

2012 Annual Programme

Support to Agriculture and Rural Development: 10 – 2012 / 03

1 IDENTIFICATION

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| Project Title | Support to Agriculture and Rural Development |
| CRIS Decision number | 2012/022-940 |
| Project no. | 10 |
| MIPD Sector Code | 1. Public Administration Reform 8. Agriculture and rural development 9. Support and other activities |
| ELARG Statistical code | 02.11 |
| DAC Sector code | 31110; 31120; 31193 |
| Total cost (VAT excluded)¹ | €11.1 million |
| EU contribution | €7.4 million |
| Management mode | Centralised. Activity 3 will be implemented through joint management with the United Nations Office for Project Services (UNOPS). |
| EU Delegation in charge | European Union Office in Kosovo [*] |
| Implementation management | European Union Office in Kosovo. Activity 3 will be implemented by the United Nations Office for Project Services. |
| Implementing modality | Grant Scheme, Services, Contribution Agreement with UNOPS |
| Project implementation type | C01 |
| Zone benefiting from the action(s) | Kosovo |

¹ The total project cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

^{*} This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

2 RATIONALE

2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

Activity 1 - Agriculture and Rural Development Programme:

Agriculture is an important sector in Kosovo's economy. The sector contributes about 12% to GDP and is the largest employer in post-war Kosovo, accounting for approximately 35% of total employment. As a result of the transition and conflict of the 1990s, there was a sharp increase in the proportion of the population engaged in agriculture as most of the urban and rural unemployed turned to part-time, subsistence farming to meet their household food security needs. About 90% of the population has land for cultivation, 55% has livestock and 15% grows food primarily for self consumption. The sector faces several challenges that are reducing competitiveness and preventing it from meeting its production potential. Before the 1990s, Kosovo was largely food self-sufficient with large quantities of agricultural products exported to the region and livestock production contributing about half of total agricultural revenue. However, after the war, this trend was reversed and traditional markets were lost, livestock numbers plummeted, agricultural land area dropped drastically, availability of previously subsidized inputs (fertilizers and irrigation waters) reduced dramatically and most of agro-processing SEO could not to reestablish production. Also, agricultural imports from Kosovo's trading partners, who receive production and export subsidies, place Kosovo farmers at a disadvantage and make Kosovo the largest food importer in Europe.

Implementation of the Agricultural and Regional Development Plan (ARDP) is a complex and fiscally demanding undertaking. The government has limited institutional and administrative capacity and structures as well as budgetary resources for progressive alignment of the sector with the objectives of the ARDP. The government is undertaking several significant and strategic initiatives in this direction. With its relatively abundant and underutilized labour, Kosovo has competitive potential in the horticulture sector, i.e., production of fruits and vegetables as well as in the livestock sub-sector since domestic demand for horticulture and livestock products is expected to grow in the coming years as purchasing power increases. Over the last decade, the demand for high value horticulture products has surged more than any other food category. The Ministry of Agriculture and Rural Development (MAFRD) is working on strengthening these sub-sectors and initiated a small rural development grant program in the amount of €2.2 million to strengthen value chains in the areas of dairy products, fruits, vegetables and vineyards. However, the needs in these sub-sectors are large and will require substantial continued investments to harness their competitive potential.

The government is also putting in place important institutional structures for improved performance of the agriculture sector that are in line with EU accession requirements. It recently established the Paying Unit (PU) within the MAFRD which is expected to evolve into the Paying Unit for funds for rural development and agriculture. However, the PU has extremely limited capacity to execute its mandate of administering grant funds. It is seriously under-staffed and the current staff has limited experience and training with grant programs and IPA funds for rural development and agriculture requirements. There is, therefore, an urgent need to bolster and maintain the staff capacity and financial resources of the MAFRD and its relevant agencies and units to effectively implement the ARDP as well as become eligible for EU funds for rural development and agriculture.

The project aims to support the development and modernization of priority sub-sectors of agriculture. This is in line with Kosovo's Agriculture and Rural development plan 2007/10 – 2013, specifically Measure 4. The scope of the current project is simple and clear and will involve a limited number of well targeted investments as components of the grant scheme in order to ensure successful implementation and results. Financial contributions from private partners - farmers, processing industry (25%) - will be requested for the purpose of the grants provision.

The current project is a follow up of the implementation of the IPA 2010 grant scheme. In order to manage the grant scheme effectively, the institutional capacities of MAFRD have been adjusted for the purpose and strengthened. An EU grant implementation committee was established by the Managing Authority of the MAFRD in order to ensure proper implementation of 13 awarded grant contracts by executing on-the-spot controls and report to the EU Office in Kosovo (the Contracting Authority). The Food and Veterinary Agency (FVA) also participates in the implementation committee to make sure that the agro-food establishments upgrade their facilities according to the EU safety and hygiene standards. Two IPA 2010 twinning projects for the MAFRD and FVA will support both institutions to actively participate in the implementation of well targeted measures in priority sub-sectors of agriculture by providing valuable input, know-how and experience in the field of implementing grant schemes according to EU requirements.

