

Evaluation of Ongoing Projects/Programmes 2006

**Modernisation of the Agricultural and Food
Sector and its approximation to the EU,
Albania**

Main Report

gtz

**Produced by: Forschungsstelle für internationale Agrar- und
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**This report was produced by independent external experts.
It reflects only their opinion and assessment.**

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Abbreviations

MoAF Ministry of Agriculture and Food

MAFCP Ministry of Agriculture, Food and Consumer Protection

MDG Millennium Development Goals

MIS Market Information System

TC Technical Cooperation

Executive Summary

1. A team comprised of Prof. Dr. Dr. h.c Koester, University of Kiel, and MSc Fatmir Guri, Agricultural University of Tirana, accepted the task to evaluate the project “Modernisation of the Agricultural and Food Sector and its approximation to the EU, Albania. The project started in 2002 and is supposed to be terminated in 2007. The evaluation team was in Albania from Sept. 24 to October 9, 2006. The evaluation is based on studies of the project material and other documents on Albania, on more than 40 interviews, and on economic analysis of the causal relationships.

2. **The overall objective** of the project is to support Albania towards a need oriented and EU oriented agricultural policy, including pillar 2. The **anticipated impact** is to improve the living standard of the Albanian population and to reduce poverty.

3. The **target groups** are ‘the population of Albania, owners and families of small and medium agricultural farms; private small and medium sized companies in the non-farm sector; population in the mainly structural weak rural regions’. The the **Ministry of Agriculture, Food and Consumer Protection (MAFCP)** is the partner and main intermediary target groups are **Trading and Producer Associations**. The differentiation between final and intermediary target groups is certainly in line with the needs of the country and with the effective and efficient use of limited funds.

4. The project has a fairly tight budget of only € 1, 800 mill. for a five year period. Nevertheless, a **multilevel approach** is applied with **activities on the macro-, meso- and micro-level**. However, the focus is by far on the macro-level, giving advice to the Ministry of Agriculture, Food and Consumer Protection.

5. **The conditions for the activities of the project are generally very good**. The project leader is very able to initiate new activities and to coordinate them efficiently. However, there are some problems: First of all the Ministry is understaffed, in particular after a change of the government when some staff members get dismissed and replacement may be delayed for a year. Second, the lack of trust in the society contributes to some lack of transparency within some associations and may impair their sustainability.

6. **The GTZ project fits well into the set of projects supported by other donors**. Interviews revealed that there is adequate coordination and the GTZ project is highly complementary to other donors’ projects on the macro-level. The activities on the meso-level have also partly filled a niche. The establishment of a Market Information System and the

establishment of a wholesale market in Tirana are outstanding activities which filled a high need not covered by other donors. The project activities on the micro-level include support of producer associations and marketing activities; these activities are complementary to the meso-level component of the project; they have led to very visible positive effects and have very much contributed to the acceptance of the project in the country.

7. In spite of its limited budget **the project has found an important niche** among the set of all projects supported by the donor community. Based on long-term relationship with government officials and effective support in the past the cooperation with Government officials is based on mutual trust and close cooperation. The project coordinator in Albania has contributed largely to the positive cooperation and success of the project.

8. The wide range of activities is in line with changes in needs of the country and indicates the widely praised flexibility of the project. In general, the leader of the project and the Ministry identify in close cooperation and in a participatory approach the need for specific activities. The GTZ office selects international experts for a limited period of time in order to solve specific problems. The selection of activities and the mode of delivery are exceptionally good.

9. The project was highly successful. It can be assumed that the project activities have contributed to the overall objective: it has resulted in improving the conditions for functioning markets, it has contributed to an increase in agricultural production; the marketing margins have been reduced inducing lower consumer prices and higher farm prices. Actually, **there are clear indicators that the project has achieved the objectives adequately.**

10. The main determinants of the success were: Selection of activities which were of most relevance for the country; highly qualified project leadership and local experts in Tirana; high flexibility of the GTZ responding to changes in needs and priorities of the Ministry; the selection of highly qualified experts by the GTZ headquarter and – last not least – the willingness of the administration of the Ministry to accept advice and to make use of adequate advice.

11. The evaluators gave an overall rating of 2 (1.6). Rating 2 says it is “**Good rating fully in line with expectations, no significant defect.**” The positive rating expresses the evaluator’s appreciation that the project has performed exceptionally well. The rating of relevance is even 1. The relation of performance to the budget (efficiency) could even not better for any other set of activities.

12. It is recommended that the project will be continued beyond the year 2007. Further support is needed – in particular in the field of policy advice - as Albania has to prepare for EU accession and has not yet the needed human capital. It is envisaged that the main activities of the project will be in providing assistance in the area of EU integration, rural development and food safety. However, the capacity of the project is likely to be too small in order to match adequately the needs of the country.

13. Thus, it is recommended that one of the tasks of the project in the near future should be to assist the Ministry in **applying for a Twinning Project**, financed by the EU. Furthermore, the next phase of advice will be less on technical matters, such as creating an efficient organisation of the Ministry and drafting adequate legislation. Instead, preparing of integration with the EU and formulating an efficient rural development policy requires in depth policy analysis and policy decision-making. Hence, it is not any more sufficient to rely on solely the advice of individual policy experts. **A culture for policy debate has to be developed.**

14. It is recommended that the project should continue to be located in the Ministry of Agriculture, Food and Consumer Protection. Moreover, the project should stand on its own and should not be integrated with the project “Economic Reform and Reconstruction of the Economy” which is linked to the Ministry of Economics. Merging the two projects would impair one significant asset of this project, i.e. the close cooperation with the staff of the Ministry of Agriculture, Food and Consumer Protection and its fast reaction to changes in needs of the main target group.

15. It is recommended to continue with a multi-level approach. Particular emphasis should be given to enforcement and selection of adequate rural policy instruments and to support of producer associations. Pilot studies such as that on the effects of producer associations can serve as an eye opener to non-members and, thus, can improve the attractiveness of associations. It is recommended to have a **permanent internal control system**, which allows comparing costs and benefits of the individual activities.

1. Tabular Overview

1.1 The Evaluation Mission

Evaluation period (<i>month/year</i>)	Aug. to Dec. 2006
Institute performing evaluation	Forschungsstelle für internationale Agrar- und Wirtschaftsentwicklung e.V. (FIA), Heidelberg
Evaluation team (<i>international and national appraisers</i>)	Prof. Dr. Dr. h.c. Ulrich Koester; University of Kiel, Germany Dr. Fatmir Guri, Agricultural University of Tirana, Albania

1.2 The Project/Programme

Project/programme title	Modernisation of the Agricultural and Food Sector and its approximation to the EU
Project/programme number	01.4828.8 and 03.2296.6
Overall term	May 2002 to Sept. 2007
Overall costs (<i>German contribution, partner, total</i>)	GTZ contribution € 1, 800 000 Contribution of the Partner ca. € 50 000 (Provision of rooms, release of staff for training purposes in the country and abroad.)
Objective of the project/ programme	First steps towards a need based and EU oriented agricultural, including pillar 2 Indicators: Draft of a new agricultural policy including short and medium term priorities inclusive a financial concept. Establishment of a rural development department in MoAF Complete and timely applications for support from the EU Adjustment of selected Albanian laws to EU laws.
Lead executing agency	GTZ

Implementing organisations	GTZ and Ministry of Agriculture, Food and Consumer Protection in Albania
Other organisations and donors involved	None
Target groups	<p>The population of Albania, owners and families of small and medium agricultural farms; private small and medium sized companies in the non-farm sector; population in the mainly structural weak rural regions.</p> <p>Intermediate target groups are leading administrators in the Ministry, employees of other public and private organisations on the national, regional and local level</p>

2. Context and Concept of the Project/Programme

2.1 Framework Conditions, Problems, Context

At the time the project was designed in 2002 Albania's economy was and is still very rural. According to the Albanian Statistics Institute (INSTAT) the active population employed in the rural areas is 61.5 percent and 50.6 percent work in agriculture. (see "Njerëzit dhe puna në Shqipëri. Krahu i punës, punësime dhe papunësia Instat 2004). It is estimated that 29.6 percent of the rural population is poor¹. Poverty headcount in rural areas is 66 percent higher than in Tirana, and 50 percent higher than in other urban areas². Hence, there was significant migration from rural areas to Tirana and foreign countries. On the one hand, the living standard of the remaining rural population improved through receipt of remittances, but on the other hand those who stayed were generally below average education and above average age. Hence, the future for rural areas looked bleak, even more so as some of agricultural lands remained unused in spite of very small average farm size. Small farms mainly produced for self-subsistence and used non-official market channels to sell the little market surplus. The latter was a main concern of the society at large; by-passing official market channels - in particular for milk and meat – breaches laws, conflicts food safety, and implies a health risk. In spite of its significant potential to expand agricultural production the resources had been used inefficiently leading to a negative food import bill, even for products, such as fruit and vegetables, where Albania seems to have a significant

¹ <http://www.ruralpovertyportal.org/english/regions/europe/alb/index.htm>

² <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/ALBANIAEXTN/0,,contentMDK:20142348~menuPK:442577~pagePK:1497618~piPK:217854~theSitePK:301412,00.html>

comparative advantage due to climate and applicability of competitive labour intensive production technologies.

In general, the conditions for the management of the project were very favourable. The Government of Albania is highly aware of the needed advice and other support. However, the achievement of the project's objectives were somewhat depreciated by some political and administrative events. First, the understaffing of the Ministry is even more pronounced after the change in the Government last year. Some administrators were dismissed and could not be replaced immediately as the law of Albania demands that the dismissed administrators are supposed to get a salary for another year. Hence, financial shortage does not permit to replace the dismissed employee immediately and it may take a year for replacement. Second, the Ministry was not able to hire new adequately trained staff for the new sector of integration policies.

2.2 Concept (including Advisory Approach)

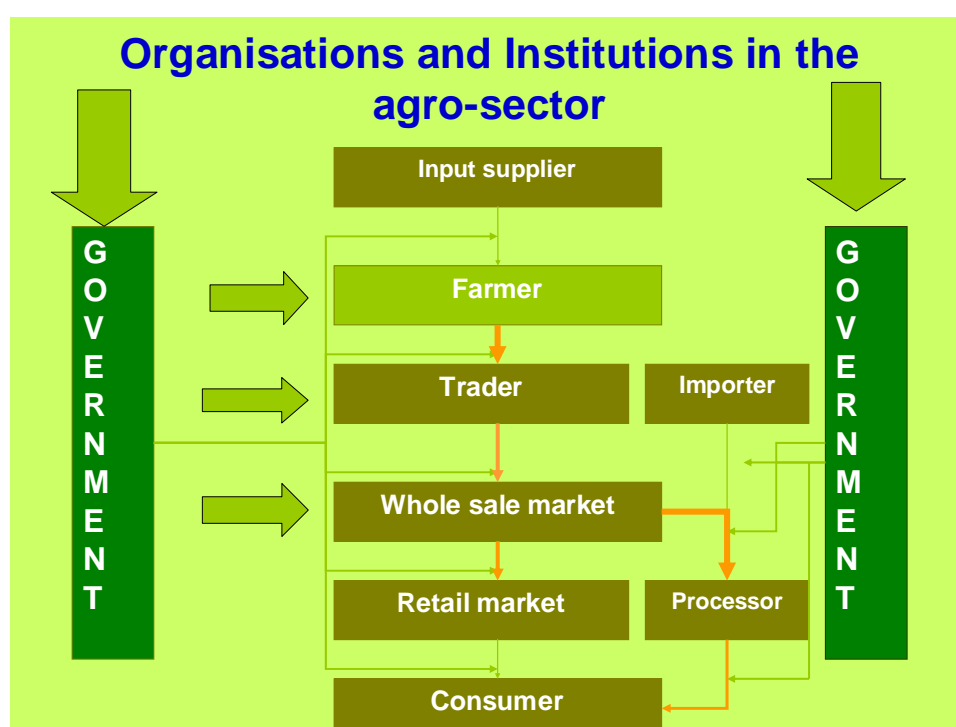
The project is based on a sound concept. It addresses the main problems in the country. Based on the insights of the 'New Institutional Economics'³ the main problems of Albania are weak organisations and institutions. The organisations are comparable to the players in a game and the institutions to the rules of the game. Inefficient use of domestic resources is mainly due to weak organisations and institutions. Moreover, such a defect leads to less Foreign Direct Investment and, thus, to less prosperity.

The project has not focused directly on the main target groups, the "owners and families of small and medium agricultural farms; private small and medium sized companies in the non-farm sector; population in the mainly structural weak rural regions". However, it is highly questionable whether a direct focus would have resulted in satisfactory results. First, the budget of the project was supposed to be very limited, only € 1.8 mill for a 5 year period; second, a direct focus on few members of the 'final' target groups would have been less efficient in addressing the main cause of rural underdevelopment and rural poverty than the chosen strategy. The main cause is the lack of integration of rural areas into the overall economy.

³ See Williamson, O.E., 2000, The New Institutional Economics: Taking Stock, Looking Ahead. *Journal of Economic Literature*.38(3): 595–613.

The Figure 1 highlights the main organisations and institutions on agricultural markets. The rectangles show the organisations and the thin lines between the rectangles indicate the interactions between the organisations; these interactions are highly dependent on institutions. The intensity of interaction between two organisations, e.g. farmer and trader, depends on transaction costs. These are costs incurred in economic exchange. They include search costs, negotiation costs, monitoring and enforcement costs. If these costs are too high from the point of view of individual organisations no transaction may occur.

Figure 1:



The farm gate price is a derived price from the final consumer price. The difference between the two prices is made up by transaction costs. Therefore, farmers in Albania may prefer to produce for home consumption, as farm gate prices may be too low and insecure due to transaction costs.

The most important organisations in the agricultural sector are the MoAF, the farmers, traders, and the wholesale market. These organisations are earmarked by arrows as the project's activities focused on these selected organisations.

