

2010 Annual Programme — Project Fiche 7
Agriculture and Rural Development

1. Basic information

- 1.1 CRIS Number: 2010/022-452
 1.2 Title: Agriculture and rural development
 1.3 ELARG Statistical code: 02.11
 1.4 Location: Kosovo*

Implementing arrangements:

- 1.5 Contracting Authority (EC): European Commission Liaison Office in Kosovo
 1.6 Implementing Agency: n/a
 1.7 Beneficiary:

Project activity/component	Beneficiary institution	Contact point responsible for project/activity coordination
Support for the Ministry of Agriculture, Forestry and Rural Development (MAFRD) in legislative and policy development and in implementing the Agriculture and Rural Development Project (ARDP)	The Ministry of Agriculture, Forestry and Rural Development	Mr Hysni Thaci — Acting Permanent Secretary Tel. (038) / 211 834 or 211 885 Email: hysni.thaci@ks-gov.net

Financing:

- 1.8 Overall cost (VAT excluded): EUR 2.2 million
 1.9 EU contribution: EUR 2.0 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 increase the contribution of the agriculture and rural development sector to economic development and growth in Kosovo

2.2 Project purpose:

To help strengthen administrative structures within the MAFRD and civil society organisations; to formulate and implement the national agriculture and rural development programme in conformity with EU principles and standards.

* Under UNSCR 1244/1999.

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

The project responds to the priorities defined in the **European Partnership**, especially those concerning the need to meet European Union standards. It responds particularly to one of the **Key Priorities** defined in the European Partnership, namely to '*Strengthen the administrative capacity needed to formulate and implement agricultural and rural development policy*'.

The *Kosovo Progress Report 2009* states that: 'The Law on Agriculture and Rural Development was adopted in July. It provides a framework for agricultural and rural development practices in Kosovo and establishes the legal basis for updating the agricultural and rural development plan for the period 2009–2013 and the accompanying action plan. The Ministry of Agriculture, Forestry and Rural Development has stepped up its reform efforts in areas such as consolidating and rehabilitating agricultural land, improving natural resources management in rural areas, increasing competitiveness and farm diversification, and enhancing food quality. These efforts are supported by a 40% increase in government spending in the agricultural sector in 2009 compared to 2008. A grant system is also planned, mainly to support structural reform measures rather than offering direct payments for production.'

Kosovo's agriculture continues to suffer from fragmented land tenure, lax control of the use of arable land for construction, non-transparent valuation and pricing of agricultural land (for both sale and lease), difficulties for farmers to access credit, and an outdated and inadequate land registration system. 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)

This project addresses the priorities set out in the 2009-2011 MIPD, Axis 2 Economic Criteria. In particular the focus is on wider socio-economic issues, including fiscal and financial management, auditing and accounting procedures, improving the investment climate, trade opportunities, energy, environment, transport, agriculture and rural development, designing a research policy and reforming the education and employment frameworks.

2.5 Link with the National Development Plan

This programme proposal is in line with the Agriculture and Rural Development Plan 2009–2013 and its specific medium-term objectives and policies.

2.6 Link with national/ sectoral investment plans

Further to the Medium Term Expenditure Framework 2010-2012, the total amount allocated to agriculture in the Kosovo Consolidated Budget (KCB) was increased in 2009 to EUR 12 million, which is about 43% higher than in 2008. Most of the increase in spending for this sector is in capital investment due to the inclusion of new projects identified in the Rural and Agricultural Development Plan for 2007-13.

3. Description of project

3.1 Background and justification:

Agriculture is an important economic sector which generates a considerable level of output and employment. Kosovo agricultural policy has limited resources for financing agricultural and rural development. According to an analysis carried out by the Agri-policy FP 7 project, Kosovo spends less per capita in this sector than any other country in the region. The available funds are not sufficient to meet the development needs in all the areas that could benefit from public funding — production, marketing, food hygiene and safety, environmental protection, human resources and poverty elimination.

MAFRD has updated the priorities for the 2009–2013 Agriculture and Rural Development Plan, (ARDP), focusing on what Kosovo could achieve and deliver, particularly given the limited national budget for this sector. The ARDP in general follows the basic structure of a mid-term development programme required by the EU, but some important chapters are missing and some others are insufficiently detailed. Many of the necessary administrative bodies have been described in the ARDP, which should be given a further thorough appraisal.

