

Data di pubblicazione: 2 gennaio 2025

IRENE CANFORA*

*The implementation of instruments of pre-accession assistance for rural development (IPARD) face to the challenges of Albanian agricultural sector***

ABSTRACT: The essay deals with the advancement in aligning the Albanian legal framework with special regard to the agricultural sector, within the EU accession negotiation process. Remarking a comparison with the legal schemes applied to the CEEC applicant Countries, it is analyzed the functioning of the EU support for pre-accession measures for rural development and the critical issues in the implementation of the IPARD assistance in Albania. Furthermore, it highlights the correspondence between the IPARD rules and the management and monitoring system laid down by Common Agricultural Policy regulations. Finally, the essay points out that, in the applicant Countries, both the correct definition of

* Full professor of Agriculture and Food Law at the University of Bari.

** This paper is a reworking of the lecture delivered as an invited speaker at the Faculty of Economics, University of Elbasan “Aleksandër Xhuvani” Albania, in January 2024, as part of the *Financial Law* course taught by Professor Rezarta Tahiraj in the second year of the Integrated Master’s Degree Program in “Law”.

an administrative and control system within IPARD program, and the establishment of national market rules tailored for agricultural sector, in accordance with the EU Common Market Organization, can be considered an important step to enhance Albanian agricultural and food sector in the perspective of EU accession.

KEY WORDS: Accession negotiation process; Albania; IPARD III; Rural development; Common Agricultural policy

SUMMARY: 1. Introduction. – 2. Agricultural issues of Albanian agricultural policy framework in the perspective of EU adhesion process. – 3. The status of the accession negotiating process of Albania, with special regard to agricultural sector. – 4. The EU support for pre-accession measures for agriculture and rural development in the applicant countries. – 5. Structure and control on agricultural funding under IPARD III. – 6. Final considerations.

1. Introduction

Because of the irrelevance in the European Union, both for the specificity of the Common Agricultural Policy (CAP) as well as for the amounts of the financial budget, the provisions concerning agricultural sector are strategically significant in defining the ground for the legislative

framework *acquis Communautaire* by the States Candidates for the accession to the EU.

As it is known, the main conditions that States must satisfy according to the Copenhagen criteria, as expressed by the European Council, include political criteria, economic criteria and the administrative and institutional capacity of the State¹. These criteria shall be considered “cross-cutting” the comprehensive EU legal framework. Economic criteria shall ensure the Candidate’s aptitude to participate in the Common Market, by adopting a functioning and a competitive market economy. That means, as outlined by the EU Commission, that in the agricultural sector, that the State shall ensure a “functioning market economy, based on clear property rights, functioning markets, price liberalization and macroeconomic stability, as well as the capacity to cope with competitive pressure and market forces within the EU, and from imported agricultural and food products”².

Administrative capacity includes the organization of the State administrative activity in the different fields³. Albania, that reaches a significant level of compliance with the European legislative standards on

¹ C. HILLION, *The Copenhagen Criteria and Their Progeny* (March 6, 2014). C. HILLION (ed), *EU enlargement*, Oxford, Hart Publishing, 2004.

² See a summary, available at the DGAgri webpage: https://agriculture.ec.europa.eu/international/international-cooperation/enlargement/agriculture-eu-enlargement_en

³ About the pre-accession process, see: L. MONTANARI, *L’allargamento dell’Unione europea e le transizioni costituzionali nei Balcani occidentali*, Napoli, 2022; T. RUSSO, *Allargamento e Membership dell’Unione europea*, Editoriale scientifica, Napoli, 2024.

these aspects, has currently granted the status of Candidate with the other West Balkan Countries Montenegro, North Macedonia, Serbia and Turkey⁴.

For what concerns more closely the topic of this study, the adaptation of the economic system of States Candidates for EU accession requires the alignment of the agricultural sector with the basic rules for the functioning of the Common agricultural policy. The CAP follows specific rules concerning the competition and market organization; it also provides financial measures supporting farmers and orienting their activities to the goals defined by the EU regulations.

