



PROGRESS REPORT – LIVESTOCK

PROJECT DETAILS:

1. Title: *The Entrepreneurial Discovery Process in Albania: Partnership with the quadruple helix Actors for developing the country “Smart Specialization Strategy” – Livestock*

2. Location and Venue: The last agriculture-related event, which focused on the livestock industry, was held on November 18th at the Uka FARM premises.

3. Panel Members and A Brief Description of Their Professional Commitments

- **Mr. Arben Shkodra:** Secretary General of Albania Manufacturing Union (AMU), Member of the Inter-Institutional Working Group for the Smart Specialization Strategy and moderator of the event
- **Mr. Z. Arian Jaupllari:** Deputy Minister for Agriculture and Rural Development
- **Mr. Agim Rrapaj:** Executive Director of the Albanian Agriculture Council (KASH)
- **Mr. Alban Zusi:** Executive Director of the Albanian Food Industry

4. Event Organizers

With the support of the European Commission's Joint Research Center (JRC) and the Policy Answer Project (Horizon Europe GA 10105887), Future Center organized this activity in collaboration with Inter-Institution Working Group, particularly Mrs. Albania Tole, who has played a key role in identifying and engaging strategic actors from the public sector and academia; as well as the Albanian Agriculture Council (KASH) and Albanian Manufacturing Union (AMU) which were selected by Future Center to assist in reviewing the contact lists prepared for the business helix and to urge the representatives from this helix to participate at the event.

5. Event Participants

In the livestock roundtable, from the business helix there were 12 people including representatives from the Albanian Agriculture Council (KASH), Albanian Manufacturing Union (AMU), Albanian Food Industry (AFI) as well as producers and processors of meat and dairy products. As for the Academia, there were 4 participants in total, one from the Agriculture University of Tirana, two from Charles Tekford Erickson high school Durres, and one from “Loro Borici” High School. The government helix, on the other hand, was made up of 7 people from the Ministry of Agriculture and Rural Development (Deputy Minister, AKVMB, Veterinary Service), as well as the Ministry of Education and Sports. Last but not least, Civil society was represented by a representative of Co-plan.

Businesses: 12 Participants; Academia: 4 Participants; Government: 7 Participants; Civil Society: 1 Participant

ACTIVITIES & OUTPUT

1. PLANNING

The initial stage in planning this activity was to identify relevant actors from the academia, civil society, and government helix who ought to be invited to all agriculture-related events. From there, we identified quadruple helix actors that were unique to the Albanian livestock industry. Future Center was also responsible for designing a proper action plan for the logistical details and moderation approach to be implemented for this activity, preparing the content and graphic design of advertising materials such as the info sheet, standard format of the invitation, banner, roll up, etc., engaging the Albanian Manufacturing Union (AMU) and the Albanian Agriculture Council (KASH) to support in



the organization of this activity, and coordinating with the interinstitutional working group for the details of the activity, including the roles and responsibilities of each person, the format of the activity, the approximate number of participants, as well as the main topics to be discussed during the livestock roundtable.

2. COORDINATION & PROMOTION

During this phase, some final adjustments were made to the contact lists created by Future center during the planning phase, with their review by Mr. Albana Tole, head of the interinstitutional working group for the EDP in the Republic of Albania, for the academia and government helix, as well as the Albanian Manufacturing Union and Albanian Agriculture Council, which provided additional recommendations on the business helix representatives. From there, Future Center was able to identify the relevant actors from this sector who would be invited to participate in this activity's discussion panel, informing them of the smart specialization strategy and the role of Edp, as well as the main topics to be discussed during the activity for which they were asked to prepare in advance. Last but not the least, Future Center took care of the event's logistics, which included coordinating with Uka farm representatives for the opportunity to host the event on their property, determining the catering requirements, preparing, and distributing invitations, estimating the number of attendees, and sending a final reminder with the event's details.

3. EXECUTION

As with other activities organized for the Entrepreneurial Discovery Process in the Republic of Albania, the Future Center was responsible for the logistical coordination of the event, which included keeping the attendance list, taking notes on the roundtable discussions, photographing the key moments of the event, and arranging the participants in the conference hall, as well as the moderation of the activity according to the methodology approved by the members of the interinstitutional working group. In addition, with the successful completion of the activity, all participants were invited to submit further thoughts and suggestions regarding the roundtable discussions by email.

4. SUMMARY OF COMMENTS AND SUGGESTIONS

- During the livestock roundtable, the quadruple helix actors reported a fall in the parameters assessing the performance of the livestock sector in Albania, reflected especially in the decline in the number of cattle and factories operating in this field. According to the business helix, two of the primary reasons for this outcome are that improper regulations have been put in place for the development of this sector, as well as a lack of economic interest in investing in this specific industry.
- As for the potential that this sector represents in Albania, according to the representatives of the business helix, the agriculture and livestock sector must not be considered as priority sectors but as vital ones instead, for which they highlighted the critical role that these sectors have in building resilience to future supply chain shocks, an aspect that was clearly evident in the way the Albanian economy was affected by outside forces over the past few years such as the pandemic, the earthquake, the war in Ukraine, etc. Furthermore, in addition to the favorable conditions that Albania has for the development of this sector, another aspect highlighted during the roundtable discussions was the role that this sector can play in revitalizing Albania's rural areas, as well as improving the performance of the Albanian agriculture and agro tourism sectors. Referring specifically to Albanian factories of milk byproducts, the business helix stated that their current production capacity exceeds local milk production and demand, which they believe should be viewed as an opportunity to increase milk production in the country as well as expand activity in foreign markets. Last but not least, the business helix emphasized that unless additional efforts are made to improve the performance of this sector and boost the competitiveness of its products, this sector faces a high risk of further shrinking as a result of Albania's accession into the EU, highlighting once more the need to invest

