

2010 Annual Programme — Project Fiche 8
Veterinary and Food Safety

1. Basic information

- 1.1 CRIS Number: 2010/022-452
 1.2 Title: Veterinary and food safety
 1.3 ELARG Statistical code: 03.12
 1.4 Location: Kosovo*

Implementing arrangements:

- 1.5 Contracting Authority: European Commission Office to Kosovo
 1.6 Implementing Agency: n/a
 1.7 Beneficiary:

Project activity/component	Beneficiary institution	Contact point responsible for project/activity coordination
Further assistance to the Kosovo Food and Veterinary Agency in building up an integrated food, veterinary and phytosanitary control system and support for Food Business Operators implementing EU-certified safety and quality practices.	Kosovo Food and Veterinary Agency (KFVAA)	Mr Valdet Gjinovci, Acting CEO Kosovo Veterinary and Food Agency (KVFA) Phone: +381 38 551 939 Fax: +381 38 25 25304, e — mail: valdet.gjinovci@ks-gov.net

Financing:

- 1.8 Overall cost (VAT excluded): EUR 1.7 million
 1.9 EU contribution: EUR 1.5 million
 1.10 Final date for contracting: 2 years after the signature of the financing agreement
 1.11 Final date for execution of contracts: 2 years after the final date for contracting
 1.12 Final date for disbursements: 1 year after the final date for the execution of contracts

2. Overall Objective and Project Purpose

2.1 Overall objective:

To contribute to consumer protection in Kosovo by ensuring food safety in accordance with EU standards.

2.2 Project purpose:

Strengthening the FVA's capacity to adopt and enforce EU policies and legislation on animal and plant health and hygiene and to help agri-food businesses and the farming community to implement EU standards.

* Under UNSCR 1244/1999.

2.3 Link with European Partnership/Stabilisation and Association Process Dialogue/Progress Reports

The project refers to the following priorities of the *European Partnership*:

- Updating legislation and strengthening implementation and controls on food safety and veterinary and phytosanitary issues.
- Continuing to upgrade veterinary, phytosanitary, wine and sanitary laboratories, inspectorates and controls at external borders.
- Continuing to strengthen veterinary, sanitary, phytosanitary and food safety legislation and controls.

The *Kosovo Progress Report 2009* states that: ‘In the **veterinary and phytosanitary** area, the new Food Law provides a basis for adopting implementing legislation. Very limited progress can be reported in this respect. Plans to evaluate and upgrade agri-food establishments remain at a preparatory stage. ‘Overall, the agriculture, veterinary and phytosanitary legislative framework has been developed. The lack of administrative capacity remains a concern, leading to delays in reforming the agricultural sector. There has been limited progress as regards alignment with European standards’.

2.4 Link with the Multiannual Indicative Planning Document (MIPD)

Agriculture and rural development are priority areas under the economic criteria of the MIPD 2009-2011, the key strategic planning document for aid to Kosovo under the Instrument for Pre-Accession Assistance (IPA).

2.5 Link with National Development Plan

This project is in line with the agriculture components of the Medium-term Expenditure Framework 2009-2011 and specifically the Agricultural Rural Development Plan 2009-13 (ARDP).

2.6 Link with national/sectoral investment plans

The main policy objective for the sector is consistent with the general strategy included in the updated Agriculture and Rural Development Programme (ARDP) 2009-13, in which Measure 4 — Improvement of Processing and Marketing of Agricultural Products — is given very high priority. The updated ARDP 2009-2013 specifically refers to supporting the development of higher value-added products that meet international hygiene, food safety and quality standards for consumers and improving structures for, and enforcement of, quality, sanitary, veterinary and plant-health controls. The aim is to improve the quality of processed products, introduce innovative and effective production methods, and make progress on meeting EU hygiene, phytosanitary, sanitary and veterinary requirements.