Chapter 11 of the *acquis*, Agricultural and rural development, identifies a set of binding rules provided by the EU regulations. Their implementation requires an efficient administrative system, able to perform controls, as well as the establishment of payment agencies essential for the functioning of the CAP system. The proper application of these rules and their effective enforcement and control by an efficient public administration are essential for implementing, in the perspective of the accession, Common Agricultural Policy rules. In this framework, rural development measures are crucial for increasing the development of farms and for fostering innovation in agriculture within States Candidates for the accession. Therefore, the capacity to implement rural development measures is a key aspect for preparing national agricultural system to the EU accession.

⁴ A. GJETA, *EU law, enlargement process and the burden of legal harmonization in Albania*, Elbasan, 2024.

The complex framework of accession process, that identifies a tailored interventions identified by the chapter of the *acquis*, that shall be implemented considering the internal and economic situation (*that is checked by reports concerning the level of the adaptation in view of the pre accession*), provides also a set of financial measures supporting the accession path. (IPA)

In this article will be discussed, from the perspective of the agricultural rules implementation, the level /status of adherence to the adhesion process (2); the functioning of IPARD for the financial support for agriculture and the questions related to their implementation (3), some final remarques concerning the opportunities in implementation of the Albanian legal framework for agricultural sector considering the trend of the Common Agricultural Policy and market regulation in next future (4).

2. Agricultural issues of Albanian agricultural policy framework in the perspective of EU adhesion process

The advancement in alignment of agricultural legislation in the perspective of EU accession, according to what is provided by EU agricultural policy rules was implemented in last years.

This trend is drowned by a EU Commission JRC technical report, published in 2017⁵, *Monitoring of agricultural policy developments in the Western Balkan Countries*. The analysis carried out in the study on agricultural policy development and assessment in Albania⁶ pointed out that has been adopted in 2007 the *Law on Agriculture and Rural Development*, the main national act on agricultural policy, defining the objectives of agricultural policies and rural development programs⁷. It also shows the trend of budgetary support to agriculture in the period 2010-2015, as well as the planning of activities supported by national and IPARD II schemes (see table 2.4, p.44). The implementation of agricultural policy goals supported by instruments of pre-accession assistance with IPARD II measures reveals that Albania improved the legal and policy framework, although some issues has not been achieved yet.

⁵ T. VOLK, M. REDNAK, E. ERJAVEC, E. ZHLLIMA, G. GJECI, S. BAJRAMOVIĆ, Z. VAŠKO, D. OGNJENOVIĆ, J. BUTKOVIĆ, M. KEROLLI-MUSTAFA, E. GJOKAJ, B. HOXHA, D. DIMITRIEVSKI, A. KOTEVSKA, I.J. STAMENKOVSKA, A. MARTINOVIC, D. KONJEVIC, M. SPAHIC, N. BOGDANOV, R. PAPIĆ, S. TODOROVIĆ (authors); VOLK, T., E. ERJAVEC, P. CIAIAN, S. GOMEZ Y PALOMA (eds.) (2017), *Monitoring of agricultural policy developments in the Western Balkan countries*, European Commission, Joint Research Centre, EUR 28527 EN, doi:10.2760/73968 (Print), doi:10.2760/146697 (PDF).

⁶ E. ZHLLIMA, G. GJECI, *Albania: agricultural policy development and assessment*, JRC report p. 36.

⁷ The law is structured on 11 Chapters: (I) General provisions; (II) Programming, implementation and financing of agricultural and rural development policies; (III) Measures on agricultural policies; (IV) Measures on rural development policies; (V) Institutional framework; (VI) Databases and information systems; (VII) Producers' organizations; (VIII) Public services in agriculture and rural development; (IX) Support for research, education and training; (X) Offences and penalties; (XI) Final provisions. The text is available at the website: <https://www.fao.org/faolex/results/details/en/c/LEX-FAOC083478/>

According to the Authors in their conclusions “agricultural and rural development reform is one of the key reforms to be carried out in Albania, as it requires the creation of a complex policy environment that will promote sustainable agricultural production, improvement of rural livelihoods and improvement of the competitiveness of the agricultural sector, while gradually opening the sector to competition from the EU and the other WB Countries”.