The Law on Agriculture and Rural Development was adopted in July 2009. It contains basic legal provisions for further aligning Kosovo's rural economy with the EU *acquis* both in broad terms and in terms of implementing the Instrument for Pre-Accession for Rural Development (IPARD). Many of the necessary elements are listed in the law (data bases, administrative structures, policy areas and measures) but not further specified. To implement these measures, the MAFRD needs to officially define the procedures, eligibility criteria and ranking criteria, and the systems for checking, monitoring and reporting. This has not yet been done.

Since 2008 the MAFRD has been implementing the KCB rural development grant programme, mainly to support structural reform measures in 2009, and has made some limited direct payments for production. While grants are disbursed by the MAFRD there is still a lack of administrative capacity for efficiently monitoring the impact of the KCB grant schemes on the agricultural sector and the effectiveness of the ARDP as a whole.

The lack of agricultural market data, farm accounting data and agricultural trade statistics is a major handicap for formulating, implementing and evaluating agricultural policy and programmes. The MAFRD in cooperation with the Statistical Office of Kosovo has started to address this problem, but further capacity-building action is needed.

The land registration process and incorporation of data into the land register must also continue in a sustainable manner in order to allow the MAFRD to conduct policy effectively and to check and monitor the correct implementation of the KCB rural development grant programme.

While there has been progress in drafting and adopting legislation, further efforts are needed to implement this legislation effectively. Further capacity-building support is also required to enable MAFRD staff to carry out on-the-spot checks.

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

The project is expected to deliver a significant legal and administrative capacity focused on legislative alignment and institution building within MAFRD, so that the Ministry streamlines

its responsibilities, adequately formulates its priorities for policy development and is capable of gradually introducing into Kosovo's agriculture the harmonised principles, mechanisms and organisational patterns of the EU's agricultural and rural development policies.

The project also aims at building the MAFRD's capacity to establish, implement, update and monitor a comprehensive Agricultural Information System, including the Farm Register, Land Register, Farm Accountancy Data Network (FADN) and geographical information system (GIS). This should enable the MAFRD to carry out economic analyses and thus help it develop realistic and constructive agricultural, economic and socio-economic policies.

The sustainability and economic effects of the project will contribute to the implementation of an appropriate local rural development grant programme. This in turn will help upgrade and develop agricultural and rural development, helping farmers and food processors meet food safety standards, modernise their farms and processing facilities and benefit from vocational training and job creation schemes.

3.3 Results and measurable indicators:

Expected results:

- The results of the mid-term evaluation are reflected in the updated ARDP and Kosovo's agriculture and rural development policy.
- The established ARDP implementing structures at MAFRD implement the rural development grant programme according to the updated ARDP and policy priorities and in accordance with EU standards and requirements.
- Civil society organisations, local action groups and agricultural producers' organisations are better equipped to engage in dialogue with the MAFRD on designing and implementing the agricultural and rural development plan and programme.
- The Agricultural Information System (AIS) is operational, linking data from a range of public information services in support of the sector.

Measurable indicators:

- The ARDP implementing institutions are capable of processing, monitoring and evaluating at least 1000 applications from farmers;
- The mid-term evaluation of the ARDP and the rural development programme is prepared and approved by the MAFRD;
- A system is established for collecting and processing the monitoring and evaluation indicators.
- Annual data are produced from the farm register and land register, the market information system and agricultural trade statistics.
- At least two agriculture and rural development measures are launched taking into consideration the mid-term evaluation and the updated and approved ARDP/rural development programme with KCB.

3.4 Activities:

Activity 1 — (Contract 1.1)

This project will include a mid-term review and appraisal of Kosovo's Agriculture and Rural Development Plan as well as an analysis of ARDP priorities compared with the socio-economic needs. Recommendations will be made for improving or correcting the programming and implementation of the ARDP. The mid-term review will provide input for updating the priority measure fiches, guidelines, manuals and procedures for

implementing the ARDP, and for updating the procedural rules, guidelines and instructions for the operation of the ARDP implementing institutions. The monitoring and evaluation system would need to include a definition of indicators.

