

Support to Agriculture and Rural Economic Development in Disadvantaged Mountainous Areas (SARED)

Market power of the hidden treasure: The Albanian Mountain Farm

Preparing Mountainous Rural Economy for the European Market

Unemployment and low incomes to actual poverty levels are characteristic features of the rural mountainous areas of Albania. Farmers are struggling with accessing markets, fierce competition and growing demands for quality. In response to such situation, the Ministry of Agriculture, Rural Development and Water Administration (MARDWA) has prepared a Cross-Sector Strategy for Agriculture and Rural Development (ISARD) targeted at supporting sustainable and inclusive growth. The German Government and the Danish Government are supporting the Albanian Government with implementing this Strategy.

What is the SARED Programme all about?

“From the field to the table” is the overarching approach of the SARED programme, jointly implemented by MARDWA and the “Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)” on behalf of the German Government, and cofunded by the Danish government.

After being granted the EU candidate country status in June 2014, Albania is moving towards EU membership. However, the country needs extensive reforms in the public and private sector. Substantial changes are required particularly in the agricultural sector. A Cross-Sector Strategy for Agricultural and Rural Development (ISARD), an integral part of the National Strategy for Development and Integration, has been prepared with this perspective in mind.

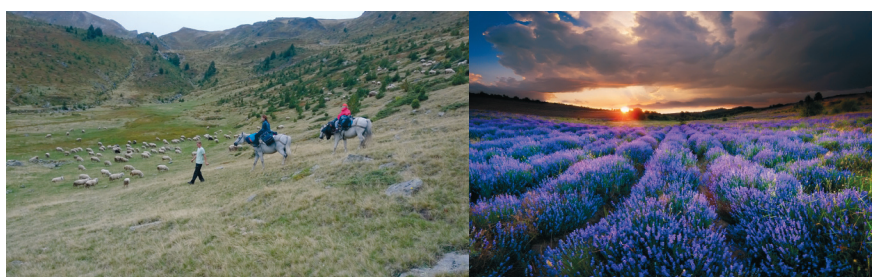
Project name:	Support to Agriculture and Rural Economic Development in Disadvantaged Mountainous Areas (SARED)
Commissioned by:	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ) Co-financed by: Ministry of Foreign Affairs of Denmark, The Danish Neighbourhood Programme
Project region:	Albania, with focus on mountainous regions
Lead executing agency:	Ministry of Agriculture, Rural Development and Water Administration (MARDWA)
Duration:	01.06.2014 – 31.05.2018

The benefits

Numerous studies describe the underutilised agricultural resources, especially in the mountainous regions of Albania. At present farmers’ production is to a large extent subsistence-oriented, because of missing wellstructured value chains that would enable their access to markets. Backed up by the crosscutting development strategy (ISARD) and the ability of farmers to embrace a value-chain-oriented production, it is possible to significantly increase the sector’s contribution to the national economy and to improve farmers’ livelihood.

SARED supports the development of four of the most important value chains in the rural mountainous areas:

small livestock	medicinal and aromatic plants
fruit trees and nuts	rural tourism



SARED supports four value chains: small livestock, medical & aromatic plants, and fruit trees/nuts and rural tourism

The value chain approach is being combined with the territorial dimension of local and regional economic development.

SARED builds on the experience of previous and ongoing projects and looks for synergies with other GIZ projects targeting the same value chains. This is the case with the EU-financed Instrument for Pre-Accession Assistance in Rural Development (IPARD) Like Project and the Conservation of Agro-biodiversity in Rural Areas (CABRA) Project. Other projects on vocational training and economic development provide support, and are complementary to it, especially regarding their interventions at the national level.

Expected Results

The overall objective of SARED is to increase incomes for the value chain actors by at least 20%, and to reduce unemployment in the programme regions.

In Albania, as in other countries, the agricultural sector is dominated by men – even though women’s contribution is equivalent to that of men’s. SARED will pay special attention to providing opportunities for women. In line with the ISARD strategy, the objective is that at least 15% of the direct beneficiaries are women. These ambitious targets will be achieved through four interrelated pillars of support and interventions:

- An investment grant facility of up to € 7million for upgrading the actors of the four supported value chains. The investment grants will be matched by contributions from the beneficiaries. Potential beneficiaries are farmers, micro, small and medium enterprises engaged in the value chains. This includes processors, traders as well as service providers within rural tourism. Special grant arrangements are in place to favour participation of female and young farmers and entrepreneurs, and to fasten the process of establishing business networks and/or associations along the value chains. The investments will enable value chain actors to improve the efficiency and quality of their production and services and, as a minimum, to fulfil national environmental and quality standards. Under this pillar, SARED will also create linkages to the financial sector and improve the capacities of beneficiaries to have access to funding for their current and future investments.
- Support to on-farm and off-farm diversification of economic activities responding to market requirements and demand. This includes fostering the developing, competitiveness and sustainability of value chains by integrating primary producers into the food chain through quality schemes. It will help for improving perception over product quality in all links of the value chains from the farmer to the end consumer,. Such outcome shall be achieved by introducing improved and innovative technologies in production and processing, leading to new and improved products. The potential for organic production will also be explored. Introduction of food safety standards and certification will be promoted, and the relevant value chain links will be assisted while developing and implementing marketing strategies. This approach shall enable more and more producers to get closer to the EU standards including branding, transparency and traceability of their products.
- Facilitating closer linkages between different value chain actors, empowering small-scale farmers and entrepreneurs and negotiation power vis-à-vis larger value chain actors. Relationships channelled along the value chain via business-networks up to formal associations should become common practice in the mountainous regions. Such practice can be reached by setting up dialogue platforms and through training and coaching programs. Development of specific mountainous rural women associations is also supported under the Project.
- Facilitating public-private dialogue in order to improve the local business climate for farmers and enterprises engaged in the value chains. Prioritised action plans will be developed for improving the business climate and opportunities, including improvements of the institutional, administrative and legal framework. It might as well serve as an opportunity to develop and brand the products with Protected Designation of Origin (PDO), Protected Geographical Indications (PGI) and Traditional Specialty Guaranteed (TSG).

Published by	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	In cooperation with	Ministry of Agriculture, Rural Development and Water Administration (MARDWA)
	Registered offices Bonn and Eschborn, Germany	On behalf of	Federal Ministry for Economic Cooperation and Development (BMZ)
	GIZ-SARED, German-Danish “Support to Agriculture and Rural Economic Development in Disadvantaged Areas Ole Henriksen PO Box 2391, Rr. „Skenderbej“, Nr 231, Tirana, Albania T +355 4 22 30 414 F + 355 4 22 51 792 Ole.Henriksen@giz.de www.giz.de	Division	South-Eastern and Eastern Europe; South Caucasus
		Postanschrift der BMZ-Dienstsitze	BMZ Bonn Dahlmannstraße 4 53113 Bonn T + 49 228 99 535-0 F + 49 228 99 535-3500 poststelle@bmz.bund.de www.bmz.de
Author(s)	Ole Henriksen, Berthold Wohlleber		BMZ Berlin Stresemannstraße 94 10963 Berlin T + 49 30 18 535-0 F + 49 30 18 535-2501
Layout	Eva Engler		
As at	October 2014		