As far as the distribution of funding is concerned, rural development support received the largest proportion of total agricultural support, meeting the structural needs of the sector; furthermore, most of the direct support is allocated to direct payments. Conversely, the study outlined that “no funds were allocated to the support of rural infrastructure (except for irrigation infrastructure), rural employment, forestry or improvement of environment”; furthermore “Policy areas that received minor attention but are relevant to boosting Albanian agricultural and rural development and the EU accession process include support for farmers’ cooperation, land consolidation, rural infrastructure, organic farming, agriculture services, advisory services and food safety and quality standards. It is envisaged that these measures will be introduced to varying degrees under IPARD II or, in general, under ISARD 2014-2020. The introduction of some of these measures (e.g. rural infrastructure) is also dependent on the successful finalization of the territorial reform and consolidation of local administration, both of which are undergoing reorganization in Albania.”.

A further EU Commission JRC study, carried out in 2019⁸, *Agricultural policy developments and EU approximation process in the Western Balkan Countries* has the goal to determine the extent to which agricultural policy in West Balkan Countries is adapted to the demands of the EU's CAP system. It is noticed that “an acceding country does not need to replicate all agricultural policy mechanisms before accession, but it does need to improve its ability to introduce the EU mechanisms upon accession. Simultaneously, it must improve its agriculture and treat its rural areas according to the EU model”.

Taking into consideration the previous JRC study (Volk et al. 2017), the JRC research outlines that although “the basic strategic objectives for agricultural policy, with their orientation towards sustainability issues, match those of the EU CAP for the same period, implementation of the policy does not actually follow this approach”. According to Volk et al. 2019, “Environmental and societal concerns are only marginally supported through measures” (p. 24). As far as agricultural policy framework in West Balkan Countries is concerned, the study outlines that “most significant ones have happened in Albania, where the ministry has been renamed the Ministry of Agriculture and Rural Development, leading

⁸T. VOLK, M. REDNAK, E. ERJAVEC, I. RAC, E. ZHLLIMA, G. GJECI, S. BAJRAMOVIĆ, Ž. VAŠKO, M. KEROLLI-MUSTAFA, E. GJOKAJ, B. HOXHA, D. DIMITRIEVSKI, A. KOTEVSKA, I. JANESKA STAMENKOVSKA, D. KONJEVIC, M. SPAHIC, N. BOGDANOV, M. STEVOVIĆ (authors), B. ILIC, D. PAVLOSKA-GJORGJIESKA, P. CIAIAN (editors). *Agricultural policy developments and EU approximation process in the Western Balkan countries*, EUR 29475 EN, Publications Office of the European Union, Luxembourg, 2019, JRC114163.

to restructuring of various departments and directorates and changes in the regional structures of the ministry, while part of the advisory services has been delegated to municipal authorities”. Data concerning the increasing relevance of agricultural export markets are significant for Albania, as since 2013 there has been a considerable increase in agri-food as a proportion of total exports in Albania (in comparison of the trend in other Balkan Countries: see table 4 p. 21)⁹.

3. The status of the accession negotiating process of Albania, with special regard to agricultural sector.

The advancement in the accession negotiations process of Albania has been described in the last Commission Document Report 2023¹⁰.

In addition, a relevant update about the Albanian legal framework is also included in the analysis of the *Rule of law concerning States with status of Candidate (West Balkans)*, reported by the Commission in the Rule of law Report, laid down in July 2024, presenting the assessment of the situation

⁹ It is interesting to notice that, according to the EU Council statistical Reports, in 2022 the EU accounted for almost 70% of the West Balkans trade in goods: <https://www.consilium.europa.eu/en/infographics/the-eu-main-trade-partner-and-investor-for-the-western-balkans/>

¹⁰ European Commission, *Commission staff working document Albania 2023 report*, accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: *2023 Communication on EU enlargement policy*, Bruxelles 8.11.2023, SWD (2023) 690 final.

both in each Member State as well as in each enlargement country. As for the fundamentals of the negotiation process¹¹, the Commission outlines that Albania established a new Anti-Corruption Strategy for 2024-2030, in which there are encouraging initial results of the Special Anti-Corruption Structure, although the coordination between institutions in charge of corruption prevention and relevant law enforcement structures remains weak¹². The definition of a new strategy shall be considered a relevant step, since the fight against corruption was defined in 2023 as an area of serious concern by the Commission, since preventive measures continue to have a limited impact, particularly in vulnerable sectors.