Most support has been provided to the MoAF, which is the main intermediate target group. The main task of this organisation is to set and enforce those institutions which are crucial for

the functioning of markets for agricultural and food products. These markets need some more specific institutions than most non-agricultural product and input markets. On the output side of agriculture, price formation may be a problem if market information is not available or costly to collect and if some organisations, e.g. wholesale markets, are not existent. The organisation of farms may be a problem if they use their resources inefficiently, partly due to small farm sizes and fragmentation, but also because of lack of know-how, lack of market integration due to high transaction costs and high uncertainty. The most important deficiency concerns the functioning of the land market. The Government has not yet decided how to solve the property rights problem. Functioning land markets are most important for changes in agriculture. Change to more efficiency has to be based on land transfer and land consolidation. If the rules have not been set clearly one can only expect marginal changes. The project had no possibility to influence the setting of these institutions; instead it had to accept it as a given constraint.

The project had also minimal influence on the improvements of agricultural credit markets. The functioning of this market is closely related to the land market. Agricultural change is associated with land transfers and investment. If these two markets do not function well efficiency gains in agriculture will be significantly constrained.

Thus, the project worked under suboptimal conditions as the Government had not set the institutional framework for functioning land and credit markets as the Ministry is understaffed.

The concept of the advisory approach is built on the following:

First, it builds on articulated needs of the main target group, i.e. the policy makers and the administration of the Ministry. The approach is highly participatory and will allow the beneficiary to benefit the most. Of most importance is the praised flexibility of the project leader and the GTZ Head Quarter.

Second, the project is managed by small local staff and relies heavily on international experts. The latter could be chosen in line with needs and, because of changing needs, cover a broad range of activities over time.

Table 1: Allocation of local budget

	2005	2006 (up to Sept.)
Activity	Share of budget in percent	
Policy advice	87	88
Marketing	2	3
Support of producer Associations	10	8
Monitoring and evaluation	1	5
	Total budget	
Sum of activities	71,840	44,860

Table 2: Expenditure for international experts from 2002 to Sept. 2006**In percent**

Level of activity	Share of budget in percent
Macro-level	46
Meso-level	11
Micro-level	43

Third, the project focuses on three levels, the macro-, the meso- and the micro-level. The macro-level is mainly concerned with policy advice. It is rightly based on the assumption that the Albanian Government is not yet able to fulfil its adequate role in a market economy. Hence, the project aimed in its activities so far to improve the efficiency of the Ministry by giving advice for reorganisation and by providing assistance for drafting laws and developing

strategies. It is realistic to assume that the support of the Ministry – even if highly needed and of high quality – will only show results in the medium and long term. Hence, the project was well advised to focus also on the meso- and micro-level.

The meso-level is supposed to improve interactions between the actors in the economy. Most of the small-segmented farms are not competitive with importers in spite of tariffs to be paid for imports. The main reasons are little access to markets as transaction costs are high for delivering to consumers in the main city, i.e. Tirana. The high magnitude of transaction costs is not mainly due to the distance between the location of the individual farm and the consumer in the city. More important are uncertainty of farmers about future prices and high uncertainty of traders concerning availability and quality of supply on the farm level and uncertainty about prices received in the cities. Consequently, the project aims at lowering these transaction costs. Support of the establishment of a wholesale market in Tirana and of trader associations served this purpose.

The micro-level of support focuses on producer associations and on individuals whose activities have spill-over effects on poorer farmers and the entire farming community.

GTZ's input on the three levels of activities has somewhat changed from phase 1 to phase 2, placing higher emphasis on support of policy advice in phase 2. Table 1 provides information on local expenditure for the three levels in 2005 and 2006 (the second phase of the project) and Table 2 gives information on expenditure for international experts for the same phase. The latter is far higher than that for local costs, including salary for the project leader and for local experts.

3. Methodology of the Evaluation

The evaluation process is undertaken according to an evaluation methodology that is constituted of four pillars:

1) The performance measurement grid for evaluating the success of projects/programmes, provides the general framework of the evaluation process and the technical evaluation elements. According to the grid, « the evaluation is not concerned solely with the achievement of objectives/goals by itself, but rather with the totality of the results (positive and negative, planned and unplanned), insofar as these can be attributed to the projects or programmes. The contribution of projects/programmes in terms of results is estimated by comparing the situation with and without the projects/programmes. As the situation without the projects or programmes cannot be established directly, suitable approximations (e.g.

control groups, simulations, expert evaluations etc.) must be made, subject to a reasonable limit on the resources expended ». The evaluation should focus on measurable results in the time of the evaluation and also should take into consideration the non measurable effects of the project. Taking into consideration that the most important component of the project is policy advice, we faced these problems from the very beginning of the process. The evaluation process should take into consideration the evaluation criteria: relevance, impact, effectiveness, efficiency, sustainability; these criteria will guide the evaluation process.

2) Interviewing the actors that have already contributed or participated in the project directly or indirectly. During 10 working days the two team members jointly interviewed more than 44 persons, some of them participate in the project (the local administrators, the GTZ office, and collaborators), some are beneficiaries, some are other donors that actually work in the field of Albanian agriculture, others are actors that are indirectly linked to the project elaboration (see in the annex the exhaustive list of interviewed persons). Table 3 shows the percentage of the interviewed persons according to the group they belonged to.

The selection of the interviewees took into account the various activities of the project (See Table 3). Therefore, the most important components of the project had the highest share of interviewees. The group “Not directly involved in the project” represents persons that are involved indirectly in the project (farmers of the same rural area that are not members of producer associations, wholesale traders that are not members of trader associations). Interviewing these actors has been very important from the point of view of the evaluating team; it helps understanding the image and costs and benefits of membership of these associations by outsiders, and assessing the sustainability of the associations. The composition of the interviewees differed somewhat from that chosen by the e-VAL evaluation. More emphasis was placed on interviewees who were not directly affected by the project.

3) The composition of the questionnaire was facilitated by referring to the e-VAL evaluation. An open questionnaire (See Annex 4) was chosen in order to react flexible to the specific background and project relation of the interviewees. The questionnaire had three main parts: a) Understanding the role and the contribution of the interviewees in the project and the role and contribution of the project in the improvement of their activity, b) the evaluation of the interviewees on the general project performance and the level of satisfaction they derive from the project, the project flexibility, way of administration, the results, and c) the prospective activities of the interviewees with and without project support, and the best administrative organisation for the future of the project.

Table 3: Sample of interviewees	
Type	Share in percent
GTZ staff	13
MCAFCP	30
Associations	26
Donors	13
Not directly involved in the project	13
Total number	44

The evaluators appreciate the readiness of the interviewees, their involvement in the project activities, and their honest concern about the continuation of the project.

4) Consulting the documents, reports, studies etc. done by the project or other institutions, is the third pillar of the evaluation method. The evaluators think that this component is first of all very important for a better understanding of the general (economic, political, and social) conditions of Albania at the beginning of the implementation of the project. Being a transition country the general situation in Albania changes very quickly, and therefore it is difficult for the evaluators to assess the general conditions that have led to the project implementation in 2002. These documents provided by the international organisations that actually work in Albania, by the MOFCP, and other relevant actors, helped the evaluator team to put the project in a concrete framework.

On the other side the documents elaborated by the project give the possibility to get to know the output of the project and to assess its quality. The evaluation team had the possibility to consult the majority of the papers elaborated by the international experts and all the documents elaborated by the Albanian counterpart.

The evaluation team realized that it was rather difficult to make use of the budgetary documents, mainly for two different reasons, a) budget evidence provided in the local office concerns only the funds spent in Albania (without the funds spent for the international expertise), b) the performance indicators of the project are not in line with the criteria mentioned in the evaluation grid.

5) The evaluation had to include strong economic analysis. In contrast to neoclassical theory the team used to a large extent the tools of the 'New Institutional Economics' (see chapter 2.2).

4. Results of the Evaluation

It cannot be avoided that the evaluation contains some important value judgements. Value judgements are included in the benchmarks, in any evaluation of the individual activities, in the aggregation of the individual activities' performance and – last but not least - in giving the final grade for each criterion. Hence, it may well be that other evaluators may come to a different rating. The evaluators try to overcome this problem by making their specific value judgements as much explicit as possible.

One very important problem concerns the link of the ranking related to the achieved level of expectations. Expectations used for assessment are derived from:

- The defined indicators in the project proposal,
- The experience of the evaluators with other projects,
- The experience of the evaluators gained in Albania and other transition countries,
- Specific knowledge of the performance of other donor's projects in Albania.

Another source of subjectivity arises from identification of relevant economic effects of the project's activities. Of course, the assessment has to be based on a comparison 'with' and 'without' the project. However, it is not always clear what the situation without the project would have been. It might well be that the Government had financed the same or similar activities by itself or had managed to attract financial support from other donors. We assume in our assessment that the contribution of the project is quite unique and that the respective activities would not have been undertaken.

4.1 Performance Measurement in line with the 5 International Evaluation Criteria

(1) **Relevance** answers the question whether the right things are done. Albania aims at EU accession and, hence, has to fulfil the Copenhagen criteria. These criteria are the rules that define whether a country is eligible to join the European Union. The most important economic criterion is the existence of a functioning market economy. The activities of the project mainly contributed to an improvement of the functioning of a market economy, and, thus, to Albania's approximation to EU conditions. Hence, the main activities on the macro-level fitted well into the Government's overall policy objectives. First of all, this concerns the direct support given to the Ministry in capacity building (provision of training in the country, in the region and study tours to Germany), the reorganisation (establishment of a new department for rural development in the Ministry), the preparation of the rural development strategy, and the support in drafting laws in line with EU regulations. A market economy relies heavily on a functioning Government; the MoAF has to play an important role for improving the functioning of markets. It is highly unlikely that the Ministry would have been able to reorganise adequately without support. Moreover, this support had most likely not been provided as efficiently by any other donor. The GTZ has long-term relationship with the Ministry and based on the local excellent project leader could effectively react to changes in the needs of the Ministry. The GTZ Head Quarter responded adequately to the identified needs by sending generally high-qualified international experts to the country.

The interviewed high-level staff of the Ministry unanimously emphasized the high value of the project for improving the performance in the Ministry. Also, other donors who were interviewed supported this view. There is no overlapping with other donors' activities and there was no questioning of the relevance.

The activities of the project on the meso-level are also of high relevance. Agricultural markets do not function well because transaction costs for moving domestic production from producer to consumer are too high as compared to imports. Thus, Albania imports even those agricultural products from neighbouring countries, in particular fruits and vegetables, which could be efficiently produced domestically. Due to lack of access to markets farmers prefer to produce mainly for their own consumption. It is true that farm sizes are extremely small, but nevertheless small farmers can become competitive in some products if domestic farm prices are more aligned with import prices.

The project contributed in several ways to the improvement of market integration and to higher prosperity of small-scale farmers. First, the establishment of a Market Information System provides information for farmers and traders on prices paid at alternative locations. This information allows traders to compare prices for imported fruits and vegetables with

prices to be paid at specific locations in the country. Thus, market prices over space are more linked to imported prices. Furthermore, information provided by the project-included data on regional production, allowing traders and processors to lower search costs for the quantity they need. The foundation of trader associations and the establishment of a wholesale market improve the function of the market even more. Studies such as the competitiveness of milk and wine production and processing in Albania provided information for producers and the Government. A follow up support focused on the Ministry's development of a wine sector strategy with accompanying legislation. The quality of this support is clearly evidenced by a successful application for EU grants which will give the basis for developing the wine sector in Albania.

The previous example clearly shows the fruitful interaction between the three supported levels, macro, meso, and micro.

The project's activity on the micro-level, such as support of local producer associations and federal associations, contributes to higher efficiency. The main contribution was in designing the legal framework for the associations, advising the organisations in administrative matters and - above all -improving human capital by providing expertise on production and marketing activities.

The multiple activities of the project were of high relevance for achieving the Government's objective to become EU accession candidate as they dealt with the main constraints for improving prosperity in Albania. The main problem is still a) the individual actors (such as farmers, agro-business companies, wholesale markets, and the Ministry) do not make most efficient use of the available resources. b) The inefficiency in the value chain, in particular the hold-up problems and badly functioning markets make private investment highly risky. c) The Government is not yet able to play a proper role in supporting the functioning of markets.

Advising the Ministry helps creating an enabling environment for the private sector. Clear legislation **and enforcement** will contribute to higher domestic and foreign investment in the country. Strengthening of market functions by supporting a Market Information System, the effectiveness of the wholesale market in Tirana and the trading and producer associations contribute to significant higher production, in particular of fruits and vegetables. Preparation of a strategy for wine leads to winning a significant amount of money from the EU which allows implementing a wine cadastre with the consequence of increase in production, improved quality and marketing.

The project does certainly contribute to the Millennium Development Goals by reducing poverty and improving the efficient use of natural resources. The project is completely in line with the BMZ concept for development of rural regions.

The evaluators found that all activities (mentioned above) are highly relevant. The composition of activities with a focus on supporting the Ministry is well justified. It is not visible that any other strategy which could have been chosen, had contributed to a better achievement of the main objectives of the project.

Based on our assessment the relevance of the projective activities is graded 1.

(2) **Effectiveness** is linked to the extent to which the development intervention's objectives were achieved or are expected to be achieved, taking into account their relative importance.

The evaluation has to be related to the defined indicators at the time of the inception of the project. These indicators are: Draft of a new agricultural policy with the specification of short- and medium term priorities including a concept of financing; setting up a functioning department for rural development; elaborated applications for support by EU support programmes; adjustment of selected Albanian laws to EU standards.

These indicators have generally been achieved. The draft of a new agricultural policy is still under progress. The department for rural development, even if small, is functioning. Some applications for EU support have been elaborated and one has even been successful which allows implementing a wine cadastre with the consequence of increase in production, improved quality and marketing. Inputs into preparation of adjusting some laws and regulations to EU standards (standardization of fruits and vegetables, Introduce/ Adapt the Regulation EU 2081/ 82/ 92, improvement of laws for agricultural markets (including wholesale markets with special emphasis on legislation in the wine sector as well as the fruit and vegetable sector) are in line with achievement of indicator.

