited social services are pushing many rural inhabitants, particularly youth, to leave agriculture, often through migration to urban areas or abroad. This strong emigration trend is further impoverishing socio-economic conditions in rural areas, and agriculture sector performance particularly the more remote ones.

Annex 2. The Sustainable Food Systems approach and BSEC project considerations

Food systems approaches continue to grow in popularity and importance as policymakers and governments recognize their critical importance for achieving the SDGs by 2030. This trend is apparent in events such as the UN Food System Summit, COP 26 (with an increased focus on food and agriculture) and the Nutrition for Growth summit. The present report seeks to provide inputs into food system thinking in Albania.

FAO defines food systems as follows:

> The agri-food system covers the journey of food from farm to table – including when it is grown, fished, harvested, processed, packaged, transported, distributed, traded, bought, prepared, eaten and disposed of. It also encompasses non-food products that constitute livelihoods and all of the people as well as the activities, investments and choices that play a part in getting us these food and agricultural products. In the FAO Constitution, the term "agriculture" and its derivatives include fisheries, marine products, forestry and primary forestry products (FAO, 2021).

Multiple other definitions exist (see Barrett *et al.*, 2020), most of which highlight the need to balance economic, social and environmental sustainability demands in a food system that provides income, returns on assets, tax revenue for the government, nutritious and safe food to consumers, and positive socio-economic and environmental benefits (FAO, 2018b). The holistic nature of food system analysis sets it apart from other approaches. It focuses on dynamic relationships between drivers, the structural nature of the system itself and the outcomes that these interactions deliver or fail to deliver. This approach accepts that food systems change and evolve. While certain stages or trajectories of food system development can be identified, no singular food system exists either globally or domestically. Rather, multiple food systems co-exist and interact in diverse ways. Food systems approaches recognize the existence of trade-offs between goals and seek to inform policymakers of their options and the potential implications of policy decisions. This is not, however, a normative approach with a "correct" answer. Instead, food systems represent an analytical framework to visualize and inform decisions that balance demands with local needs in order to develop tailored solutions.

The Black Sea region is a strategically important geographical location connecting Europe and Asia and home to a rich bio-diverse ecosystem including unique marine habitats. All food systems rely upon natural resources, which are currently under threat due to changing climate conditions and human behaviour. In addition, intensive and uncontrolled agricultural practices put extensive pressure on nature and may lead to deforestation, biodiversity loss, land degradation and conversion of natural habitats. In the light of these threats, enabling sound sustainable food systems has been identified as a priority for Black Sea Economic Cooperation (BSEC) countries. Tackling these issues necessitates countries acting together to establish a platform (mechanism) integrating instruments for the

sustainable management of natural resources and reduction of food losses and waste in value chains. BSEC aims to take concrete steps and achieve tangible results in the areas of sustainable agriculture and agro-industry, which in turn should open up the agricultural potential of the region.

BSEC has identified weaknesses relevant to sustainable food systems in the region. Maintaining sustainable food systems requires extensive research to develop united approaches to common challenges, and experience and evidence sharing to learn from each other. During the BSEC Agriculture Ministers Meeting held in Turkey in May 2017, and subsequent meetings of the BSEC Working Group on Agriculture and Agro-Industry Working, the BSEC member states agreed to establish the "BSEC – Regional Cooperation Centre for Sustainable Food Systems", in partnership with FAO and the Republic of Turkey.

This initiative may assist the BSEC member states in implementing joint research programmes, special training activities, exchange of information and knowledge within the BSEC region, on sustainable food systems. By the end of the project, the BSEC member states should have strengthened their capacity to analyse and monitor food systems for sustainability and implement projects to make food systems more sustainable.

