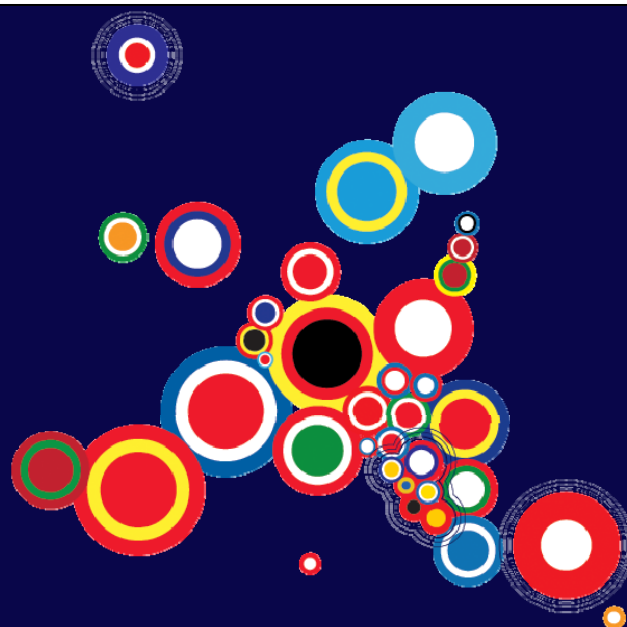




## INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

Kosovo\*

Further Support to  
Kosovo's Development of  
the Agri-Rural Sector and  
Food Safety



### Action summary

The action is aimed at contributing to improvement of Kosovo's potential and capacities required for achievement of the desired progress in EU approximation through building a good capacity of the agri-rural sector, as well as through improvement of natural resource management and development and implementation of an integrated approach to food safety. In this regard, the action targets improved access to and competitiveness on the internal and international markets for Kosovo's agri-rural sector, i.e. through capacity building, better management of existing natural resources, and alignment to EU's standards and practices regarding Common Market Organization (CMO) and agricultural statistics. Support for Kosovo's future alignment to the EU acquis related to development and implementation of an integrated approach to food safety is also envisaged. The intended objectives will be achieved through a grant scheme which targets farmers with potential to become agro-entrepreneurs and agri-rural operators, as well as through technical assistance that will (i) build capacities related to EU Common Market Organization and agricultural statistics; (ii) support Kosovo's irrigation system and floods prevention infrastructure; and (iii) contribute to development of the capacities required for implementation of an integrated approach to food safety, and institutional cooperation through a twinning aimed at strengthening plant production and protection system and capacities.

\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

<b>Action Identification</b>	
<b>Action Programme Title</b>	2015 Annual Action Programme for Kosovo
<b>Action Title</b>	Support to Kosovo's Further Development of the Agri-Rural Sector and Creating Prerequisites for the Development and Implementation of an Integrated Approach to Food Safety
<b>Action ID</b>	IPA/2015/ 038066.7/ Further Support to Kosovo's Development of the Agri-Rural Sector and Food Safety
<b>Sector Information</b>	
<b>IPA II Sector</b>	Agriculture and Rural Development
<b>DAC Sector</b>	31120
<b>Budget</b>	
<b>Total cost</b>	EUR 14 000 000
<b>EU contribution</b>	EUR 14 000 000
<b>Management and Implementation</b>	
<b>Method of implementation</b>	Direct management
<b>EU Delegation</b>	European Union Office in Kosovo (EUO)
<b>Implementation responsibilities</b>	European Union Office in Kosovo (EUO)
<b>Location</b>	
<b>Zone benefiting from the action</b>	Kosovo
<b>Specific implementation area(s)</b>	Kosovo
<b>Timeline</b>	
<b>Deadline for conclusion of the Financing Agreement</b>	31 December 2016
<b>Contracting deadline</b>	3 years after the conclusion of the FA
<b>End of operational implementation period</b>	6 years after the conclusion of the FA

## 1. RATIONALE

### PROBLEM AND STAKEHOLDER ANALYSIS

Kosovo is now a market economy quite open to international trade. Nevertheless, in spite of gradual recovery of the supply chains, Kosovo is highly dependent on food imports and its **agriculture and rural development** sector faces a number of important challenges.

Kosovo is endowed with fertile land suitable for agricultural production and agriculture has always been a key sector in its economy. According to the preliminary results of the Agriculture Census 2014, in the agricultural year 2013-2014 a number of 129,220 agricultural holdings had agricultural activity and the total area of land used for agricultural production in 2014 was 257,639 hectares. Nevertheless, recovery and expansion of primary production and processing base is hampered by a number of **competitiveness challenges** that include the unfavourable farm structures, outdated farm technologies, high seasonal concentration of production, a rudimentary rural advisory system and limited access to loans. All of these are reducing the quantity and quality of agricultural production and implicitly its competitiveness on local and foreign markets.

On the other hand, **irrigation system in Kosovo is a constraint** to agricultural production, as water shortages affect farm productivity and profitability and it is expected that the **climate change will bring even bigger challenges in the area**. Irrigation and drainage are poor, the water catching system is not developed, leading often in spring to floods, and irrigation systems are deteriorated and poorly maintained. Additionally, not having yet the legislation and sufficient government actions in their favour, the few existent farmer irrigation associations are not functional. The existent water irrigation system is therefore in a high need for rehabilitation and use of efficient water-saving irrigation systems can be part of the solution. In this context, a clear and comprehensive overview on the existing irrigation system and the potential realistic options for its improvement, as well as a clear and well documented "line" for future action for improvement of the existing situation become prerequisites in reaching the desired level of agricultural production and efficiency in use of some of the natural resources that Kosovo has. Furthermore, consolidation of the farmers' irrigation associations and their preparation to manage the irrigation infrastructure would bring increased efficiency and cost effectiveness in addressing the needs in the sector and require therefore proper consideration. Nevertheless, future action related to irrigation(s) should consider the risk of lowering the ground water levels.

The **agri-food processing faces additional challenges** that affect the sector and its competitiveness, out of which the agri-food processors' limited capacity to deliver products that meet the EU quality and safety standards is essential and the limited variety of their production is of high importance. At the same time, due to the high density of population in Kosovo (around 167 inhabitants/km<sup>2</sup>), diversification of rural activities should be a part of the solution for generation of extra jobs in rural areas, with a focus on jobs in non-agricultural sectors. The unemployment rate is in Kosovo one of the highest levels in Europe (30%), particularly high for women 38.8%, youth – 55.9% and youth female – 68.4% - according to 2013 data provided by the Kosovo Agency for Statistics.

The **EU perspective brings additional challenges** that Kosovo has to cope with which relate to the its ability to face competition and market forces in the EU and gradually take on and implement effectively the obligations that come with the Stabilisation and Association Agreement and a future EU membership. Important challenges are faced in supporting farmers associations, such as producer organisations and producer groups and introduction of the market standards for fruits and vegetables. Further development of the local agri-food industry should be strongly linked to the increase of the production quality and food safety standards.

At the Ministry of Agriculture, Forestry and Rural Development (MAFRD) level, there is **a need for improved statistics/a statistical database** which would enable collection of consistent market and price data **in support to effective policy making**. This need would be covered by connecting MAFRD with the relevant databases through an Integrated Administration Informational System (IAIS) and integrating all pieces of relevant information into an intelligent Data Warehouse (a synthetic database with cross-checked relevant statistical data).

**The challenges mentioned will be all addressed under the present action through a number of interventions** which include a **grant scheme** targeting farmers with potential to become agro-entrepreneurs and agri-rural operators<sup>1</sup> (i.e. Activity 1), as well as **technical assistance** that will build capacities related to EU Common Market Organization (CMO) and agricultural statistics (i.e. Activity 2) and support Kosovo's irrigation system and floods prevention infrastructure (Activity 3).

With regards to **development and implementation of an integrated approach to food safety**, Kosovo Food and Veterinary Agency (KFVA) is an executive agency responsible for implementation of an integrated food control system known in the EU as "farm to fork". KFVA is supported and monitored by a supervising board and a scientific council. MAFRD has responsibilities in designing policies and legislation for the areas falling under the responsibility of KVFA.

The Food Law 2009/03-L-016 in force places the main responsibility for food safety on food business operators whereas the KFVA should confirm that safety and quality provisions of this law are properly implemented and complied with. Furthermore, **transposition of regulations deriving from the new hygiene package<sup>2</sup> has further increased requirements in terms of safety and quality of food products placed on the market.** This change has entirely shifted traditional role of the inspector from the classical role of inspection to more of the auditor who ensures that food businesses are complying with the legal requirements. Major reorganization also took place in terms of institutional set-up whereby, as per the article 39 of the Food Law in force, veterinary/sanitary and phytosanitary inspectors should be transferred from municipalities to KFVA and perform their tasks and duties in the six KFVA regional offices. Another important aspect of reorganization is adoption of a risk based systems of checks and controls, as well as application of the system one establishment - one inspector. Significant progress has been made therefore in establishing the institutional framework which would allow for implementation of an effective and reliable food control system. Nevertheless, Kosovo still faces **a number of challenges in the sector** which include the fact that the existing **Animal Identification and Registration System does not cover the entire Kosovo** territory due to political and security situation in the four Northern Municipalities (this affects directly the reliability of the system and jeopardizes any disease control and eradication measures); **lack of control and reporting in the slaughterhouses and livestock market** (inter alia, this makes difficult reporting of movements; the fact that **food checks and control are not systematic** and there is no reliable data on checks, controls and follow up actions carried out; **legislation for phytosanitary sector is not complete**; there are **no plant disease control plans or measures in place.**

Under IPA 2014, technical assistance will be provided to train the inspectors transferred from local to central level, as well as to food business operators active in production and processing sectors; nevertheless, much still remains to be done in storage, transport and retail sectors. **Particular attention and support is needed in addressing the issues of illegal slaughtering and designing/implementing a control system** which would prevent access of the illegally slaughtered animals to the market. This system should enable the traceability of meat and meat products from slaughterhouses to supermarkets.