Summing up, the project has certainly responded well to the listed indicators. However, it is somewhat questionable whether the defined indicators are well chosen and mirror well the contribution to the achievement of the objectives. The indicators certainly inform on the output of the project, but not necessarily on the achievement of objectives. Of course, it can be expected that there may be a causal relationship between the defined indicators and the achievement of objectives. However, it would have been better to measure the achievement of objectives directly. In general, one could have applied some approaches as used by the

World Bank (See Table 4). Performance of specific policies is related to areas of agricultural politics and scores are given. It would have been of interest to have such an evaluation at the point of time of inception of the project and at present. However, such a comparison is not available. It would have been highly costly if GTZ had provided funds for such an exercise. The data clearly shows that the policy has improved over time. However, it is not possible to specify the exact contribution of the project. As the GTZ has not chosen such an alternative the specified indicators have to be used even if they are not perfect.

Independently on the defined indicators there is evidence that the project contributed well to the objectives. The effectiveness of a project is related to the chosen activities, the management of the project, and the responsiveness of the partners in the country. In general, the partners are highly receptive, but the manpower in the Ministry is suboptimal. The project was highly effective in supporting market integration of farmers producing fruit and vegetables and integrating markets by the provision of the Market Information System. Support of some producer associations lead to significant increase in production, marketing activities and employment offered by agriculture.

It has to be underlined that for a project as this one, which is based on policy advice and improvement of information and market channels, it is difficult to identify quantitative indicators and, hence, evaluation is very difficult. However, interviews with Albanian beneficiaries clearly revealed that the project has met the Albanian counterpart's expectations.

Summing up, given the economic and political environment the effectiveness of the project has been highly assured and the activities of the project have contributed to

Table 4: Status of Agricultural Reforms in CEE and CIS Countries at the end of 2005

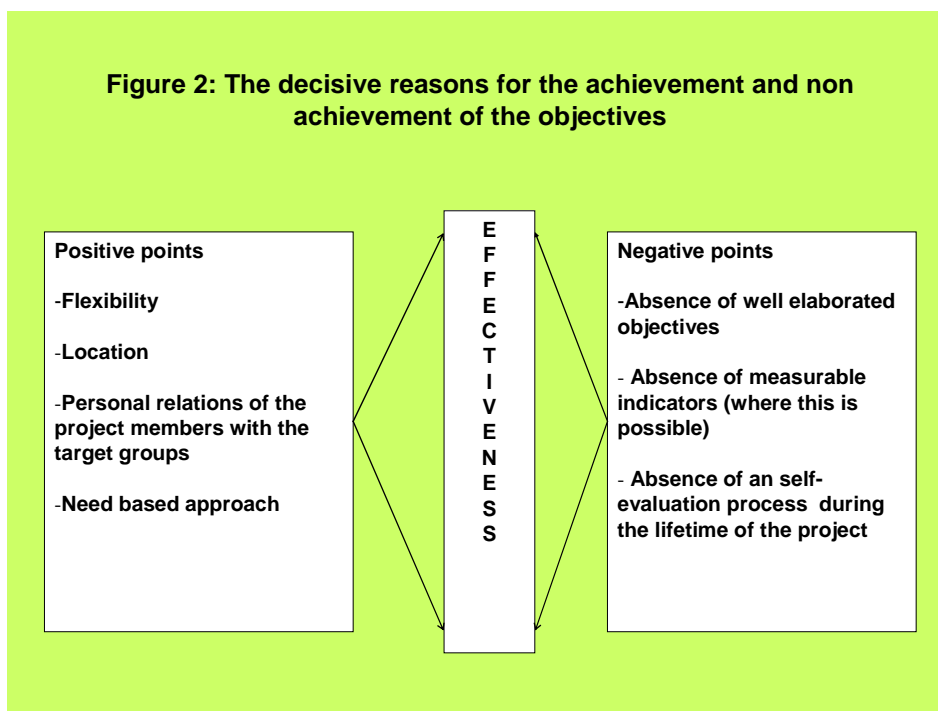
	Prices & Markets						Land Market						Agro-Processing						Rural Finance						Institutions						Total Score					
	2005	2004	2003	2002	2001	2000	2005	2004	2003	2002	2001	2000	2005	2004	2003	2002	2001	2000	2005	2004	2003	2002	2001	2000	2005	2004	2003	2002	2001	2000	2005	2004	2003	2002	2001	2000
Bulgaria	9	9	8	8	9	9	8	9	8	8	8	8	9	9	9	9	8	8	8	7	7	7	7	7	9	9	9	8	8	8	8.6	8.6	8.2	8.0	8.0	8.0
Romania	9	8	7	8	7	7	8	8	8	8	8	8	9	9	8	8	8	8	8	8	7	7	7	6	8	8	7	7	7	6	8.4	8.2	7.4	7.6	7.4	7.0
Croatia	9	9	9	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	7	7	7	7	7	6	8	7	7	7	7	6	8.0	7.8	7.8	7.6	7.6	7.2
Albania	8	8	8	8	8	8	9	9	9	8	8	8	8	8	8	8	8	8	7	7	7	7	7	7	7	7	6	6	6	6	7.8	7.8	7.6	7.4	7.4	7.4
Serb&M	8	8	7	7	6	3	8	7	7	7	5	5	8	7	6	6	5	3	6	6	6	5	3	3	8	7	7	7	5	4	7.6	7.0	6.6	6.4	4.8	3.6
Macedonia	8	8	8	8	8	8	7	7	7	7	7	7	7	7	6	6	6	6	7	7	6	6	5	5	7	7	7	7	7	7	7.2	7.2	6.8	6.8	6.6	6.6
Bosnia HG	8	7	7	7	7	6	7	7	6	6	7	6	7	6	6	6	6	6	7	7	6	6	6	6	5	5	5	5	5	5	6.8	6.4	6.0	6.0	6.2	5.8
AVERAGE	6.8	6.6	6.5	6.6	6.5	6.2	6.5	6.5	6.4	6.3	6.2	6.2	6.8	6.7	6.2	6.2	6.0	5.7	5.9	6.0	5.6	5.4	5.2	4.9	5.8	5.5	5.3	5.2	5.1	4.9	6.4	6.3	6.0	5.9	5.8	5.6

1 = centrally planned economy 10 = completed market reforms

Source: World Bank Estimates.

Csaba Csaki, C., H. Kray, S. Zorya, 2006, The Agrarian Economies of Central-Eastern Europe and the Commonwealth of Independent States. An Update on Status and Progress in 2005. The World Bank. ECSSD Environmentally and Socially Sustainable Development Working Paper No. 46

Figure 2: The decisive reasons for the achievement and non achievement of the objectives



the achievement of the objectives. Of course, the project could have been somewhat more effective if the Ministry were better staffed and the political process in the country had allowed faster progress in making laws. Due to these constraints the effectiveness is slightly less than at the maximum for the given amount of resources employed.

Based on our assessment the effectiveness of the project activities is graded 2.

(3) **Impact** answers the question whether the projects contributes to the achievement of overarching development goals. The general assessment of the team is that the project had an important impact on the target groups; this was clearly revealed from the interviews with members of target groups. The main constraints for development, the inadequate functioning of institutions and organisations have been partially removed. The project contributed to positive interactions between potential market partners in the economy and helped to built up trust. The living standard of those who directly gained from the project has been improved (See also chapter 4.2 below). Moreover, even those who were not direct beneficiaries of the project will gain in the medium term due to positive spill-over effects. The basis for development has been improved.

Nevertheless the team thinks that some elements limited the project's impact. The team identified two different types of impediment; first a general one which is not linked directly with the project structure and implementation, and, second, an internal one. Concerning the general framework, one of the main impediments for effective use of

resources in the country is due to lack of trust and, hence, lack of cooperative behaviour. This lack of trust highly increases the project implementation costs, and reduces the impact for some groups that are trying to surpass the gap. Support of trader and producer associations is supposed to strengthen cooperative behaviour with long lasting positive effects. A similar effect will arise from supporting human capital building and setting up international networks by promoting inter-regional activities. The other project's activity of strengthening the Government's role in the economy contributes to better functioning markets and improves the economic conditions for the society at large.

Concerning the internal project impediments, the project has not fully reached the final target groups as defined in the terms of reference, i.e. the population of Albania, owners and families of small and medium sized agricultural farms; private small and medium sized companies in the non-farm sector; population in the mainly structural weak rural regions. The project rightly focused on intermediary target groups, i.e. leading administrators in the Ministry, employees of other public and private organisations on the national, regional and local level. However, the linkage effects between the intermediary target and final target groups are only strong for a limited number of final target groups in the short-run due to the social and economic environment described above. The spill-over effects take time. But it is not at all evident that the project could have achieved a better result by any other strategy than those chosen.

Concerning the Marketing Information System, the project was the first which tried to increase the information flux between markets, producers and consumers; the consequence was an increase in the volume of domestic products in the wholesale markets and the improvement of international competitiveness of national producers. The impact has been immediate and the associations (traders and producers), have increased their activity and intensified the internal organisation. Improvement in the functioning of markets will help reducing poverty in the country-side. Farm prices will go up and farmers will start producing for the markets. Thus, the project tries to initiate a self-enforcing process with long-term ongoing positive effects.

Support of the associations has been another important component of the project. In spite of the problems, which these associations have (lack of trust, lack of transparency), the project has highly contributed to the functioning of the associations. Actually, the evaluator team had contacts during the field trips with the association members and found that they are fully satisfied by the project support. Nevertheless, some

associations have a monopoly position, and this will increase the market distortions, an important problem for the creation of Albanian markets.

It can be expected that the support of the associations will have a positive side-effect on the long-term behaviour of the members of the associations; it will hopefully built up trust and, thus, will contribute to the removal of one of the main constraints for division of labour in the economy. Reduction of poverty will be a long-term consequence.

Summing up, the impact of the project was as good as it could have been given the social and economic constraints in the country. However, due to these constraints the impact was not very good.

Based on our assessment the impact of the projective activities is graded 2.

(4) **Efficiency** is a measure of the relationship between the resources invested (funds, expertise, time etc.) and the outputs and results achieved. Unfortunately, it has been difficult to quantify the measurable output of the project because the individual activities are very heterogeneous and it is not possible to quantify the effects of each individual activity. Nevertheless, each of the individual activities has been highly useful in achieving the overall goals of the project.

The evaluators faced this assessment problem from the very beginning of the evaluation, and agreed to consider the efficiency of the project as a whole, having in mind also the economic and social conditions of implementation.

As the output is not always quantifiable the evaluating team applied two approaches. First it was investigated whether there are clear indications that a different set of output would have produced a better result with the given financial resources. Second, it was investigated whether the given set of output was produced at lowest possible costs.

The evaluating team considers the set of output based on a multi-level approach as highly appropriate. The focus on the macro-level is justified, as the government has not yet sufficiently provided an enabling environment for growth and prosperity in the agricultural and agro-business sector. As needs have been identified in a participatory manner it is safe to assume that the set of individual activities was optimal. The mode of delivery, including identification of needs, allocation of tasks to international and local experts, the selection of experts, and the coordination by the project leader, could hardly have been better.

The international experts have been generally very efficient and the Albanian beneficiaries are highly pleased with the provided expertise. The following Table 5 shows the distribution of financial resources of the local office during 2005.

As we can see from the Table 5, the most important component is also the most successful one (MIS); it uses more than 50% of the local funds; but had a direct and indirect impact on the infrastructure of agricultural markets and contributed to a new methodology for agricultural statistics in the Ministry.

The other components, in particular the support of the associations, use very limited financial resources, but have a high impact in the respective regions.

The policy advice activity has not only offered real help to the stakeholders but also these advices are now part of MoAF policies and projects already undertaken. This activity is very important but was mainly funded by the budget of the Head Quarter (international expertise used 18% of the total budget during the period 2002-2006).

Each individual activity of the project has been highly useful in reaching the overall goals of the projects. There is no evidence or hint that a change in the set of activities would have led to a higher achievement in the overall objectives.

Based on our assessment the efficiency of the project's overall activities is graded 1.

(5)Sustainability concerns the probability that the desired development results of the project or programme are ensured beyond the end of assistance.

The main part of the project, the policy advice activity, aims at designing the rules of the game. If these rules are specified in laws and if the laws are enforced, sustainability seems to be ensured. However, laws have not much meaning if they are not enforced. As the macro-level part of the project so far was mainly involved in designing the legislation and has understandably not been involved in enforcement of laws. It is difficult to judge whether the laws will actually make a huge difference for the country beyond the project's termination. However, there is significant self-interest in the country to enforce the laws and to implement the policy advice: the country is willing to apply for EU membership and enforcement of the laws under consideration are crucial for the probability to be accepted as member of the EU. Hence, sustainability of the macro-level activities is generally high, but there may be dangers ahead.

Table 5: Project Activities by local experts, local office (experts, budget needed and output) in 2005

No	Activity	Budget €	Budget share	Activity output
1	MIS (Market Information System)	29,510	65.8%	Creation of a price collecting network, the divulgation in whole sale markets and farmer associations, Handing over the system to the MAFCP' statistics service, providing technical assistance
2	Food safety	1130	2.5%	Creation of a collaboration climate between Balkan countries, in terms of food safety, and capacity building for Food controls services
3	Food Law	1700	3.8%	Elaboration of a new food law
4	Marketing	1540	3,7%	Capacity building in product branding
5	Association strengthening	3750	8.4%	Marketing support, legal support
6	Publishing	2280	5.1%	
7	Other	6000	11%	Visits to agricultural fairs in Germany

Source: GTZ, local office

So far, the project supported the setting up of an institutional framework, but the next phase has to focus on implementation. It is not assured that the Ministry will have the manpower and the skill to cope with the challenges ahead. Of most concern is the tendency of the Ministry to stronger rely on direct market interventions in the field of rural development. Unfortunately, one specific activity of the project, i.e. support in designing a rural development strategy, has fuelled this tendency. The proposed direct aid for direct investments on farms and on agro-business firms will open the door for corruption and will hinder the development of credit markets which are one of the most important markets during agricultural transition. Such measures are not economically justified even if EU countries apply them. EU countries take into account that a share of the subsidy is paid from Brussels and, hence, specific investments may be profitable for the individual country. Instead, Albania cannot enjoy a transfer from Brussels yet and, hence, should only use measures which are welfare generating for the society at large.