The BSEC Regional Cooperation Centre for Sustainable Food Systems (BSEC-CSFS) will directly contribute to SDG 12 (responsible consumption and production) and SDG 2 (zero hunger), and indirectly to all the other Goals. The BSEC member states will benefit from the work of the BSEC-CSFS, as they will receive advice, guidance and information on making food systems in BSEC states more sustainable. This will be achieved through capacity development of government officials and other stakeholders in sustainable agricultural production, enhanced agricultural trade and enhanced regional cooperation/competitiveness of member states in food and agriculture products. The main outcome of the project will be stronger regional cooperation in the areas of food security and safety, improved institutional capacities, poverty alleviation, and sustainable natural resource management including aquatic resources. The BSEC-CSFS will prepare the BSEC Regional Sustainable Food Systems Programmes and Action Plans and support the activities and projects for their implementation. The Centre will conduct co-programmes on sustainable food systems and cooperate closely with other international organizations if deemed appropriate.

Among the different outputs and results needed to reach the above-mention project impacts and outcomes, the BSEC-CSFS is preparing the **Review Report on the Current State of Sustainable Food Systems in the BSEC Region**. A team of experts and national and international consultants have been recruited to collect and analysis primary and secondary data on food systems in their countries with a view to assessing the sustainability of their national food systems. Food Systems Assessments Profiles have been prepared for each of the 13 member states, which in turn will be used to prepare a regional report on the state of food systems in the BSEC region.

Annex 3. Methodology used to conduct a Rapid Assessment of Food Systems Sustainability in the country

The creation of sustainable food systems is critical to achieving the SDGs, and means connecting discrete issues – livelihoods, climate resilience and biodiversity, as well as nutritional status, access and affordability of healthy foods, and consumer preferences, among others. Production, consumption and markets must all be understood as interrelated parts of one system, in order to perceive potential synergies and trade-offs and identify possible pathways forward.

Traditionally, these issues have been studied and monitored separately, an approach that inhibits efforts to understand and assess food systems and their dynamics, especially in low- and middle-income countries – where these systems are changing fastest. Indeed, the absence of a holistic view precludes effective decision-making. This Food System Country Profile consolidates and helps make sense of existing data to support more informed and evidence-based decisions; curb negative outcomes such as malnutrition in all its forms, food loss and waste, or unsustainable environmental footprints; and improve food system sustainability.

To develop this profile the following steps were implemented:

- Compilation and assessment of existing data on the components of the national food system using international datasets including FAOSTAT and World Bank data, as well as relevant national datasets, the main source for which is the Albanian Institute of Statistics. This exercise focused on the last decade but, where relevant, included some historical data.
- Based on available data, a map was constructed of existing knowledge on the national food system. The process started with international data, which was classified based on quality and consistency across three categories: good, partial and missing. Higher quality data helped to identify key trends and provide an initial narrative of the evolution of the national food system.
- To complement existing available international data and better assess the emerging narrative, gaps were identified and targeted semi-structured interviews conducted with local food system actors. In Albania, this translated into a dozen key informants from across the food system, including agricultural, rural development, nutrition and development economist experts from academia and civil society. These interviews helped ascertain the key issues and dynamics at play in the national food system and further sharpen the narrative.
- Finally, information gathered through data and interviews was combined in the present document to provide a snapshot of key drivers and the present status and outcomes of the national food system. This exercise represents a first step towards achieving a more holistic understanding of the Albania food system. Nonetheless, it is recommended to undertake

additional data collection, analysis and ongoing engagement with key food system actors in order to deepen understanding, identify additional priority action areas and move towards coherent and integrated policies to improve the social, economic and environmental performance of the food system.

Annex 4. Stakeholder mapping

Stakeholders at various levels are involved in agricultural production and trade, food nutrition and health, and related sectors. These typically consist of policymaking bodies such as central and local-level government bodies, and influential groups composed of representatives of the media, donors, academia and civil society. The following subsections presents details of these groups.

Relevant public institutions and policymakers

The key central-level public institutions are the Parliament, the Council of Ministers and line ministries such as MARD, the Ministry of Finance and Economy (MoFE), the Ministry of Education and Sports (MoES), and the Ministry of Health and Social Protection (MoHSP). At the regional level, these ministries are represented by decentralized offices.

