

Agritourism in Albania: Trends, Constraints, and Recommendations

A report by Neetisha Besra, Summer Intern, Center for International Development, Harvard University*

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1. Introduction

In Albania, the average specific expenditure by foreign tourists (non-residents) was 13.3%¹ of GDP during 2013-2017, which clocked a 30% growth within the four-year duration. The number of foreign citizen arrivals in the first half of 2018 has seen an increase by 9.1%², as compared to the same period in 2017. 'Holiday' is the second most popular purpose of their visit reported after 'Others'². Tourism being the largest industry since 1990, with Europe representing 42%³ of its total share, there remain huge economic dividends to reap for the emerging tourism industry in Albania. Moreover, this sector can generate non-farm employment in the agriculture sector. The challenge then is it to understand what is driving tourism growth in Albania, and what binds Albania's tourism opportunities from growing faster.

The UN World Tourism Organisation (UNWTO) defines sustainable tourism as an enterprise that achieves a balance between the environmental, economic and socio-cultural aspects of tourism development for long-term benefits to recipient communities. The Government of Albania, led by Prime Minister Edi Rama, has identified Agritourism as a particularly inclusive and sustainable tourism opportunity and prioritized its development as a rural economic diversification tool within the country's new "100+ villages Programme". Consistent with this program, the Ministry of Tourism and Environment (MoTE) has started certifying Agritourism businesses, while Ministry of Agriculture and Rural Development (MoARD) through the Albanian Rural Development Agency (ARDA) is in the process of funding Agritourism projects. It is essential to understand the emerging patterns within the sector to strategize appropriately supportive policies.

The Movements of citizens in Albania (INSTAT) report for June 2018 indicates a decrease by 13.3%² in the number of foreign citizens' arrivals as compared to June 2017. There is (month-by-month) erratic traffic of tourists and hence undefined tourism season for the country. The Government of Albania faces a dearth of tourism specific information, like in attractions visited most by tourists, or mapping of identified agritourism farms to make better policy judgements required for seasonal tourism preparedness.

2. Emerging Agritourism: Qualitative assessment of Business cases in Albania

Due to this gap in information, the Center for International Development at Harvard University (CID) prioritized field research on agritourism as part of its ongoing research project on economic growth in Albania. This field research included visiting MoTE certified and potential agritourism businesses, a few of which had applied for ARDA funds and studying their cases (Appendix 5). A rapid appraisal of the farms and interviews (Appendix 1: Questionnaires) with the farm-owners, chefs, tourists and government functionaries, shed light on the current trends and constraints in the emerging agritourism sector. A few emerging trends were evident based on the field visits:

Table 1: Emerging Trends in Albanian Agritourism

Model	Vast majority are small Farms Isolated family-run enterprises that Tend to be self-financed. Many have on-site restaurants that sell products processed on site.
Owner	Businessmen & Chefs with hotel management experience. Rare farmer-run agritourism enterprises.
Core of Business	Farm to Table restaurant (with signature cuisines). Farm Produce Processing.
Setting	Location with a picturesque view with no tourist attractions nearby. Year-round farming.
Revenue	Most have farm stay provisions but major revenue not from accommodation.
Farm Produce	Mostly small scale and consumed in restaurants. Most products not branded & sold, except wine.
Collectivisation	Absence of farm markets or consortiums.
Customers	Mostly local food enthusiasts. Few foreign tourists through personal travel agency networks ⁴ .
Season	Not defined for agritourism.
Marketing	Strong Word of Mouth. Good use of social media & news medium. No brand "agritourism" yet.
Branding	Agritourism lacks a common theme and marketing across countries that could serve as markets.
Online Visibility	No exclusive agritourism websites or information portal but individual websites exist.
Human Resource	Lack of trained Chefs in some farmhouses. Lack of Guides and Agriculturists (Exception: wine).

1. May 2018, INSTAT report on Tourism in Figures

2. June 2018, INSTAT report on Movement of citizens in Albania

3. "Metabolism of Albania", produced and published by National Territorial Planning Agency (NTPA)

4. Travel agents in Albania collaborate with travel agents in other countries to bring tourists personally catering to demands of farms

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The objective of government policy towards agritourism, as voiced by the Decision Nr. 22, dated January 12, 2018 by the Prime Minister on approving criteria for certification of Agritourism activity, was to increase farm incomes. However, agritourism development in Albania so far has primarily taken place off of farms. New farm to table enterprises are being set up rather than on-farm businesses. These restaurants are not owned by traditional agricultural producers. Although, they still can have substantial positive effects on farm incomes. For example, an agritourism venture like Mrizi Zanave, the largest in scale and operation, collaborates with over 300 rural families to procure farm and forest produce. Their consultative role to farmers has seen remarkable changes in nearby farmer behaviour and practices. A few new activities on these farms include tourism activities.

The differentiated tourism products sold by farms visited were:

- Organically, farm-grown fruits, vegetables and meat
- Cuisines part of Slow Food Movement
- Farm processed products – Wine tasting, Meat, Dairy etc
- Weekend getaway into the rural wilderness, picturesque views *
- Educational tours to farms and wineries *
- Recreational activities and event organisation for corporates, communities and families *

It is to be noted that farm-based activities (Appendix 4) are still at the nascent stage. The current focus is almost entirely on cuisines and restaurant activities. Although, the brand of “Slow Food Movement – Authentic Albanian” food has seen a rise, it is only seen regularly in Mrizi Zanave among the agritourism farms visited. The only other brand encountered was Cobo Winery, where tourists exclusively come for wine tasting. Accommodation or farm stay is not the chief host activity yet, unlike the cases of Italy and Greece, which we discuss later in the report. Catering to growing tourism, Albania has increased its accommodation capacity by an average of 13%¹ between 2013-2017, not including the farm stays.

Since most farm holdings in Albania are small, most farms don’t process, brand and sell beyond their restaurants, thus limiting their revenue source to cuisines served. Almost all businesses have a signature cuisine to offer. A pomegranate aggregator at Muriqan, who collects from over 100 farmers, aspires to bottle and brand the juice he now produces and sells locally. This is a good example of developing food processing as a complement to agritourism. The processors of olive oil, jam, wine, honey, cheese making, handicraft etc can be another category of agritourism hosts, apart from raw food producers and gastronomic service providers. Development and/or promotion of farm markets and consortiums should follow naturally, when county level to-scale processors integrate to form agritourism networks. This would not only add directly to the farm revenue but complement incomes as agritourism attractions.

Each of the agritourism business has a personal website and some social media presence.** Few have been successful in getting featured in news and travel blogs. However, the reality still is that there isn’t enough tourist traffic, as revealed by the agritourism owners during interviews. The agritourism farms are far from Tirana and are ruled out as regular outing options for local tourists. The owners reach out to foreign tourists through travel agencies. The presence (and ratings) of agritourism farm stays or restaurants on the popular travel websites like TripAdvisor, Lonely Planet, Booking.com etc is poor. The websites which feature rural tourism and agritourism don’t enlist farms certified by the MoTE as ‘agritourism’. The absence of branding and marketing of emerging agritourism activities in Albania is striking.

3) Binding Constraints: What is preventing the existing businesses from thriving and new businesses from emerging?

We do a qualitative assessment of to determine the binding constraints within the agritourism sector using the Growth Diagnostics Framework (Appendix 2). This framework allows us to compare across constraints using direct and indirect evidence to identify which issues most problematic. The framework is applied out of a recognition that there are many weaknesses within the agritourism sector, but some issues are merely symptoms of deeper issues. The growth diagnostic framework is used to identify which issues, if resolved, would be most likely to move the sector to a higher growth equilibrium.

Access to / Cost of Finance: In each of the farms visited, the businesses were largely self-funded or supported by donor grants. None of them mentioned taking loans. This limited use of the formal financial system may be a signal a constraint. However, it may equally be a signal that the agritourism sector currently does not need much private finance. With ARDA providing up to 50-70% of support for agritourism projects, institutional finance seems to be in positive shape. However, ARDA’s relatively new financing schemes for supporting investment may miss an opportunity to better connect small borrowers to the banking system. In which case, there could be more small farmers registered with NIPT*** be involved in ARDA funded agritourism businesses.