Sustainability of the main meso-activity, the Market Information System, is highly ensured on all dimensions, on the economic, the social and the political one. Actually, the MoAF has expressed a clear interests in the methodology used by the project and the findings. The MOAFC have adapted the methodology for the national price information system in fruits and vegetables. With a close collaboration of the project, the Statistics sector of the Ministry has already implemented the methodology for more than 44 products (and not only for 27 applied by the project) and for all the country (not only for 7 regions as it was during the project application). On the other side the field experts of the project are working closely with the data collectors of the Statistics Section of the Ministry. The information is available in the web page of the MoAF, and the price trends are also commented briefly by the experts of statistics. These prices are the only information source for agricultural fruits and vegetables on daily bases in Albania. All these elements make the evaluating team confident that the sustainability for this component is ensured. Nevertheless, the MoAF understaffing arises some questions marks about the effectiveness of the system after the handing over.

The activities on the meso-level mainly support the functioning of markets; the evaluation team assumes that the improvement of the functioning of markets is not reversible. The establishment of the wholesale market is in private hands and will certainly continue to function beyond the project's lifetime. However, the economic viability may be jeopardized by the establishment of another wholesale market in Tirana. However, that would not be an economic problem for the country, just the opposite. The only wholesale

market seems to exert monopoly power and even seems - in tacit collusion with the trader associations – to restrict market access for those traders who are not member of a trader association. Actually, that is what seems to happen at the moment. Free space in the hall of the wholesale market will be offered first to the association; non-members have not an equal chance to get access to the hall. Thus, incentives to become a member of a trading association are partly provided by the monopoly power of the wholesale market and its collusion with the associations.

Sustainability of the individual activities on the micro-level is not ensured in all aspects. Support of human capital building, such as advice provided to farmers will be sustainable in all dimensions. The main question mark concerns support provided for producer associations. It is out of doubt that support to trader and producer associations has been essential for these organizations in order to increase the organizational capacities and to provide economic incentives for membership.

The situation of the producer associations is somewhat special; producers remember well the collectivization period and try to avoid any cooperation, even if they are aware that they cannot be successful individually. The members work together only occasionally, they lack trust of each other, and the organisational framework is really very basic. Costs and benefits are not always evident for the individual members. Hence, there is not much of an incentive for non-members to become a member. The cohesion among the members seems to be occasionally provided by external support or by expectations of future support. The situation could be changed if there were more transparency with respect to the associations' activities and their finances and above all about benefits and costs of individual members. The evaluation team is afraid that after termination of the project some of the associations may become inactive.

In spite of this assessment it was well-founded to support the birth of producer associations. Small sized and fragmented farms make cooperation among farmers highly urgent. The expected high return of supporting such organisations justify acceptance of the risk of future failure.

Summing up, sustainability is ensured for the main activities of the project. There is a slight political risk for sustainability of the policy advice component of the project. The meso-level activity is highly sustainable. Sustainability for the micro-level activity is not completely ensured.

Based on our assessment the sustainability of the project activities is graded 2.

4.2 Performance Measurement according to Poverty Reduction and MDG

The financial volume of the project did not allow conducting a poverty analysis prior to the inception of the project. However, there are studies available which clearly indicate that poverty is more widely spread in rural areas than in the cities. Hence, the agricultural focus of the project did address the heart of the poverty problem in the country.

Even if the project activities did not focus directly on reducing poverty, there are some significant indirect effects.

The main causes of poverty are lack of resource endowment, inefficient use of own resources due to lack of human capital and access to credit, and limited or no opportunities for jobs. The project contributes to reducing the binding effects of most of these constraints. First, improving market integration leads to higher prices and higher income of farmers. This effect arises not only in the regions where producer associations are supported, but also in other regions where prices have gone up due to the effects of the Market Information System. Second, the project had direct effects in those regions where producer associations were supported as it contributed to human capital formation by transferring know-how from more developed countries to the farmers in the region. The effects are two-fold, higher yields and market integration lead to higher income; higher production leads to higher employment on the farm and for dependent persons employed. Own family labour is often not any more sufficient in harvesting time, in particular if vegetables are grown in green houses. Green houses have the additional effect that the season will be enlarged and, thus, employment and income of the farm family and dependent workers go up.

Moreover, the project introduces cooperation among producers, allowing to make better use of own resources, to get cheaper access to inputs and to improve profitability by joint investments. This effect is of special importance: Farmers in Albania are not very cooperative, partly due to the bad experience made during the socialist times. Lack of trust is the main obstacle for any form of cooperation. It can be expected that the support of associations and the good experience of the members will not only built up trust among members of the supported associations, but will also convince other farmers of the benefits of joint actions.

Some quotations of an impact study by the project (Impact Study Development of pilot Producer Groups, 2000-2005, Prepared by: Roland Cela, Piro Rapushi, Prof. Maksim Meçe, Erald Lamja, Sigrid Giencke, December 2005) supports the expected results:

1. "Today agriculture is the main source of incomes in the year 2005 in comparison to the year 2000 where agriculture contributed only 60-70% to the household's incomes. More than 90% of the interviewed farmers had emigrated to Greece before 2000. They invested their savings from working abroad in agriculture (mainly in the building of greenhouses). Actually, since then none of the associations' members emigrated. The agriculture comprises the most important source of the incomes since 2001."

2. "An important activity within the group is the joint purchase of inputs: in the period 2000-2005, this association has purchased all the chemical fertilizers as well as all other chemical for plant protection jointly and achieved in average a 20% lower price than the usual market price."

3. "A reduction in the production cost of 10% is observed by the farmers that apply this scheme (Integrated Pest Management, UK). The expenditures for fertilizers and pesticides are reduced between 10% to 30%."

3. "The members of the association have been the first to invest jointly in new technologies."

It might be argued that the indirect effects might have been stronger if the project had focused on agriculture in the poorest regions. However, one has to have in mind that the project has very limited resources and, hence, had to build in spill-over effects. Such spill-over effects can be expected from well functioning trading and producer associations in less poor regions. It is more efficient to start with such associations where the probability of success is the highest.

The participation of the poor in designing the project was limited. However, that is not a flaw of the project. A project, which focuses on improvement of the institutional framework on the macro-level, can hardly include the poor in designing and implementing the framework. Nevertheless, the project activities on the micro-level may well provide incentives for the poor for joint actions and reduction in poverty.

Setting up an adequate institutional framework addresses the main structural obstacles for improving prosperity, that is lack of exchange and division of labour.

4.3 Performance Measurement according to Gender Equality

It was not expected that the project would contribute to gender equity at the time of the application for the project (K-O acceptance). Hence, there was no analysis of gender issues prior to the inception of the project. Such an exercise would have been too costly in relation to the small budget of the project. Nevertheless, the project contributed positively to gender equity.

It is well known that the women share in the agricultural labour force is much higher than on average, partly because men more often migrate and leave women with children behind. Improving the agricultural situation has two indirect gender effects, first it improves labour income of females and second it generates employment for men who may return from the city or from abroad and improve the living situation of females and children in rural areas.

In general, a project, which is supposed to improve the overall economic conditions in a country, has no specific gender focus. The project serves the country likely the best by focusing on impartial treatment and merit.

Table 6 clearly shows that women were well represented in those activities of the project which focussed on selected persons. In interpreting the data one has to take into account that it was not always possible to get a higher share of women than of men, as there were more men than women in some areas of specialisation.

Summing up, the evaluating team clearly states that gender equity was definitely ensured by the project.

4.4 Subject-specific evaluation of project success

The project design is fully in line with the Paris declaration. The individual activities aim at improving the efficiency of domestic resource use. Based on the findings of the 'New Institutional Economics' prosperity and growth of a country highly depend on institutions, i.e. the rules of the game, and organisations, i.e. the players of the game. The focus of the project is to improve the institutional framework. Hence, support of the

Table 6: The share of men and women in participation of training activities

Activities	Total number	Male	Female
Domestic			
1. Training Food inspectors in regions	166	75	91
2. Roundtable Branding	25	16	9
3. Training in legislative matters concerning markets	19	13	6
4. Law on Food workshop	25	11	14
5. Statistics Data base / MIS/ AgriMIS	58	28	30
6. Training in wine degustation	33	20	13
7. Integrated Production	19	17	2
Total	345	182	163
Share	100	53%	47%
Foreign			
1. InWent Rural Development	5	1	4
2. InWEnt Food Safety	2		2
3. InWEnt AgriMIS	1	1	
4. Participation in Policy Forums	8	6	2
5. Information journey concerning Food safety	3	2	1
6. Regional SWG in the wine sector	4	3	1
Total	23	13	10
Share	100	53%	47%

Source: Project's documentation

MoAF ranked the highest on the agenda. It can be expected that the improvement of the institutional environment will not only improve the efficiency of domestic resource use, but will also attract Foreign Direct Investment (FDI).

In line with the Paris declaration the project placed high importance on sustainability. Some of the activities, such as the Market Information System, have been handed over to the Ministry and a continuation of this most important activity will continue after termination of the project. Other activities focusing on the design of a new institutional framework (including legislation) will most likely continue. However, even laws can be changed if governments change.

It is well known that trade is an engine of growth and prosperity. Hence, the project aimed at improving trade with the EU and in particular with neighbouring countries. Support in classification and branding contributed to this objective, but also the organisation of regional meetings and visits to other countries. The latter activity deserves particular mentioning. Visits to other countries and regional meetings can be considered as part of tourism if not properly organised. In contrast, these activities can serve as an eye-opener, can create a network and, hence, can be quite effective in stimulating and promoting trade. The evaluating team is convinced that these activities of the project were well organised and fruitful. Actually, the setting up of an efficient food safety control system in the country has to rely on the experience of other countries and, hence, visits to other countries are needed.

The project fits well into the overall donors' activities in Albania. There is adequate communication among the project leaders of the individual donor's projects and the project leaders are well informed about the activities of other donors. There is no overlapping in the main activity which is on the macro-level. There are some similar activities of other donors on the meso-level; however, these activities are complementary to those of the GTZ.

Private-public-partnership is not applicable on the macro-level, but it is in place on the meso- and micro-level. The communities were involved in providing space for setting up the wholesale market in Tirana and for setting up collection points in the villages. The project did even support private traders based on the expected spill-over effects to farmers and consumers.

The evaluation team found that the project could even influence migration from the countryside to other countries and to the cities. Migration is nourished by poverty in rural areas, but creates conflicts with other countries if it is illegal as in most cases in Albania. By improving the income potential in rural areas the incentive for migration is weaker and, hence, the potential for conflicts with neighbouring countries declines.

It is well known that the Balkan countries are politically still somewhat instable. Strengthening trade ties will help to stabilize the region politically as it supports the setting up of a personal and organisational network among the Balkan countries. Thus, the project's activity to promote regional trade is not only sound on economic, but also on political grounds.

A high percentage of the project's activity is in capacity building. Enlargement of human capital in the country is a necessary basis for prosperity in the future. It is justified to focus on capacity building on the macro-level. However, the project has also contributed to capacity building on the meso- and micro-level. It can be expected that these investments will have a high internal rate of return.

The project mainly focuses on one economic sector, agriculture and agro-industry. It might be argued that the agro-food sector is most likely not the leading growth sector in the economy and that this sector will further shrink with overall growth. However, it has to be taken into consideration, that the share of employment in agriculture cannot be changed rapidly. The non-agricultural sectors are not able to create sufficient employment opportunities for a high out migration from agriculture. Hence, the increase in agricultural income per capita has to be based partly on out migration and therefore increases in farm size and labour productivity are needed. Income growth in agriculture can also be due to increases in efficiency on the farm by integrating the sector into the overall economy on the input and output side. Moreover, agricultural and agriculture-related economic activities are by far the main economic sectors in rural Albania. Hence, neglecting agriculture implies a neglect of rural areas which is certainly not in the interest of the Government of Albania.

The agricultural sector will also – in spite of its declining economic importance for the whole country – play a crucial role for joining the EU. For some agricultural products trade with the EU will only be possible if food safety is secured. At present, Albania is not yet in a situation to fulfil the EU requirements for all products. Hence, corresponding legislation and enforcement is needed. It would take quite long for the Government of Albania if it were to prepare for EU membership in the agricultural sector without support from EU member countries. Support by the GTZ to prepare the necessary legislation will speed up the approximation to EU membership.

Support of the agricultural sector and the agro-industries in Albania is a highly efficient approach to reduce poverty. Poverty in the countryside is much more wide spread than in the cities. Improving integration of agriculture into the markets and improving the efficiency on the farms will lower poverty in the country and will also contribute to a more stable political environment.

The value of what has been achieved by the project depends very much on the kind of supported activities and on the quality of support. The GTZ has made a decision to

provide support on three levels, macro, meso and micro. A long-term ongoing change in agriculture and agro-business requires significant changes on these three levels. Studies on the rise and decline of nations have revealed that institutions are the most important determinant of economic development. Hence, the focus of the project on the macro- and meso- level addressed the main obstacle for further development of the agro-sector.

The quality of support is partly expressed by the mode of delivery. Identification of needs, specification of support and implementation were outstanding.

4.5 Overall Rating

Table 7: Overall rating of the project

(1) Criterion	(2) Rating for criterion	(3) Weighting for criterion	(4) = (2) x (3) Weighted criterion (automatic)
Relevance	1	3	3
Effectiveness	2	3	6
Impact	2	3	6
Efficiency	1	3	3
Sustainability	2	3	6
Anzahl leere Zellen			0
Average of the weighted criteria 1 - 4			2
If the average of criteria 1 - 4 is "4.5" or worse, the overall rating can only be "5". If the average of criteria 1 - 4 is "5.5" or worse, the overall rating can only be "6".		The weighted average of criteria 1 - 4 is better than 4.5, so no downgrade	
Average of the weighted criteria 1 - 5			2
If effectiveness, impact or sustainability are accorded a numerical rating of "4" or poorer, the overall rating will be downgraded to "4" even if the average is better than "4". Under exceptional circumstances, should the sustainability be less important (weighting "1", see assessment grid), the overall rating will not be downgraded.		No, the overall rating is not downgraded.	
Overall rating of the project/programme:			2

The overall rating of the project is presented in Table 1. The rationale of the rates for the individual criterion has been discussed above. The overall rating depends on the grades for the individual criterion and the weights. The evaluators consider all criteria of equal importance and, hence, assigned the same weight to each individual criterion. Thus, the

overall rating resulted in 2, which means: **‘Good rating in line with expectations, no significant defect’**, but more exactly it is 1.6

Thus, the evaluating team judge this project in some criteria even better than 2. Rating 1 says: “Very good rating, significantly better than expected”. Hence, the evaluators state that the project has focused on the most relevant problems of the country (rating 1) and contributed to the solution of the problems most efficiently (rating 1).