Kosovo has already introduced certain EU standards for food safety and veterinary services. The food law approved in 2009 allows the FVA to introduce EU-compliant controls throughout the food chain, starting at the farm. A strategy for upgrading agri-food businesses is being prepared by the Food and Veterinary Agency.

3. Description of project

3.1 Background and justification

The Food Safety, Veterinary and Phytosanitary authorities in Kosovo needed reorganisation after the new Food Law was adopted in April 2009. The law required all the food control

bodies (the Ministry of Health's Sanitary Inspectorate, municipal inspectorates) into one executive agency, named the Food and Veterinary Agency. This not only centralised responsibilities and streamlined inspection services, but introduced a completely new concept of the role of government in ensuring safety and quality of food. While, previously, responsibility for ensuring the safety food products lay with the government inspectorate, from now on it is the sole responsibility of the 'food business operator'. The food inspector's role will become that of an auditor and advisor to food business operators. The methodology and planning of the government's food control programme will be entirely different, no longer being based on the number of inspections carried out, but using risk assessment as the key planning tool for FVA activities.

Currently, with the support of a ongoing twinning project, the FVA is completing the legal framework to enable the FVA function under the new organisational structure and introduce EU requirements for food safety through the entire chain — food production, processing, transport and retail.

Major concerns remain about the level of qualification and skills of the municipal inspectors, conditions in existing agri-food businesses and farmers' knowledge of good hygiene and good farming practices.

While the ongoing twinning project is helping the FVA to draft the necessary legislation, reorganise FVA various departments and build staff capacity, this project moves beyond that to support FVA enforcement of the law in the field and help food business operators comply with the new safety and quality requirements.

In light of the above, the project will be closely linked with ECLO grants for upgrading agri-food businesses: investment grants will be complemented by expert advice on design and layout of the premises and technology during the early stages and on introducing quality and safety systems later.

This is becoming particularly important because all countries in the region are implementing EU food standards and investing heavily in upgrading this sector to make it compatible for trade with EU countries. Kosovo needs to keep pace with other countries in the region to be able to export its food products across the region and later to the EU.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

As stated in the overall project objective, key project impacts are improved consumer protection and reduction of food-borne diseases, through the application of integrated food control system.

Applying quality and safety standards such as GHP, GMP and HACCP throughout the food chain will increase the competitiveness of domestic products and contribute to import substitution.

Introducing good hygiene and good farming practices at primary production (farm) level will not only pave the way for adopting GFP, GHP, GMP and HACCP, it will improve farm income by introducing modern management systems and providing premium raw materials for food processing, e.g. milk with a low bacterial count and low somatic cells.

It is known that such reforms demand great effort and investment, both of government and industry, especially the latter, while the benefits are not immediately visible. Therefore the project includes an awareness-raising campaign which will provide information to key stakeholders and the general public on the new laws, the importance of food safety and quality

systems for public health and consumer protection, and the impact of success or failure on domestic consumption and particularly on food exports to the region and the EU.

Sustainability and cross-border impact go hand in hand in this project. While upgrading agri-food businesses and introducing EU safety and quality requirements is already well under way in some countries in the region because of the CEFTA agreement and the aspiration of future access to the EU market, only food business operators who meet the requirement will be able to operate and only they will be able to export to the region and the EU.

From the institutional point of view, the Food and Veterinary Agency must be reliable and competent, capable of guaranteeing the safety and quality of products that are exported, imported or transported through Kosovo.

3.3 Results and measurable indicators

Expected Results:

- a) Complete legal framework complying with the EU *acquis* on food safety, veterinary and phytosanitary matters drafted, completed and approved; long-term development strategy for the Food and Veterinary Agency drafted.
- b) Guidelines for FVA staff, food business operators and farmers on implementing the law drafted and approved.
- c) FVA staff trained and capable of enforcing the law.
- d) Food business operators and farmers who receive project support are complying with the guidelines on hygiene, safety, Identification & Registration, animal welfare, disease control, etc.
- e) Certified HACCP system introduced in selected premises.
- f) Public information and communication strategy updated and implemented.