The project will also cover training, public awareness seminars, internships and workshops. These will help administrators to programme, monitor and manage the Kosovo rural development grant programme in accordance with EU financial management rules and standards. They will also help civil society, farmers' associations, local action groups and producers' organisations to take part in programming and implementing the grant programme. In addition, the project will help administrators to assess the existing agricultural information system components and to update the farm register, land register, market information system and FADN. A comprehensive IT strategy will be introduced for monitoring and evaluating the ARDP. It will include cost estimates and needs assessments based on the IT concept developed by the IPA 2008 twinning project.

Contracting arrangements:

Activity 1: Contract - The Project will be implemented via a twinning project. The twinning will run for two years.

Resident Twinning Advisor (RTA) profile:

- Work experience in implementing EU agricultural and rural development legislation and in managing structural funds.
- Language proficiency: fluency in English.
- Education: relevant education in the area of agriculture, rural development or economics

3.5 Conditionality and sequencing:

The project includes the following conditionalities:

- Availability of staff at the MAFRD
- Availability of national financing for implementing ARDP measures
- Availability of funds from the MAFRD budget
- Availability of co-financing
- Strong political will to implement the project
- Timely preparation of legislation
- Good cooperation among the different stakeholders in implementing the project
- The parties concerned assume their responsibilities and comply with their obligations
- The beneficiary takes part in the tender process in accordance with EU regulations

If these conditionalities are not met, the EC Liaison Office in Kosovo reserves the right to suspend or cancel the project.

3.6 Linked activities

Since 1999, the EU has provided over EUR 70 million of assistance (including investment, training, management support, technical assistance and institutional support) for developing the agricultural sector in Kosovo. The table below summarises the past EU assistance relevant to this project:

Name of project (in EUR million)	Start End	Activities/Results
Establishing a Farm Register system in Kosovo	May 2010 - May 2011	MAFRD and the Statistical Office of Kosovo (SOK) assisted in carrying out an agriculture household survey and establishing a Farm Register.
Further support to land use	February 2010 – February 2011	It consists of assistance to the MAFRD to adopt and implement the National Strategy for Land Consolidation and land reform and assistance to the Land Consolidation Office (LCO) in planning, design and implementation of Land Consolidation (LC) schemes and proceeding with land reform measures. The project will support the review and drafting of regulations and administrative instructions to help implement and enforce the Law on Agricultural Land taking into account the Laws on Spatial Planning, Environmental Protection, Cadastre, Property rights and self government. Input will be provided for carrying out the inventory on ownership in the cadastral zone(s) covering LC schemes, for rural land zoning, as well as for reviewing and refining the existing land valuation criteria and carrying out land value assessments and land value maps in selected pilot areas. The development of land leasing arrangements, including SOEs, will also be carried out in the framework of this project. The development and implementation of a land register database for selected pilot areas is also envisaged. Pilot areas will be selected based on the availability and completeness of ownership and cadastral records. An inventory will be made of polluted agricultural land and made available in a database. Land use plans will be developed for all municipalities but at least in 6 in Kosovo in cooperation with the Ministry of Local Government Administration (MLGA) and the Ministry of Environment and Spatial Planning (MESP).
Support to EU Regional Economic Development Approach in Kosovo	March 2009-Feb 2012	Establish and put into operation five Regional Development Agencies, providing financial support via the EURED grant scheme to small-scale regional socio-economic projects and making available expert support in the areas of strategy building, institution building, financial management, communication and public relations, etc. to RDAs and regional stakeholders.
Cross-Border Cooperation Programme	August 2008-July 2010	Helping the Kosovo Operating Structures to draft and implement up to three CBC programmes: Kosovo-Albania, Kosovo-fYRoM and Kosovo-Montenegro. Involving RDAs in the process.
KS 08 IB AG 01	January 2009 - May 2011	Carrying out a 'gap analysis' of the general organisation, functions and activity of the MAFRD and existing agricultural and forestry support mechanisms. Furthermore, the twinning project will help the MAFRD to draw up a programme of sectoral alignment and to formulate and evaluate its policies. The project is also assessing the MAFRD's needs (e.g. for staff) in order to be ready to implement legislation. In addition, the project is helping the MAFRD by drawing up an Action Plan for preparing the ground for the gradual establishment of the institutions and instruments that will implement the future IPARD Component and the ARDP 2007-2013. This involves working group sessions, study visits and in-country training sessions. A grant scheme for rural development measures to be implemented under the IPA 2009 project and measures available under ARDP 2007-2013 will be used as a pilot exercise to be implemented by the newly-developed and strengthened implementing institutions.
Local Development Strategies (LDS).	May 2007 - May 2009	The project has helped local communities prepare and implement local development strategies including: (i) the formation of Local Action Groups (LAGs); (ii) implementing sustainable market linkage programmes in order to improve the quality of rural life; (iii) supporting farmers and farmers' groups through the MAFRD Rural Advisory Support Service (RASS); (iv) better land use management and monitoring in all municipalities.
Institutional Support to Ministry of Agriculture Forestry and Rural Development (ISMAFRD)	February 2007 - January 2009	Further strengthening the MAFRD by: (i) supporting the EU integration process and legislative approximation and harmonisation; (ii) making MAFRD more efficient through staff recruitment and training; (iii) supporting agricultural policy and the development of agricultural statistics and the farm accounting data network (FADN); (iv) developing budget