In order to ensure the required safety of products placed on the market, **development of database of food/feed business operators and performance of sufficient checks and controls are both necessary.** Such database would include all relevant pieces of information, e.g. details on location, production categories, types of products produced/sold, waste production and management. Another very important aspect to be dealt with by KFVA is **record keeping and data analysis for the products and processes that do not meet the legal requirements**, including with regards to corrective or punitive measures taken, follow up actions, data exchange with the Institute of Public Health on food borne disease outbreaks, information flow for withdrawal of products, including notifications to exporting countries in case products

---

<sup>1</sup> Agri-rural operators include all agro-food processors and other businesses in rural area according to the definition for "rural area" provided in Kosovo's Rural Development Programme

<sup>2</sup> i.e. regulation no.10/2011 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules; regulation no.11/2011 on hygiene of food stuffs; regulation no.12/2011 of laying down specific rules on hygiene of food of animal origin, and regulation 13/2011 laying down specific rules for the organization of official controls on products of animal origin intended for human consumption

are imported. An action plan related to the strategy for upgrading of agri-food establishment should be prepared, including measures for those establishments which do not meet criteria by the pre-defined date. Specific action plan and support measures are to be considered for the four municipalities in the North Kosovo. Considering that these municipalities are recently established, specific support components in terms of capacity building and supply of equipment is required for them. It is envisaged to fully involve local authorities from these municipalities who, although do not have capacities and knowledge as in the other parts of Kosovo, expressed willingness to cooperate and engage in the implementation of this action.

Hence, in **developing its capacities required for proper development and implementation** of an effective monitoring and control system in the food safety and quality, animal health, animal welfare, animal nutrition and plant health areas, in line with the EU integrated approach to food safety and related acquis, **KFVA needs a comprehensive information system** that would properly integrate all relevant information systems developed so far and a number of needs come into light in this context, including the need for development of new relevant modules and their integration into the existing Animal Identification and Registration System (I&R); training of staff in operating and reporting under the Veterinary Information System (VIS); training of the field operators in usage and reporting to VIS; dissemination of information/awareness raising on the I&R at local level/in municipalities; support for preparation of ear tags and pliers needed for ear tagging of animals; well designed and managed I&R database; proper document management in the KVFA laboratories; a database for registration of food/feed business operators, etc. These issues will be addressed under the Activity 4 of the present action.

Furthermore, **with regards to the phytosanitary sub-sector**, while significant progress has been made in establishing the basic legislative acts and a certain plant control system is in place, **much remains to be done in completing the legal framework with the secondary legislation and implementing the legislation**. Phytosanitary is generally regulated by the Food Law 03/L-016 and Law No. 04/L-120 on plant protection and, according to these two laws, competent authority for designing policies and legislation in the area of plant protection and production is MAFRD and the implementing agency responsible for safety of plants and plant products is KFVA. **Major improvements necessary in the phytosanitary sector** are completion of legal framework; clear definition of tasks and responsibility sharing between policy making and executive bodies; definition of measures for prevention of introduction and spread of harmful organisms in plants, plant products and other objects, and for their eradication; production and transfer of plants and plant products; design and implementation of surveillance system for harmful organisms, using scientific methods for risk assessment and ensuring that proper risk management is in place; data collection, maintenance and exchange of information within Kosovo and, whenever applicable, with the countries in the region; increase of the technical capacities of the MAFRD and KVFA staff; introduction and implementation of EU compliant rules and regulations on production and placing on the market of plants and plant products; increase of the technical capacities and supply with the necessary equipment of the Kosovo Institute for Agriculture which is the only institute in Kosovo accredited for controlling the quality of agriculture inputs, researches for varieties (e.g. wheat, barley, maize and potatoes) in Kosovo climatic conditions, research work in line of establishing new varieties for wheat and maize hybrids, assessment of quality and prolificacy of land in Kosovo, and identification and inventory of harmful biological agents (insects, diseases, weeds etc.) in Kosovo. These issues will be addressed under the Activities 5 of the present action.

## **RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES**

The assistance envisaged under this action **fully considers the objectives set in the Indicative Strategy Paper for Kosovo 2014-2020**. More specifically, the assistance will contribute to building Kosovo institutions' capacity to align to and implement the Common Agricultural Policy (CAP) and meet EU food standards and control requirements. In this context, increase of the competitiveness of the agri-food sector, increase of the capacity of food operators to meet EU safety standards and quality requirements, and improvement of living standards of the rural population are all targeted. Sector's capacity to address climate change challenges, including through promotion of resource efficiency in agriculture, food and forestry, are also taken into consideration. The actions proposed will lead to important results which include improved production capacity of Kosovo's farmers with potential to become agro-entrepreneurs and agri-rural operators; improved capacity for Kosovo in relation to the EU Common Market Organization (CMO) and agricultural statistics; technical documentation necessary for development of a Kosovo-wide irrigation

system; a centralized and comprehensive information technology (IT) system for the Kosovo's Food and Veterinary Agency (KFVA); and strengthened plant production and protection system and capacities in Kosovo. The action is also expected to lead to increased employment and income generation in the agri-food sector and rural services, as well as to an increased level of initiatives/actions aimed at improving resilience to the adverse effects of climate change.

The **Enlargement Strategy** underlines that serious obstacles still prevent **women** from realizing their right to inherit land, women ownership over the agricultural land being limited to about 8%. Under the circumstances, women participation in implementation of this action will be paid special attention, e.g. their participation in the grant scheme envisaged under Activity 1 will be **encouraged through inclusion of an evaluation criterion which address gender status in favour of women**.

The **statistics component** of the action **addresses the issue of existing discrepancies between Eurostat and Kosovo statistics on agriculture trade mentioned by the Kosovo Progress Report 2014**. Activities related to statistics will lead to improved institutional capacity for policy making. More specifically, the *MAFRD's Economic Analysis and Agricultural Statistics Department* (established in 2012), in charge with collection and aggregation of statistical data for policy making, will be further strengthened through getting access to relevant databases, in line with the need for 'improving the data collection, storage and reporting system for all sectors in the Ministry for Agriculture and Rural Development' mentioned by the Indicative Strategy Paper. **Development of the IT database** for the MAFRD Economic Analysis and Agricultural Statistics Department will support the department in meeting its objectives and **MAFRD will ensure further maintenance and development for the IT hardware and software** that will become its property procured under the action and remain its property after the end of shall further remain in MAFRD's property and thus, under MAFRD's maintenance and further development.

The assistance provided under the present action will also help building MAFRD's capacities necessary for meeting its obligations related to agriculture, forestry and rural development in the context of the Stabilisation and Association Process.

The **Mid-Term Evaluation (MTE) Report on the ARDP 2007-2013** prepared in September 2012 emphasizes that **rural development and agricultural competitiveness also depend on an appropriate infrastructure regarding sustainable water and electricity supply**, waste management, and proper roads to reach even remote areas". It also mentions that 'the share of agricultural land under irrigation is still not sufficient for an efficient agricultural production; investments in new or maintenance of irrigation systems should be considered based on benefit-cost analyses'.

**The Indicative Strategy Paper for Kosovo 2014-2020** underlines **the need for improving and upgrading the data collection, storage and reporting system for all sectors in the KFVA** and Activity 4 proposed under this action is focussed on this, leading to a number of results highly relevant in this context which include upgrade of the Animal Identification and Registration System (I&R) and extension of the database to include veterinary information; extension of the I&R to cover four Municipalities in the North; introduction of a Laboratory Information System for electronic data storage and retrieval throughout the analytical laboratory; development of a database for recording food producers/processors and retailers, including information on health and safety checks as well as on findings and follow up actions; review and upgrade database for import-export and transit of goods falling under the chapter of products subject to veterinary/phytosanitary and food safety control.

**The Indicative Strategy Paper for Kosovo 2014-2020** also emphasizes **the need to improve the overall performance of the phytosanitary sector**, including disease recognition and reporting; this need is directly addressed under the Activity 5 of this action which is aimed at improving legislation which covers the area of plant protection, production, official controls and checks completed and aligned with the EU acquis; defining rules and establishing Standard Operating Procedures (SOP) for production, import, export and placing on the market of plants, plant products including plant materials and plant protection products revised and updated; ensuring a system of phytosanitary control compliant with the requirements under the EU plant regulation in force; putting in place a system for internal plant health checks and disease identification and reporting, in line with the requirements in force; ensuring a proper management, recording and reporting system of phytosanitary controls; defining the protected zones and identifying safeguarding measures; ensuring that diseases identified are duly reported and control/eradication measures are properly

implemented; ensuring that Kosovo and international reporting obligations are met; ensuring that the laboratory capacities in pest identification are sufficiently developed.