This matter is relevant for the implementation of financial measures provided by IPARD, as discussed below (§. 4). The European Council approved the enlargement (12.12.23), stating that “Efforts to establish a solid track record in the fight against corruption and organized crime need to continue. Stepped up cooperation on investigations, including with the European Anti-Fraud Office (OLAF) is also needed”¹³.

¹¹ See also: M. DAICAMPI, *Valori fondamentali, rule of law e meccanismi di garanzia post-adesione all'Unione europea*, in L. MONTANARI, *L'allargamento dell'Unione europea e le transizioni costituzionali nei Balcani occidentali*, cit, p. 143.

¹² Commission staff working document 2024 *Rule of Law Report Country Chapter on the rule of law situation in Albania. Accompanying the document* Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 2024 *Rule of Law Report. The rule of law situation in the European Union*, Brussels, 24.7.2024 SWD(2024) 828 final, p. 12-13.

¹³ Council of European Union, *Council conclusions on Enlargement*, Brussels, 12 December 2023, 16707/23, ELARG 94 COWEB 162 COEST 669, p. 48.

An overview of the state of play of the Albanian accession negotiations is widely reported by the Commission in the abovementioned 2023 Communication. With regards to the economic criteria, it is worth outlining that, according to the Commission, the development of a functioning market economy achieved a good level, and the Competitiveness and inclusive growth (taxation, industrial policy, social policy, education, research) achieved a moderate level of preparation.

Two interventions are pointed out by the Commission, under the paragraph “State influence on product markets”, affecting agricultural markets as well: the establishment of “Transparency Boards, with government and private sector representatives, which set regularly adjusted ceilings for the wholesale and retail prices of selected food commodities and fuels”, that have been abolished, in 2023 by the Constitutional Court; the provision of “government relief measures for exporting businesses are affected by the strengthening of the lek, a temporary financial compensation for businesses in agriculture and fishery, which are struggling with the 25% increase of the minimum wage that took effect in April, and plans for a sovereign guarantee to support the liquidity needs of larger companies faced with high inflation, wage increases and currency appreciation” (p. 61).

Within cluster 5, resources, agriculture and cohesion, chapter 11 concerns *Agriculture and rural development* and chapter 12 *Food safety, veterinary and phytosanitary policy*.

The advancement is evaluated both considering the administrative capacity that affects directly the payment system, currently based on IPARD, as well as the implementation of the legislation provided by the EU acquis.

For the purpose of cluster 5, the Commission recognizes that Albania has some level of preparation in agricultural and rural development. The Country made some progress “notably in developing administrative capacity for the instrument for pre-accession assistance for rural development programme (IPARD III)” (p. 123).

More in detail, in chapter 11, the Commission makes recommendation on some aspects not fully implemented so far. In particular, it is asked to: “ensure the necessary administrative capacity for the setting up of the farm accountancy data network (FADN); ensure that the administrative capacity required for the entrustment of budget implementation tasks under the IPARD III programme is in place, in line with the principles of sound financial management; complete the legal frameworks on quality policy and organic food production; ensure that the institutional and administrative capacity for their implementation is in place”.

Common market organization rules have been implemented by the legislation on vineyard and wine, meanwhile the institutional capacity for implementation is still low.

Legislation on quality policy and on organic food production are partially aligned with the EU acquis.

As far as the national legislative framework concerning European Union hygiene rules for foodstuff production and animal health and welfare, the Commission outlined that there was a limited progress in implementing the *acquis* on general food safety and on veterinary policy.

4. The EU support for pre-accession measures for agriculture and rural development in the applicant countries.

The EU establishes a specific set of rules for the financial support aimed at facing problems affecting the agricultural sector and rural areas in the pre-accession Countries and at supporting the implementation of the *acquis Communautaire* in the matters of the Common Agricultural Policy.