* Note that these new on-farm activities are taking place in very limited instances, one or two locations per activity

**Good Social Media Presence measured by presence in Facebook, Instagram, TripAdvisor, Lonely Planet, Booking.com & Blog mentions

***NIPT stands for Numri Identifikues i Personit të Tatueshëm (Tax ID Number)

Low returns to economic activity: Problematically, none of the agritourism farms visited have been able to break-even to date. These tend to be new businesses, but they report that revenues are lower than planned, primarily as a result of low customer traffic. Given this low profitability, financing is not the binding constraint as no financial institution can sustainably lend to a sector that cannot repay its loans. Following the Growth Diagnostics Framework, we explored several possible causes of low economic returns.

a) Low social returns

- **Poor geography:** Agritourism farms are not in the proximity of other tourist attractions like Albanian riviera beaches or the Blue Eye. Their location is determined by the business owner's land property. Hence, the development of agritourism activities so far has been geographically scattered. There are natural geographic clusters around which activities could organize, but this has not yet been internalized into the decisions of individual farmers deciding whether or not to try out agritourism and, if so, what type of agritourism activities to try. This is one contributing factor to why the accommodation demand for farm stays is so low.
- **Poor Tourism Infrastructure:**
 - **Hard Infrastructure:** The interviews didn't reveal electricity, water and telecommunication as big hurdles for the businesses. However, gaps in road infrastructure make scattered agritourism destinations difficult to reach. traveling during night hours on roads other than highways is particularly problematic due to patchiness or the entire absence of street lights. Visits to the north made it evident that infrastructure investments are fewer there as compared to the south. The recently built 13km highway starting at the Montenegro border and spreading across the north of Albania needs good secondary roads, more gas stations or intermediate pitstops, signage boards, panoramic viewpoints etc.
 - **Soft Infrastructure:** soft infrastructure like getting accurate location on Google Maps is a concern for remote farms. The bus transport system links major cities, but local transport on secondary roadways branching out of highways is not formalised. The only formal transport to off-beaten locations is a private rental car from Tirana, which makes the travel expensive for a budget traveller. Also makes travel to farms by public transport cumbersome. Certainly, remote farms are disadvantageous due to poor accessibility.
- **Lack of Branding and Promotion:** The official and personal websites promote Albania as an off beaten destination. The farms are not the "selling point" for Albanian tourism yet. A special branding of farms and the traditional products currently at offer as tourism products must materialise to strengthen the agritourism value chain. There is no special promotional website exclusively focussing on it domestically or internationally.
- **Low human capital:** Overall, agritourism does not require a highly educated workforce. Instead, it requires a rural workforce with traditional farming knowledge and the capabilities to manage on-farm tourist-centered businesses. Albania has the workforce required for agritourism, although outside knowledge may be required to manage new activities. Albania's large diaspora has become a central source of knowhow across tourism broadly. Meanwhile, some specialized human capital is also required for gastronomy-centered tourism. Restaurants interviewed noted significant staffing problems, due to lack of skills such as bartending and waitering and a lack in training in traditional cooking. This shortage may be binding for some aspects of gastronomy-related tourism, but low human capital is not binding the growth of agritourism overall. Recall that restaurant growth is currently outpacing other potential agritourism activities.

b) Low Appropriability

- **Taxes:** High taxation can result in underinvestment if the investor taking on the risk cannot capture enough of the returns on the investment to make it worthwhile. This is not the problem Albania faces currently. We know this because a reduction in taxes did not stimulate the investment response desired by the government. Government's declaration of VAT reduction to 6%* for holiday accommodation was extended to agritourism too. The existing businesses which were recently certified as 'agritourism' were normal businesses lured by VAT, which altered their status by just meeting the bare minimum eligibility criteria rather than resulting in the creation of entirely new businesses and on-farm activities.
- **Coordination Failure:** The agritourism value chain also taps into the generic tourism value chain, which is not yet fully mature in Albania. For the industry to attract tourism demand and investments, it must produce to scale. Thus, farmers, processors, farmer markets, the hoteling sector etc must coordinate to provide unique and low-cost experience for tourists. Government facilitates coordination.

*As reported by Invest in Albania publication on 7th of April, 2017 and *Ajencia Telegrafike Shqiptare* publication on 8th of May, 2018

- **Market Failures in “Self-Discovery”:** “Self-Discovery” externalities become a problem when an early investor is quickly copied by later investors, who cut into the profitability of the first mover to a point where the investment no longer pays off. This is decidedly not the problem facing agritourism in Albania, where the problem is not too many actors but too few. Existing agritourism businesses would benefit greatly from the entry of new businesses in order to support a scale and diversity of the sector that could be more attractive to potential tourists.

Takeaways: It is clear that some constraints are more binding than others. Given the remoteness of many existing and potential agritourism areas (by their very nature), public goods and services in transportation become very important for success. At present, gaps in hard transportation infrastructure (roads) present a challenge for agritourism. As a result, soft infrastructure must improve dramatically to make it as easy and inexpensive as possible to reach destinations. This is an area where both private sector and publicly-supported solutions are possible.

But the even larger issue for Albania is the limited demand that comes with a small, fragmented and undiverse agritourism industry. A coordinated push is needed to develop strong network of agritourism experiences and products. This requires the identification and marketing of themes and geographical clusters of activities that leverage natural connections that exist within and between regions of Albania (culinary, historical/cultural, geographical/ecological features, adventure-based activities, etc.). In order for private businesses to coordinate around these themes, the public sector must play an active role in supporting the promotion of these themes abroad.

4) Policy Preparedness for Agritourism: Do policies address constraints?

There are currently three policy guidelines pertaining to development of agritourism in Albania.

- i) **Brief in the PMO’s decision Nr. 22, dated January 12, 2018 on approving criteria for certification of agritourism activity:** This document had been followed by the MoTE to certify agritourism farms. It envisages agritourism as part of sustainable rural tourism through protection of environment, preserving traditions and promoting typical products of the area. It clearly sees agritourism as a “host activity” taking place on farms or other agricultural units. It additionally expects farms to undertake activities in which visitors can participate. The decision elaborates on the land, livestock, accommodation, food and activities criteria of agritourism activities.
- ii) **The Ministry of Agriculture and Rural Development, through amendment of the National Strategy of Agriculture and Rural Development, operationalized agritourism into government strategy. This included defining agritourism-focused funding support to be administered by ARDA. The current guidelines of this support are enumerated in azhbr.gov.al as of September 30, 2018:** As part of diversification of economic activity in rural areas, monetary support are extended for the establishment or reconstruction of 4-10 rooms and of production areas, machinery and marketing support for traditional products. It supports investment in agritourism business plans, especially by young people. It includes grants for incubators, and establishment of networks of shops for traditional products.
- iii) **Tourism strategy guidelines by MoTE (Strategjia Kombëtare për Zhvillimin e Qëndrueshëm të Turizmit 2018 – 2022 (Draft) as on May 2, 2018):** The Ministry identifies agritourism as one type of nature tourism products and intends to support its promotion under the “100+ villages” program. Apart from this, it aims to develop an agri-touristic culinary itinerary. It mentions that priority will be given to the combination of cultural tourism with agritourism through the Rural Renaissance program. Its cross-cutting Strategy for Rural and Agricultural Development 2014-2020 recognises agritourism as an important tool for increasing the sustainability of tourism and the preservation and promotion of local cultural identity.

The three institutions have identified themselves as policy framing, implementation and authorising entities in the scheme of agritourism, respectively. There seems to be no conflict in roles but in coordination. ARDA’s schemes require farmer’s NIPT data, hence their targeting mechanism keep farmers in focus, though not necessarily from the 100+ villages which have identified agritourism potential for “rural economic diversification”. Its screening process is on a project-by-project basis. The tourism routes or attractions should be considered in consultation with the MoTE. Similarly, MoTE has sporadically identified and certified agritourism businesses till now. The National Territorial Planning Agency (NTPA) recommendations of potential tourism destinations in conjunction with prevalence of agricultural production should be an input for where farm stays as an alternative to hotel

accommodation can be established. There is a lack of collaboration within the government, among PMO, MoTE, and ARDA (also NTPA). Establishing better information sharing and inter-department working groups could alone reap important benefits.

Takeaways: This government's approach is centered around boosting the supply side of agritourism, but unless demand for the experiences and products increases as well, returns will continue to be low. There is no policy focus on generating demand for agritourism. It is appropriate for government to support the supply side as a critical mass of tourist opportunities are needed to sustain demand. but government action to coordinate clusters and promote these to potential tourists is also necessary for the take off of the industry.

Existing policies and initiatives don't directly address constraints of: a lack of networks around themes and geographical clusters, a lack of modern branding and promotion, weaknesses in public infrastructure (hard and soft transportation infrastructure). Government support could also do more to understand and support the emergence of culinary tourism, which is already taking hold based on the quality of Albanian chefs.