## **SECTOR APPROACH ASSESSMENT**

In February 2014, an EU funded project Study “Mapping of sector Strategies” in Western Balkans and Turkey and was completed and the primary objective of this study was to provide findings on the capacities and the needs in the application of a sector approach and recommendations to assist the European Commission and IPA beneficiary countries in improving programming and performance of IPA II assistance. In the recommendation part for the sector approach Agriculture is clearly recommended as one of the sectors that is ready for sector approach, subject to few improvements.

Agriculture and Food Safety is one of the sectors identified by Kosovo as a priority sector in both the Indicative Strategy Paper for Kosovo 2014-2020 and Kosovo's National Strategy for Economic Development. Both documents are supported by Kosovo's Agriculture and Rural Development Plan 2014-2020, as well as by the KFVA's multiannual control plan and draft strategy for upgrading of the agri-food establishments.

A Managing Authority (MA) for Agriculture and Rural Development Programme (ARDP) was established and gained experience in the last 8 years in preparation and coordination of rural schemes in line with IPARD rules. The Managing Authority has prepared the ARDP 2014-2020 following the IPARD rules. The document is referred as an ‘IPARD like Programme’ and was prepared based on independent in-depth sector studies and a wide consultation and consolidated based on Ex-ante Evaluation Report comments and recommendations.

This Action is in line with ARDP 2014-2020 whose specific objectives are (i) to increase competitiveness and efficiency of primary agricultural products; (ii) improve the processing and marketing of primary agricultural and forestry products through the increased efficiency and competitiveness of the processing sector; (iii) improve quality and standards of hygiene on farms and in processing entities; (iv) achieve sustainable rural development by investing in rural infrastructure and promoting economic development which respects environmental protection standards; and (v) create new job opportunities through rural diversification.

ARDP 2014-2020 was not yet officially approved by the Parliament, as requested by the legislation in case of multi-annual strategies, but its approval is expected in 2015. Nevertheless, rural development measures (grant schemes) envisaged by ARDP 2014 - 2020 were approved through Minister Administrative Instructions under annual programmes (i.e. Rural Development Programme 2014 and 2015). In the future, the range of ARDP measures could be expanded, in line with the need and opportunity, available funds and implementation capacity.

**IPA support** under the grant schemes for agriculture and rural development sector **complements the Kosovo's efforts in the area**, being based on the same strategy and aiming at bringing additional results and impact. More specifically, the Government has shown so far a strong commitment in supporting the agriculture sector which is reflected by **a constant increase in the budget allocated to MAFRD since 2007, i.e. from EUR 6,366,283.00 (0.88% of Kosovo's budget) in 2007, to EUR 31,859,230.00 (2% of Kosovo's budget) in 2013.**

**The Budget for the grants schemes for farmers has also a general positive trend, increasing from EUR 300,000 in 2007 to EUR 7,655,886 in 2013 and EUR 11,000,000 in 2015.**

In 2013 MAFRD started to also support with grants the agri-food processors; the total amount allocated for that was EUR 5,335,827.18 and 27 projects received financing, out of which 8 in milk sector (EUR 1,255,117.66 Euro), 8 in meat sector (EUR 1,270,770.60 Euro), 8 in fruits, vegetable and wineries sector (EUR 1,309,938.92 Euro); and 3 collection centres (EUR 1,500,000.00 Euro). Under the Annual Programme for Agriculture and Rural Development 2015, Kosovo government allocated a total of EUR 17.5 million for grants, i.e. EUR 11 million for Measure 101 – investments in physical assets of agricultural holdings, EUR 5 million for Measure 103 - investments in physical assets concerning the processing and marketing of agricultural and fishery products and EUR 1.5 million for Measure 302 - farm diversification and business development.

With regards to food safety, veterinary and phytosanitary areas, Kosovo government already allocated a budget of EUR 5.4 million to the Kosovo Food and Veterinary Agency for the year 2015 and similar amount is planned for 2016. An amount of EUR 3.1 million out of 5.4 million allocated (on annual basis) is to support actions related improvement of food safety control, animal identification, registration and movement control, veterinary public health measures etc. Additional KVFA will co-finance with EUR 2 million an EU funded project for construction and supply of rendering plant for processing of animal by-products.

Coordination of donors at Kosovo level is ensured by the Ministry of European Integration. Also, the Government of Kosovo, supported by the European Union Office to Kosovo (EUOK), has implemented the Aid Management Platform (AMP) as a tool for the government and donors to track and share information related to aid-funded activities, create customized reports, and coordinate activities. In practical terms, all donors are requested to update this database on quarterly bases and have access to information.

ARDP 2014-2020 was preceded by ARDP 2007-2013 for which a Monitoring Committee (MC) was established. The MC has adopted its own rules of procedures and performed its work through regular meetings. The Managing Authority (MA) is responsible for the coordination and proper functioning of the ARDP's MC. Regular monitoring reports for the implementation of the ARDP are prepared by the MA and submitted for approval by the MC. The rules of procedures specify in detail the procedure for appointing members of the MC, the decision-making process of the MC during its meetings, its work and the tasks of the secretariat of the MC. It is stipulated that the MC generally takes decisions based on consensus, but in case consensus cannot be reached, it decides by a simple majority. The MC's Rules of procedures are in line with the DG AGRI's Guidelines for the IPARD MC Template Rules of procedures.

With regards to **water management**, MAFRD aims at involving also donor organisations for financing the infrastructure, especially for the larger investments for the water retention system / water reservoirs, while continuing support for the rehabilitation of the irrigation system (channels, pumps, pipes etc.), as done in the last years. MAFRD is also interested in involving and empowering as much as possible the water irrigation associations.

#### LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

MAFRD has an extensive experience in working under various projects, be they EU funded (e.g.: twinning, technical assistance and TAIEX) or funded by other donors ( e.g. USAID, DANIDA, GIZ, World Bank). During the last years, the main assistance projects were for the Agricultural and Rural Development Programme / rural grants schemes (1 Twinning project ended in 2012, 1 Twinning Project ended in 2014, 1 common World Bank / Danida Programme – running till 2016, 1 EU funded technical assistance project for the accreditation and sIACS<sup>3</sup> – started on 2<sup>nd</sup> November 2014 which will last till the end of 2016), while another EU funded project is supporting the MAFRD for the extension services till 2016. All the projects brought added value and increased the MAFRD's capacity in its various functions.

The ARDP 2007 – 2013 will have ready its ex-post evaluation report only in mid-summer 2015, still its impact (considering both the MAFRD and EUO grant schemes for agriculture and rural development) in jobs, extra income/extra gross value added and labour productivity was appreciated in various documents, including the 2010 ARDP Mid-term Evaluation (MTE). Further significant positive results in improving standards were also identified. Thus, analysing the rural grants impact so far, this kind of actions remain as the most important policy tool in modernising the sector. The recommendation of the 2010 MTE Report are for the “continuation and expansion of the support” grants for farmers, while the recommendation of agri-food processing sector are mainly referring to the fact that “the measure design should be continued to bring up the quality of processing and in this way of the products to EU standards” and that “specific focus should be put on the introduction of EU standards (food safety, hygiene, environment and occupational safety).”.

---

<sup>3</sup> sIACS = simplified Integrated Administration and Control System, which is an IT system used in implementation of direct payments



Also, the report is recommending the implementation of the diversification measure. The proposed grant scheme shall include therefore actions for diversification of rural businesses.

In terms of the grants impact, the achievements based on previous funding is considered satisfactory, however, there is number of **challenges** that must be addressed:

- a **stronger coordination** within the MAFRD's policy on rural development, especially in terms of selection criteria and public intensity aid – this shall be achieved by considering the coherence of the actions with the existent MAFRD`s sector strategies and by aligning the public intensity aid of EU grants with MAFRD` ARDP (which is actually an IPARD like Programme – thus respecting the EU rules on financing actions for rural development);

- **strengthening the concept of project economic viability** of the Applicants and a need of evaluating the projects key financial indicators. Financial indicators related to the Applicants businesses and proposed investments are foreseen to be requested for ensuring the opportunity of the investments: e.g. the investments will generate sufficient extra-profit that will cover the costs of the investments/will make the business more competitive, the Applicant will always have a positive cash flow etc.;

- **increasing the impact on formal registration** of incomes and jobs created of the supported beneficiaries. The reports along implementation will be requested to have attached the financial data – as registered at Kosovo Tax Administration, stating the paid taxes, including the pension contribution for the employees (as requested by legislation).

**Integrated Agricultural Information System, as it is a database, will require for MAFRD to ensure its maintenance, while further securing the property rights over the IT system and existent data and MAFRD is strongly committed to this.**

With regards to **food safety, veterinary and phytosanitary**, a key lesson learned during the implementation of the previous EU assistance is that the IPA II beneficiary institutions should have all the structures in place in order allow for maximum benefit from the assistance received. For example, the delays in transferring the municipal inspectors to KVFA did not allow optimal implementation of the previous IPA assistance. Budgetary planning is also crucial in enabling appropriate conditions for implementation of an action. Early confirmation of the co-financing, timely allocation of Kosovo's budget, and timely securing necessary logistics and telecommunication equipment that are also key elements for successful implementation of a project. This sort of issues were intensively addressed in various meetings at technical level and also in the process of stabilization and association dialogue; some of them are also listed as preconditions for commencement of the projects supported by EU.

With regards to actions on data collection and management, it is crucial to timely engage personnel who will be dedicated to and trained on this component. It is also important to ensure the necessary increase in human capacities of the IT department within KVFA. The activities proposed under the action are linked with previous EU funded projects in the area of Animal Identification and Registration, Animal Health and Twinning Projects that supported establishment and further development of Kosovo Food and Veterinary Agency.