These rules can be considered in continuity with the legal model established by the European Community, at the end of the '90, for supporting the pre-accession of central and eastern Europe Countries (SAPARD schemes). The logic of decentralization, implemented by the SAPARD legal scheme, is aimed at the Candidate Countries' assimilation of the *acquis communautaire*, with special regard of the management of EU aid. It thus provided for the transfer of the sums to the accession Countries, with a financial commitment considered modest due to the size of the agricultural companies involved¹⁴.

¹⁴ L. RUSSO, *Riforma della PAC e allargamento dell'Unione Europea*, Aracne, 2005, p. 15.

For Central and Eastern European applicant Countries (CEECs), the SAPARD regulation no. 1268/1999 already provided that the pre-accession aid for agriculture should follow the priorities of the CAP reformed at that time¹⁵. As stated in the first recital of this regulation, “such aid should be applied to priority areas to be defined for each country, such as the improvement of structures for processing agricultural and fishery products, distribution, quality control of food as well as veterinary and plant-health controls and the setting-up of producer groups; it should also be possible to finance integrated rural development projects to support local initiatives and agri-environmental measures, to improve the efficiency of farms, to adapt infrastructure as well as measures which will accelerate structural reconversion”.

Regulation no. 1268/99 was developed along the lines of the typologies contained in the regulation on rural development. In fact, it had envisaged some of the main support measures for businesses, including agri-environmental ones, in order to anticipate the necessary adaptation of agricultural structures. The Act of Accession of the CEEC Countries subsequently established a mechanism aimed at guaranteeing continuity in the financing of businesses, already started in the pre-accession phase. The measures adopted on the basis of the plans prepared pursuant to

¹⁵ See: L. RUSSO, *Riforma della PAC e allargamento dell'Unione Europea*, Aracne, 2005; I. CANFORA, *Il mercato delle produzioni biologiche nella prospettiva dell'allargamento dell'Unione Europea*, in *Agricoltura Istituzioni Mercati* 2005, p. 9. Reports on the SAPARD program implementation, have been published by the Center for policy studies, Central European University, available at: <https://cps.ceu.edu/research/sapard>.

SAPARD regulation no. 1268/99, whose effectiveness ceased with the accession of the CEEC Countries to the EU, continued to be financed within the EAGF (European Agricultural Guarantee Fund). Art. 33 § 5 of the Act of Accession provided for an automatic shifting of the plans, already approved in the pre-accession phase, onto the different legal basis of the Community regulations in force at that time.

Similarly, the pre-accession instrument for rural development (IPARD) can be considered the key legal and financial tool for the implementation of agricultural system in accordance with the European rules.

According to IPA general rules, laid down by Reg (EU) 2021/1529 of 15 September 2021, establishing the Instrument for Pre-Accession assistance (IPA III), “The objective of an instrument for pre-accession assistance is to prepare beneficiaries for future membership of the Union and to support their accession process. It is therefore essential to have a dedicated instrument for pre-accession assistance to the beneficiaries listed in Annex I for the 2021-2027 period (IPA III) in support of enlargement, while ensuring that its objectives and functioning are consistent with, and complementary to, the general objectives of Union external action as laid down in Article 21 of the Treaty on European Union (TEU), including respect for fundamental rights and principles as well as the protection and promotion of human rights, democracy and the rule of law”.

The legal basis for funding Albanian and the other Western Balkan Countries’ agricultural sector is implemented by the Commission

Regulation (EU) 2021/2236, laying down the rules concerning Instrument of pre-accession assistance III, in accordance with Reg. (EU) 2021/1529. Taking into consideration the agricultural sector, in view of IPARD III, this approach is particularly true for two reasons.

First of all, IPARD III programme provides financial measures tailored for encouraging growth of the agricultural sector in the accession Countries. Secondly, the regulatory framework corresponds to the legal rules required by the implementation of the agricultural payment system, according to the CAP regulations.