Meanwhile, although government documents structure some division of responsibility and roles for different ministries (framing vs. implementation vs. authorization), in practice there are significant failures in information sharing and consultation among government institutions. There are also gaps in responsibilities, as exhibited by no public institution leading the use of modern tools of investment promotion through targeted ad campaigns and/or thematic events to draw international crowds. A coordinated push to develop and promote agritourism networks will require continuous coordination across public sector organizations including the Ministry of Tourism and Environment, the Ministry of Agriculture and Rural Development, the Ministry of Culture, and more.

5) Learning by Benchmarking: Cases from Italy and Greece

Italy has been the flagbearer of Agritourism since 1980s. A visit to the Tuscany region, specifically to San Gimignano and Castellina in Chianti, uncovered several key features of agritourism there. How it contrasts against Albania is illustrated in Table No. 1 (Appendix 3).

In this region of Italy, the farm stays are near tourist attractions or town centres. The locations, known globally for their scenery, are popular long stay summer destinations. Most of the farms take reservations averaging a week or more. The farms are a part of the Chianti Classico Wine consortium. The marketing and promotion of the farm products and the farm stays is the responsibility of the municipalities and the consortiums. The government runs "tourism information centres" in each of the town centres. Agritourism has thrived where general tourism prospered, and this has been key to the system's sustainability. Even if accommodation is the chief source of revenue for farms, tourists don't spend their whole day in farms. There is a seasonal cultural calendar prepared keeping in mind the local festivals, around which carnivals and cultural events are organised. Staying in farms acts as an experience enhancer. Importantly, it is the activities which form the core of entertainment.

Although the Agritourism system is much more mature in Italy and different along almost every dimension versus the system in Albania, there are still pertinent learnings for the Albania agritourism industry from the Italian model. Foremost, Agritourism can't exist in isolation from other tourism traffic, nor can it solely bear the burden of the entire tourism industry. The role of PMO and the MoTE is nodal, to drive demand as the supply stimulation tools like tax incentives and finance are being worked upon. To encourage demand, government must support the coordination of the system around clusters, and define and market them around the limited activities which already exist. government must also provide hard and soft public goods to help tourists find and experience these clusters at low cost. The strong agritourism ecosystem in Italy was not planned out at the start, but it has grown piece by piece over years due to the opportunities the system provided for collaboration, with the heavy involvement of community-based organisations and local governments.

A similarly mature ecosystem exists within Greece. The institutional arrangements in Greece, like the Hellenic Agritourism Federation in Crete play a pivotal role in coordination and cooperation among agritourism businesses in the region, which includes marketing of their produce. Albania can take lessons in regional institution building both from each of these neighbouring countries: Greece (<http://agro Xenia.net/en/page/objectives>) and Italy (<http://www.agriturismo.it>).

6) Recommendations:

Albania is set for a two-fold model of agritourism development. First, culinary tourism led by chefs with strong connections to farmers, is already emerging but can be supported on the demand side. There may also be need for government support toward targeted programs in education, in close collaboration with the private sector, to strengthen the pipeline of skilled food service professionals. Second, farm stay accommodations led by farmers are

yet to fully emerge but represent an enormous opportunity for inclusive development of Albania. The first steps in jumpstarting this opportunity must involve the identification of themes and geographical clusters, the active promotion of existing and new farm stays through modern tools, the creation of publicly-sponsored events consistent with the themes, and the use of digital platforms to make farm stays easy to find and book by international tourists.

Several specific recommendations follow here:

a) Culinary Tourism:

- Preparation of a county/region-wise culinary itinerary and calendar by MoTE in consultation with experts. Consider launching a gastronomy week or other such events to promote internationally, building on the “slow food” and “farm to table movements” and unique cultural/historical aspects of Albania
 - Public awards in the gastronomy industry and public recognition of albanian diaspora involved in the gastronomy industry.
 - Initiatives toward reviving/creating, branding and promoting unique local cuisines in different regions across Albania
- Collaborate with restaurants and chefs to improve curricula of culinary schools and other vocational training programs for the tourism industry.

b) Farm Stays:

- Identification of geographical clusters in cooperation with 100+ villages program and utilizing the capacities of NTPA.
- Formation of agritourism federations to support the self-organization of agritourism operators. Allow for a formal mechanism for such federations to coordinate with relevant government ministries to solve problems / seize opportunities.
- Support the full presence of all existing and new farm stays on international booking and trip planning websites.
- Consider a challenge to the private sector to develop an app-based platform for tourists to use in country to manage bookings, get tips for activities, get directions, book transportation between destinations, etc.
- Based on these geographical clusters, trial regional events marketed to targeted audiences abroad to generate traffic to regions.
- Develop thematic trails and routes across Albania in cooperation with the private sector (hiking, biking, food trail, historical, cultural, educational, ecological/scientific, etc.). Promote these to targeted audiences.
- Work with international partners to develop packages to stimulate demand. For example: educational packages for student groups, cross-border packages building on traffic in Greece, Italy, Croatia/Montenegro.
- **Soft Infrastructure:** Improve coverage and accuracy on Google Maps, Yelp, etc. Based on emerging geographical clusters, install road signs and consider providing public transportation between regions. Encourage private sector to develop quality transportation options within regions.
- **Hard Infrastructure:** Based on geographic clusters, identify and complete prioritized road improvements and/or road lighting improvements.

c) Broader Tourism and Agriculture ecosystems:

- Form working group (public-private and cross-ministry) to evaluate Albania’s current tourism promotion campaigns and identify modern, targeted tools (Facebook, twitter, etc.) that may be leveraged based on successful experiences of other countries.
- Based on results of working group evaluation, establish a lead agency (most likely involving MoTE) to take advantage of modern promotion tools.
- Establish multi-platform information gathering through surveys (in person at hotels and airport as well as online) to collect structured feedback on the tourism experience in Albania. Generate monthly reports to be shared with all stakeholders. for example: public sector (including local governments), private sector (including travel agencies, hotels, restaurants, airport, agritourism operators/federations), and relevant academic institutions.
- Explore opportunities to support farm-to-table restaurants and agriculture collection points in branding and certifying traditional agriculture goods.
- Explore opportunities to support aggregated food processing at the level of geographical clusters.

Appendix 1: A) Questionnaire for Agritourism farm owners

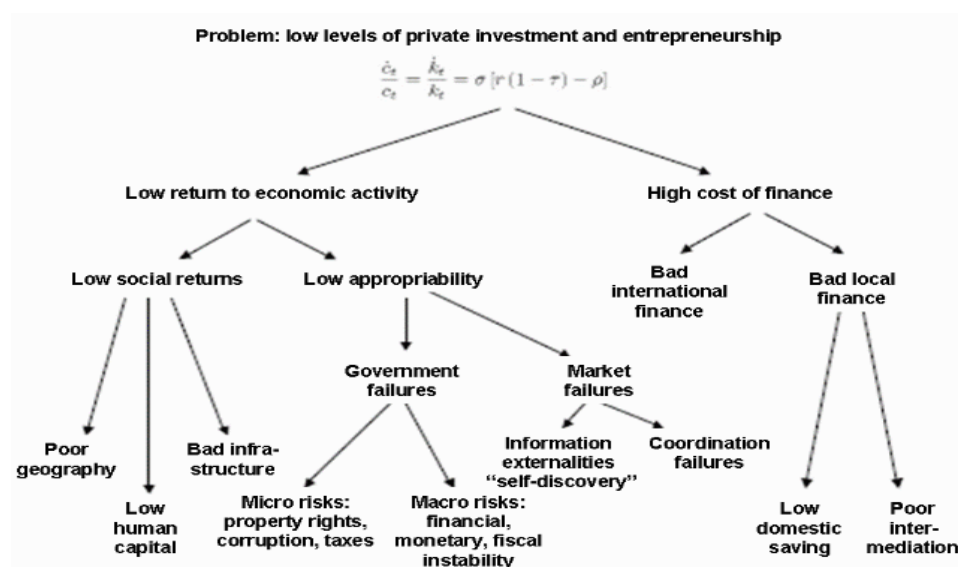
- 1) Background on the business – When/How did it start?
- 2) Who are the stakeholders involved? (Private/ Government / Local Community/ Local Govt)
- 3) Why do people come here? Is there any other attraction nearby (monument, bunker, ancient anthropological ruins, landmark buildings, shopping? Fresh unpolluted air? Nature? Ocean sunsets? Myths, stories, books, movies that mentions the place...? (Strengths and Opportunities)
- 4) What kind of tourists come here – local/ foreign? What is the traffic like? Which season do they come here the most? What do they mention they like most?
- 5) How successful is the current business? (To assess if they have a strong business which is complemented by tourism.)
- 6) Why do you call it Agro-tourism (if at all). What special experiences do you provide? (Example – Does it provide authentic farm feeling- Have farms/ vineyards/ orchards/ village setting?) What kind of services, Sherpa? Tourist guide? Massages, honey or sage massage? Aromatherapy from famous Albanian clinic? Special regional food? Is there a renowned chef nearby?
- 7) Does it have other experiences – leisure activities / sports etc to offer? Trekking, walking trails, rafting, bird watching, wild life? Garden, wi-fi, pool, food or religious festival?
- 8) Ask and observe how well they fulfil broad areas of Agriculture / Produce Processing/ Cuisine / Culture /Spatial Design?
- 9) Does it have residential facility/ toilet facility/ sitting space? How good is it? Status of water and electricity (Option for solar energy?)? First -aid equipped? Distance from nearest hospital/medical services? Preparedness for fire hazards, other emergencies? What kind of facilities? (Cottage, cabin, homestays (independent room, bathroom, typical furniture, fridge, villas, service apartments, B&B, inns, vacation rentals, lodges, bunkers, luxury tents), parking)
- 10) What is your Repair and Maintenance – preparedness and plan.
- 11) Asked how they would want to better diversify their business, especially about agri-tourism? What improvements needed?
- 12) How many jobs and what kinds of jobs has it created? What skills do they require?
- 13) Observed and asked in interview about what role government could play in promoting/improving these businesses. For example: roads, subsidised farm equipment and machinery etc.?
- 14) Observed the eco-system- basic infrastructure, accessibility through roads/ internet presence in Trip Advisor or other websites – ease of booking and reaching the location. Does it lie in some already established Tourism route/ site /cluster?