## 2. INTERVENTION LOGIC

### LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	
<p>To contribute to improvement of Kosovo's potential and capacities required for achievement of the desired progress in approximation to the EU, through building a good capacity of the agri-rural sector, as well as through improvement of natural resource management and development and implementation of an integrated approach to food safety.</p>	<p>Improved agri-food trade balance</p>	<p>Kosovo Agency of Statistics (KAS)</p>	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>1. To ensure improved access to and competitiveness on the internal and international markets for Kosovo's agri-rural sector through capacity building, better management of existing natural resources, and alignment to EU's standards and practices regarding Common Market Organization (CMO) and agricultural statistics.</p> <p>2. To support Kosovo's future alignment to the EU acquis related to development and implementation of an integrated approach to food safety through building the Kosovo Food and Veterinary Agency's (KFVA) capacities necessary in this regard and developing the required legal framework.</p>	<p>Increase of agricultural output</p> <p>Degree of preparedness of Kosovo to implement the EU acquis Chapter 12-Food safety, veterinary and phytosanitary policy</p>	<p>Kosovo Agency of Statistics (KAS)</p> <p>Evaluation reports</p> <p>Monitoring reports</p> <p>Annual Progress Report for Kosovo</p> <p>Peer review missions</p> <p>KVFA Annual Implementation Report</p> <p>KFVA Assessments</p> <p>Legislation covering Chapter 12 of the EU acquis</p>	<p>Kosovo 's strong commitment towards EU approximation is maintained</p> <p>Transfer of veterinary/sanitary and phytosanitary inspectors from municipalities to central level is timely completed.</p> <p>Sufficient budget is allocated to KFVA with the view to cover</p>

\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

			operational expenses and maintenance of the IT systems put in place
<b>RESULTS</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (*)</b>	<b>SOURCES OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
<b>Result 1:</b> Improved capacity of Kosovo's farmers and agri-rural operators <sup>1</sup>	Number of farms and agri-rural operators with extended, modernised or diversified production capacity (men and women)	Evaluation reports Monitoring reports ESTAT database  Reports on animal movements and disease control and/or eradication	Sufficient applications of good enough quality from potential IPA II beneficiaries (men and women) of the grant scheme are received  IPA II beneficiaries shall successfully implement

<sup>1</sup> Agri-rural operators include all agro-food processors and other businesses in rural area according to the definition for "rural area" provided in Kosovo's Rural Development Programme

<sup>2</sup> The documentation is expected to consider the economic viability of investments and flood prevention infrastructure and take the form of a strategy accompanied by an action plan which includes maps, indicates priorities, and makes recommendations for strengthening and empowering of the farmers' irrigation associations and women participation

<sup>3</sup> The system developed under the Result 1 should in principle include an upgraded and updated Animal Identification and Registration System that will cover the entire Kosovo, including the four Municipalities in the North; a Veterinary Information System developed and integrated with the Animal Identification and Registration System; a Laboratory Integrated Management System which will include data storage and retrieval throughout the analytical laboratory; a database for approval, registration and control of agri-food establishments covering all stages of food and feed production and distribution, i.e. food producers/processors and retailers; the database will include information on health and safety checks, as well as on their findings and the follow-up actions/corrective measures; a reporting system for inspectors updated and functional; an upgraded database for import-export and transit of goods subject to veterinary, phytosanitary and/or food safety control according to the legislation in force.

<sup>4</sup> This result should in principle include adopted legislation regarding plant protection and phytosanitary controls; rules and mechanisms for handling plants and plant products in all stages; defined protected zones and safeguarding measures developed; updated control procedures; a recording and reporting system on phytosanitary controls; a list of plant diseases present in Kosovo and their distribution.

<p><b>Result2:</b> Operating legislation, procedures, bodies and capacities necessary for recognition, control and monitoring of producer organizations and producer groups, as well as for controlling compliance with the market standards</p> <p><b>Result 3:</b> MAFRD's access to reliable statistics based on a functional and comprehensive statistical IT system</p> <p><b>Result 4:</b> Technical documentation for development of Kosovo's irrigation system<sup>2</sup></p> <p><b>Result 5:</b> A centralized IT system that interconnects all sectors of KFVA, as well as regional offices and control points<sup>3</sup> at borders/boundaries.</p> <p><b>Result 6:</b> Complete and EU compliant legislation, operating procedures and control capacity and system for plant protection and plant &amp; plant products production, import, export and marketing<sup>4</sup></p>	<p>Number of trained MAFRD and Advisory staff, potential members of producer organisations and producer groups for SAPD, EU CMO rules, CAP funds, rules for marketing and cross-compliance (men and women)</p> <p>Degree of readiness of the IAIS (Integrated Agricultural Information System) functionality</p> <p>Degree of sufficiency of information needed/cost-analysis documentation for the setting-up and management of an efficient irrigation and anti-flooding system</p> <p>Percentage of interconnectivity of the different departments of KFVA</p> <p>Number of legislative acts that transpose the EU acquis in the phytosanitary area</p>	<p>measures.</p> <p>Number of laws and sub-laws prepared;</p> <p>Implementation report on plant health measures and outbreaks.</p>	<p>their projects</p> <p>Strong commitment from the IPA II beneficiary for EU approximation is maintained</p> <p>KVFA and MAFRD ensure full commitment of concerned departments and support in the implementation of field activities such as registration of food business operators and plant health surveillance.</p> <p>4 municipalities in the Northern Kosovo cooperate and allow implementation of I&amp;R in this area.</p>
---	--	--	---

ACTIVITIES	MEANS	OVERALL COST	ASSUMPTIONS
<p><b>Activity 1:</b> "Agriculture and Rural Development Support Grant Scheme 2015" (leads to Result 1)</p> <p><b>Activity 2:</b> "Capacity Building for Kosovo in relation to the EU Common Market Organization (CMO) and Agricultural Statistics"(leads to Results 2 and 3)</p> <p><b>Activity 3:</b> "Support to Kosovo's irrigation system and floods prevention infrastructure in support of improved management of Kosovo's natural resources" (leads to Result 4)</p> <p><b>Activity 4:</b> Support to Kosovo Food and Veterinary Agency (KFVA) in developing its capacity to implement an integrated approach to food safety, including through upgrading and functionalizing of its IT system (leading to Result 5)</p>	<p>Activity 1: a grant scheme targeting farmers with potential to become agro-entrepreneurs and agri-rural operators</p> <p>Activity 2: training and advisory services related to producer organisations and producer groups, market standards, SAA and IAIS; for IAIS is also foreseen development and acquisition and of software and hardware under incidental expenditure</p> <p>Activity 3: technical assistance services - elaboration of technical documents and related training</p> <p>Activity 4: technical assistance which will include development and acquisition of hardware and software under incidental expenditure</p>	<p>EUR 14 million</p>	<p>IPA II beneficiaries are fully committed to properly implement their projects</p> <p>Strong commitment from the IPA II beneficiary for EU approximation is maintained</p>

<p><b>Activity 5:</b> Support to strengthening Kosovo's plant production and protection system and capacities (leads to Result 6)</p>	<p>Activity 5: institutional cooperation under a twinning contract</p>		
---	--	--	--

(\*) All indicators should be formulated as measurement, without specifying targets in the Logical Framework Matrix. The targets should be included in the performance measurement table in section 4. More detailed guidance on indicators is provided in Section 4 on performance measurement.

\*\*Further analysis is necessary in order to decide upon the implementation method(s) which would best apply for achievement of the Result 2.

## ADDITIONAL DESCRIPTION

**With regards to Activity 1:** *"Agriculture and Rural Development Support Grant Scheme 2015"*:

The grant scheme under Activity 1 addresses important challenges that the agri-rural sector faces and is aimed at helping to turn into real the potential of this sector for increased competitiveness and growth, including through:

- Strengthening **farms'** economic viability and improving their capacity to supply markets (and implicitly the capacity to supply the agri-food industry), improving the farm standards, and addressing gender and environmental issues. In this regard, the scheme targets the farmers with potential to become agro-entrepreneurs and envisages primarily development of the production capacity, e.g. through increase of farm size (e.g. through extension of orchards, greenhouses, animal shelters) and/or improvement of labour productivity (e.g. through investments in machinery, equipment irrigation systems, new orchard varieties, etc.). Development of the marketing capacity is also considered.
- Strengthening the **agri-food processors'** capacity, e.g. through investments related to food-safety and environment standards, diversification of the production and extra-storage capacity (in case of fruits and vegetables);
- Supporting development of **other rural area operators**, e.g. through diversification of the agricultural activities (in other agricultural activities or non-agricultural activities), with the view to strengthen the rural economy and achieve sustainable rural development while generating new jobs.

The grant scheme considers the recommendations of the mid-term evaluation on the ARDP 2007-2013 which states with regards to measure 4 *"Improvement of Processing and Marketing of Agricultural Products"* that should be designed further in a way that will allow for continuing *"to bring up the quality of processing and in this way of the products to EU standards; this would include incentives for the agricultural producers to produce on EU quality level"*. The report also mentions that *"it would be useful for the future for sub-sectors vegetables and fruits to concentrate on their original breeds"* and that *"specific focus should be put on the introduction of EU standards (food safety, hygiene, environment and occupational safety); in addition, it is very important to do everything to advance the trust of Kosovar consumers into domestic agricultural products"*.