Measurable indicators:

- a) Number of laws and regulation drafted, adopted and harmonised with the *acquis*.
- b) Number of primary and secondary legislative acts approved; number of operational regulations drafted and issued;
- c) Number of FVA inspectors successfully completing training modules.
- d) Number of food business operators trained in food safety — GMP, GHP, GAP and ISO standards. Number of qualified farmers receiving project support. List of farmers compliant with the established I&R, animal welfare, disease control requirements.
- e) Number of businesses that have implemented HACCP.
- f) Updated Public Information Strategy Paper and implementation action plan.

3.4 Activities:

- a) Carry out a Gap Assessment on the existing legislation and its conformity with EC directives on food, veterinary and phytosanitary controls from farm to fork; evidence missing legislation
- b) Support working group on legislation in drafting lacking primary and secondary legislation
- c) Draft concordance table with the EU *acquis*
- d) Support FVA departments at headquarters and regional FVA offices in drafting and implementing annual work plans
- e) Draft standard operating procedures and guidelines for implementing EU-compliant control checks from farm to fork

- f) Monitor progress in implementing the standard procedures and guidelines and give advice whenever necessary
- g) Carry out a training needs assessment for FVA inspectors (veterinary, phytosanitary, and sanitary)
- h) Design a training programme to address general needs and develop individual training modules for each inspectorate, taking into account the part of the food chain under their control; deliver training using predefined tools (on-the-job training, internships, workshops, study visits, etc.)
- i) Carry out a comprehensive survey of medium-sized and large farmers, to be followed by a site visit to assess preconditions for implementing good farming practices and good hygiene practices in line with EU recommendations. Propose list of farms to be included in the project's support scheme
- j) Carry out a comprehensive survey of food business operators by category, including their transport, storage, processing and retail facilities
- k) Perform a site visit to assess preconditions for starting to implement a self-control system
- l) Implement preconditions for effective self-control system in the selected establishments
- m) Raise awareness among key stakeholders in food safety
- n) Carry out detailed assessment of infrastructure, technology and personnel of dairy, meat and fruit & vegetable processing establishments to confirm suitability to implement the HACCP system
- o) Based on the assessment, draft a list of establishments where HACCP can be introduced
- p) Introduce HACCP through on-the-job staff training in agri-food businesses. Training on HACCP to include training of trainers for Kosovo Veterinary and Food Agency on auditing the HACCP system
- q) Revise and update, if necessary, the public information and communication strategy drafted by the current twinning project 'Meeting EU standards on food safety and veterinary services in Kosovo'
- r) Implement the public information strategy, in particular for the design and provision of information to the food industry and farming community on requirements for applying quality and safety standards at production and processing level, namely HACCP, GHP, GMP, and GAP.
- s) Design and set up a functional and effective system of communication in the KFVA and between the KFVA and food industry consumers and other stakeholders.

Contracting arrangements

Twinning Contract — EUR 1.5 million

National co-financing of EUR 0.2 million is planned for this project.

3.5 Conditionality and sequencing

The project includes the following conditionalities:

- Co-financing is ensured;
- The regulation on the new organisational structure of the Food and Veterinary Agency is approved;
- The legal framework to allow implementation of GAP, GHP, GMP and HACCP is in place;
- The supervisory board of the Food and Veterinary Agency is set up and operating;

- Municipal inspectors are transferred to the Food and Veterinary Agency;
- The strategy for upgrading agri-food businesses is finalised and adopted.

If conditionalities are not met, the European Commission Liaison Office reserves the right to suspend or cancel the project.

3.6 Linked activities

The project is linked to the following ongoing EU assistance projects, none of which it should overlap:

Follow-up on Animal Identification, Registration and Movement Control, including GIS. Started in February 2010 and will run through to February 2012.

Regional project 'Control and Eradication of Animal Diseases'. Started in January 2010 and will run through to January 2012.