The other criteria are rated with 2 which means ‘good rating in line with expectations, no significant defect’.

The evaluators are of course aware that the rating is subjective. It depends very much on the expectations. Low expectations lead to higher rates. The evaluators accepted partly the indicators defined by GTZ and accepted by the Albanian government as expression of expectations. In addition, the evaluators used an alternative benchmark.

The international expert had gained some experience in Albania in 2000 and has ample experience from many other transition and developing countries. Hence, expectations on achievement of the project to be evaluated were not very high. In 2000 Albania was in a significant worse shape. The openness of the administration has improved significantly as well as language and professional skills. It is difficult to identify how much the project contributed to this development. However, it is a fact that the project can act in a much more favourable environment than expected.

The international expert has also experience with projects in many other countries. Of course, none of these projects performed perfectly due to various constraints. Some of them are often caused by the management of the project. Success or failure largely depends on the management of a project. The management of this project was excellent. The local project leader is able to work closely and efficiently with the administration of the Ministry and other potential beneficiaries. He performs well in guiding the international experts and thus enhances their productivity. The Head Quarter of GTZ has also to play an important role. The local coordinator is supposed to identify the needs and to specify the qualification of the international experts. It is the task of the Head Quarter to select the international experts. It has to be pointed out that the experts do mainly work in Albania, but they are given time to write a report in their home country. This allocation of time is noteworthy as some other donors pay international experts only for the time present in the country of the beneficiary (this concerns e.g. the EU Twinning Projects) The GTZ allocation of time is much more efficient as the time of the

international expert can be used more efficiently in the country. Moreover, the quality of the reports is much better if the experts have some time in their home country.

The rating of less than 1, namely 2, does not reflect the performance of the involved GTZ staff, but more the conditions in the country. Effectiveness, impact and sustainability have been rated 2.

Effectiveness is somewhat negatively affected by the understaffing of the administration in the Ministry which became even more pronounced after the change of the Government last year. All activities would have resulted in higher achievement of the anticipated impact if the Government had laid the foundation for a functioning land market and, thus, had stimulated the rural finance market. Moreover, the long-term effectiveness will be impaired by the intended implementation of the rural development plan, in particular by the product-linked payments of subsidies. Moreover, the support of the trader and producer associations would have been more effective if the interactions between agents in the country were less constrained by mistrust. Nevertheless, in spite of these constraints the rating for the criterion effectiveness is 2. Compared to other projects in other countries and by other donors in Albania the grade 2 is well justified.

The grade for the impact criterion is 2, but would have also been higher if the conditions in the country had been better. Moreover, the project did focus on the intermediary target groups as identified at the time of inception of the project. But the short-run linkage between the improvement of the state of intermediary target groups and the improvement of the fate of the poorest population in rural areas is not very strong in the short-run. Nevertheless, the focus of the project was well chosen. If the country wants to join the EU as soon as possible it has to fulfil the Copenhagen criteria as soon as possible. Hence, creating an enabling environment for the functioning of a market economy deserves first priority. The focus on intermediary target groups may even more reduce poverty in the long run than a direct focus on the poorest segment of the population would have achieved. However, in the short run the effect on poverty is less favourable.

The evaluators consider the criterion sustainability of equal importance as the other criteria. The assessment of the project with respect to sustainability revealed some minor problems. The main components of the project are likely to be sustainable even after termination of the project. However, understaffing of the Ministry is certainly a problem. More serious is the next step in changing policies in line with the objective

'approximation to EU'. The project has helped to develop an adequate legislation and has helped to develop strategies. However, these necessary steps have to be followed by the next one which concerns implementation and enforcement of laws.

Unfortunately, the Ministry favours stronger market intervention in rural areas as part of the rural development strategy. External valuation of such a policy will certainly lead to low scores as expressed in Table 4 above (page 20). If the Government moves to stronger market intervention, in particular by paying subsidies for selected investments (such as the construction of green houses) the score for changes in 'Prices & Markets' and as well 'Institutions' will go down. Hence, the present intention of the Ministry puts a risk on what has been achieved in institutional reforms and, thus, jeopardises sustainability.

5. Final Conclusions / Lessons Learned

First, evaluation of agricultural policy projects is likely to be more difficult than the evaluation of technical projects. Evaluation is by definition in many ways normative; an actual situation (the results of the project) has to be compared with what would have been the results without the project. In contrast to technical projects it is difficult to identify the results of a policy project. The results of a project should inform on how much the project did actually matter. There is no data available which can be used to describe the situation without the project directly. Hence, the evaluator has to rely on economic reasoning which may include economic modelling. However, the latter often requires much more resources than are normally available for an evaluation of a project. Moreover, a quantitative model cannot be applied if the project focuses on building of human capital and improvement of institutions; both activities may not show significant visible effects in the short-run, which may include the time period of the project, but only in the medium- and long-term. Consequentially, economists - who have ample experience as policy adviser and researcher - have mainly to judge the effects of a policy project.

Second, the 'performance measurement grid for evaluating the success of projects/ programmes' instructs to apply a quantitative ranking for individual criteria and for the aggregate of these. According to the instructions the ranking should be related to the 'expectations' of performance. However, there is no clear definition of what the quantitative expectations of the project with respect to the achievement of objectives were at the time of inception. Indeed, that is not a surprise at all. A policy project, which

aims at improving the enabling environment in the country, can hardly provide statistical data on the performance.

Third, the progress reports inform on activities in a specific period of time and provide indicators of performance. However, the indicators, such as 'A draft of a new agricultural policy' has been presented' or 'Strategy proposals have been prepared' or 'Proposals for laws have been ratified' are generally inputs, even if they are called outputs in GTZ terminology. The final output is the improvement of the policy, i.e. better achievement of policy objectives. Hence, information on the effects or even better information on the criteria as used in the 'Performance measurement grid for evaluating the success of project/programmes' are needed. The following questions should be answered: will the change contribute to better functioning markets, less poverty, higher welfare, etc. With few exceptions the progress reports present inputs as indicators. The main exception is the project's impact study on "Impact Study Development of Pilot Producer Groups". This report informs convincingly on some remarkable effects of support provided for producer associations.

Fourth, the performance of a project depends very much on the project leader and the qualification of the local and international experts. This project was highly rated because of the excellent project manager and the generally highly qualified national and international experts. Thus, donors are well advised to search intensively for the best experts.

Fifth, a policy project can only be successful if the addressee of the advice, i.e. the policy makers and the administration in the Ministry, is open to advice. However, this openness requires that the addressee is aware of the problems and needs of the country. It cannot be taken for granted that the addressee is always adequately trained to identify the needs and to assess the policy advice. Hence, it may be necessary that a policy advisory project includes capacity building. It has to be praised that the project included such support in the form of training and even participation in supra-national seminars/ workshops as well as visits to other countries.

Sixth, this project had a relatively small budget and, therefore, it had to focus support on selected fields. Hence, the identification of needs was of high priority. The project leader was able to work closely with the Ministry in identifying the needs. The GTZ Head Quarter reacted fast and was able to find generally qualified international experts. Hence, flexibility, interpersonal close contacts and the ability to react to changes in

needs are of high importance. Therefore, it should be accepted and possibly even supported if a policy project changes over time with respect to target groups and content.

Seventh, the project under consideration is a multi-level project with focus on the macro-level, but also with some activities on the meso- and micro-level. Such a multi-level approach may lead to a too diverse and thin allocation of resources, but in exchange also to a more visible and even more effective use of funds due to linkage effects. The project under consideration clearly shows that a multi-level approach has positive effects. The main target group, i.e. the administration in the Ministry, gets insights into the positive effects on the meso- and micro-level. Moreover, conducting activities on the three levels improves the reputation and the acceptance of the project in the country. As already has been pointed out above, the effects of policy advice are often difficult to quantify and, hence, the importance of the project is not always evident. Having some minor activities on the meso- and micro-level improves the awareness and acceptance of the projects.

Eighth, the e-Val results were of some value for the evaluation team as it presented some information prior to the own assessment. Therefore, it was helpful in focusing the investigation of the evaluation team. However, the results are hardly comparable with the own findings. There were only few interviewees and most of them were involved in the project (9 out of eleven). Therefore the results suffer from a significant bias.

6. Recommendations

1. It is recommended that the project will be continued beyond the year 2007. Further support is needed – in particular in the field of policy advice - as Albania has to become prepared for EU accession and has not yet the needed human capital. It is envisaged that the main activities of the project will be in providing assistance in the area of EU integration, rural development and food safety. However, the capacity of the project is likely to be too small to match the needs of the country adequately.

2. Thus, it is recommended that one of the tasks of the project in the near future should be to assist the Ministry in applying for a Twinning Project, financed by the EU. Furthermore, the next phase of advice will be less in technical matters, such as creating an efficient organisation in the Ministry and drafting adequate legislation. Instead, preparation of integration into the EU and formulating an efficient rural development policy requires in depth policy analysis and policy decisions. Hence, it is not any more sufficient to rely on solely the advice of specific individual policy experts. A culture of

policy debate has to be developed.

3. The policy advice should focus on policy analysis (for which a high need is also assessed by the World Bank) and on institutions. The importance of institutions has been highlighted in several sections of this report. Csaki et al. (see Annex 7) clearly show that there is the most urgent need for progress in the agricultural sector and the agro-industry. Annexes 8 and 9 clearly support the hypothesis that an improvement in the efficiency of institutions is highly needed in Albania. What has to be done is outlined in the quoted World Bank report and is supported by the evaluators.

4. The multi-level activities of the project have proven to be valuable even for the main part of the project, i.e. the macro-level. It is recommended to continue with this approach. Particular emphasis should be given to the support of associations. Studies like the pilot study on the effects of producer associations should be promoted. These studies can serve as an eye opener to non-members in the region where the present associations are located. Moreover, other regions could be motivated to start with similar activities.

5. There is a need for complete internal transparency of the associations concerning their functioning and the effects from the individual member's perspective. Associations will only be long-lasting if they provide selective incentives for membership. If all the services of an association are available for non-members the viability of the respective association is at stake. Therefore, each individual member should be able to see the benefits of membership and the costs. The project could assist the associations in this way of thinking and in the design of an adequate information system.

6. It is recommended that the project should continue to be located in the Ministry of Agriculture, Food and Consumer Protection. Moreover, the project should stand on its own and should not be integrated with the project "Economic Reform and Reconstruction of the Economy" which is linked to the Ministry of Economics. Merging the projects would impair one significant asset of this project, i.e. the close cooperation with the staff of the Ministry of Agriculture, Food and Consumer Protection and its fast reaction to changes in needs of the main target group.

Annex 1: Terms of References

I. Hintergrund

Die GTZ hat ihr bestehendes Evaluierungssystem mit der Einführung von Fremdevaluierungen vervollständigt. Fremdevaluierungen finden entweder während der Laufzeit des Vorhabens statt, zum Abschluss des Vorhabens (Schlussevaluierung) oder als Ex-post-Evaluierung 2 bis 5 Jahre nach dem Ende der Förderung. Die Evaluierungen werden von der Stabsstelle Evaluierung gesteuert. Die Durchführung wird an ausgewählte Wirtschaftsforschungs- und universitätsnahe Institute vergeben.

Im Rahmen einer Testphase wurden 2005 zunächst 3 Schluss- und 5 Ex-post Evaluierungen durchgeführt. Für die kommenden Jahre sind pro Jahr jeweils etwa 10 Schluss-, 10 Ex-post und 10 Fremdevaluierungen laufender Vorhaben in verschiedenen Regionen und Themen vorgesehen.

Bei den Fremdevaluierungen des Jahres 2006 handelt es sich um Stichproben zu den fachlichen Themen „Öffentliche Finanzen im Kontext von Dezentralisierung“ und „Management natürlicher Ressourcen“.

Alle Evaluierungen orientieren sich methodisch an dem Raster für die Erfolgsbewertung (Anlage). Das Raster für die Erfolgsbewertung basiert auf den im Entwicklungsausschuss der OECD vereinbarten Evaluierungskriterien Relevanz, Effektivität, „Impact“, Effizienz und Nachhaltigkeit.

Alle Evaluierungen zu einem fachlichen Thema haben dieselben themenspezifischen Fragestellungen, um vergleichende und übergreifende Aussagen treffen zu können.

II. Gegenstand der Evaluierung

Laut den verfügbaren Statistiken lebt mehr als die Hälfte der albanischen Bevölkerung in ländlichen Gebieten. Etwa 40-45% der erwerbstätigen Bevölkerung sind in der Landwirtschaft beschäftigt, der Agrarsektor trägt etwa zu 28% zum BIP bei. Auch wenn diese Daten zu hoch sein mögen, repräsentieren die Agrarwirtschaft und die ländlichen Räume einen bedeutenden Teil der albanischen Wirtschaft und Gesellschaft. Nachdem die Industrie weitgehend zusammengebrochen ist und mit Ausnahme des Baugewerbes nur noch ein Schatten ihrer früheren Bedeutung ist, bietet die Landwirtschaft ein Sicherungsnetz für ein bescheidenes Einkommen und Beschäftigung. Außerlandwirtschaftliche Wirtschaftsaktivitäten sind im ländlichen Raum bislang nur vereinzelt vorhanden und bieten nur wenig Einkommens- und Beschäftigungsmöglichkeiten. Trotz des relativ hohen Anteils der Landwirtschaft an der albanischen Wirtschaftsleistung importiert das Land etwa ein Viertel der benötigten Lebensmittel, während landwirtschaftliche Produkte nur in geringem Umfang exportiert werden.