Parliament

An important platform for discussions at the central level is the Parliamentary Commission for Production Activities, Trade and Environment. This body plays an important role in drafting and amending relevant legislation and proposals for fiscal reforms in agriculture, health, social protection, environmental protection and other areas.

The Council of Ministers

This body approves various by-laws (e.g. legislation, regulations) and policies on all areas related to sustainable food systems.

Ministries

The Ministry of Agriculture and Rural Development (MARD) develops and implements policies on agriculture, rural development, food safety, consumer protection, fisheries and aquaculture, and the sustainable use of water resources. MARD promotes and fosters food security, healthy nutrition and education for children. Agencies under the umbrella of MARD include:

- *The National Food Authority (NFA)*, which is responsible for supervising food safety. The NFA is equipped with inspection functions for managing food safety and consumer protection at the national level. It operates at the central level through the NFA General Directorate and at the regional level through NFA Regional Directorates.
- *The Agricultural and Rural Development Agency*, which manages the financing schemes of the government and donor funds such as the IPARD to private enterprises.

The Ministry of Education and Sports (MoES) develops and implements policies aimed at ensuring a quality education system. MoES also promotes clean and healthy behaviours through the creation of a hygienic school feeding environment. This ministry played an important role in the agreement between ministries on food security, healthy nutrition and the education of children.

The Ministry of Health and Social Protection (MoHSP) develops and implements policies and development strategies for the healthcare sector. Among its dependent institutions are:

- *The Public Health Institute (PHI)*, whose mission it is to prevent and control disease, injury, disability and environmental factors damaging health in Albania. In close cooperation with other organizations, PHI also devotes its skills and experience to the approval of school menus for the 6–16-year old age group, and plans for health service staff and the supervision of quality cooking.
- *National Health Inspectorate* (ISHSH), which is responsible for guaranteeing and respecting legal requirements in the field of public health. It also carries out all inspection functions of the Ministry of Health with the exception of in the pharmaceutical field.

MARD and MoHSP jointly contribute to the Albanian National Health Strategy, with particular emphasis on combating malnutrition by improving diets in rural areas through improved food programmes.

Influential groups

Groups that influence the policy, legal and institutional framework and, indirectly, the relationship between business operators/representatives and the state consist of the media, donors, academia, civil society and consumers.

The media play a crucial role in influencing policymakers, farmers and consumers behaviour through an increasing variety of channels and means both analogue and digital.

Donors include FAO, UNICEF, UN agencies, GIZ, WHO, the World Bank and World Vision – all of whom deal with issues related to agriculture, rural development, health, children and gender, among many others.

Academia in the form principally of state-owned universities and public research institutes dominates the agriculture-related research sector. Research in the agriculture and agro-processing sector is carried out by research institutes affiliated to MARD, although universities such as the Agriculture University of Tirana (AUT) also play a key role.

Civil society and business associations include several specific sub-sector associations. There are also several umbrella-like associations – the largest and all-encompassing of which is the Albanian Agribusiness Council (KASH). KASH is also a member of other entities such as the Chamber of Commerce and the Economic Consultative Council. There are several associations active in the meat and dairy sector: the Albanian Meat Processors' Association (AMPA), the Albanian Dairy and Meat Association (ADAMA) and the Livestock Entrepreneurs Association of Albania (LEAA). While AMPA has mainly an advocacy/lobbying role, the main activity of ADAMA and LEAA is the provision of services and direct support to members at the processing and primary levels of the value chain, respectively, whereas the Has Goat breeders' association focuses specifically on promoting territorial (local) products (namely goat meat and dairy products). LEEA is one of the strongest primary producer associations in Albania, mainly due to its focus on providing services. Its main activity is coordinating and supporting the provision of insemination services – a key factor in improving the performance of the livestock sector. It also participates in several international development projects providing advisory and extension services for animal husbandry.

Consumer associations are organizations independent from traders that have a statutory aim related to the protection of consumer rights. Consumer associations in Albania include the Albanian Consumers Association and the Commission for Protection of Consumers.