EU grants for upgrading agri-food businesses. The call for proposals is to be published in May 2010, beneficiaries selected and contracts signed by the end of 2010.

Other donor activities:

World Bank-funded project on Avian Influenza. Project started in April 2007 and ends in April 2011.

USAID 'Kosovo Private Enterprise Program'. One of the components is support to the Milk Control Laboratory of the Kosovo Food and Veterinary Agency.

3.7 Lessons learned

The overall impact realised through the previous assistance is satisfactory. Particular progress is noted in the institutional organization and improved delivery of services. Moreover, increased commitment towards adoption of EU policies, legislation and best practices is noted. However, a number of challenges remain, primarily linked to programming and implementation capacities of the adopted policies and legislation:

- *Legal reform in the sector:* Initial timelines for the adoption of legal instruments are not always adhered to, leading to delays in implementation and causing difficulties in project implementation. For this project, the basic legislation is in place; however, a number of regulations need to be adopted to enable some parts of the project to be implemented.
- *Enforcement:* The focus has very much been on setting up the legal framework in Kosovo. Capacity to enforce the law has not received enough attention. While legal reform has advanced, law enforcement and implementation have not followed. This creates a widening gap between the formal legal situation and practice 'on the ground'.
- *Conditionalities:* Often, project implementation suffers from either a lack of staff and resources allocated to (newly established) institutions or a lack of operational funds in the government budget to allow the relevant department to carry out its mandate appropriately. For this project, a strategy for upgrading agri-food businesses should be adopted, accompanied by a detailed assessment of the beneficiaries targeted (commercial farmers, food business operators) and a clear indication of the time line for implementing safety and quality standards.

- *Coordination within the government:* Further improvements — in line with the spirit of EU accession — could be made with stronger government leadership in coordination efforts among the ministries and departments. For example, assistance will be needed from the Ministry of Agriculture, Forestry and Rural Development through subsidy schemes, and from the Ministry of Environment and Spatial Planning with regard to environmental impact assessments, building permission for food business operators and commercial farms, etc.

4. Indicative Budget (amounts in EUR million)

			SOURCES OF FUNDING									
			TOTAL EXP.	IPA EU CONTRIBUTION		BENEFICIARY CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity: Support to Kosovo Food and Veterinary Agency			1.7	1.5	88	0.2	12	0.2				
Contract — Twinning	X		1.7	1.5	88	0.2	12	0.2				
TOTAL IB			1.7	1.5	88	0.2	12	0.2				
TOTAL INV												
TOTAL PROJECT			1.7	1.5	88	0.2	12	0.2				

NOTE: Amounts net of VAT

(1) In the Activities column use 'X' to identify whether institution building (IB) or investment (INV).

(2) Expressed in % of the **total** expenditure (EXP) (column (a))

5. Indicative Implementation Schedule

Contracts	Start of Tendering	Signature of contract	Project Completion
Twinning Contract	Q4 2010	Q3 2011	Q3 2013

6. Mainstreaming cross-cutting issues

6.1 Equal Opportunity (gender mainstreaming)

Promoting a more diverse workplace (in terms of gender and ethnicity) will be a strong element in strengthening the capacity of the target institutions. The project will ensure mainstreaming of gender and minority issues both (i) within the target institutions and (ii) in the outputs (services provided by these institutions) by:

- addressing the barriers in the workplace that prevent gender equality and ethnic diversity; creating a workplace culture supportive of gender equality and ethnic diversity to improve gender/ethnic balance within the organisation. Opening up new opportunities for minorities as well as opportunities for women to work in non-traditional areas will, in turn, contribute to changing the policy, business and customer focus of these institutions.
- introducing concepts of equality and diversity in strategic planning and management, including the business case for equality and diversity, so as to make the workforce more representative of and responsive to the Kosovo customer base. A work culture that is respectful and accommodating of diversity will in turn contribute to the creation of a multi-ethnic food safety and veterinary service in Kosovo. The project will promote the participation of women in all activities.