Currently a Framework Contract for ex-post evaluation of the ARDP 2007-2013 is under implementation. The evaluation will include 28 grant contracts financed under the EU funded rural grant schemes for Kosovo during the programming period 2009-2013 and provide information which will help to define ways that would best address the needs still existent in the agri-food sector based on the assessment of the effective contribution of/value added by the previous grant schemes in areas such as (i) processing and marketing of agri-food products; (ii) employment increase/job generation; (iii) restructuring of the food industry with the view to become competitive under the common market; (iv) product quality; (v) health and welfare; (vi) protection of environment. The evaluation report is expected to be available until 30 September 2015.

**With regards to Activity 2:** *"Capacity Building for Kosovo in relation to EU Common Market Organization (CMO) and Agricultural Statistics"*:

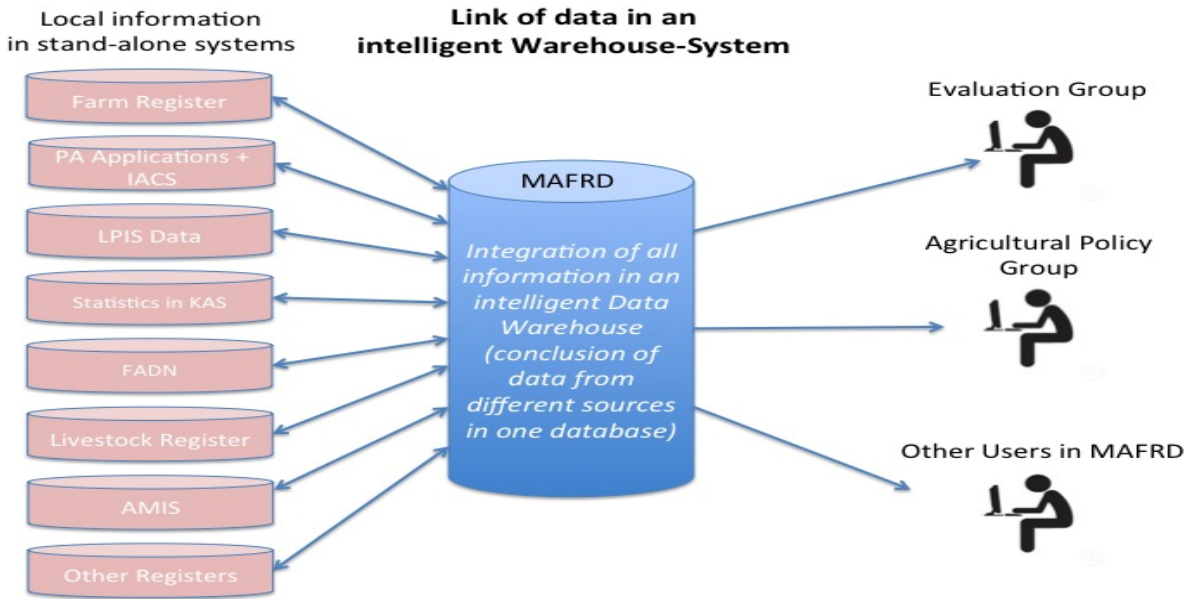
Kosovo must receive support for meeting its duties related to Stabilisation and Association Agreement. Particularly, MAFRD will need training and advice on particular aspects, especially on setting-up of quality/market standards and organization of control in order to harmonize gradually with EU standards, producer organisations and producer groups, organic farming, and harmonisation of Kosovo's legislation with the EU legislation on farming, livestock, seeds and plant material, GMOs etc.

With regards to statistical data, direct access of MAFRD to available data plays an important role in policy formulation. Therefore, IAIS should practically ensure a direct link to other databases, such as IACS (including sLPIS<sup>8</sup> and Farm Register), Direct Payment and Rural Grant Schemes (which are under the management of the ADA - Paying Agency for agriculture), Animal Register, Business Register, Import-Export database, Farm Accountancy Data Network (FADN), (AMIS), Agricultural Statistical Data – depending on these databases readiness, and integrating all information in an intelligent Data Warehouse (conclusion of data from different sources in one database). The Data Warehouse shall contain data from all the modules of MAFRD’s operational systems and other IT databases aiming at making these data consistent. This will require an analysis of the various existent databases software for the identification of the best technical solution to be used, acquisition of hardware and software and software development<sup>9</sup> (IAIS – software for collecting various data from other databases, with report and printing options), methodology of data collection and processing, preparation of users` manuals, training of the staff; thus, MAFRD shall gain access to statistical data in due time and shall be supported for dissemination and publication of information, preparation of the annual Green Report, etc.

The MAFRD has very positive experience with software development. With the support of EU (through TA projects) were developed the sLPIS and the Farm Register. Both these IT systems are used, maintained and updated and considered extremely useful. Through Danida (Danish International Development Agency), were developed and updated various IT modules for rural grants management, including a database for the collection and report of the ARDP indicators and the Paying Agency website. Also, all these IT systems are used, maintained and appreciated.

The need and opportunity related to the foreseen IAIS relies within the fact that Kosovo is facing considerable difficulties in collecting statistical data that are vital for policy making.

A synthetic and schematic view over the foreseen IAIS is presented below:



<sup>8</sup> sLPIS = simplified Land Parcel and Identification System, which is a system of aero – photograms used for the identification of the agricultural land under direct payments schemes

<sup>9</sup> The hardware and software acquisition under this Action would be of small scale (e.g. include two servers (out of which one for auto-recovery) and corresponding software for both of them) and financed from the incidental expenditure under the planned technical assistance.



**With regards to Activity 3:** *"Support to Kosovo's irrigation system and floods prevention infrastructure in support of improved management of Kosovo's natural resources"*

The output of this activity will support MAFRD in targeting Kosovo's funds allocated for irrigation and ensure the donor confidence necessary for funding this infrastructure. Farmers will also benefit from this activity since a good irrigation system would allow them to boost their production and improve their competitiveness.

**With regards to Activity 4:** *"Support to Kosovo Food and Veterinary Agency (KFVA) in developing its capacity to implement an integrated approach to food safety, including through upgrading and functionalizing of its IT system"*

The tasks to be performed under this activity should in principle include reviewing and upgrading of the existing IT systems (e.g. reviewing the current system of recording imports, exports and transit of agri-food products that are not of animal origin, introducing holding registration data into the Identification and Registration System, etc.); reviewing the current sample and document management system in the KVFA laboratories; reviewing the current data collection, management and reporting and identifying/advising with regards to the necessary improvements related to them; identification of the user requirements for all components/sub-systems (e.g. definition of requirements for the Veterinary Information System in terms of development of modules); designing of the electronic laboratory information system; designing of the database for registration and control of the agri-food establishments/food business operators, including modules for recording inspections and findings and registration of non-compliance findings and corrective measures; designing, development and testing of the integrated KVFA IT system which will link all relevant systems into a centralized one; among other, the system will allow for internet communication and transfer of files from borders/boundaries to headquarters and back; provision of comprehensive training to KVFA staff at all levels with regards to the integrated system created; training of the KVFA's IT staff for maintenance of the entire system; training of field operators in usage and reporting under the Veterinary Information System; uploading of all relevant pieces of documentation/information in the system; performing holding registration campaign in the four Municipalities in the North; performing information campaign on the legal requirements and benefits of the Animal Identification and Registration system; training and monitoring of the filed operators engaged in the implementation of the Animal Identification and Registration campaign in the North; preparing technical specifications and bill of quantities for ear tags and pliers needed for ear tagging of animals.

**With regards to the Activity 5:** *Support to strengthening Kosovo's plant production and protection system and capacities"*

The tasks to be performed under this activity should in principle include identifying the relevant legal and sub-legal acts and drafting the legislation covering the area of plant protection, production, official controls and checks, in line with the EU acquis; preparing/updating of rules and Standard Operating Procedures for production, import, export and placing on the market of plants, plant products, including plant materials and plant protection products (border/boundary and internal); reviewing and updating of the border/boundary phytosanitary control system; developing and ensuring the grounds for implementation of a system for internal plant health checks and disease identification and reporting; developing and making functional a system for recording and reporting of performed phytosanitary controls and follow up actions; defining and mapping the protected zones, and developing of safeguarding measures; preparing and providing a comprehensive training programme for KVFA and MAFRD staff; providing support for increasing the laboratory capacities in pest identification.

### **3. IMPLEMENTATION ARRANGEMENTS**

#### **ROLES AND RESPONSIBILITIES**

The Action is going to be implemented under direct management by the European Union Office in Kosovo (EUO).

Activity 1 will be implemented by the EUO in coordination with the MAFRD and with support from a Working Group consisting of relevant stakeholders<sup>10</sup> which will contribute to preparation of the Guidelines for Applicants. Coordination with the other donors active in the agriculture and rural development area will also be ensured.

Main beneficiary under the Activities 2 and 3 will be the Ministry of Agriculture, Forestry and Rural Development (MAFRD), while the main beneficiary of the Activities 4 and 5 will be Kosovo Food and Veterinary Agency (KFVA). Other key stakeholders are the Ministry of European Integration, Ministry of Finance and particular involvement is expected from the Municipal Authorities of Mitrovica North, Zvecan, Zubin Potok and Leposavic. Due to restricted access to the four Northern municipalities, specific arrangement shall be put in place for the implementation of the Animal Identification & Registration component in the four Northern municipalities (e.g. hiring veterinarians and veterinary technicians who already work in the North; provision of documents for holding registration in Serbian language; etc.)<sup>11</sup>.