B) Questionnaire for Chefs

1. How do you see Chefs role in the Agritourism Businesses?
2. What constraints do you feel in moving ahead in this direction?
3. How can the government help?

Appendix 2: Growth Diagnostics Framework

The methodology that we propose for this can be conceptualized as a decision tree (see Figure discussed below). We start by asking what keeps growth low. Is it inadequate returns to investment, inadequate private appropriability of the returns, or inadequate access to finance? If it is a case of low returns, is that due to insufficient investment in complementary factors of production (such as human capital or infrastructure)? Or is it due to poor access to imported technologies? If it is a case of poor appropriability, is it due to high taxation, poor property rights and contract enforcement, labour-capital conflicts, or learning and coordination externalities? If it is a case of poor finance, are the problems with domestic financial markets or external ones? And so on.



Appendix 3: Table 1 – Benchmarking with Tuscany, Italy

Mature Agritourism from Tuscany, Italy		Nascent Agritourism in Albania
Model	Large Farm Size, usually self-financed and run by families. Many have on-site restaurants that sell products processed either on site or in farmer markets managed by consortium.	Majority are small farms isolated family-run enterprises that Tend to be self-financed. Many have on-site restaurants that sell products processed on site.
Owner	Farmer-run agritourism	Businessmen & Chefs with hotel management experience. Rare farmer-run agritourism enterprises.
Core of Business	Farm Produce Processing (Wine) & agritourism in houses from medieval times	Farm to Table restaurant (with signature cuisines). Farm Produce Processing.
Setting	Clustered around a tourism centre with picturesque farms and year-round farming	Location with a picturesque view with no tourist attractions nearby. Year-round farming.
Revenue	Primarily from farm stays (competitive to hotels/Bed & Breakfast) – (~30-70% of total revenue)	Most have farm stay provisions but major revenue not from accommodation.
Farm Produce	Large scale wine and olive oil production branded & sold in markets within and abroad	Mostly small scale and consumed in restaurants. Most products not branded & sold, except wine.
Collectivisation	Majority a part of Black Rooster Chianti Classico Wine Consortium, collectively sell the wine	Absence of farm markets or consortiums.
Customers	Foreign tourists from Western Europe, US and East Asia, country specific promotion strategies	Mostly local food enthusiasts. Few foreign tourists visit through personal travel agency networks*.
Season	7 months (March to September). Seasonal cultural calendar with carnivals and festivals	Not defined for agritourism.
Marketing	Municipality/Consortium play active role	Strong Word of Mouth. Good use of social media & news medium.
Branding	Home of “Black Rooster Chianti Classico Wine”, living in Medieval homes for weeks with family, cheaper than hotels, eating fresh out of farm, Picturesque Tuscany.	Agritourism lacks a common theme and marketing across countries that could serve as markets.
Online Visibility	Exclusive agritourism websites, good rating in popular websites, blogs and social media	No exclusive agritourism websites or information portal but individual websites exist.

Strong Tourism Systems	15000 accommodations, 1000+ authorised guides, 500 environmental tourist guides, 18000+ catering & bars, 250+ information offices, 1000+ travel agencies in Tuscany alone.	Lack of trained Chefs in some farmhouses. Lack of Guides and Agriculturists (Exception: wine).
Diverse tourism products	Branded wine, picturesque surrounding, ecological tourism, tradition and culture in towns, history, festivals. Attracts diverse age groups, nationalities.	Off-beaten (cheap) destination, picturesque nature, slow food and local cuisine, history, culture in music and dance.

Appendix 4: List of Potential Farm-based activities

AGRI-TURIZMI, AZHR, Qeveria Shqiptare		
I.REKREACION		
1. AKTIVITETET (Hands On)		
Fermë Bujqësore (Perime / Fruta / kokërr)	Fermë blegtorale (Qumështit / Livestock)	Peshkimi / Akvakultura Fermë (Peshku / Ushqimi Detar)
<ul style="list-style-type: none"> - Picking Fruits (Apple, rrush, qershi etj) për fermerët - Korrni-aktivitetet tuaja-vet dhe merrni në shtëpi - Puna me fermerët aktiv në fermë - Prerë Lule - picking, rregullimin dhe mbjelljen - Angazhohen në Përpunim - Puna dhe Fito si punë në fermë për një ditë - Aktivitete sportive: ngjitje Tree, Archery, lojëra të tjera rurale, shtigje biçikletë, sledging bora - Udhëtime të udhëhequra me hiking, identifikimi i vegjetacionit, piknik, përcaktimi i moshës së pemës etj - Zjarr kampi, pjekje jashtë - Festivale / Ngjarje të organizuara - Konkursset për gatim të fermave, Gjuetarët e fshatarëve të fermave, Punëtoritë tradicionale të gatimit - Punëtoritë pritëse: 	<ul style="list-style-type: none"> - Kafshët që ushqehen - Angazhohen në përpunimin e qumështit - djathi, prodhimi i kosit etj - Kafshët graze me bari - Takimi kafshëve barnyard - Shear delet, qumësht lopë - Puna dhe fitoni si fermer blegtoral për një ditë - Aktivitete sportive: shtigje udhëtimi kodrash, shtigje për biçikleta, alpinizëm, etj - Ecje ecjeje të udhëzuara, identifikimi i vegjetacionit, piknik, përcaktimi i moshës së pemës etj - Zjarr kampi, Grill jashtë - Festivale / Ngjarje të organizuara - Konkursset për gatim të fermave , Gjuetarët e fshatarëve të fermave , Punëtoritë tradicionale të gatimit - Punëtoritë pritëse: <ul style="list-style-type: none"> - Seminari muzikor: instrumente lokale etj - Punëtoritë e artit: art / artist lokal 	<ul style="list-style-type: none"> - Ushqyerja e peshkut - Angling Spots dhe Peshkimi - Peshkimi i peshkimit (Peshkimi, Pastrimi, Gatimi) - Aktivitete të anijeve dhe anijeve - Peshkatar i paguar për një ditë - Aktivitete sportive: Rafting, Kayaking, Janjiç etj - Ecje ecjeje të udhëzuara, piknik etj - Zjarr kampi dhe tiganisje jashtë - Ose ganised Festivals / Events - Konkursset e gatimit të armëve F , Farm Hunts Farm Scavenger - Punëtoritë pritëse: <ul style="list-style-type: none"> - Seminari muzikor: instrumente lokale etj - Punëtoritë e artit: art / artist lokal - Qeramikë / punëtori artizanale: Bëni shtëpinë tuaj të marrë - Punëtori tradicionale të gatimit