- Regarding the barriers to the development of this sector, one of the most prominently emphasized ones by all the quadruple helix actors was the lack of motivation among young people in Albania to study and work in this sector, due to two primary factors: the wrong mentality and perception of this sector, and the general lack of workers in Albania, which has led to a concentration of workers in fields that are typically tied to offer higher wages. In addition, according to a representative of the civil society, due to a lack of young people eager to work in this industry, there has been a substantial fall in the number of young people willing to study in this field, leading to the closure of the agriculture and veterinary school in Shkodra. To resolve this issue, the business helix emphasized the necessity for Albania to transition from a family-based livestock farms to science-based livestock farms to make this industry more appealing to young professionals, as well as find alternative ways to compensate the need for labor force by encouraging the automation of production processes. (Ex: automatization of the milling process, the introduction of the electric shepherd concept, the attraction of people from underdeveloped countries to work in Albania etc.)
- Another issue brought up for this sector was also the lack of skills and knowledge in this sector for which it was highlighted the need to (1) Expanding the role of vocational schools with an agricultural focus, - considering that 80% of those employed in this industry only have lower secondary education; (2) The improve of the existing curricula's to better meet market demands, for which in particular it was highlighted the need to develop curricula for agricultural cooperation organization leaders, the most recent technology developments in this field, as well as financial management; (3) Incentives to encourage young people to design and implement projects that focus on promoting innovative ideas in this sector; (4) as well as the creation of professionals in this field who are well acquainted with different cattle races, the characteristics of each of them, and how they ought to be treated.
- During the activity, the lack of interest in investing in this sector was also brought up, for which the civil society indicated the need to create the conditions necessary for Albanian products to be exported, a measure that, according to them, would lead to an increased incentive to be in compliance with the criteria for obtaining international certifications, to improve the product quality, and to increase production level. Specifically, the business helix emphasized the need to create the necessary conditions for the exports of products such as ham, salami, etc., since these are the most in-demand for export from this sector. In addition, even though large industrialists in this sector tend to import raw materials from other countries, the business helix indicated that with the consolidation of their products in foreign markets, there would be an increase in demand for domestic products to be purchased at a higher price, which would allow for the growth of the entire livestock industry and not just the largest firms. The great interest of foreign investors to invest in Albania livestock industry, which is prevented by just one obstacle — the inability of Albanian products to be sold to other countries — was also highlighted as a feature demonstrating the necessity of Albanian products being exportable. One of the key initiatives advocated by the business helix to solve this issue was the establishment of a traceability system.
- Another problematic aspect highlighted during the activity was the continuous decline in the number of cattle, for which the participants called for (1) an in-depth analysis to better understand the primary factors that have contributed to this result, (2) a review of Albanian legislation on animal welfare and reproduction (3) the creation of a department under the Ministry of Agriculture and Rural Development in charge of breed-related concerns and animal population growth; and (4) financial measures to assist curb this trend. In addition, in the absence of zootechnics professionals in Albania, as well as young people studying in this field, another remedy advocated by the business helix was also the creation and improvement of zootechnics skills.



- Another major problem highlighted during the meeting was the lack of necessary data and research to better understand the present situation of the livestock industry in Albania. In particular, the business helix indicating the need to inventory the number of cattle in Albania, analyze market demands, determine the main problems encountered in this industry, identify rural areas demographic trends, the average annual wage of people working in this sector, among other parameters required to have a better understanding of the measures and instruments required for the development of this sector.
- According to the business helix, innovation is required to boost efficiency, lower production costs, and more effectively solve the labor shortage in Albania. In particular, they emphasized the need for: (1) increasing the number of pilot projects that promote the use of the most innovative technological trends and models; (2) enhancing the efficacy and accessibility of electronic platforms such as ABA online and RUDA; and (3) providing government financial and technical support for the design and implementation of the best models in this sector.
- Another matter that was discussed during the meeting was whether the Albanian government should have a prioritization of large companies against small ones, for which two different points of view were presented. On the one hand it was argued that there should be a greater emphasis on large firms due to their ability to produce at a lower cost per unit (Economies of scale), their ability to offer more competitive products in both domestic and international markets, and their tendency to be more appealing places for young people to work. On the other hand, it was noted that small enterprises in Albania were crucial to the growth of the country's agritourism industry, as well as the dependency that exists throughout the supply chain between large and smaller firms in Albania.
- Another issue raised by the quadruple helix actors was the need to increase their collaboration to better comprehend the difficulties of this sector and play a more active role in resolving them. Two concrete solutions proposed for this matter were the creation of the national council for the Albanian livestock industry as well as the revitalization of LAGs.
- Other topics that were discussed at the meeting included: (1) the fragmentation of agricultural land in Albania, for which the need to strengthen the role of agricultural cooperative societies was emphasized; (2) the need for a change in the approach currently used to manage pastures, which fall under the jurisdiction of three distinct government agencies (Ministry of Tourism and Management, Ministry of Agriculture, and local units); (3) the lack of locally produced organic fertilizers and animal food. Other proposals included enhancing the role of livestock industry directorates, examining the legislative structure to remove impediments to this sector's growth, introducing fiscal incentives to encourage the consumption of local goods, and establishing regional training centers.