#### **IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING**

Activity 1: Grant scheme - call for proposals<sup>12</sup>.

Activity 2: Procurement of services/technical assistance / tender

Activity 3: Procurement of services/technical assistance / tender

Activity 4: Procurement of services/technical assistance, tender

Activity 5: Grant - twinning

#### **4. PERFORMANCE MEASUREMENT**

##### **METHODOLOGY FOR MONITORING (AND EVALUATION)**

The Commission may carry out a mid-term, a final or an ex-post evaluation for this Action or its components via independent consultants, through a joint mission or via an implementing partner. In case a mid-term or final evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The evaluations will be carried out as prescribed by the DG NEAR guidelines for evaluations. In addition, the Action might be subject to external monitoring in line with the EC rules and procedures set in the Financing Agreement.

---

<sup>10</sup> The Working Group will include representatives of all relevant institutions, e.g. MAFRD, MESP, KFVA, civil society (incl. women organizations), producer groups, farmers, etc,

<sup>11</sup> The IT system is already in place, it is just from the operational point of view that it will be extended to the four Northern municipalities

<sup>12</sup> When an action under this call does not include redistribution and/or climate change related activities, the maximum possible rate of EU co-financing for the action is 60% of its total eligible cost. When the action includes redistribution and/or climate change related activities, the EU co-financing for these activities can be up to 75% of their eligible cost and the maximum possible rate of EU co-financing for the action can be therefore higher than 60% of its total eligible cost without exceeding 75% of its total eligible cost.

## INDICATOR MEASUREMENT

Indicator	Description	Baseline (2010) (2)	Milestone 2017(3)	Target 2020 (4)	Final Target (2020) (5)	Source of information
ISP indicators addressed: <i>"Number of economic entities benefitting from IPA assistance developing additional or diversified sources of income in rural areas" and "Number of economic entities progressively upgrading towards EU standards in the agri-food sector"</i>						
1. Improved agri-food trade balance <sup>13</sup>	Impact of EU assistance under the present action on reduction of the balance trade deficit	n/a	n/a	min 1%	min 1%	Kosovo Agency of Statistics (KAS) MAFRD
2. Increase of agricultural output <sup>14</sup>	Impact in output (value of sales) in agriculture and rural development sector as result of the action	n/a	n/a	min 0.8%	min 0.8%	Kosovo Agency of Statistics (KAS) MAFRD
3. Degree of preparedness of Kosovo to implement the EU acquis' Chapter 12- Food safety, veterinary and phytosanitary policy	Indicates the achievements under this action by bringing into equation both the (percentage of) increase of transposition of the EU acquis in the phytosanitary area and improvement in the	About 10% interconnectivity between the different departments at the Agency and 27 legislative acts	About 10% interconnectivity between the different departments at the Agency, 27 legislative acts	50% interconnectivity, 29 legislative acts transposed with EU acquis.	It is expected that the interconnectivity will be 100% between the different departments at the Agency and it is expected that by the end of the TA we will have	KVFA Annual Implementation Report KFVA Assessments, Legislation covering Chapter 12 of the EU acquis

<sup>13</sup> The figures provided refer to the impact of the action on reduction of the balance trade deficit and are based on data made available by Kosovo Agency of Statistics and a projection based on relevant data available since 2005 and the impact in output (value of sales) of 1 Euro public investment in agriculture and rural grants as estimated in 2013 by a DANIDA funded project

<sup>14</sup> The figures provided refer to the impact of EU assistance on agricultural output and are based on the last available from Kosovo Agency of Statistics and a projection based on relevant data available since 2005 and the impact in output (value of sales) of 1 Euro public investment in agriculture and rural grants as estimated in 2013 by a DANIDA funded project

	administrative structures (as result of improved interconnectivity) dealing with chapter 12 of the acquis (i.e. KFVA) that the action leads to and its achievement will be measured based on the degree of achievement of the targets for Indicator 8 and degree of achievement of the targets for Indicator 9	transposed with EU acquis	transposed with EU acquis.		33 legislative acts transposed with EU acquis in the phytosanitary field.	
--	--	---------------------------	----------------------------	--	---	--

4. Number of farms and agri-rural operators <sup>15</sup> with extended, modernised or diversified production capacity (men and women)	Number of IPA II beneficiaries under Activity 1 who will have their business extended or modernized or get a diversified production capacity	0	0	29 <sup>16</sup> , out of which at least 40 <sup>17</sup> % women	29, out of which at least 40% women	Monitoring reports Evaluation reports
5. Number of trainees (men and women)	Number of persons who received training under Activity 2, including MAFRD and Advisory	0	0	260 professional staff <sup>18</sup> and 1000 farmers <sup>19</sup> , out of which at least	20, out of which at least 40% men and at least 40% women	Monitoring reports Evaluation reports

<sup>15</sup> Agri-rural operators include agro-food processors and other businesses in rural area according to the definition given to "rural area" in Kosovo's Rural Development Programme

<sup>16</sup> Target refers only to achievements under this action and is subject to a number of assumptions, i.e. (1) all grantees under Activity 1 will have their business extended or modernized or get a diversified production capacity; (2) out of the total EUR 8.8 million Euro, 7 million will be allocated for farming and processing with a maximum of EUR 550,000 per grant, and EUR 1.8 million will be allocated for diversification with a maximum of EUR 200,000 per grant; (iii) the average grant amount under Activity 1 will be 75% of the maximum possible grant amount.

<sup>17</sup> Target subject to the extent to which a sufficient number of quality applications owned by women will be received

<sup>18</sup> The total of 260 consists of 20 staff trained on SAPD (men and women), 160 potential members of producer organisations and producer groups to be set-up according to EU CMO rules (men and women) and 80 persons as staff from advisory services

<sup>19</sup> Target farmers are going to receive training on CAP funds, rules for marketing and cross-compliance

	staff, potential members of producer organisations and producer groups for SAPD, EU CMO rules, CAP funds, and rules for marketing and cross-compliance			40% men and at least 40 <sup>20</sup> % women		
6. Degree of readiness of the IAIS (Integrated Agricultural Information System) functionality	The system is currently not developed. 100% readiness will mean the availability of the software that connects the relevant databases, tested and accepted as fully functional by the MAFRD Kosovo	0	25%	100%	100%	Monitoring reports Evaluation reports
7. Degree of sufficiency of information needed / cost-analysis documentations for setting-up and management of an efficient irrigation and anti-flooding system	Currently there is prepared a descriptive kind of strategy on irrigation – which counts for around 10% of what is intended to be achieved. 100% sufficiency of information needed / cost-analysis documentations will mean the readiness of the study to be used for investments in irrigation and anti-flooding system infrastructure, as accepted by the MAFRD Kosovo	10%	25%	100%	100%	Monitoring reports Evaluation reports

<sup>20</sup> Percentage of gender disaggregated participation is subject to the number of persons from each gender effectively involved in the types of activities addressed by this indicator

8. Degree of interconnectivity of the different departments of KFVA	Percentage of interconnectivity of the different departments of KFVA	10%	50%	100%	100%	Monitoring reports Evaluation reports
9. Number of legislative acts that transpose the EU acquis in the phytosanitary area	Number of planned legislative acts that transpose the EU acquis in the phytosanitary area	27	27	29	33	Number of laws and sub-laws prepared;  Implementation report on plant health measures and outbreaks.

(1) This is the related indicator as included in the Indicative Strategy Paper (for reference only)

(2) The agreed baseline year is 2010 (to be inserted in brackets in the top row). If for the chosen indicator, there are no available data for 2010, it is advisable to refer to the following years - 2011, 2012. The year of reference may not be the same either for all indicators selected due to a lack of data availability; in this case, the year should then be inserted in each cell in brackets. The baseline value may be "0" (i.e. no reference values are available as the Action represents a novelty for the IPA II beneficiary) but cannot be left empty or include references such as "N/A" or "will be determined later".

(3) The milestone year CANNOT be modified: it refers to the mid-term review of IPA II.

(4) The target year CANNOT be modified.

(5) This will be a useful reference to continue measuring the outcome of IPA II support beyond the 2014-2020 multi-annual financial period. If the Action is completed before 2020 (year for the performance reward), this value and that in the 2020 target column must be the same.

## 5. CROSS-CUTTING ISSUES

### EQUAL OPPORTUNITIES AND GENDER MAINSTREAMING

An equal opportunity approach will be followed throughout the entire implementation of this Action.

Nevertheless, women's equal participation in agriculture sector in Kosovo remains problematic. By tradition, men inherit family wealth and assets, which has led to women owning only 8% of all property. Lack of assets and property leaves women without collateral for applying for loans, contributing to a very low access to loans: only 3% of women have loans. Further, women's unemployment rate is 38.8%, and even more acute for young women, at 68.4%. These problems are more pronounced in rural areas. Special additional activities are needed in order to ensure that women are aware of this action and planned activities that may affect their lives; they also need special communication approaches to ensure that they are aware of grants and investment opportunities for their areas.

Women's representation in institutions relating to this sector, especially at the decision making level, remains very dissatisfactory. For example, the *Gender Profile* reported that only 27% of the Ministry of Agriculture, Forestry and Rural Development consists of women, and the Committee on Agriculture, Forestry, Environment and Spatial planning previously had only two women out of nine members. A more recent report by the Agency for Gender Equality entitled "Women's role and participation in local and central institutions, and political parties in Kosovo" illustrated that there are no women and three men in decision-making positions, while 10 out of 48 (17%) persons in leading positions (*poste udheheqese*) are women.