<ul style="list-style-type: none"> - Seminari muzikor: instrumente lokale etj - Punëtorja e artit: art / artist lokal - Qeramikë / punëtori artizanale: Bëni shtëpinë tuaj të marrë - Lule organizon punëtori 	<ul style="list-style-type: none"> - Qeramikë / punëtori artizanale: Bëni shtëpinë tuaj të marrë - Punëtori tradicionale të gatimit 	
2. EKSPERIENCA		
Fermë Bujqësore	Fermë blegtorale	Fermë Aquaculture
<ul style="list-style-type: none"> - Turne Farm - Vëzhgoni stilin e jetesës së fermave dhepunën e fermerëve aktivë , lundroni nëpër labirintin e misrit, transportoni karrocet - Tregim historish - Demonstrimet e njësish së përpunimit të fermës - Prodhimi i provave të fermave - Shfaqje kulturore / lokale dhe valle - Vizitat historike në afërsi - Teatri: ri-miratimet historike - Art, Letërsi, Ekspozitë muzikore - Muzeu bujqësor dhe shfaqje - Fotografia në veshje tradicionale - Fotografi panoramike - Zog shikuar - Stargazing dhe aktivitetet e dritës së hënës - Partitë: Dasma / Ditëlindja / Korporata dhe Ngjarjet e Grupit 	<ul style="list-style-type: none"> - Turne Farm - Vini re mënyrën e jetesës së fermave dhe punën e fermerëve aktivë - Tregim historish - Demonstrimet e njësish së përpunimit të fermës - Prodhimi i provave të fermave - Shfaqje kulturore / lokale dhe valle - Vizitat historike në afërsi - Teatri: ri-miratimet historike - Art, Letërsi, Ekspozitë muzikore - Muzeu blegtoral dhe shfaqje - Fotografia në veshje tradicionale - Fotografi panoramike - Zog / Shikimi i Kafshëve - Stargazing dhe aktivitetet e dritës së hënës - Partitë: Dasma / Ditëlindja / Korporata dhe Ngjarjet e Grupit 	<ul style="list-style-type: none"> - Turneja e fermave - shtëpitë e tymit etj - Vini re jetesën e fermës dhe punën efermerëve aktiv të aqua - Demonstrimi i kulturës dhe midhjet e pastrimit etj - Tregim historish - Demonstrimet e njësish së përpunimit të fermës - Prodhimi i provave të fermave - Shfaqje kulturore / lokale dhe valle - Vizitat historike në afërsi - Teatri: ri-miratimet historike - Art, Letërsi, Ekspozitë muzikore - Muzeumi i peshkut dhe shfaqjet - Fotografia në veshje tradicionale - Fotografi panoramike - Stargazing dhe aktivitetet e dritës së hënës - Partitë: Dasma / Ditëlindja / Korporata dhe Ngjarjet e Grupit
3. ARSIMI		

Fermë Bujqësore	Fermë blegtorale	Fermë Aquaculture
<ul style="list-style-type: none"> - Udhëtimi arsimor i fermës - Mësoj si të bësh bujqësi në oborrin e shtëpisë - Mësoni se si të rriteni kokrra / fruta / perime - Mësoj si të bëj bujqësinë organike - Mësojini të përgatitni plehrat organike - Mësoj si të bëj kopshtarinë - Tregoni se si është bërë ushqimi nga fusha në pjatë (produkti final) 	<ul style="list-style-type: none"> - Udhëtimi arsimor i fermës - Mësoj si të qaj një dele apo qumësht një lopë - Mësoj si të filloj një lesh dhensh - Tregoni se si është bërë ushqimi nga fusha në pjatë (produkti final) 	<ul style="list-style-type: none"> - Udhëtimi arsimor i fermës aqua - Mësoni se si të bëni peshkimin / peshkimin - Mësoni se si të bëni ushqim unik të peshkut - Tregoni se si është bërë ushqimi nga fusha në pjatë (produkti final)
II.TREGU I BUJQESISE		
Fermë Bujqësore	Fermë blegtorale	Fermë Aquaculture
<ul style="list-style-type: none"> - Shisni farat - Shitet fidanë - Shitet prodhimet e para të fermave - Shitet prodhimet bujqësore të përpunuara <ul style="list-style-type: none"> - Vaj ulliri, Verë, Jam, Marmalatë etj - Bukë, biskota, produkte të tjera të pjekura etj - Shitet druri - Shitet plehra organike / pesticide - Shitet artizanat lokal - Shitet broshura me informacion mbi bujqësinë 	<ul style="list-style-type: none"> - Shitet qumësht i papërpunuar - Shitet prodhimet bujqësore të përpunuara <ul style="list-style-type: none"> - Djathë, kos etj - Shitet artizanat lokal - Shitet broshura me informacion mbiblegtorisë 	<ul style="list-style-type: none"> - Tregu i peshkut dhe ankandi - Shitet peshqit dhe speciet e tjera aqua - Shitet pajisjet e peshkimit - Shitet artizanat lokal - Shitet broshura me informacion mbibujqësinë aqua
III.FAMILJA qëndron		
Fermë Bujqësore	Fermë blegtorale	Fermë Aquaculture
- Shtëpia e pritjes / kabineti i gjallë	- Shtëpia e pritjes / kabineti i gjallë	- Shtëpia e pritjes / kabineti i gjallë

<ul style="list-style-type: none"> - Shtrat dhe mëngjes në fermë - Kamping (ombrellë, çadër, makina etj) - Shtëpi me tradita ndërtimore lokale - Pajisje themelore - tualete, ujë të pijshëm, pikat e grumbullimit të mbeturinave, lidhje elektrike, strehim të sigurt 	<ul style="list-style-type: none"> - Shtrat dhe mëngjes në fermë - Kamping (ombrellë, çadër, makina etj) - Shtëpi me tradita ndërtimore lokale - Pajisje themelore - tualete, ujë të pijshëm, pikat e grumbullimit të mbeturinave, lidhje elektrike, strehim të sigurt 	<ul style="list-style-type: none"> - Shtrat dhe mëngjes në fermë - Kamping (ombrellë, çadër, makina etj) - Shtëpi me tradita ndërtimore lokale - Pajisje themelore - tualete, ujë të pijshëm, pikat e grumbullimit të mbeturinave, lidhje elektrike, strehim të sigurt
IV.Kuzhina		
Fermë Bujqësore	Fermë blegtorale	Fermë Aquaculture
<ul style="list-style-type: none"> - Shërbyer fermë të freskëta prodhojnë higjienike - Cook me Chef / Host - Menuja Unike : Specialiteti i brendshëm 	<ul style="list-style-type: none"> - Shërbyer fermë të freskëta prodhojnë higjienike - Cook me Chef / Host - Menuja Unike : Specialiteti i brendshëm 	<ul style="list-style-type: none"> - Shërbyer fermë të freskëta prodhojnë higjienike - Cook me Chef / Host - Menuja Unike : Specialiteti i brendshëm
V.PËRPUNIMI		
Fermë Bujqësore	Fermë blegtorale	Fermë Aquaculture
<ul style="list-style-type: none"> - Veraria , Raki , uthull etj - Përpunimi i frutave - dehja, marmelat etj - Përpunimi i vajit të ullirit - Dyqan buke - Mills - kokrra etj - mjaltë - Arra etj - Sauces 	<ul style="list-style-type: none"> - Produktet e qumështit - Prodhimi i djathit etj - Dyqan buke - Leshi i kafshëve (fijet e deleve) etj - Lesh artizanal 	<ul style="list-style-type: none"> - Peshkimi për Canning - Tharja e peshqve

AGRITOURISM in ALBANIA

Case Studies

NEETISHA BESRA

Summer Intern, Centre for International Development

Harvard Kennedy School

Objectives

- ▶ Field Visit to good practices in Agritourism within Albania
- ▶ Field Visit to best practices in Agritourism for Benchmarking : Italy
- ▶ Expert Interviews: Chefs, Owners of Agritourism, Tourists, Government, Students in Hospitality
- ▶ Learning the models and identifying gaps in Agritourism within Albania

Field Visit to Agritourism in Albania

Case 1: Uka Farm

County: Tirana

► Strengths:

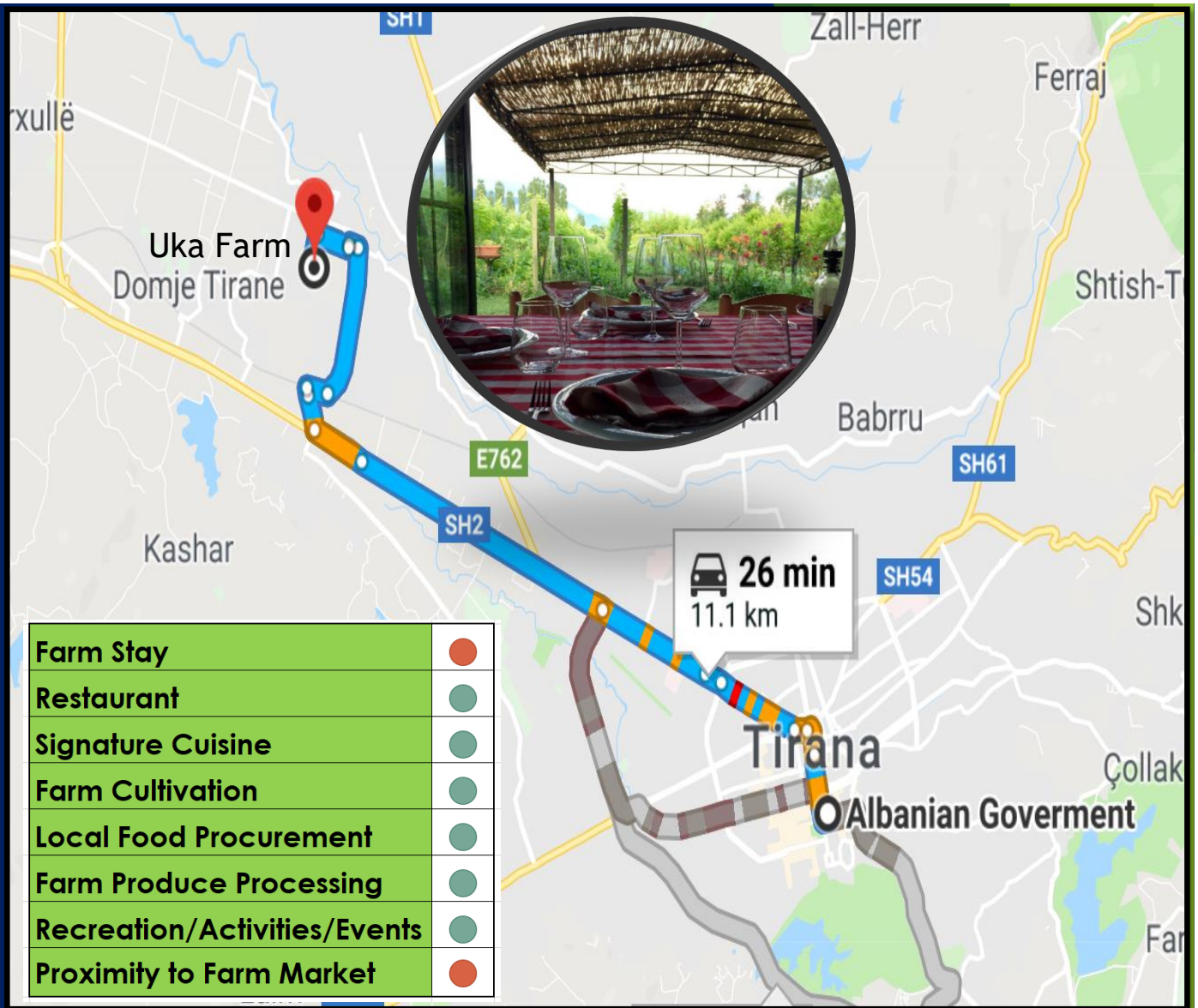
- Organic Farm Fresh Food
- Strong Word of Mouth
- Good reputation (International)
- In-house Winery (only for restaurant)
- Educational tour (Farm + Winery)

► Weaknesses:

- No public transport to Farm
- No signage boards leading to farm
- No other tourist attraction nearby
- No farm stay and small farm area



\$: Self



Case 2: Agritourism Huqi

County: Durres

► Strengths:

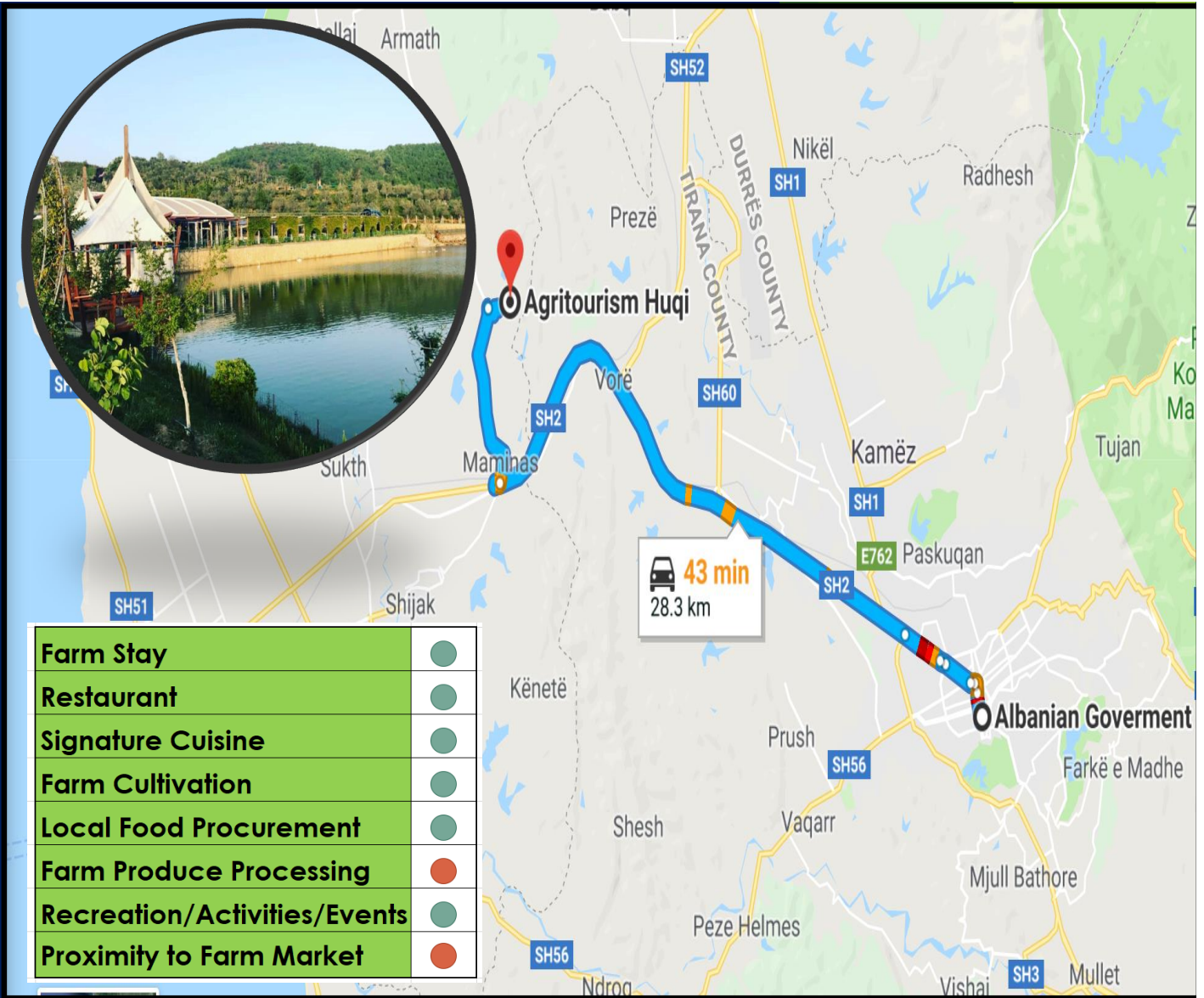
- Setting : Lake, Hills, Farms, Design
- Local events and celebrations
- Signature Cuisine : Open Oven Baked Village Chicken/Meat
- Strong Social Media Presence

► Weaknesses:

- No transport from SH2 to Farm
- No signage boards leading to farm
- No other tourist attraction nearby



\$: Self



Case 3: Dumrea Rubin

County: Elbasan

► Strengths:

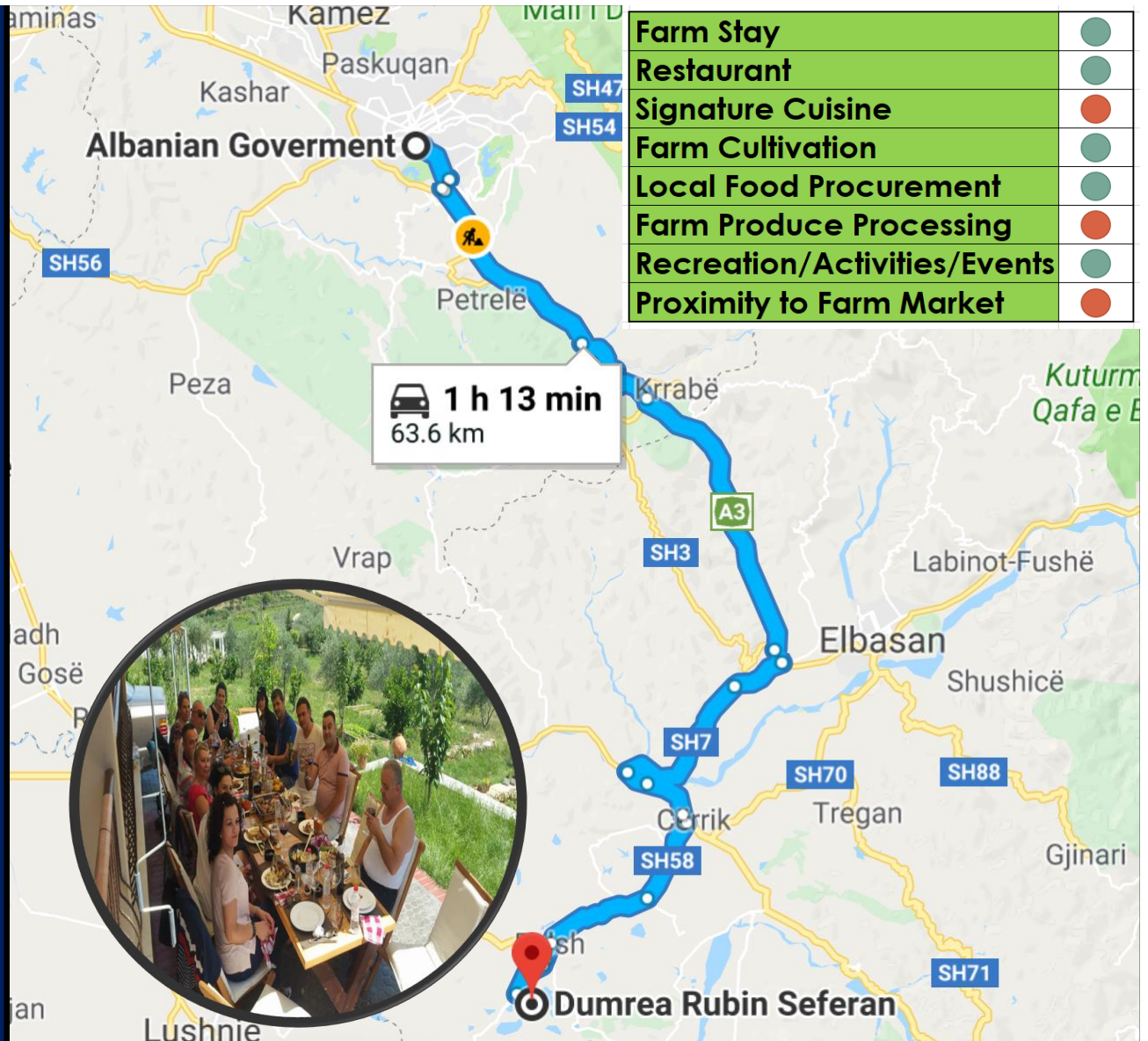
- Location - Scenic View, away from city
- Hospitality – family engagement
- Tours – Lakes, Hot air balloon
- Local wine
- Lies on new road b/w Tirana and Elbasan

► Weaknesses:

- Not easy to find online (Google Maps)
- Small farm and farm stay limited
- Limited online publicity



\$: USAID, Self



Case 4: Mrizi i Zanave Agriturizëm

County: Lezhë

► Strengths:

- Slow Food Movement: Eat Locally (Exquisite Traditional Menu)
- Vision with complete ownership
- Experience: Taste, Service, View
- Large farm land, own farm market
- In-house (Wine, "Legal" Cheese, Fruit, Meat) Processing.
- Association with 300+ farmers, gives farmer consultation apart from money
- Set in Fishte: History and Nature
- Trained workforce (45+)
- Model : \$15/ person. Same food for all.

► Weaknesses:

- Erratic Customer Traffic



\$: GIZ+, Self



Case 5: Cobo Winery

County: Berat

► Strengths:

- Brand : Proven In-house speciality
- Expertise: Wine tasting (Niche Knowledge)
- Authenticity: Family engagement
- Strong Online Reputation
- Strong market/networking abroad
- Enroute Berat, just off main road

► Weaknesses:

- No farm stay and small farm area
- No signage boards leading to farm
- No self cultivation of grapes



\$: Self



Case 6: Agritourism Bujtina Shega

County: Shkoder (Muriqan)

► Strengths:

- Good location for pomegranate Cultivation and View
- Association with 100+ farmers
- Educational trips and farm training

► Weaknesses:

- Poor online presence: no website
- Manual Processing – small scale, no packaging or branding
- Poor tourist traffic



\$: US AID+, CEED, Self



Case 7: Hani i Perparim Lacit

County: Shkoder (Puka)

► Strengths:

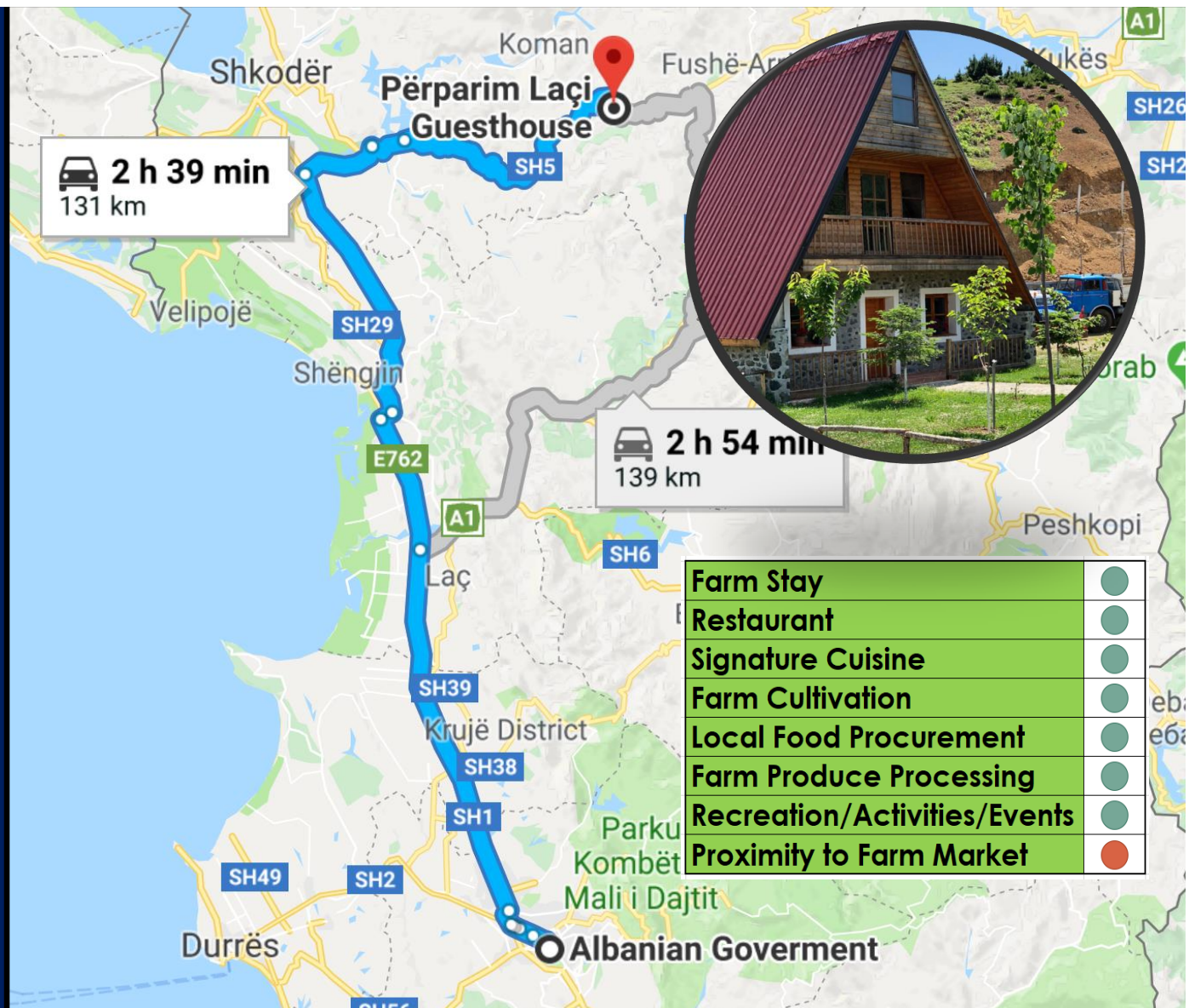
- Good networking/ marketing– host conferences, business & cultural events
- Operates a ski-station, rents for free
- Location: Caves, Forests, Lakes,History
- Fruit & Dairy Processing (natural fridge)
- Promotes local handi-/wood craft
- Abundance of bird species (biologists)