		management skills to assist access to IPA financial resources
Support to the Kosovo Centre for Livestock Breeding (KCLB)	December 2006- January 2009	Improving the quality and productivity of the livestock sector through capacity building and by developing and implementing livestock policy. The project specifically aims to: (i) support and strengthen the institutional, legal and management framework of the KCLB; (ii) develop a livestock pedigree database (herd book) from information generated by previous EAR supported projects; (iii) disseminate selected livestock performance data and breeding advice to livestock breeders, via the MAFRD's Rural Development Advisory Services (RDAS) department; (iv) help KCLB and the Standing Commission for Livestock Breeding by providing background information for policy advice to the MAFRD's Policy Unit
Marketing Support Project (MSP)	December 2005 - December 2007	This project was aimed at strengthening market information services and improving market access for local producers by: (i) developing a market information service (MIS); (ii) encouraging investment into and development of wholesale/farmer/retail markets, post-harvest and added value activities, farmer marketing and enterprise groups and improved linkages between farmers, traders and processors; (iii) enabling greater uptake of quality assurance programmes particularly relating to the quality and safety of locally-produced food products; (iv) encouraging agri-trade across the Balkans and with the EU, including schemes for improved promotion of Kosovo regional brands, and; (v) delivering training and study tour programmes on agri-food marketing, contributing to the development and implementation of effective agri-marketing policies and strengthening MAFRD capacity in this area.
The Rural Advisory Service (RAS)	December 2005 - December 2006	The project provided further support to the Rural Advisory Support Services (RASS) within MAFRD enabling full operation of the agreed rural advisory and support services strategy, as developed under SASS I and implemented throughout Kosovo. The aim was to ensure that advisory service providers have the technical and organisational capacity to serve commercial and semi-commercial farmers and facilitate the delivery of advice to smaller farmers by using farmers' groups as conduits for information and advice. It also supported the delivery of advice by strengthening and commercialising demonstration plots and facilities, ensuring the provision of high-quality extension material, widening the dissemination of advice through mass media and the internet, and gradually widening the technical scope of advisory services so that they incorporate rural development agendas other than agricultural productivity.
Agricultural Master Plan for Kosovo (AMPK)	November 2004- 2006	(i) To strengthen the institutional capacity of the MAFRD (and related bodies) for developing and implementing overall macroeconomic, trade and sub-sector agricultural policy and for programming and budgeting within the Ministry; (ii) to help the MAFRD prepare to adopt the EU <i>acquis</i> in agriculture during the pre-accession period; (iii) to develop a coherent Kosovo rural development strategy that will facilitate continued progress towards harmonisation with the EU through a realistic Rural Development Plan, and; (iv) to help the MAFRD engage in dialogue with rural developments in Kosovo, particularly by facilitating contacts and exchanges of information amongst rural development instigators (from the public and private sectors) in Kosovo, and at regional and international levels.
The Strengthening of Agricultural Support Services (SASS 1 & 2).	November 2004 - March 2006	The projects provided institutional capacity-building support to the Rural Advisory Support Services (RASS) with the MAFRD. The SASS 1 project provided extensive training to advisory services personnel (primarily from municipalities) and field advisors, in partnership with the MAFRD and its own regional advisers. SASS 1 was also oriented towards building capacity, managing the services and training personnel within the services. This project provided the operational link between trained advisers and the rural community. The main function of SASS 2 was to train farmers and to publish SASS 1 / RASS information materials such as handbooks, technical publications and general literature.