Women's insufficient participation in decision-making within the sector can impact the extent to which women's particularly unique needs and interests in this sector are considered in planning, implementation, monitoring and evaluation. Therefore affirmative actions can be taken to increase the percentage of women working at all levels in MAFRD and relevant targeted agencies (e.g. Kosovo Food and Veterinary Agency) until at least 40% of positions at each decision-making level are held by women, and at least 40% by men, respective in accordance with the Law on Gender Equality's definition of equality.

Under the Agriculture and Rural Development Support Grant Scheme 2015, special steps will be taken to ensure that planning, implementation, monitoring and evaluation will be carried out following a participatory approach in which women and men beneficiaries are consulted and their concerns are addressed. A special attention should be given to prevent artificial involvement of women applicants aiming just at having awarded grants for the projects submitted. These actions shall encourage women to apply and give an equal and real opportunity to women for accessing and benefiting from funds through a range of affirmative measures. Furthermore, at least 40%<sup>21</sup> of funds to women beneficiaries will be considered through affirmative actions, such as higher scoring for women-led businesses, dedicated information campaigns that target rural women specifically with information (e.g., in cooperation with rural women's farmers' associations, other women-led organizations, and municipalities) - as in case of the grants programme for farmers and diversification.

It is also envisaged that special efforts will be made to ensure that further actions for public works, including irrigation projects, involve consultations with both women and men to address their interests and the impact that such projects will have on women and men in target areas.

Considering that women's equal participation in the agriculture and rural development sector in Kosovo remains problematic, women will be particularly encouraged under this action to attend training programmes. Furthermore, they will be encouraged to participate in train of trainer's

---

<sup>21</sup> Subject of the number of eligible applications owned by women received



scheme(s), whenever applicable, and play a leadership role in the functioning of the regional structures (e.g. regional offices of the Kosovo Food and Veterinary Agency).

The food safety, veterinary and phytosanitary component will also provide an opportunity for the qualified women to get involved in activities which have traditionally been done by men, e.g. inspection services, auditing of food processing plants, etc. Furthermore, Kosovo Food and Veterinary Agency (KFVA) intends to sign a memorandum of understanding with the University of Mitrovica which has the faculty for Food Sciences where there is a high number of female students who are enrolled. As a part of this memorandum of understanding, priority would be given to female students to come as interns at KFVA so that they can get some practical experience by the time when they graduate and have therefore a better chance to get a job after graduation. Also, KFVA plans to involve women in field jobs (e.g. surveys) that might arise during the implementation of IPA II projects in the area of food safety, veterinary and phytosanitary. The action also provides specific opportunity to minority municipalities, considering that significant part of its budget is aimed at implementing an Animal Identification and Registration System in the Northern municipalities and at enhancing the food control system and mechanisms in their area. The deliverables to be produced under this Action and official documents to be published on the official websites will be in both Albanian and Serbian languages.

#### **ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)**

Climate change is one of the many drivers that shape European agriculture and rural areas and socio-economic factors, international competition, technological development, as well as policy choices will determine the impact that agro-climatic changes will have on the EU agricultural sector. In this context, the capacities to be built under the Activities 1 and 2 aimed at being carried out under this Action are important not only from an economic perspective, but also from the perspective of mitigating the adverse impacts that the climate change can potentially have. Furthermore, Activity 1 will support climate change mitigation through encouragement of energy efficient and renewable energy production investments and also through support for manure storage with the purpose of reducing methane emissions etc.

One of the biggest problems that the South Eastern Europe is facing lately related to climate change is a growing risk of damages caused by meteorological and hydrological hazards. Adaptation to climate change through proper irrigation, drainage and floods prevention systems is of significant importance in this context and this Action is going to address it under the Activity 3.

On the other hand, global warming plays an important role in introduction of harmful organisms and invasive species, being a “driver of change” which affects both the incidence and severity of plant diseases; it can have certain adverse economic consequences on crop production by imposing additional costs on agricultural inputs like e.g. crop protection. Variation in temperature range and changes in precipitation patterns can result in prolonged and/or more frequent droughts or flooding and indigenous plants will become subject to greater environmental stress more vulnerable to pests and diseases. The existing legislative tool of the Community Council Directive 2000/29/EC along with the Commission Decisions providing for emergency measures represent the frontline of defence against the introduction into and spread within the Community of quarantine harmful organisms. According to this legislation, Member States notify new outbreaks of already existing but not yet established harmful organisms. In addition, they provide for plant health controls to be carried out at the Community points of entry or points of destination, as well as for the detection of newly appearing plant pests. Since the Action is aimed at strengthening Kosovo's plant production and protection system and capacities, including through preparation of legislation covering the area of plant protection, establishment of a recording and reporting system for phytosanitary controls and development of laboratory capacities in pest identification, the climate change related concerns above mentioned will be at least partially addressed.

#### **ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)**

The Action is in line with the ARDP 2014 – 2020, and will be implemented in coordination with the MAFRD which has established already a dialogue with the stakeholders relevant for the agricultural and rural development sector with the view to plan the support measures under ARDP. The relevant stakeholders of the agricultural and rural sector identified are:

- Farmer representatives/Unions/Associations
- Public authorities
- NGOs
- Agricultural Education
- LAGs
- Donor organizations

Relevant organizations were approached to nominate a representative to participate in the various stakeholder events. With special regard to the preparation of the ARDP 2014-2020's strategic priorities, the MAFRD organized five stakeholder seminars at national and regional level in April and May 2012. The seminars were organized in Peja/Pec, Gilan/Gniljane and Prishtina/ Priština (three times) to initiate the dialogue process between the MAFRD and representatives of stakeholder organizations and served the purpose of providing training on the stakeholders' role in the programming and implementation process as well as obtaining their views on strategic priorities to be tackled in the upcoming ARDP 2014-2020. The strengths and weaknesses of the agricultural and rural sector were intensively discussed and development priorities elaborated for the future programming period. In addition to the seminars, stakeholders were also asked by survey to express their specific stakes in the programme and the way they would like to contribute either in the programming stage or in its implementation. Women Farmers Association participation was appreciated, considering this NGO deep understanding and involving in stimulating women entrepreneurship in agriculture and women empowerment.

Following the first five stakeholder seminars, a 1<sup>st</sup> nationwide stakeholder conference, a so-called "Kick off Meeting with Stakeholders", was organized by the MAFRD on 6 November 2012 in Pristina to launch the start of the preparation of the new ARDP 2014-2020. About 180 representatives of public authorities, the private sector, associations and NGOs took part in this first event in the consultation process. After an initial presentation on the main principles of the new programming period and strategic priorities for agriculture and rural development under IPA II, the participants were asked to join one of the working groups related to the four priorities of the agricultural and rural development policy area under IPA II. The main objective of the working groups' activities was to gather the stakeholders' views on the strength / weaknesses / opportunities and threats related to the particular priority area according to IPA II for agriculture and rural development. There was also a discussion on the current situation of the agricultural and rural development sector. Development needs and the most relevant interventions for sector development to be addressed by the ARDP 2014-2020 were identified. The results of the workshops were presented in a plenary session for further discussions with other workshop participants and the political and administrative representatives of the MAFRD. The event also had the aim to mobilize and motivate stakeholders to actively participate in the technical working groups established for the development of the new programme and to contribute with technical knowledge and inside views of the agricultural and rural sector. The results of the workshops were recorded and taken into consideration when drawing up the SWOT analysis of the ARDP 2014-2020.

In order to continue the dialogue process with stakeholders, the first draft strategy of the future ARDP 2014-2020 was presented in a 2<sup>nd</sup> conference on 4 June 2013 (160 participants) organized by the Managing Authority of the MAFRD. Stakeholders had the opportunity to express their views on the proposed strategic priorities. Comments on the strategic outline and a tentative list of measures were collected and taken into account in the further development of the strategy and measure fiche design. The event was also used to provide stakeholders with more information on the overall functioning and decision-making process in the European Union as related to the EU's Common Agricultural Policy and the accession experience within the agricultural sector in a new EU Member State using Hungary as an example.

### **Steering Programming Group and Technical Working Group**

In order to ensure an integrated approach and close inter-ministerial coordination, a Steering Programming Group (SPG) for the preparation of the Agriculture and Rural Development Plan 2014-2020 was established with Decision No. 3382 of 2 November 2012 by the Minister of Agriculture, Forestry and Rural Development. The SPG is composed of representatives of the MAFRD, other key Ministries, the EUOK and donor organizations. The members of the SPG represent the Ministry of

Finance, the Ministry of European Integration, the Government Unit for National Strategy, the Ministry of the Environment and Spatial Planning, the Ministry of Local Government Administration and the Ministry of Economic Development as well as the main MAFRD departments and the most relevant donor organizations such as the EUOK and the World Bank.

The Steering Programming Group has scheduled its regular meetings with the purpose of overseeing and coordinating the overall process and also to take relevant decisions on the basis of the reports provided by the Managing Authority, which also serves as the secretariat of the SPG. At the first meeting of the Steering Programming Group on 17 December 2012, the decision was taken to establish technical working groups for the priority areas which would be responsible for the particular chapters in preparation for the new ARDP 2014-2020.

The MAFRD invited the most relevant stakeholder organizations to nominate technical experts to participate in the work of the established technical working groups. The technical working groups are in charge of contributing to the development of the SWOT analyses, needs assessments, strategy development and fiche preparation for the measures with their technical knowledge and sector specific background.