Currently, following up on the funding already provided by IPARD II, the European Union allocated 112 million Euros for Albania as IPARD III support, for the period 2021-2027¹⁶. The budget is aimed at the alignment of agricultural sectors assessment to the EU value, rules and standards. The description of the strategy and objectives of the program for

¹⁶ Commission implementing Decision of 9.3.2022 adopting the IPA III Rural Development programme (IPARD III) of the Republic of Albania for the years 2021-2027, Brussels, 9.3.2022 C(2022) 1539 final. According to the document, par. (8), “The objectives pursued by the IPA III Rural Development programme (IPARD III) of Albania for 2021-2027 are: to support sustainable food systems, through increasing the competitiveness of the agri-food sector, progressively aligning it with the EU standards and improving the efficiency and sustainability of on-farm production, which will provide a better response to societal demands for safe, nutritious and sustainable food and animal welfare; to facilitate business development, growth and employment in rural areas, improve farmers’ position within the value chain and attract young farmers into agriculture; to contribute to climate change mitigation and adaptation, foster sustainable management of natural resources and contribute to the protection of the environment; and to improve community development and social capital in rural areas and build-up modern public administrations for agriculture and rural development, respecting good governance principles”.

agriculture and rural development is laid down in January 2022, under Instrument of pre-accession assistance¹⁷.

IPARD III takes into consideration the framework of Common Agricultural policy 2023-27, with the goal to help beneficiaries (Western Balkan Countries) in starting the transition towards “sustainable food systems”, according to the European Green Deal strategy for agricultural sector¹⁸. It means, that the measures shall ensure, in line with the green deal objectives for the agricultural sector, a neutral or positive environmental impact of agriculture and food sector; provide food security, nutrition and public health; ensure a fair economic return in the supply chain.

Therefore, the general objectives laid down for the rural development program under IPARD III include the following issues:

- Strengthening the competitiveness of the agri-food sector, by aligning with EU standards, efficiency and sustainability of on-farm productions, and providing a better response to societal demands for safe, nutritious and sustainable food;
- Facilitating business development, growth and employment in rural areas, by improving farmers’ position within the value chain and attract young farmers into agricultural sector;

¹⁷ Ministry of Agriculture and Rural Development Republic of Albania. Rural Development Programme 2021-2027 Under Instrument for Pre-Accession Assistance (IPA), January 2022, available at: https://bujqesia.gov.al/wp-content/uploads/2022/09/Programi-IPARD-III_2021-2027_English.pdf.

¹⁸ European Commission, *A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system*, Bruxelles, 20 May 2020 COM(2020) 381 final.

- Contributing to climate change mitigation and adaptation, fostering a sustainable management of natural resources and contribute to the protection of the environment;
- Improving community development and social capital in rural areas.

5. Structure and control on agricultural funding under IPARD III.

According to the Commission, “the implementation of the IPARD II programme continued but increased capacity building and oversight is needed to ensure completion of the IPARD II programme and the efficient implementation of the IPARD III in full compliance with the principles of sound financial management”¹⁹. In the same document (2023) the Commission also attests, *inter alia* that “Some progress was achieved with regard to developing administrative capacity to prepare the instrument for pre-accession assistance for rural development”, but also that “In the coming year, Albania should in particular: (...) ensure that the administrative capacity required for the entrustment of budget implementation tasks under the IPARD III programme is in place, in line with the principles of sound financial management”.

¹⁹ European Commission, staff working document *Albania 2023 Report*, Accompanying the document

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions *2023 Communication on EU Enlargement policy*

Brussels, 8.11.2023 SWD(2023) 690 final, p. 124.

As it is well known, the IPARD III (EU) Regulation no. 2021/2236 lays down a set of rules concerning the structure of payment system as well as authorities to be involved in pre accession Countries. It also establishes the role of the EU Commission in controls on the management. The system is based on a financial framework partnership agreement, setting out specific arrangements for the management, control, supervision, monitoring, evaluation, reporting and audit of IPA III assistance committing the IPA III beneficiary to transpose into its legal order the relevant Union regulatory requirements (art 5). The Commission has the role to supervise and intervene in case of non-conformity. According to art 13, “the Commission shall satisfy itself that the accounts are complete, accurate and true by applying an examination and acceptance of accounts procedure specified in the financial framework partnership agreement, or in the sectoral agreement where applicable”. Furthermore, to ensure that the IPA III assistance has been used in accordance with the applicable rules, the Commission shall apply financial correction mechanisms, according to art 12, until deciding what amounts are to be excluded from Union financing.