► Weaknesses:

- Scale of farm production low
- No signage boards for a ~30km stretch
- Low tourist traffic from within Albania



\$: Self



Learnings

- ▶ Model: Small Farm Size, Isolated family run enterprises, majorly self-financed
- ▶ Owner: Businessmen/Chef/Aggregator run businesses. No farmer-run agritourism
- ▶ Core of Business: Restaurant (Signature Cuisine) and Farm Produce Processing
- ▶ Setting: Location with a picturesque view, Year round farming
- ▶ Revenue: Most have farm stay provisions -major revenue not from farm stays
- ▶ Farm Produce: Mostly small scale, consumed in restaurants, not branded & sold
- ▶ Collectivisation: Absence of farm markets or consortiums
- ▶ Customers: Mostly local food enthusiasts, foreign tourists through travel agencies
- ▶ Agritourism Season: Not defined
- ▶ Marketing: Strong Word of Mouth and good use of social media
- ▶ Branding: Agritourism lacks a common theme/marketing across country/region
- ▶ Online Visibility: No exclusive agritourism websites or information portal
- ▶ Lack of Skilled Manpower/Experts: Chefs, Guides, Agriculturists (Exception: wine)

Tourism Infrastructure: Requirements

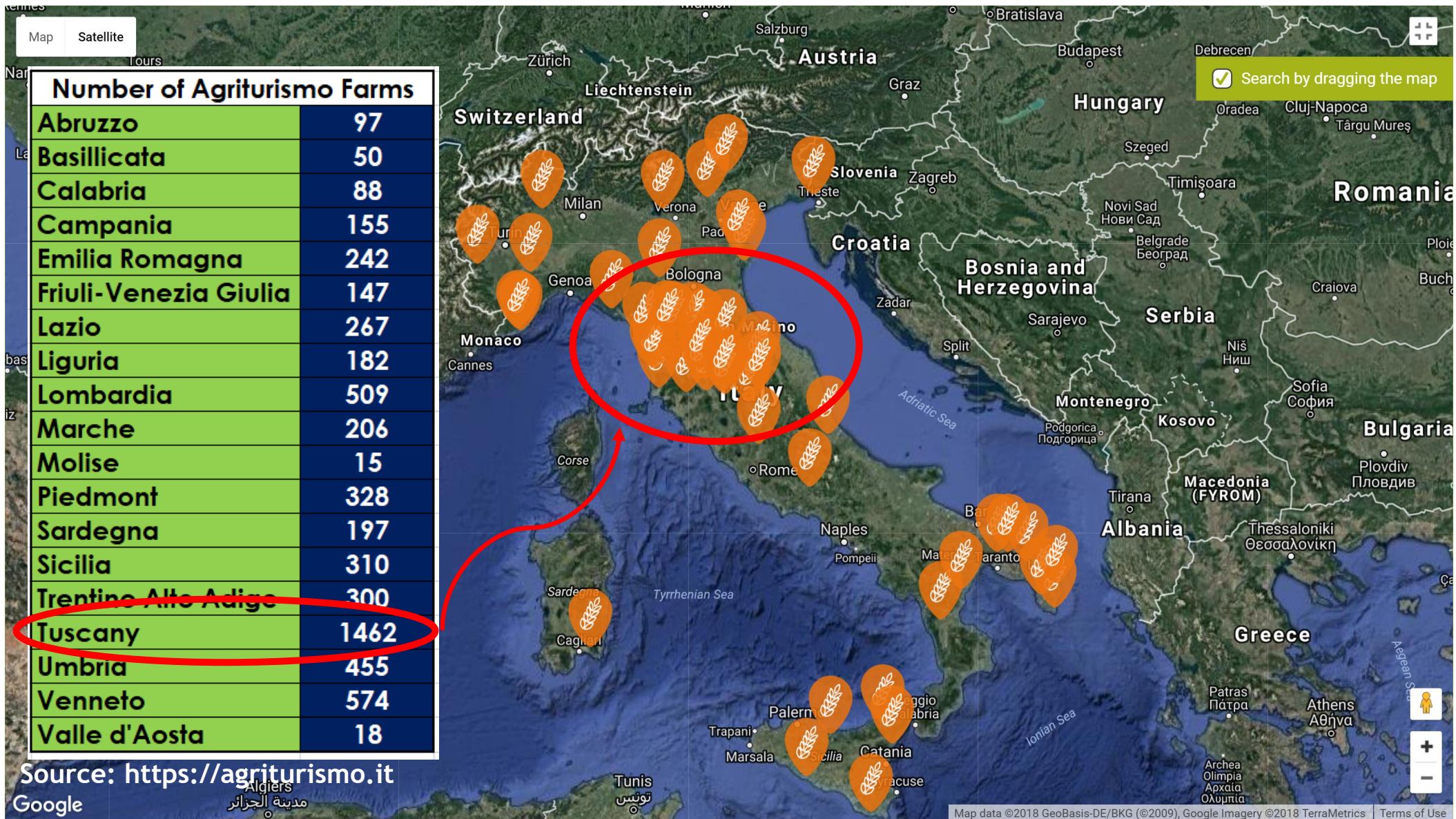
► **Hard Infrastructure**

- Public transport beyond major roadways absent, local commercial vehicles be registered
- Unpaved Secondary Roads (especially in North)
- Poor Road Safety: Guardrails and Reflectors on mountain roads rare
- Missing Signage boards in crucial junctures for Agritourism (owing to off beaten locations)

► **Soft Infrastructure**

- Mapping of all Agritourism businesses on Google Map and official tourism website
- Agritourism farm stays be identified as accommodation options along with hotels in booking websites
- Personal website for all businesses with good social media presence & management needed
- Limited online visibility: Third party bloggers & Instagram celebrities be invited to publicize

Field Visit to Agritourism in Italy (Tuscany)



Learnings

- ▶ Model: Large Farm Size, majorly self-financed and run by families
- ▶ Owner: Farmer-run agritourism
- ▶ Core of Business: Farm Produce Processing (Wine) & agritourism in houses from medieval times
- ▶ Setting: Clustered around a tourism centre with picturesque farms and year round farming
- ▶ Revenue: Majorly from farm stays (competitive to hotels/B&B) – (~30-70% of revenue)
- ▶ Farm Produce: Large scale wine and olive oil, branded & sold in markets within and abroad
- ▶ Collectivisation: Majority a part of Black Rooster Chianti Classico Wine Consortium, Farm Markets collectively sell the wine
- ▶ Customers: Foreign tourists from Western Europe, US and East Asia, country specific promotion
- ▶ Agritourism Season: 7 months (March to September)
- ▶ Marketing: Municipality/Consortium play active role
- ▶ Branding: Home of “Black Rooster Chianti Classico Wine”, living in Medieval homes for weeks with family, cheaper than hotels, eating fresh out of farm, Picturesque Tuscany.
- ▶ Online Visibility: Exclusive agritourism websites, good rating in popular websites, blogs and social media
- ▶ Strong Tourism Systems & Infrastructure : 15000 accommodations, 1000+ authorised guides, 500 environmental tourist guides, 18000+ catering and bars, 250+ information offices, 1000+ travel agencies.
- ▶ Diverse tourism products offered: Attracts diverse age groups, nationalities, groups

Recommendations (Draft)

► Chefs lead the Agri-tourism

- The Gastronomy industry has to innovate in the food space. Offer more international cuisines and create a larger platter of Albanian cuisine.
- Engage the diaspora - need entrepreneurs with sectoral experience to lead Agritourism.

► Identify clusters of Agritourism

- Centres of tourism be promoted with food of the cluster. **Investments must be made around the centers.**

► Productivity increase in farms needed through processing and marketing of farm products: cheese, olive oil, wine, canned or bottled juices, honey- their storage, quality, etc. The Cobo winery and Korca beer are among the few brands, need to specialize in other products too. So, Creation/Promotion of 'typical' Albanian products.

► Human Resource and Skills

- Study the Transport, Hospitality and associated sector to assess which skills are needed.

► Focus on **Environmental conservation and management**. Have strict laws, including waste management.

► **Support of rural traditions** and cultural activities, music, and dance, local artists and musicians have to be promoted too.

► Development of youth and social tourism

Thank you