The frequency of meetings and procedural rules were agreed by the working group members. They were engaged in the elaboration of sector analyses of agriculture and rural development incl. SWOT analyses and defining future interventions to tackle the identified needs of the various sectors. Their work continued during the elaboration of the selected measures to provide the technical expertise on target measures according to identified needs. Input was given in the definition of specific objectives for measures, eligibility criteria, eligible investments and selection criteria. The activities of the working groups are coordinated by staff members of the Managing Authority.

Between April 2013 and the beginning of November 2013, each working group/subsector working group met 8-10 times in the programme preparation phase to contribute and discuss the various chapters of the ARDP with a specific focus on the preparation of the measure fiches. Extra meeting were held in 2014 for amending Kosovo's rural development schemes for 2015.

In addition to the regular meetings, the members of the technical working groups also had the chance to participate in the presentation of the sector studies on livestock and plant production carried out by independent sector experts.

Civil society is actively involved in programming and implementation of the KVFA projects, mostly through Kosovo Chamber of Veterinarians who are the key counterpart of the KVFA. Public consultations and information sharing campaigns are also organized for other stakeholders such as food producers and processors. Trainings are provided through various EU funded projects to the representatives of the Industry, mostly in the implementation of provisions listed in the Food Law and adopted regulations deriving from the new hygiene package.

With regards to civil society participation in food safety, veterinary and phytosanitary area, Kosovo Chamber of Veterinarians is one of the first professional non-government organizations and one of the most active ones involved in preparation and implementation of the various projects and actions financed both by the government and donors; it will be involved in the information campaigns and awareness raising activities.

In addition to the above, some of the watchdog and advocacy functions are foreseen to be addressed with the Civil Society Facility 2015, which foresees the following actions and will likely cover areas addressed within this Action Document:

- CSO Coalitions: 3 grants to strategic coalitions of at least 4 CSOs to support their networking and advocacy efforts with regards to one of the priority areas of the Indicative Strategy Paper for Kosovo (Democracy and Governance, Rule of Law and Fundamental Rights, Energy, Competitiveness and Innovation, Education, Employment and Social Policies or Agriculture and Rural Development)
- a sub-granting scheme to support CSOs in their efforts to feed into decision-making processes, and thereby enhance CSO capacities and experience related to internal governance structures, strategic planning, communication, financial management, results monitoring and impact evaluation, networking and coalition-building, and advocacy, notably focusing on grass-root organisations.

- Grant scheme to provide operating grants to CSOs to enable advocacy activities and enhance profiling, networking and coalition-building.

## RELEVANT AUTHORITIES AND BODIES CONSULTED

The detailed list of the relevant public authorities, economic and social partners, NGOs, including environmental organizations, and bodies responsible for promoting equality between men and women are presented in the following table:

<b>Public institutions</b>	<b>Partners (associations, unions, NGOs etc.)</b>
<ul style="list-style-type: none"> <li>• Ministry of Agriculture, Forestry and Rural Development incl. Technical Departments</li> <li>• Agricultural Development Agency (Paying Agency under the MAFRD)</li> <li>• Institute for Vineyards and Vine</li> <li>• Kosovo Institute of Agriculture</li> <li>• Municipal Agricultural Directorates, Advisory Service</li> <li>• Kosovo Food and Veterinary Agency</li> <li>• Kosovo Forestry Agency</li> <li>• Ministry of Finance</li> <li>• Ministry of the Environment and Spatial Planning</li> <li>• Ministry of European Integration</li> <li>• Ministry of Local Government Administration</li> <li>• Ministry of Economic Development</li> <li>• Ministry of Trade and Industry</li> <li>• Ministry of Education, Science and Technology</li> <li>• Agricultural Commission of Kosovo Parliament</li> <li>• Statistical Agency Kosovo</li> <li>• Regional Development Agency</li> <li>• University of Prishtina/Faculty of Agriculture</li> <li>• EU Office of Kosovo</li> <li>• Donor organizations (World Bank, GIZ, NOA/USAID, DANIDA, Suisse Development Cooperation, ADA, FAO)</li> </ul>	<ul style="list-style-type: none"> <li>• Associations of milk producers and processors</li> <li>• Association of meat processors</li> <li>• Association of poultry producers (eggs and poultry meat)</li> <li>• Association of sheep producers</li> <li>• Association of wine producers</li> <li>• Association of fruit producers</li> <li>• Association of vegetable producers</li> <li>• Association of wheat producers</li> <li>• Association of beekeepers</li> <li>• Association of potatoes growers</li> <li>• Association of municipalities</li> <li>• Association of consumers</li> <li>• National RD network</li> <li>• Representatives of LAGs</li> <li>• Initiative for Agricultural Development of Kosovo (IADK)</li> <li>• Kosovo Chamber of Commerce</li> <li>• Women to women NGO</li> <li>• Centre for Innovation and Technology Transfer</li> <li>• Various agro food processing companies</li> </ul>

## MINORITIES AND VULNERABLE GROUPS

The actions shall give an equal and real opportunity to minorities and vulnerable groups for accessing and benefiting of funds. The actions shall stimulate their participation and special components of the actions are intended to be focused on men and women minorities and vulnerable groups, such as, special information campaigns, special training sessions. Action's deliverables will be provided in both Albanian and Serbian languages and the official website(s) will also publish the official documents in both Albanian and Serbian.

Specific arrangements shall be made so that all activities are equally implemented in the minority areas. Furthermore, Activity 4 includes a specific component for the North, considering that implementation of an Animal Identification and Registration System (I&R) in this region was not possible so far. A campaign on I&R registration in the four Municipalities in the North, as well as an

information campaign on the legal requirements and benefits of the I&R, are both envisaged under this activity. Regional office of Mitrovica will be given a priority in terms of functionalization.

## 6. SUSTAINABILITY

Sustainability as a concept is highly relevant since Kosovo is interested in having well-integrated social, economic and environmental systems that function and will continue functioning in harmony to the benefit of its citizens.

The Action is relevant from the sustainability perspective because it addresses several aspects of high importance in pursuing sustainability, as follows:

**Enhancing the quality of life in Kosovo** through improvement of its access to and competitiveness on the regional, EU and international markets and improvement of the living standards in rural areas, as well as through development of an integrated approach to food safety that will allow for further implementation of proper and coherent farm-to-table measures and adequate monitoring, leading to a high level of food safety, animal health, animal welfare and plant health, as well as to protection of the consumers' interests.

**Strengthening the local economic capacity** through development of the competitiveness of the agri-food sector and development of the local human resources, systems and know how that would allow for better access of Kosovo to regional, EU and international markets.

**Promoting equity** in the implementation of the Action and access to its deliverables by encouraging participation of all the society categories, particularly of women and vulnerable groups, which shall also be stimulated by the scoring system.

**Considering disaster resilience** through supporting improvement of the Kosovo's irrigation system and floods prevention infrastructure, as well as through development of know-how and capacities relevant in addressing potential threats that could arise in the agri-food sector (e.g. plant diseases, threats to human health due to illegal slaughtering, etc.).

This Action follows the perspective of Kosovo in aligning its agriculture sector to EU Common Agriculture Policy. Moreover, it is proved that Kosovo has potential in agriculture and that agriculture has the chance of creating sustainable jobs and income to rural inhabitants. The sustainability of investments is closely linked with the sustainability of projects, therefore it will be required that the grant beneficiaries demonstrate their future profitability of their businesses and how the proposed investments are supporting this aim. For the IT system proposed to be developed, MAFRD shall ensure its upgrade and maintenance costs. About the irrigation/floods prevention component, consolidation of the farmers' **irrigation associations** and preparing them to manage the irrigation infrastructure would ensure the sustainability of the action in this area. The role of irrigation associations for the sustainability of the action is crucially important as these shall benefit of the investments and, through their payments for the use of water, shall be covered also the costs for the maintenance of the irrigation infrastructure.

The proposed Action, will not only ensure indispensable transfer of know-how but also develop capacities and systems presenting a sustainable and a long lasting tool for effective implementation of food safety system. Necessary preconditions are being put in place by the IPA II beneficiary in order to properly keep into operation established systems and mechanisms in long run through timely and sufficient commitment of human and financial resources.

## 7. COMMUNICATION AND VISIBILITY

Communication and visibility will be given high importance during the implementation of the Action. The implementation of the communication activities shall be the responsibility of the IPA II beneficiary, and shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the Commission (DG NEAR) will have to be followed.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the EU approximation process. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds.

It is the responsibility of the IPA II beneficiary to keep the EU Office in Kosovo and the European Commission fully informed of the planning and implementation of the specific visibility and communication activities.

**ACRONYMS/ABBREVIATIONS:**

CAP	Common Agricultural Policy
ISP	Indicative Strategy Paper for Kosovo 2014-2020
EU	European Union
EUO	European Union Office in Kosovo
FBO	Food Business Operators
I&R	Animal Identification and Registration System
IAIS	Integrated Administration Informational System
IT	Information Technology
KFVA	Kosovo Food and Veterinary Agency
LIMS	Laboratory Integrated Management System
MAFRD	Ministry of Agriculture, Forestry and Rural Development
SAA	Stabilisation and Association Agreement
SOP	Standard Operating Procedures
SPD	Sector Planning Document 2015-2020
VIS	Veterinary Information System
GMO	Genetically Modified Organism