Other donors active in the sector include the following:

Name of Project	Donor	Budget	Time frame	Overall objectives
Development Assistance to Farmers in Remote Areas of Montenegro and Kosovo	FAO – government of Luxemburg	2.5 M\$	August 2009 - July 2011	The project aims at increasing the livelihood of small farmers in mountain areas of Kosovo and the North East of Montenegro. This is to be achieved by increasing the productivity of traditional production systems and by introducing technical innovations, better product quality and improved marketing.
Strengthening Sustainable Private and Decentralised Forestry: Promotion of Economic Development through Capacity Building in Farmer Based Forest Management in Kosovo and its region	SNV & Sida	EUR 3.666 million	2009 -2013	Sustainable managed private forests and decentralised forests provide quality products and services to citizens and society and thus improve the socio-economic wellbeing of Kosovo
Kosovo Private Enterprise Program (KPEP)	USAID	17M\$	2008- 2010	<p>The project focuses on delivering sector-wide, value-chain and cluster interventions in four major components:</p> <ul style="list-style-type: none"> • Private Sector Support in Competitiveness • Business Support Services • Improvement of Business-Enabling Environment • Workforce Development <p>KPEP targets key sectors including agriculture, construction and construction materials, forestry and wood products, and information and communications technology (ICT).</p>
Swiss Project for Horticultural Promotion	SDC/ Danish government	4.75 M CHF	36 months, 2008 -2011	The main challenge of the project was to help re-establish the once-important horticulture sector after years of neglect and destruction and to help it adapt to the open market economy.
Helping the Kosovo Ministry of Agriculture, Forestry and Rural Development to improve vegetable production in accordance with EU standards	Italian Government	EUR 2.2 million	36 months: Started May 2010	The objective of the project is to introduce integrated fruit and vegetable production to ensure their presence in the national market and to help the Ministry lay the foundations of, and structure, a national extension service to generate favourable conditions for the development of organic agriculture

3.7 Lessons learned

Although the impact of previous assistance is quite satisfactory terms of beneficiary commitment in aligning to the EU requirements and policy, a number of challenges remain:

- *Legal Reform in the sector:* The deadlines for adopting legal instruments are not met, leading to delays in implementation and causing difficulties in project implementation.
- *Enforcement:* Efforts have largely focused on establishing the legal frameworks in Kosovo, but the government's capacity to enforce the law has received insufficient attention. While legal reform has advanced, law enforcement and implementation has not followed, due to lack of resources. This creates a widening gap between the formal legal situation and practice 'on the ground'. An additional constraint is the failure of the different institutions to coordinate their responsibilities and to work together to enforce legislation in the field.
- *Conditionalities:* Project implementation is often hampered either because insufficient qualified staff and resources are allocated to (newly-established) institutions or because the government lacks sufficient operational funds to enable the department concerned to do its job properly.
- *Coordination within the government:* Further improvements could be achieved – in line with the spirit of EU accession – if the government showed stronger leadership in coordinating the work of its different ministries and departments and placed greater emphasis on coordinating and harmonising its policies in practice.
- *Co-financing:* Previous experience in similar projects showed that financial support from the Ministry significantly increases ownership of, and political will to promote, project activities.
- *Socio-economic measures:* Socio-economic opportunities for farmers not only enhance their quality of life but act as a substantial incentive to encourage more unemployed to get engaged in the agricultural sector and therefore to increase the livelihood in rural areas. Therefore, the particular project shall provide beneficiaries with income generation opportunities and will support the government in practical and adequate planning for the sector.

4. Indicative Budget (amounts in EUR million)

			TOTAL EXP.	SOURCES OF FUNDING								
				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 MAFRD			2.2	2.0	91	0.2	9	0.2				
Contract — Twinning	X		2.2	2.0	91	0.2	9	0.2				
TOTAL IB			2.2	2.0	91	0.2	9	0.2				
TOTAL INV												
TOTAL PROJECT			2.2	2.0	91	0.2	9	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 (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract	Q1 2011	Q4 2011	Q4 2013

6. Cross-cutting issues

6.1 Equal Opportunities

Civil society (including employers' organisations, trade unions, professional organisations and non-governmental organisations) plays a major role in transition societies. It is important to ensure that those groups' concerns are taken into account in the European development agenda and to enhance their policy dialogue with the administration and Kosovo's institutions. These considerations will be mainstreamed within the assistance programmes.