6.2 Environment

All support provided will be subject, where necessary, as required by the legislation in force in Kosovo and by EU Directives and standards, to include measures on controlling pollution, enhancing environmental protection, etc.

6.3 Minorities

The project will actively promote the participation of ethnic minorities in all activities, will make a particular effort to work in minority areas, and will deliver outputs that are ethnically disaggregated so that progress and achievements for minorities are transparent.

ANNEXES

- Annex I- Log frame in standard format
- Annex II- Amounts contracted and disbursed per quarter over the full duration of the programme
- Annex III- Description of institutional framework
- Annex IV - Reference to laws, regulations and strategic documents
- Annex V- Details per EU-funded contract

ANNEX I: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR PROJECT FICHE — Further assistance to the Kosovo Food and Veterinary Agency		Programme name and number IPA 2010	
Sector: European Standards		Contracting period expires: Ref Section 1.10	Disbursement period expires: Ref section 1.12
		Total budget: EUR 1.7 million	IPA budget: EUR 1.5 million
Overall objective	Objectively verifiable indicators	Sources of Verification	
To contribute to the consumer protection in Kosovo by ensuring food safety in accordance with EU standards	Improved safety and quality safety of food products in Kosovo.	European Commission Progress Report Government Monitoring Report	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
Strengthening the FVA's capacity to adopt and enforce EU policies and legislation on animal and plant health and hygiene, and to help agri-food businesses and the farming community implement EU standards.	Legal framework and guidelines for an effective food, veterinary and phytosanitary control system completed and harmonised with the <i>acquis</i> .	European Commission Progress Report Government Monitoring Report Project Reports Administrative Instructions and Guidelines	Political commitment of Assembly of Kosovo to approve the new legislation within a reasonable time period and ensuring full operation of the food safety system indicated by the provision of required resources Strong inter-institutional coordination and commitment to exchange information related to food safety; Food Business Operators and farmers motivated and able to implement and sustain food safety systems — HACCP, GMP and GHP.
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
1. Complete legal framework in compliance with the EU <i>acquis</i> on food safety, veterinary and phytosanitary drafted, completed and approved; long-term development strategy for Food and Veterinary Agency drafted	Number of primary and secondary legislation approved; Number of operational regulations drafted and issued;	Project Report Minutes of the Steering Committee Meetings Government Official Journal	Assembly of Kosovo approves new legislation in a timely manner;

<p>2. Guidelines for FVA staff (veterinary, phytosanitary and sanitary), food business operators and farmers on implementing the legal framework drafted and approved.</p>	<p>Number of departments/offices, and laboratories set up and fully staffed; Number of operational rules and procedures drafted/implemented;</p>	<p>Operational Guidelines, rules and procedures available</p>	<p>The Prime Minister's office approves new structure in good time and allocates sufficient budget to hire new staff required under new organisational structure</p>
<p>3. FVA staff trained and capable of enforcing the legislation in place.</p>	<p>Number of FVA inspectors who have successfully completed training modules.</p>	<p>Post-Training and reports Certificates of successful completion of training.</p>	<p>FVA inspectors absorb the knowledge delivered through the CB events.</p>
<p>4. Food Business Operators and Farmers who received project support are complying with the guidelines on hygiene, safety, Identification & Registration, Animal Welfare, Disease Control, etc.</p>	<p>Number of Food Business Operators trained in food safety standards — GMP, GHP, GAP and ISO standards. Number of qualified farmers receiving project support. List of farmers compliant with the established Identification and registration, animal welfare, and disease control requirements.</p>	<p>Survey on medium and large farmers' available. List of farms who received support from the project is available. Project reports; List of food business operators who were part of the project support scheme.</p>	<p>Sufficient financial resources are allocated for the activities of inspectors and maintenance of equipment and vehicles. Farmers motivated to stimulate their participation in the project is in place. Food industry will benefit from the ECLO rural grants. Sufficient resources are made available by food businesses to sustain the HACCP system.</p>
<p>5. Certified HACCP system implemented in the selected businesses.</p>	<p>Number of businesses that have implemented HACCP.</p>	<p>Holding Inspection Reports and eventually reports of inspections carried for subsidy purposes. Project reports, HACCP certificates, inspection reports.</p>	
<p>6. Public information and communication strategy on food safety, veterinary and phytosanitary requirements updated and implemented</p>	<p>Updated Public Information Strategy Paper and implementation action plan.</p>	<p>Progress reports, publications and announcements, alert notifications, leaflets, brochures and other information material.</p>	

