

## ALBANIA

# Empowering Agriculture - Processing MSMEs through Digital Tools and Circular Economy Practices in Lushnje



© Gustavo Fring / Pexels

Digital and Circular Innovation for Sustainable Agriculture Production in Lushnje project aims to empower at least three MSMEs in the agriculture-processing sector to adopt digital, sustainable, and circular practices.

## CONTEXT

In Albania, micro, small, and medium-sized enterprises (MSMEs) make up 98.7% of all businesses and are crucial for employment and regional development. However, many struggle to adopt sustainable production practices due to financial constraints, outdated technologies, and limited knowledge. Field studies in the Lushnje area show that while local businesses recognize the importance of circular economy principles, they are uncertain about their practical benefits and face key barriers, including slow responses from public administrations, fragmented regulations, and the perception of sustainability as a cost rather than an investment. Lushnje's agricultural sector, traditionally strong in production and processing, relies heavily on manual methods with inefficient resource use, poor waste management, and environmentally harmful disposal practices. As sustainability and digitalization become increasingly critical for market access and competitiveness, especially in the EU, MSMEs must modernize production, adopt green and digital technologies, and implement traceable, environmentally responsible practices to secure growth and investment opportunities.

## DESCRIPTION

This project focuses on empowering at least three MSMEs in the agriculture processing chain in Lushnje area by implementing a comprehensive support package. The intervention includes resource efficiency improvements, digital innovations, waste-to-value solutions, and capacity-building efforts. Technical partnerships will be formed with the local agricultural businesses to ensure knowledge transfer and innovation, and with researchers in the field to increase capacity building and know-how. The project will introduce smart technologies, such as IoT-enabled resource monitoring, drip irrigation, and solar energy-systems. Waste valorization will involve biogas production, composting, and partnerships with eco-entrepreneurs. By enabling local champions, the project will demonstrate scalable models for low carbon, digitally enabled, and inclusive agricultural development.

### COUNTRY

ALBANIA



Convention signing date

15/10/2025



Field

Climate and environment

Localisation



Area of Lushnje in the Fier District

Financing period

12 months

Financing tool



Subgrants AFD

Financing amount

23 966 €



Beneficiary

EcoDESIGN and Management  
Institute

Contracting authority

ALDA – European Association for  
Local Democracy

Key Sustainable Development Goals  
addressed



## RESULTS

The project expects several key results. All three selected MSMEs will achieve measurable improvements in resource efficiency, with water use reduced by 50% through wastewater recovery systems and electricity consumption lowered by 20% via LED lighting and optimized cold storage. At least two MSMEs will be guided to initiate sustainability certifications, enhancing market access and competitiveness, particularly in EU markets. Fifty MSME staff, farmers, and stakeholders will complete capacity-building sessions, gaining knowledge and readiness to adopt sustainable, circular, and digital practices. A digital traceability platform will record at least 1,500 unique interactions, fostering transparency, consumer trust, and community engagement. All interventions will be documented in technical guides and policy briefs, with a final dissemination event promoting replication across the Western Balkans. Finally, stronger collaboration among MSMEs, local authorities, and civil society will establish a sustainable ecosystem for long-term green and digital economic development.

## STAKEHOLDERS AND OPERATIONAL APPROACH

The project's direct beneficiaries are three agricultural processing MSMEs in Lushnje, employing 15–20 staff each, including women and youth, with around 30 participants in training on digital agriculture, circular economy, and sustainability practices. Indirect beneficiaries include 120 local farmers, 5,000 local citizens benefiting from awareness campaigns and QR-code traceability tools, and stakeholders such as municipal authorities, chambers of commerce, and academic institutions engaged through roundtables and dissemination events. The project enhances skills, environmental awareness, and market opportunities for both direct and indirect stakeholders. The project will begin with a baseline assessment to select three agriculture-processing MSMEs in Lushnje based on production capacity, readiness for innovation, and sustainability practices. Current water and energy use, waste streams, and existing sustainability measures will be analysed to inform tailored intervention plans. Next, capacity-building workshops and coaching sessions will train 30 MSME staff and associated growers in sustainable practices, EU standards, certification pathways, and digital solutions for traceability and quality monitoring. Following the trainings, pilot agro-tech interventions will be implemented, including drip irrigation, water recycling, smart energy meters, LED lighting, cold room insulation, solar panels, and waste valorisation for by-products. These interventions aim to reduce water use by 50%, energy use by 20%, and valorise 70% of agricultural waste. A digital traceability platform will be developed to provide consumers with product origin, sustainability, and circular economy information, alongside citizen engagement through campaigns, school activities, and tastings, targeting at least 500 interactions. Finally, knowledge-sharing activities will disseminate results through social media campaigns, public events with over 100 attendees, and policy briefs, documenting the model for replication and ensuring local stakeholder commitment.

## FINANCING PLAN

The BOOST Project – Balkans for Optimizing Opportunities, Sustainability and Transformation of Civil Society – is jointly implemented by the European Association for Local Democracy (ALDA) and a strong regional partnership including LEADER France, Pulse SOS, Pulse Balkans, and the network of Local Democracy Agencies in Mostar, Kosovo, Nikšić, Zavidovići, Prijedor, Subotica, Central and Southern Serbia, together with the Urban Research Institute in Albania. Under the BOOST sub-granting scheme, ALDA provides financial support to enable the organization to implement its project activities. The Grantee manages a total budget of EUR 29,958 which includes EUR 23,966 provided by ALDA (80% of the total budget) and EUR 5,992 as co-funding (20% of the total budget), clearly identified and documented by the Grantee. This financial structure ensures transparency, accountability, and smooth implementation of the BOOST Project across the Western Balkans.