6.2 Environment

In addition to specific action on the environment, **environmental considerations** will be duly reflected in all IPA-financed activities, in particular via environmental impact assessments. This is particularly relevant where co-financed investments or new legislation could have a major environmental impact.

6.3 Minorities

Equal opportunities and non-discrimination towards women, minorities and vulnerable groups (including children, the disabled and elderly people) will be taken into account in all aspects of EU-funded activities, particularly in relation to public services, legislative matters and socio-economic support programmes.

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

Agricultural and Rural Development			
Contracting period) expires: Ref Section: 1.10		Disbursement period expires: Ref Section 1.12	
Total budget: EUR 2.2 million		IPA budget: EUR 2.0 million	
Overall objective	Objectively Verifiable Indicators	Sources of Verification	
To increase the contribution of agriculture and rural development to economic development and growth in Kosovo	<ul style="list-style-type: none"> ▪ Income generation, job creation and quality life of rural people is improved 	<ul style="list-style-type: none"> ▪ Progress report ▪ SAP dialogue ▪ Statistics reports 	
Project purpose	Objectively Verifiable Indicators	Sources of Verification	Assumptions
To help strengthen administrative structures within the MAFRD and to enable civil society organisations to take part in formulating and implementing the Agriculture and Rural Development Programme, in conformity with EU principles and standards	<p>ARDP updated and approved by MAFRD</p> <p>Visibility of the local rural development programme (grant scheme)</p> <p>Agricultural statistics produced</p> <p>Participation of civil society increased</p>	<p>EU Progress report</p> <p>MAFRD annual report</p> <p>ARDP update</p> <p>Mid-term evaluation</p> <p>SAP dialogue conclusions</p> <p>Local Grant Programme procedure manual & guidelines.</p> <p>Agricultural statistics publications (on-line)</p> <p>Peer assessment missions</p>	<ul style="list-style-type: none"> ▪ The ARDP 2013 – 2020 is adopted by the Assembly in a timely manner ▪ Staff at MAFRD are available ▪ Local funds for the rural development grant scheme are available from the KCB
Results	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Result 1. The results of the mid-term evaluation are reflected in the updated ARDP	<p>For Result 1</p> <ul style="list-style-type: none"> - Mid-term evaluation is available; - Draft ARDP 2013 – 2020 is available - Priority measure fiches, guidelines, manuals and procedures are in place (including agro-environmental measures) for implementing the local rural development programme - Legal texts are aligned to the EU <i>acquis</i> and manuals/procedures for their implementation are put into practice 	<p>Manuals and procedures</p> <p>ADRP</p> <p>National grant scheme publications</p> <p>Quarterly Reports</p> <p>Draft legal texts</p> <p>Workshops and internships</p>	<p>MAFRD is institutionally re-organised</p> <p>Staff are available</p> <p>National funds are provided on time</p>

<p>Result 2. The established ARDP implementing structures at MAFRD implement the rural development grant programme according to the updated ARDP and policy priorities and in accordance with EU standards and requirements.</p> <p>The civil society organisations, local action groups and agricultural producers' organisations are given an enhanced capability for dialogue with the MAFRD in programming and implementing the local agricultural and rural development plan and programme.</p> <p>Result 3. Agricultural Information System (AIS) is operational, linking data from a range of public information services in support of the sector.</p>	<p>For Result 2</p> <ul style="list-style-type: none"> - Number of sub-sector farms' associations, local action groups and producers' associations trained via workshops and internships; - Participation of civil society in Monitoring Committee meetings. - The staff of the Managing Authority, Paying Unit, Monitoring Committee, etc are trained on programming and implementing the rural development programme <p>For Result 3</p> <ul style="list-style-type: none"> - The AIS, based on the existing farm register, market information system and trade statistics, is operational; - Data are updated or/and entered regularly into the system,; - Quality checks are carried out; - Land register is updated after land consolidation registration takes place; - Farm register is continuously updated; - FADN sample is extended and communicated to the European Commission; - Regular exchange of data information between MAFRD, SOK, KVFA and Customs is institutionally formalised; - IT strategy for the implementation of local rural development programmes is developed and adopted by MAFRD; - Number of staff trained in the methodologies for 	<p>Training needs assessments Training materials Internship reports Minutes from Monitoring Committee meetings Public awareness campaigns Training programme</p> <p>Survey reports Land registry records Data from the land register, farm register, market information system, prices of agricultural commodities FADN sample</p>	
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	<p>data handling</p> <ul style="list-style-type: none"> - The local agricultural statistics can be compared with EU statistics 		
Activities	Means	Specification of costs	Assumptions
Support to MAFRD in legislative and policy development and implementing the ARDP	Twinning project	<p>EUR 2 million EU</p> <p>EUR 0.2 million Local co-financing</p>	<p>Smooth cooperation is established among beneficiaries and stakeholders.</p> <p>Beneficiary allocates sufficient staff for the project and the necessary infrastructure to carry out the project.</p> <p>Interest of Civil Society organisations in participating actively in the project</p> <p>The farm register, land register, FADN software already developed by previous EU projects are properly maintained and used regularly.</p>