Activities	Means	Costs	Assumptions
Further assistance to the Kosovo Food and Veterinary Agency	Twinning Contract	EUR 1.5 million EU Contribution EUR 0.2 million — National Co-financing	Basic laws, covering Food Safety, Veterinary, Phytosanitary/Plant Health and Sanitary are in place. Sufficient funds are available to maintain the purchased equipment and vehicles Farmers committed towards implementing project recommendations

Pre-conditions:

- Regulation on new administrative organisation is in place. FVA-Regional offices established and functional!
- Transfer of Veterinary, Phytosanitary and Sanitary Inspectors from Municipalities to the Food and Veterinary Agency is completed.
- Implementation of Food safety and quality practices is covered by the relevant legislation,

ANNEX II: Indicative planning of the amounts (in EUR million) contracted and disbursed by quarter for the project (cumulated).

Contracted	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4
Twinning Contract					1.5							
Cumulated					1.5							
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Disbursed												
Twinning Contract							1.0			0.5		
Cumulated							1.0	1.0	1.0	1.5		

ANNEX III: Institutional framework



ANNEX IV: Reference to laws, regulations and strategic documents

Reference list of Kosovo relevant laws and regulations

- Kosovo Veterinary Law No 21/04;
- Food Law No 03/L-016;
- Law on plant protection and production No02/L-95;
- Law on Kosovo Sanitary Inspection
- Strategy for upgrading Agri-food establishments to be finalised by the end of 2010;
- Agriculture Rural Development Plan 2009-2013.

Reference to European Partnership/Stabilisation and Association Process Dialogue/Progress Reports

The project makes a reference to the following priorities identified in the *European Partnership* including:

- Updating legislation and strengthening implementation and controls on food safety and veterinary and phytosanitary issues.
- Continuing to upgrade veterinary, phytosanitary, wine and sanitary laboratories, inspectorates and controls at external borders.
- Continue strengthening veterinary, sanitary, phytosanitary and food safety legislation and controls.
- Prepare strategic plan for upgrading agri-food businesses.

Reference to national/sectoral investment plans

There are still legislative limitations in Kosovo that impede the implementation of rural development instruments. These limitations have been addressed by the Government and they are being revised.

The Food Law has been adopted by the Parliament and the FVA brought under the Prime Minister's office.

A new Law regulating packaging and labelling in conformity with EU standards has been adopted and intensive work is being done on transposing the new hygiene package (the Regulation on hygiene of food products has already been transposed).

The main policy objective for the sector is consistent with the general strategy included in the Agriculture and Rural Development Programme 2007-13, namely achieving additional incomes for farmers and rural dwellers, leading to improved living standards and working conditions in rural areas; improving competitiveness and efficiency of primary and processed agricultural production, in order to increase import substitution and access export markets; improving on-farm/in factory quality and hygiene standards; improving sustainable rural development and improved quality of life (including infrastructure) through promotion of farming and other economic activities that are in harmony with the environment; creating employment opportunities in rural areas; and aligning Kosovo's agriculture with that of the EU.

ANNEX V: Details per EU-funded contract

Twinning will be used to implement this activity. Standard twinning procedures are to be used. The Resident Twinning Advisor (RTA) is expected to be a senior civil servant from a similar institution in an EU member state (i.e. local authority). The RTA will be assisted by short- and medium-term experts from EU member states.