Die albanische Landwirtschaft ist in ihrer heutigen Form international und gegenüber ihren Nachbarn in der Region kaum wettbewerbsfähig. Kleinbäuerliche Strukturen, geringer Mechanisierungsgrad, niedrige Arbeitsproduktivität, Probleme bei der Produktion und Vermarktung von Qualitätserzeugnissen, ungenügende physische

Infrastruktureinrichtungen und ein geringer Organisationsgrad prägen die albanische Landwirtschaft. In dieser Form kann Sie keinen Anschluss an die europäische Landwirtschaft finden und insbesondere den jungen Menschen auf dem Lande keine Zukunft bieten. Das Landwirtschaftsministerium hat mit seiner „Grünen Strategie“ 1999 den Versuch unternommen, eine konsistente agrarpolitische Strategie vorzulegen. Bisher wurden damit jedoch keine entscheidenden Strukturänderungen bewirkt. Die gesetzlichen Rahmenbedingungen blieben vage, gesetzgeberische Maßnahmen wurden nur zögerlich auf den parlamentarischen Weg gebracht und es gab kaum materielle Unterstützung für die Landwirtschaft und die ländlichen Regionen. Was zumeist übrig blieb, waren Fördermaßnahmen durch die internationale Gebergemeinschaft, deren bereitgestellte Mittel - auch aufgrund fehlender Unterstützung durch die albanische Verwaltung - oftmals nicht optimal genutzt wurden. Als negative Wirkungen ist zu beobachten, dass in weiten Teile des ländlichen Raumes junge Leute abwandern und ihre Chancen entweder im Ballungsgebiet Tirana-Durres suchen oder Albanien den Rücken kehren. Damit besteht die Gefahr, dass sich der schleichende Niedergang fortsetzt und Albanien im agrarwirtschaftlichen Wettbewerb in der Region und in Europa noch weiter zurückfällt.

Mit der Unterzeichnung des Stabilisierungs- und Assoziierungsabkommens mit der EU eröffnen sich dem Land neue Chancen zur Gestaltung einer wettbewerbsfähigen Landwirtschaft und einer nachhaltigen ländlichen Entwicklung. Dieser Prozess ist jedoch mit umfassenden Strukturanpassungen verbunden und wird ohne eine gleichzeitige Beratung der albanischen Entscheidungsträger im Hinblick auf EU-Erfordernisse nicht erfolgreich sein. Nur wenn es gelingt, die Leistungsfähigkeit des Landwirtschaftsministeriums und andere Mittler in personeller, organisatorischer und planerischer Hinsicht zu verbessern, wird es möglich sein, eine effektive Agrar- und ländliche Entwicklungspolitik zu gestalten. Dies wäre die Grundlage für die erfolgreiche Förderung 1. der entwicklungsfähigen produktiven Bereiche der Agrar- und Ernährungswirtschaft und damit Steigerung der Wettbewerbsfähigkeit der albanischen Produkte auf den Märkten und 2. der ländlichen Regionen als zukunftsweisenden Lebens- und Arbeitsraum und damit Reduzierung der Armut auf dem Land. Eine Beratung Albaniens im Hinblick auf EU-Annäherung darf aber nicht nur auf die EU-Annäherung allein fokussiert sein, sondern muss auch die Stellung des Landes im Kontext der Balkanregion zum Gegenstand haben.

Schwerpunkte des Vorhabens (Leistungen) sind:

- Beratende Unterstützung im Annäherungsprozess durch intensiven Dialog mit deutschen und anderen europäischen Fachinstitutionen
- Beratung bei der Stärkung der regionalen Kooperation durch Vernetzung mit Partnern anderer Länder in der Balkanregion
- Organisatorische, rechtliche und technische Unterstützung in ausgewählten Sektoren (Wein, Obst und Gemüse) für eine verbesserte Vermarktung von Qualitätserzeugnissen
- Qualifizierung von albanischen Fach- und Führungskräften.

In der vorangegangenen Phase, finanziert aus Mitteln des Stabilitätspaktes, wurden mehrere laufende landwirtschaftliche Vorhaben zusammengefaßt und konsolidiert sowie das albanische Landwirtschaftsministerium bei seiner Neuorientierung auf europäische

Belange unterstützt. Verschiedene klassische TZ-Landwirtschaftsaktivitäten konnten erfolgreich konsolidiert und abgeschlossen werden. Mit Unterstützung des Vorhabens wurde ein neues Organisationskonzept für das Landwirtschaftsministerium und die Landwirtschaftsämter entwickelt. Im Ministerium wurde das Konzept bereits umgesetzt, bei den Landwirtschaftsämtern befindet es sich in der Umsetzung. In der albanischen Agrarpolitik sind bereits erste Orientierungen hinsichtlich ihrer neuen Ausrichtung auf die EU initiiert. Dies ist erst der Anfang eines langen Umgestaltungsprozesses. Albanien, in der Vergangenheit lange in der Region isoliert, ist mittlerweile mit Unterstützung des Vorhabens in der Agrarwirtschaft ein aktives Mitglied des Agrarnetzwerkes auf dem Balkan geworden.

Das Vorhaben ist auf mehreren Ebenen aktiv. Auf makroökonomischer Ebene richtet sich die Beratungstätigkeit auf die Agrarpolitikgestaltung des Landwirtschaftsministeriums. Maßnahmen auf der Meso- und Mikroebene unterstützen die Umsetzung und Verankerung der agrarpolitischen Maßnahmen beispielhaft in ausgewählten Regionen (Zu Beginn des Vorhabens waren dies hauptsächlich die südlich von Tirana gelegenen Distrikte. Im Moment erfolgt eine Zusammenarbeit mit dem Vorhaben Regionale Wirtschafts- und Beschäftigungsförderung in Nordalbanien). Schwerpunkte der Politikberatung liegen auf der Unterstützung der albanischen Akteure im Annäherungsprozess an die EU, bei der Armutsbekämpfung im ländlichen Raum und bei einem Prozess der regionalen Kooperation mit Partnern aus anderen Balkanländern. Die albanischen Entscheidungsträger sollen in die Lage versetzt werden, die notwendigen Struktur Anpassungen im Agrarsektor und im ländlichen Raum im Rahmen der EU-Assoziierungsprozesse umzusetzen.

III. Ziel der Evaluierung

Mit der Evaluierung wird das Ziel verfolgt, zu einer **Erfolgsbewertung** des Vorhabens zu kommen. Hierbei fließen ein:

a) Bewertung nach internationalen Evaluierungskriterien

Der Erfolg des Vorhabens soll auf der Grundlage definierter Evaluierungskriterien beschrieben und bewertet werden (vgl. Raster für die Erfolgsbewertung in der Anlage).

b) Bewertung des Vorhabens in Bezug auf Armutsminderung und Millenniumsentwicklungsziele

Bei der Bewertung des Vorhabens soll außerdem eine Einschätzung darüber einfließen, inwieweit es zur Armutsminderung und zur Erreichung der MDG beiträgt:

Leitfragen hierzu sind:

- War die Konzeption des Vorhabens zielgruppendifferenziert und lag eine Armutsanalyse vor?
- Hat das Vorhaben die Beteiligung Armer an wirtschaftlichen und politischen Prozessen gefördert?

- Hat das Vorhaben positive Wirkungen auf die Armutsreduzierung?
- Trägt das Vorhaben zur Überwindung von Strukturproblemen bei, die in der nationalen Armutsbekämpfungsstrategie identifiziert sind?

c) Bewertung des Vorhabens in Bezug auf die Förderung der Gleichberechtigung der Geschlechter

Bei der Bewertung des Vorhabens soll außerdem eine Einschätzung darüber einfließen, inwieweit es zur Förderung der Gleichberechtigung der Geschlechter beiträgt:

Leitfragen hierzu sind:

- Ist die Konzeption des Vorhabens genderdifferenziert und lag eine Genderanalyse vor?
- Leisten Frauen und Männer einen gleichberechtigten Beitrag zur Gestaltung des Vorhabens?
- Ziehen Frauen und Männer gleichberechtigten Nutzen aus dem Vorhaben?

d) Fachbezogene Erfolgsbewertung des Vorhabens

Bei der Erfolgsbewertung anhand der o.g. Kriterien ist im besonderen eine Bewertung des Vorhabens anhand der vorgegebenen themenspezifischen Fragestellungen vorzunehmen.

Diese lauten:

- Untersuchung von Kooperationsbeziehungen/-qualität in der EZ/IZ (Zusammenarbeit und Abgrenzung FZ/TZ, EZ aus einem Guss, donor coordination und Rolle der GTZ, Anforderungen, die sich aus der Paris Deklaration ergeben)
- Natürliche Ressourcen als Wirtschaftsfaktor: Inwieweit haben die Vorhaben Ansätze zur Inwertsetzung von natürlichen Ressourcen über bloße Mikromaßnahmen hinaus strukturbildend genutzt: Zieht die Gesellschaft den größten Nutzen aus den Ressourcen – gibt es übergreifende Policies und Strategien, ggf. Wirkungen staatenübergreifender Absprachen? Weitere Punkte: Gestaltung von Handelsbeziehungen, Honorierung von Umweltdienstleistungen, Einbindung von Konsumenten, Zertifizierung, PPP, Vermarktungskonzepte.
- Ressourcenmanagement und Governance: Möglichkeiten und Grenzen der Beeinflussung ungünstiger Governance-Rahmenbedingungen (Korruption, Nichtwahrnehmung von Hoheitsfunktionen).
- Inwieweit haben die Vorhaben zur Konfliktminderung oder Friedensicherung beigetragen? Z.B. „benefit sharing“-Ansätze, grenzübergreifende Aktivitäten.

Die Fragestellungen (a-d) sind auch in den Leitfragen zu den Evaluierungskriterien implizit oder explizit enthalten.

IV. Durchführung

a) Verantwortlichkeiten

Verantwortlicher Auftragnehmer der GTZ ist die Forschungsstelle für internationale Agrar- und Wirtschaftsentwicklung (FIA) e.V.. Die Institution entsendet für dieses Evaluierungsvorhaben eine internationale und engagiert eine nationale Fachkraft. Die Institution ist verantwortlich für die Berichterstattung.

b) Leistungen

Die beauftragte Institution erbringt die folgenden Leistungen:

- Einsichtnahme und Auswertung relevanter Dokumente.
- Erstellung eines „Inception Report“. Der Inception Report wird spätestens 3 Wochen vor Ausreise des Gutachters vorgelegt.

(Bei Ex-post Evaluierungen besteht ggf. die Möglichkeit, eine der Evaluierung zeitlich vorgelagerte Inception Phase im Einsatzland vorzusehen)

- Auswahl einer geeigneten internationalen Fachkraft sowie Beauftragung/Untervertragnahme.
- Vor Durchführung der Evaluierung vor Ort Teilnahme der ausgewählten internationalen Fachkraft an Vorbereitungsgesprächen mit Vertretern/-innen der Stabsstelle Evaluierung, der zuständigen Regionalgruppe sowie des Bereichs Planung und Entwicklung (PuE).
- Erstellung der TOR für die nationale Fachkraft.
- Auswahl und Untervertragnahme der nationalen Fachkraft des Kooperationslandes.
- Vorbereitung, Organisation und Durchführung der Erhebungen vor Ort.
- Möglichst zu Beginn der Mission Besprechung mit der Deutschen Botschaft und dem GTZ-Büro vor Ort.
- Dokumentation der vorläufigen Evaluierungsergebnisse und Empfehlungen für das „debriefing“ vor Ort.
- Vor Rückreise der internationalen Fachkraft Präsentation und Diskussion der vorläufigen Ergebnisse der Evaluierung mit den Partnern und GTZ-Beteiligten vor Ort (debriefing).
- Erstellung des Berichtsentwurfs (in den die von der internationalen und nationalen Fachkraft ermittelten Ergebnisse und Empfehlungen einfließen) in

Deutsch (in Ausnahmefällen in Englisch, bspw. wenn der (inter)nationale Gutachter englischsprachig ist) innerhalb von 5 Wochen nach Rückkehr.

- Teilnahme an einer Auswertungsbesprechung in der GTZ.
- Beurteilung der nationalen Fachkraft.
- Erstellung der Endversion des Hauptberichts (nicht mehr als 40 Seiten plus Anlagen, MS Office 2003 sowie PDF; siehe Berichtsformat) in Deutsch (in Ausnahmefällen in Englisch, s.o.) sowie eines Kurzberichts in Deutsch, Englisch und in der Verkehrssprache innerhalb von 3 Wochen nach der Auswertungsbesprechung (s. Berichtsformate).
- Qualitätssicherung aller Berichte und ihrer fremdsprachlichen Versionen („Inception Report“, Hauptbericht, Kurzbericht).
- Sicherstellung der Qualität bei der Planung und Durchführung der Fremdevaluierung sowie inhaltliches Backstopping für die Gutachter.

Die GTZ erbringt die folgenden Leistungen:

- Verfügbarmachung der erforderlichen Unterlagen.
- Vorbereitungsgespräche mit den Gutachtern/-innen.
- Ankündigung und Einführung der Evaluierungsmission bei den relevanten Partnern und wichtigen Gesprächspartnern im Einsatzland.
- Auf Anfrage logistische Unterstützung durch die Büros vor Ort.
- Abnahme des Inception Reports und der Endberichte.

c) Zeitlicher Rahmen

- | | | | |
|--|-------------|------------|-----|
| • Vorbereitungstreffen in der GTZ | 18.09.2006 | | |
| • Durchführung der Evaluierung vor Ort
09.10.2006 | von | 24.09.2006 | bis |
| • Vorlage des Berichtsentwurfs | 11.11.2006 | | |
| • Auswertungsbesprechung in der GTZ | 28.11.2006 | | |
| • Vorlage des Endberichts
(inkl. Kurzberichte) | Januar 2007 | | |

Annex 2: Evaluation grid

Performance measurement grid for evaluating the success of projects / programmes

1. Principles

This paper applies to the evaluation of ongoing projects or programmes (including project progress reviews), final evaluations and ex-post evaluations of **Technical Cooperation (TC) projects/programmes**, **Financial Cooperation (FC) projects/programmes** and **TC/FC cooperative projects/programmes**. All those parts of the present document not identified as “TC additions” have been agreed between KfW and GTZ.