Pre-conditions:

The recommendation of the IPA 2008 twinning project is integrated in a road map and the gap analysis report recommendations are followed by MAFRD; the national rural development grant scheme follows EU standards and principles.

ANNEX II: Amounts (in EUR million) contracted and disbursed by quarter for the project

Contracted	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Twinning contract				2.0								
Cumulated				2.0								
Disbursed												
Twinning contract					1.6				0.2		0.2	
Cumulated					1.6	1.6	1.6	1.6	1.8	1.8	2.0	

Annex III: Description of the Institutional Framework

The Ministry of Agriculture, Forestry and Rural Development was established on 17 April 2000 by UNMIK Regulation No 2000/27 on the establishment of the Administrative Department of Agriculture, Forestry and Rural Development (ADAFRD).

Terms of reference of the Ministry of Agriculture, Forestry and Rural Development

- Develop policies and implement laws for the development of agriculture including livestock production and the cultivation of crops, rural development and setting standards for maintenance.
- Facilitate the development of a credit scheme for the support of agriculture, forestry and rural development activities in the private sector;
- Develop a policy for assisting the administration and management of the forestry sector including woodland protection, reforestation, sustainable forestry, fire-fighting and fire prevention, protection against insect pests and various diseases and issuing licenses for logging;
- Regulate hunting and fishing activities;
- Develop policies for water use, including the planning of irrigation;
- Develop policies and implement laws in particular on land use, with the aim of protecting the countryside;
- In cooperation with Ministry of Health and the Kosovo Food and Veterinary Agency, monitor food quality and the use of agricultural inputs, with the aim of protecting consumers;
- Supervise activities that aim to combat insects, parasites, plant diseases or other causes of harm to agriculture and forests;
- Take part in environmental protection activities relating to forestry, hunting, fishing and the management of water resources.

Annex IV: Reference to laws, regulations and strategic documents

Reference list of relevant laws and regulations:

- Agriculture and Rural Development Plan 2009-2013
- Law on Agriculture and Rural Development

Reference to AP /NPAA / EP / SAA

The *European Partnership* 2008 sets the following short- and medium-term priorities for agriculture and fisheries:

- Determine clear responsibilities within the different services in the agricultural sector (including the veterinary and phytosanitary administration) and their relations with the Ministry of Agriculture, Forestry and Rural Development, local governments and municipal level.
- Adopt the law on food and the consequent implementing legislation, and establish the relevant agency to implement and enforce the law.
- Ensure the operational character of the system for identification of animals and registration of their movements.
- Draw up a plan to upgrade agri-food establishments.
- Develop a policy and a regulatory framework to support viable land reform.
- Support the protection of agricultural land against unplanned urban development.
- Assess the compliance of agri-food establishments with EU requirements and prepare a programme for upgrading those establishments.
- Start action for efficient control of domestic plant production, in particular for products with EU-specific requirements.