Therefore, the suspension of the current reimbursement from DG AGRI (for the 1st and 2nd quarters of 2023) and the consequent temporary suspension of IPARD III, due to a OLAF control in July 2023 of the Albanian payment system, occurred in execution of the precautionary provisions that shall apply in case of identification of any error, irregularity, fraud or corruption.

The problem that arises in the use of EU funds by States in the pre-accession phase lies in ensuring the efficiency of the national public bodies that preside over the management of the financed measures.

Furthermore, for the abovementioned reasons, there is a close correspondence between the rules established by the IPARD regulations and the CAP provisions, for the purpose of payment system, laid down by reg. (EU) 2021/2116 on the financing, management and monitoring of the Common Agricultural Policy. Therefore, a similar rule is established in case the event of irregularities or fraud detected in EU Member States. Indeed, according to CAP Regulation no. 2021/2116, “the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, to the imposition of administrative penalties”²⁰. For this purpose, “the European Anti-Fraud Office (OLAF) has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor’s Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to

²⁰ On this topic, see: L. RUSSO, *Il perseguimento degli obiettivi della PAC e la tutela degli interessi finanziari dell’UE: due finalità compatibili?* in *Riv. Dir. Alimentare* 3/2018, p. 49, available at: <http://www.rivistadirittoalimentare.it/rivista/2018-03/RUSSO.pdf>

investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371”²¹.

6. Final considerations

The agricultural regulations, which will be applied by candidate Countries upon accession, are very detailed and will become immediately enforceable, due to the nature of their regulatory source (EU regulations). As a rule, the EU, in the phase immediately following accession, provides specific measures for the new member States. These measures are incorporated into the CAP support measures and aimed exclusively at supporting these Countries²². Nonetheless, support measures constitute only a safety net for agricultural businesses in the market-oriented European system. In fact, starting from the 2014-20 CAP, the European financial measures have progressively focused on environment related actions, in direct payments. Rural development measures themselves (which are selected at Member State level within the set of rules defined by the CAP regulations) are increasingly aimed at making companies competitive.

They aim to fill the gaps existing in certain rural areas, but they cannot replace a solid legal framework that guarantees the proper functioning of the agri-food market.

²¹ Reg. (EU) 2021/2116, recital 49.

²² For the analysis of the CAP legal framework applicable to the CEECs Countries, see L. Russo, *cit.*

It is therefore essential for Countries in the pre-accession phase to coordinate internal legislation with all the provisions of the CAP, aligning their agricultural system with the rules of the agri-food market, especially considering the rules of the Common Market Organization²³.

The Commission report of 2023²⁴, in this regard, indicates which steps still need to be taken for a full implementation of the *acquis Communautaire* from Albania in this field. In particular, it has been pointed out that “There was limited progress on setting up a common market organization (CMO)”. According to the report, other aspects of the legislation have been aligned but need further efforts: e.g., legislation on vineyards and wines aligning with the EU *acquis* was adopted, including implementing legislation setting rules for registration in the vineyards register and for declarations and information collection by operators, but further efforts in this area are needed; while legal frameworks on quality policy and organic food production shall be completed.

The implementation of the rules of the single CMO therefore constitutes an essential element, the reference basis for the functioning of European agriculture.

²³ I. CANFORA, *The trends of the EU common agricultural policy: the legal tools for straightening farmers position within the agrifood supply chain*, in proceedings of the Conference “EU enlargement and *acquis* adoption burden: state of art and proposals for a correct adoption of the *acquis* for Albania”, Elbasan17-19 January 2024.

²⁴ *Albania 2023 Report*, accompanying the document *Communication on EU Enlargement policy*, cit., p. 124.

For this reason, the correct implementation of IPARD in the applicant Countries can be considered an important step to facilitate, in the future, the implementation of the entire CAP legal framework.

The coexistence of a correct implementation of the agricultural business payments system (based on IPARD), related to the implementation of agri-food market rules, will become crucial, upon accession, for the development of the country's agricultural sector.