Special features for evaluating TC projects/programmes and TC components are identified as “TC additions” to meet the specific needs of evaluating TC projects or programmes.

The present tense is used in the definitions and key questions in the evaluation criteria. The appropriate tense should be used in concrete instances of application.

The evaluation is not concerned solely with the achievement of objectives/goals by itself, but rather with the totality of the results (positive and negative, planned and unplanned), insofar as these can be attributed to the projects or programmes. The contribution of projects/programmes in terms of results is estimated by comparing the situation with and without the projects/programmes. As the situation without the projects or programmes cannot be established directly, suitable approximations (e.g. control groups, simulations, expert evaluations etc) must be made, subject to a reasonable limit on the resources expended.

The evaluation focuses primarily on the situation as it can be measured or identified at the time of the evaluation. Results which are not observable (or would involve unreasonably high costs) must be plausibly established using proxy indicators or verifying central assumptions about the results chain. For results, which will partly emerge only in the future, estimates must be made based on trends identifiable so far (sustainability risk). An ex-post evaluation should only be made if the intended positive results can be observed or reliably estimated.

Results are generally measured using the evaluation methods, standards and benchmarks prevailing at the time of evaluation (state of the art), which may well differ from the project's/programme's original set of objectives and indicators. Adjustments to the set of objectives and indicators must be justified.

In evaluating the degree to which project or programme objectives have been achieved (effectiveness) in projects supported by GTZ, the standard for evaluation is always the intended objective at the end of the project or programme.

In evaluating the appropriateness of objectives etc., the appraiser establishes benchmarks and justifies these, if no benchmarks were established as part of the project concept or such benchmarks are no longer state-of-the-art.

TC additions

For all evaluation criteria, the point of evaluation is the date of the assessment. However, to give a clearer picture the retrospective and probable future evolution is also covered. When evaluating ongoing projects or programmes, the appraiser measures the effectiveness in terms of the degree to which the objective has been achieved at the time of evaluation, i.e. whether the project or programme is in the target corridor. In final and ex-post evaluations, the focus is on the effectiveness at the end of the project or programme.

2. The five evaluation criteria**TC additions**

The sequence of evaluation criteria in the present paper is followed when documenting the results of the evaluation.

However, in practice the first stage is to look at the impact criterion before moving on to effectiveness, to avoid narrowing the focus to the project or programme level too quickly. This is why the evaluation criteria are approached in the following sequence in practical fieldwork:

relevance => impact => effectiveness => efficiency => sustainability

The general TC/FC key questions for assessing the evaluation criteria are supplemented by key questions specific to TC.

It is not essential to answer all the key questions in order to assess the evaluation criteria. It is, however, necessary to explain why specific key questions are not important in the concrete context of the project or programme and are accordingly not covered. This means that the explanation of the importance or unimportance of key questions establishes the expectational horizon for assessing an evaluation criterion.

Specific questions in an evaluation or series of evaluations may lead to further key questions, which are then also adopted by the Evaluation Unit or appraisers.¹

¹ An example for the 2006 independent evaluations on "Management of natural resources": additional key question for the impact criterion: How are approaches to exploiting natural resources as an economic factor utilised (above and beyond micromeasures) in a structure-building way (natural resources as economic factor)? Is the society generally getting the optimal sustainable benefits from the resources?

2.1 *Relevance*

OECD-DAC definition:

Relevance: The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies.

GTZ and KfW:

Relevance: are we doing the right thing?

The extent to which the objectives of the project or programme match the needs of the target groups, the policies of the cooperation country and partner institutions, the global development goals and the client's basic development policy orientation.²

Key questions for assessing relevance

- Is there adequately ensured causality in the results chain (including the relevant assumptions) between project measures and development policy objectives? Is the project or programme appropriately conceived for the given framework conditions? What better alternative orientation might there be?
- What are the factors extending across multiple projects or programmes which promote or inhibit the reform processes in the country? What opportunities and limits are there for affecting adverse framework conditions? (e.g. corruption, failure to perform state functions)
- How far is the development intervention helping to solve central development issues for the cooperation country and target groups, and specifically poor population groups?
- How far is the development intervention in compliance with the (sectoral) policies and strategies of the cooperation country (national plans, PRSP etc) and the partner institutions, international themes and standards (international conventions, alignment, Paris Declaration etc)?
- Does the project or programme have high or low priority for the responsible institutions in the partner country? How is this apparent? Is the development intervention still important and a priority for development policy from today's point of view?
- Does the development intervention comply with the client's basic development policy orientation?
 - Which of the cross-cutting issues apply or are relevant (explain)? How far are these taken into consideration when designing the project or programme?
 - How well does the project or programme design meet the requirements for combating poverty and MDG (if relevant)?
 - How has the project or programme evolved on the lines of the current country concept, profile building, priority strategy papers and sectoral concepts?
- How far is there adequate coordination between donors and coherence between measures? How well are the project's/programme's objectives, measures and processes coordinated and complementary to those of other bilateral and multilateral donors (harmonisation)?
- What goal conflicts (if any) are there between different policies, strategies or interests? How are these handled, what implications are drawn from them?

² Only the policies, development objectives and strategies etc. which are relevant for the effectiveness of the project/programme to be evaluated need to be considered.

Additional TC key questions

- How appropriate is a multilevel approach? How is this implemented? How helpful is it?
- How have the TC concepts and approaches in the project or programme proved themselves in the specific framework conditions?
- How suitable are the chosen modes of delivery for promoting adequate coordination between donors and coherence between measures? How well are the modes of delivery of the project/programme coordinated and complementary to those of other bilateral and multilateral donors (harmonisation)?

2.2 Effectiveness

OECD-DAC definition:

Effectiveness: The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.

GTZ and KfW:

Effectiveness: **are we achieving the project/programme objectives?**

The extent to which the desired direct results are achieved and other direct results arise.

Key questions for assessing effectiveness

- Given the framework conditions, does the project or programme have the appropriate project/programme objectives and right indicators? Were any objectives modified?
- If the objectives are appropriate: how far have the project/programme objectives been achieved in line with planning through the utilisation of potentials and capacities (outputs)? What deviations are there (plan-actual comparison) based on the defined indicators? Are any limits critical to success for achieving the objectives being undershot or overshot?
- If the objectives are inappropriate: is there a better alternative orientation (quality of objective)? What project/programme objectives and indicators (if any) are more appropriate according to current standards?
How far is the project or programme meeting the current demands in terms of project/programme objectives and indicators?
- Which are the decisive reasons for the achievement or non-achievement of the objectives or target values of the indicators?
- Which unexpected positive and negative direct results occurred? How should these be assessed in the overall context? What is the response or correction?

Additional TC key questions

- Currently none

2.3 *Impact*

OECD-DAC definition:

Impact: Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.

GTZ and KfW:

Impact: are we contributing to the achievement of overarching development results?

Extent to which the project or programme is contributing to achieving the desired overarching objectives and producing other indirect development results.

Key questions for assessing impact

- How far are the desired indirect development results appropriate in the given environment? Were any modifications made?
- How far is the project or programme contributing to the originally desired indirect development results?
- What desirable alternative indirect development results (if any) would be more adequate according to current standards?
- How far is the project or programme meeting current requirements for indirect development results?
- What are the decisive reasons why the indirect development results are being contributed to or not contributed to?
- What (positive and negative) indirect development results can be attributed to the project/programme?
 - E.g.:
 - How far are important constraints to development being structurally eliminated or reduced through the project/programme? How have the living conditions or development opportunities changed? How has the project/programme strengthened the ability to solve problems of the target groups (of the project/programme and others), intermediaries and institutions?
 - What contributions has the project/programme made towards achieving overarching development goals (e.g. Millennium Goals and implementing the Millennium Declaration, contributing to the structural reduction of poverty – e.g. promoting pro-poor growth, pro-poor governance)?
 - What development results are being achieved in terms of the (other) cross-cutting issues: gender, environmental protection and resource conservation, participation and governance, crisis prevention and conflict sensitivity?
- Were any standards critical to success undershot or overshoot? How is the project/programme contribution rated on the basis of any assumptions or plausibilities? What were the key factors for success or failure in successful or unsatisfactory contributions?
- What other identifiable or observable indirect development results (positive and negative) is the project/programme contributing to? How should these be assessed in the overall context?
- What is the breadth of impact: e.g. model nature, structural changes, replication of approaches?

Additional TC key questions

- Currently none

2.4 *Efficiency*

OECD-DAC definition:

Efficiency: A measure of how economically resources / inputs are converted to results.

GTZ and KfW:

Efficiency: do we act cost-efficient?

A measure of the relationship between the resources invested (funds, expertise, time etc.) and the outputs and results achieved.

Key questions for assessing efficiency

- How efficient is the nature of the provision of services or creation of potentials and capacities (cost-benefit ratio)? What alternatives are there, which might be more efficient?
- How far are the direct and indirect results achieved efficiently in terms of microeconomic, macroeconomic and sector-specific standards?
- How are existing resources of other actors in the sector and/or region utilised? Would an alternative use of instruments in development cooperation have increased the results?
- Are the outputs and results achieved in a reasonable period?

Additional TC key questions

- How far is the way services are provided (modes of delivery, personnel concept and use, equipment and materials, advanced training, funding) cost-efficient, i.e. how far are internal resources being efficiently used?
What alternatives are there to the modes of delivery employed, and which (if any) would be more efficient?
- How far is the structure of the project or programme appropriate for achieving outputs and results cost-efficiently? What structure might make it possible to do this more efficiently?

2.5 *Sustainability*

OECD-DAC definition:

Sustainability: The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefits flows over time.

GTZ and KfW:

Sustainability: are outcomes and impact durable?

The probability that the desired development results of the project or programme are ensured beyond the end of assistance.

Key questions for assessing sustainability

- How will the results for the target groups, partner institutions and cooperation country continue beyond the end of assistance?
- What “sustainability period” and which minimum requirements for success in this period are appropriate for the project or programme?
- How far are the requirements for sustainability met?
 - How far are the (organisational, personnel, financial, economic) resources and capacities available in the cooperation country (in the longer term) for maintaining the development results achieved?
 - How are the four dimensions of sustainability (economic, political, social and ecological) and their risks and opportunities to be assessed; how is this shown?
 - How do these dimensions of sustainability interact? Under the specific conditions, how far is the result balanced, stable and capable of modification in the longer term?
- What are the key risk factors for longer term sustainability of the results? How is the evolution of these factors assessed?
- How far can the (direct and indirect) results of the project/programme be maintained, or is an improvement or deterioration to be expected?

Additional TC key questions

- What approaches, instruments, methods or concepts are permanently used, institutionalised or further developed by the target groups, partner institutions or other actors? How is this done?
- Operationalisation of the four dimensions of sustainable development to assess sustainability:
 - Economic: how are the achieved outputs and results secured at microeconomic or macroeconomic level? How stable or capable of modification are they in terms of the pace of economic growth (local, regional, national, global)?
 - Political: how is the project or programme contributing to a fair and peaceful balance of interests? How far are changes in the political culture and changes in behaviour, attitudes and awareness apparent in the target groups and partner institutions? How available is the necessary legal framework needed for changes? To what extent is the political will for change identifiable?
 - Social: how is the project or programme contributing to greater equality of opportunities, social justice, improved access to social services and resources?
 - Ecological: is long-term ecological viability ensured? What risks are there of lasting negative environmental effects emerging in the long term?

3. Performance measurement (rating)

A six-point scale is used to rate the project or programme for the criteria relevance, effectiveness, impact and efficiency and for a final overall rating of the development policy effectiveness. The scale:

1	very good rating, significantly better than expected
2	good rating, fully in line with expectations, no significant defect
3	satisfactory rating, falling short of expectations but with positive results dominant
4	unsatisfactory rating, significantly below expectations, and negative results dominate despite identifiable positive results
5	clearly inadequate rating: despite several positive partial results, the negative results clearly dominate
6	the project/programme is useless, or the situation has deteriorated on balance

Ratings 1-3 show a positive or successful rating, 4-6 a rating which is neither positive nor successful.

The sustainability criterion is rated on the following four-point scale:

- 1 (very good sustainability)

The development results of the project/programme (positive to date) will continue unchanged or even increase with a high degree of probability.
- 2 (good sustainability)

With a high degree of probability, the development results of the project/programme (positive to date) will only minimally decrease but will overall remain significantly positive (normal situation – to be expected).
- 3 (satisfactory sustainability)

The development results of the project/programme (positive to date) will decrease significantly but remain positive with a high degree of probability.

This also applies if the sustainability of a project/programme is assessed as inadequate up to the point of evaluation, but will evolve positively with a high degree of probability, so that the project/programme will achieve positive development results.
- 4 (inadequate sustainability)

The development results of the project/programme are inadequate at the time of evaluation and there is a high degree of probability that it will not improve.

This also applies where the sustainability has previously been rated positively but is declining seriously and no longer meets the requirements for level 3.

The overall rating on the six-point scale is based on a weighting of the five individual criteria which is determined for each specific project. An overall rating of 1-3 shows that a project or programme was successful, rating 4-6 shows it was unsuccessful. *¹

TC additions			
<p>A decision is made and justified for each criterion whether it is “particularly important” (weighting 3), “important” (weighting 2) or “less important” (weighting 1) in the specific context of the project/programme. In the absence of a special reason which makes it more or less important, a criterion is held to be “important”.</p> <p>This standardised approach means that it is possible to see in retrospect which criterion in a given random sample of evaluations was given which weighting, and how wide the range of weightings was.</p>			
Example of an overall rating for projects/programmes:			
(1) Criterion	(2) Rating of criterion* ²	(3) Weighting of criterion	(4) = (2) x (3)
Relevance	3	2	6
Effectiveness	2	2	4
Impact	4	3	12
Efficiency	4	1	4
Sustainability	3	3	9
Total		11	35
Overall rating total (4) / total (3)			
Example: 35 / 11 = 3			* ¹ * ² * ³
<p>Ratings are expressed as whole numbers, rounded up or down.</p> <p>The evaluation unit has developed an Excel macro for calculating the overall rating in which only the values for the rating and weighting of the individual criteria are entered. The overall rating is then calculated by the macro.</p>			

*¹ Projects/programmes can only be rated as “successful” if

- the direct results (effectiveness), indirect results (impact) and sustainability are rated at least “satisfactory” (3).