Reference to the MIPD

‘2.2.2 Strategic Choices for IPA Assistance over the Period 2009-2011

Axis 2: Economic Criteria

Sustainable stability can only be achieved if Kosovo’s economy develops and offers opportunities to all communities. Support to economic growth should be another key objective for EU Assistance. Major infrastructure investment needs persist, which need to be matched with enhanced corporate governance of public utilities to ensure the sound and efficient administration of taxpayers’ moneys. Investment should go hand in-hand with a rigorous reform agenda that ensures fiscal discipline and macroeconomic stability. The focus under this Axis should be on wider socio-economic issues, including fiscal and financial management, auditing and accounting procedures, improvement of the investment climate, trade opportunities, and development of the energy, environment, transport, agriculture and rural development, education and employment sectors. Despite its potential, Kosovo’s agriculture remains under-exploited and key challenges such as poor infrastructure, unresolved property rights, small farm size, lack of farm competitiveness, and poor access to commercial credit, inefficient quality control mechanisms, failure to prepare and enforce environmental and local development plans and low levels of education need to be tackled. A medium-term and integrated *agriculture and rural development plan for 2007-13* is being developed by the Ministry for Agriculture, Forestry and Rural Development. It follows European Commission Guidelines, and is aligning Kosovo with the current EU agriculture and rural development strategy.

On the basis the above, the following priorities, which were set for the MIPD 2009-2011, have been maintained for Axis 2:

– Promoting **agriculture and rural development** through support to the rural economy and the livelihood of the rural population, in line with priority measures identified in Kosovo’s Agriculture and Rural Development Plan 2007-13, gradually aligned with measures established for EU pre-accession assistance to agriculture and rural development.’

Reference to the National Development Plan

The Medium Term Expenditure Framework (MTEF) for 2010-2012 refers specifically to the agricultural sector in Part Four ‘Sector and subsector spending strategy’. Section 4.2.4 states that ‘As about 60% of the population of Kosovo lives in rural areas, the agriculture sector thus plays an important role in providing opportunities for employment and economic growth in Kosovo. Of the total area of Kosovo, which is 1.1 million ha, 53% is agricultural land, while 41% is forest land. Agriculture is an important economic sector which provides a significant portion of employment in post-war Kosovo. The agriculture of Kosovo is characterised by small farms, low productivity and lack of counselling services, but despite this, it contributes with approximately 25% in GDP (gross domestic product) of Kosovo, makes up between 25% to 30% of the general employment, mostly in the informal sector and constitutes around 16% of the total exports’.

III. Main goals of the agricultural sector:

1. Protection and sustainable use of agricultural land;
2. Increased farm productivity and enhanced competitiveness;
3. Food safety;
4. Improvement of forest structure.

1. The first goal — sustainable use and protection of agricultural land — will be achieved by:

- Protecting agricultural land from unplanned construction:
 - a) planning construction in rural areas; and
 - b) implementing the law and subsidiary legislation on agricultural land;
- Farm reconstruction:
 - a) Consolidating agricultural land; and
 - b) Facilitating the market for agricultural land.

2. The second goal — increased farm productivity and competitiveness — will be achieved by:

- Increasing incomes in farms and improving life and work in rural areas:
 - a) Restoring irrigation systems;
 - b) Introducing rural counselling services;
 - c) Improving competitiveness, reducing imports and increasing exports of agricultural products;
 - d) Directly supporting agricultural production and rural diversification;
 - e) Improving the quality of primary agricultural products;
 - f) Improving the processing and marketing of agricultural products.
 - Creating employment opportunities in rural areas, particularly by diversifying rural activities; aligning Kosovo's agriculture with that of the EU:
 - a) Promoting diversification / rural diversity;
 - b) Implementing local development strategies;

c) Developing eco-tourism.

3. The third goal — Food safety — will be achieved by:

- Protecting public health:

- a) Designing and implementing standards for the safety and quality of food;
- b) Monitoring medicinal residues.

- Protecting the health of animals:

- a) Vaccinating animals;
- b) Research into and diagnosis of infectious diseases;
- c) Monitoring animal movements.

4. The fourth goal — improvement of forest structure — will be achieved by:

- Forestation:

- a) Reforestation of woodland areas, increasing the areas under woodland and converting degraded areas into productive forests;
- b) New forestation; environmental protection in general, and in particular protection from erosion;
- c) Development of forest management plans.

Reference to national / sectoral investment plans

The MTEF 2010 – 2012 states that ‘The request for additional donor assistance amounts to EUR 121 640 000.’

Annex V: Details per EU funded contract

Activity 1 (Twinning)

The instrument of 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. The RTA will be assisted by the short-term secondment of experts from EU Member States.