In exceptional cases, a rating of 4 for sustainability is acceptable for a “successful” project/programme if this has been planned from the start, and was inevitable for the project and still appears acceptable at the time of evaluation because of the great development results of the project/programme.

TC additions

*² If the specific situation described in *¹ above applies, i.e. a sustainability rating of 4 is acceptable for a successful project/programme, as this has been planned from the start, and was inevitable for the project and still appears acceptable at the time of evaluation because of the great development policy significance of the project, then the sustainability criterion must have a weighting of 1.

*³ The four criteria relevance, effectiveness, impact and efficiency are rated on a six-point scale. Sustainability is rated on a four-point scale, where level 4 covers the ratings 4-6.

To avoid a (theoretically possible) resulting positive distortion of the overall rating, the following exceptions are made:

If the average of criteria 1-4 is 4.5 or worse, the overall rating may only be 5, regardless of the sustainability rating.

If the average of criteria 1-4 is 5.5 or worse, the overall rating can only be 6.

This assessment grid is binding. Deviations from the calculated rating must be explained and agreed with the evaluation unit.

Annex 3: Travel and work schedule

Time	Tasks
14.09.06 – 16.09.06	Preparation of the Mission
18.09.06	Meeting in GTZ Head Quarter
19. 09.06 – 20.09.06	Preparation of the Inception Report
20.09.06	Handing over of Inception Report
24.09.06	Travel to Tirana
25.09.06 – 06.10.06	Interviews and study of project material in Albania
07.10.06 – 08.10.06	Preparation of the debriefing meeting
09.10.06	Debriefing in Ministry
09.10.06	Travel from Tirana to Kiel
10.10.06 – 09.11.06	Preparation of draft final report
10.11.06	Handing over of draft final report
28.11.06	Meeting in GTZ Head Quarter
06.12.06	Handing over of Final Report and Short Version

Annex 4: Questionnaire of the interviews undertaken during the evaluation process of the project:

1. Which is the role you played in the project: i) as a staff member, ii) as collaborator, iii) as a simple beneficiary, iv) as an outside observer?
2. How many times did you collaborate with the project?
3. Explain the activity(ies) you have organised, collaborated, or taken part in the project framework?
4. Explain briefly the activity(ies), illuminating the following points:
 - a. the objective of the activity
 - b. the performance of the activity
 - c. the interest of the activity
5. Give a substantiated evaluation of the project:
6. Activity (ies) relevant to your work. Do you think that the activities are relevant for your work, if yes to what extent?
7. Can you explain the impact that the activity, activities, had for your work, to what extent did the activity affect and improve your work performance?
8. What do you think about the qualification of the international and local experts?
 - a. With respect to subject related know-how?
 - b. Personal engagement?
 - c. Social competence?
9. Did you collaborate with the project after the first collaboration (why yes, why not)
10. What do you consider as the main positive points of the project?
11. Give your opinion about the personal relations between the project staff and you as project collaborator.

12. Which are according to you the main negative points of the project?

13. How would you assess this project compared to those of other donors?

14. How do you see the future of the project?

- the project should continue or the project's mission has been completed.
- the project should have the same structure in the future the same structure as in the past, if yes why; if not, why and which are the changes that will ameliorate the project performance.

Annex 5: Persons interviewed and contacted

Name	Affiliation
1 Mr. Beisert	German Embassy
2 Mr. Shkëlzen Marku	Director, MAFCP
3 Mr. Roland Cela	GTZ local office
4 Mr. Erald Lamja	MIS local office
5 Mr. Ndoc Faslja	Deputy Minister, MAFCP Of Agriculture, Food and consumer protection
6 Mr. Denis-	Trader / WSM Tirana
7 Mr. Ismail Beka	- GTZ
8 Ms. Brunilda Stamo	-Director Agricultural policy - MAFCP
9 Mr. Agron Hetoja	- FAO
10 Mr. Sazan Beliu	- MIS section of statistics
11 Ms. Vera Rusi	-MIS section of statistics
12 Mr. Aleksander Gjenci	- Director - RD policy directory - MAFCP
13 Mr. Maksim Dhamo	-former Dir Agro processing and marketing
14 Mr. Seit Shallari	-former Secretary general
15 Ms. Tatjana Dishnica	- Director of science extension service and statistics directory -MAFCP

16	Mr. Gezim Xhixha	Responsible of the Extension Service in the MAFCP
17	Ms. Ilirjana Boci	-Participant Training
18	Ms. Vjollca - Backa	ASP / WB project
19	Mr. Kristaq Jorgji	- Representative USAID
10	Mr. Pirro Rapushi	- Region
21	Mr. Lelo Agolli	- Federation of trader associations
22	Mr. Anastas Prifti	- Farmer / Association
23	Mr. Janku	- Exporter / producer
24	NN	- Executive director Meeting at Fair MAFCP / Kash
25	Mr. Llazar Korra	-EU-Delegation Albania
26	Ms. Renata Kongoli	-ISHC
27	Mr. Shkëlzen Marku	-Director General Policy
28	Mr. Irfan Tarelli	- Director General MAFCP
29	Mr. Teodor Kristuli	- Management WSM
30	Mr. NN	Trader non member
31	Ms. Paluka	-Director General for Food&CP
32	Mr.NN	Producers association Gorican - Berat
33	NN	Producers association Gorican – Berat
34	NN	Producers association Gorican - Berat
35	NN	Farmer who was not member of the Producers Association Gorican Berat

36	Mr. Fatos	-Project coordination office
37	Ibrahim Hackaj	- WB Mission Tirana
38	Mr. Isamil Beka	- GTZ -Tirana
39	Ms. Enkeleda Gremshi	-Procredit Bank
40	Ruxhdi Koni	Agro Koni
41	Mr.NN	President of the Traders Association wholesale market Dinamo
	Mr NN	Administrator of Dinamo whole sale market
43	Mr.NN	Trader at Dinami Whole sale market (Trader Association member)

Annex 6: Policy Assessment of the agricultural sector of Albania 2006

STATUS OF REFORMS	OBJECTIVES/PROPOSED ACTIONS
<ul style="list-style-type: none"> • MAFCP now has mainly regulatory functions, but has yet to re-organize and train personnel to implement these functions effectively. • Agricultural Extension services are improving. Reform of the agricultural research system underway. • Limited MAF capacity for policy analysis. • Tasks and budget alignment improving. • Decentralization and civil service reform in progress, but lack of capacity and will to clearly define roles and responsibilities • Multi-sector regional development plans drafted for some areas. 	<p>Efficient and effective public sector administration and support for commercial private agriculture.</p> <ul style="list-style-type: none"> • Capacity building at national and local level. • Clear definition of responsibilities within decentralization plan. • Advocate participatory budgeting • Continued reform of extension and research programs and institutions. • Continued efforts to improve the capacity for policy analysis. • MOA to clarify tasks and responsibilities within decentralization structure. • Improved and more transparent budget allocation in MOA and increased accountability. • Public debate on regional development plans.

Source: Csaki, C. et al, 2006

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Annex 8 : Doing Business in Albania

Albania

Region: Europe & Central Asia
 Income category: Lower middle income
 Population: 3,129,678
 GNI per capita (US\$): 2,580.00
 Country laws: see our [Law Library](#)



Ease of...	2006 rank	2005 rank	Change in rank
<i>Doing Business</i>	120	115	-5
Starting a Business	121	120	-1
Dealing with Licenses	161	160	-1
Employing Workers	113	112	-1
Registering Property	76	74	-2
Getting Credit	48	41	-7
Protecting Investors	162	162	0
Paying Taxes	125	121	-4
Trading Across Borders	101	91	-10
Enforcing Contracts	99	93	-6
Closing a Business	89	83	-6

Note: 2005 rankings have been recalculated to reflect [changes to the 2006 methodology](#) and the addition of 20 new countries.

Starting a Business (2006)

The challenges of launching a business in are shown below. Included are: the number of steps entrepreneurs can expect to go through to launch, the time it takes on average, and the cost and minimum capital required as a percentage of gross national income (GNI) per capita.

Indicator	Albania	Region	OECD
Procedures (number)	11	9.4	6.2
Time (days)	39	32.0	16.6
Cost (% of income per capita)	22.4	14.1	5.3
Min. capital (% of income per capita)	36.7	53.9	36.1

[Details](#) | [Compare All Economies](#)

Dealing with Licenses (2006)

Shown below are the procedures, time, and costs to build a warehouse in , including obtaining necessary licenses and permits, completing required notifications and inspections, and obtaining utility connections.

Indicator	Albania	Region	OECD
Procedures (number)	22	21.4	14.0
Time (days)	344	242.5	149.5
Cost (% of income per capita)	286.8	564.9	72.0

[Details](#) | [Compare All Economies](#)

Employing Workers (2006)

The difficulties that employers in face in hiring and firing workers are shown below. Each index assigns values between 0 and 100, with higher values representing more rigid regulations. The Rigidity of Employment Index is an average of the three indices.

Indicator	Albania	Region	OECD
Difficulty of Hiring Index	44	34.2	27.0
Rigidity of Hours Index	40	50.7	45.2
Difficulty of Firing Index	30	37.1	27.4
Rigidity of Employment Index	38	40.8	33.3
Hiring cost (% of salary)	30.7	26.7	21.4
Firing costs (weeks of wages)	64.3	26.2	31.3

[Details](#) | [Compare All Economies](#)

Registering Property (2006)

The ease with which businesses in can secure rights to property is shown below. Included are the number of steps, time, and cost involved in registering property.

Indicator	Albania	Region	OECD
Procedures (number)	7	6.4	4.7
Time (days)	47	102.0	31.8
Cost (% of property value)	3.6	2.7	4.3

[Details](#) | [Compare All Economies](#)

Getting Credit (2006)

Measures on credit information sharing and the legal rights of borrowers and lenders in Albania are shown below. The Legal Rights Index ranges from 0-10, with higher scores indicating that those laws are better designed to expand access to credit. The Credit Information Index measures the scope, access and quality of credit information available through public registries or private bureaus. It ranges from 0-6, with higher values indicating that more credit information is available from a public registry or private bureau.

Indicator	Albania	Region	OECD
Legal Rights Index	9	5.5	6.3
Credit Information Index	0	2.9	5.0
Public registry coverage (% adults)	0.0	1.7	8.4
Private bureau coverage (% adults)	0.0	9.4	60.8

[Details](#) | [Compare All Economies](#)

Protecting Investors (2006)

The indicators below describe three dimensions of investor protection: transparency of transactions (Extent of Disclosure Index), liability for self-dealing (Extent of Director Liability Index), shareholders' ability to sue officers and directors for misconduct (Ease of Shareholder Suits Index) and Strength of Investor Protection Index. The indexes vary between 0 and 10, with higher values indicating greater disclosure, greater liability of directors, greater powers of shareholders to challenge the transaction, and better investor protection.

Indicator	Albania	Region	OECD
Disclosure Index	0	4.7	6.3
Director Liability Index	5	3.8	5.0

Shareholder Suits Index	3	6.0	6.6
Investor Protection Index	2.7	4.8	6.0

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Paying Taxes (2006)

The data below shows the tax that a medium-size company in must pay or withhold in a given year, as well as measures of the administrative burden in paying taxes. These measures include the number of payments an entrepreneur must make; the number of hours spent preparing, filing, and paying; and the percentage of their profits they must pay in taxes.

Indicator	Albania	Region	OECD
Payments (number)	41	48.3	15.3
Time (hours)	240	423.0	202.9
Total tax rate (% profit)	55.8	56.0	47.8

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Trading Across Borders (2006)

The costs and procedures involved in importing and exporting a standardized shipment of goods in Albania are detailed under this topic. Every official procedure involved is recorded - starting from the final contractual agreement between the two parties, and ending with the delivery of the goods.

Indicator	Albania	Region	OECD
Documents for export (number)	7	7.4	4.8

Time for export (days)	34	29.2	10.5
Cost to export (US\$ per container)	818	1,450	811
Documents for import (number)	12	10.0	5.9
Time for import (days)	34	37.1	12.2
Cost to import (US\$ per container)	820	1,589	883

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Enforcing Contracts (2006)

The ease or difficulty of enforcing commercial contracts in is measured below. This is determined by following the evolution of a payment dispute and tracking the time, cost, and number of procedures involved from the moment a plaintiff files the lawsuit until actual payment.

Indicator	Albania	Region	OECD
Procedures (number)	39	31.5	22.2
Time (days)	390	408.8	351.2
Cost (% of debt)	22.6	15.0	11.2

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Closing a Business (2006)

The time and cost required to resolve bankruptcies in is shown below. The data identifies weaknesses in existing bankruptcy law and the main procedural and administrative bottlenecks in the bankruptcy process. The recovery rate, expressed in terms of how many cents on the dollar claimants recover from the insolvent firm, is also shown.

Indicator	Albania	Region	OECD
Time (years)	4.0	3.5	1.4
Cost (% of estate)	38.0	14.3	7.1
Recovery rate (cents on the dollar)	26.4	29.5	74.0

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Source: <http://www.doingbusiness.org/ExploreEconomies/Default.aspx?economyid=3>

Annex 9: Corruption Perception Index for Albania

Year	CPI Score ¹⁾	Ranking (rank/number of countries)
2002	2.5	81/102
2003	2.5	92/133
2004	2.5	108/145
2005	2.4	126/158
2006	2.6	111/163

CPI Score - relates to perceptions of the degree of corruption as seen by business people and risk analysts, and ranges between 10 (highly clean) and 0 (highly corrupt).

Source: http://www.icgg.org/corruption.cpi_2002_data.html

projects would impair one significant asset of this project, i.e. the close cooperation with the staff of the Ministry of Agriculture, Food and Consumer Protection and its fast reaction to changes in needs of the MAFCP.

7. The project administration worked efficiently. It should be accepted as a general principle that the rules of the play, i.e. the evaluation criteria, are told at the beginning of the game. Moreover, life for the project leader would be easier if international and local experts were asked to reflect their activities in line with the evaluation criteria.