The project aims at improving the quality and marketing of processed food products, and progressively adapting them to meet EU standards. Producers and processors will be supported to participate in food quality schemes that promote the quality and safety of food products. In particular processors will be assisted in the following steps: to increase the efficiency, quality and value of their products; to invest in minimum waste technologies; to meet EU environmental, hygiene and health standards; to provide a better service to their farm suppliers.

Activity 2 - Rural Spatial Planning:

Currently Kosovo confronts land use problems, which seriously hamper sustainable development of the agricultural sector as well as rural development in general. The current situation in rural areas is characterized by subsistence farming, land fragmentation, uncontrolled construction, and agricultural lands. The majority of settlements and new developments are taking place on good quality agricultural land. The process of destruction and damage of agricultural land through unplanned construction in arable agricultural land poses a serious problem in terms of food security considering the demographic trends in Kosovo. It is estimated that each year in Kosovo, over 1000 ha of arable land are being irregularly assigned to other use. The area of agricultural land is quite low with an estimated 0:15 ha per capita, which is less than the existential minimum food security per capita (0:17ha).

Kosovo has inherited many environmental problems that have accumulated over the recent decades. These result from the uncontrolled use of natural and mineral resources, high population density and economic activities that have a strong impact on the agricultural land. Agriculture is one of the main sectors depending on the quality of land resources, and meanwhile it is one of the main industries impacting on the environment.

The Government of Kosovo faces the challenges of insufficiently harmonized legislation related to land, inadequate land management system and a non transparent land market.

Lack of rural spatial planning is hindering the development of land reform, inhibits the development of the land market, land tenure, environmental protection, establishment of a better system of land management and obstructs the improvement of the living conditions of populations in rural areas.

The project on Rural Spatial Planning (IRSP) will address the municipal and central level structures in order to develop sustainable and long-term solutions to this persistent problem.

Activity 3 - Agriculture Census:

The last Agriculture Census (AC) in Kosovo was conducted in 1960 by the KAS in the lead role and with support of all government institution of that time. During the population census in 1971, 1981 and 2011 only limited agriculture data was collected. These data have been used as a frame for sample surveys on livestock numbers. However, from 1990 to 1999 there was a gap in the collection and production of agriculture statistics. Thus the last comprehensive AC was conducted over 50 years ago.

As observed in the European Commission 2010 Progress Report no complete farm register (or list) currently exists in Kosovo. The EU recommends that EU members to conduct an AC every 10 years. The next regional AC in Southeast Europe is planned for 2013.

AC presents the source of uniform, comprehensive agricultural data. Through the Census, the importance of agriculture will be quantified and this can help influence the policy decisions that will shape the future of Kosovo's agricultural development for the future.

The project will improve the agriculture statistical system in Kosovo by carrying out the agriculture census. The census will be used to establish a sample frame (statistical frame register) which will be used for all agriculture statistical surveys. This will create a good basis for producing agriculture statistics according to international standards.

2.2 LINK WITH MIPD AND SECTOR STRATEGIES

As regards the Agriculture and Rural Development Support Programme, the proposed project reflects the objectives of the Private sector Development Sector of the 2011-2013 MIPD. In particular it supports Kosovo's efforts to improve its business environment, to attract investment, stimulate growth and the creation of formal jobs to ensure that Kosovo's socio-economic development can continue.

This project proposal is in line with the Medium Term Expenditure Framework 2011-2013 and more specifically with the second strategic objective for agriculture which is to enhance productivity of farms and their competitiveness through increased revenues of farms and improvement of quality of work and life in rural areas; improving farms competitiveness; reducing imports and increasing exports of agriculture products and creating opportunities for employment in rural areas, particularly through diversifying rural activities; aligning Kosovo's agriculture to EU agriculture.

For the rural spatial planning, the envisaged two-step management and control system of illegal real-estate will provide more transparency and thus will strengthen the rule of law and progress in fighting against corruption. The clear spatial planning of all developments and their robust and systematic implementation will gradually eliminate risks and uncertainty for businesses willing to invest in rural areas and thus the project will stimulate economic growth, employment and investments in the long term. Piloted and mainstreamed municipal-central

administrative accountability system and tools as related to implementation of Construction Zoning plans will contribute to the third priority of MIPD - the delivery of public services to all people and establishing a professional, accountable, accessible, representative public administration free from political interference.

The Agriculture census is linked to various sector strategies, namely Statistical Strategic Plan for developing statistics 2009-2013, and 'Agriculture Rural Development Plan 2007/2013' (Further: ARDP 2007/2013). The MIPD recognizes the need for the implementation of the agriculture census as a precondition to fulfill the economic criteria, indicating obligation for the accession countries to have implemented agriculture census in line with European standards.

2.3 LINK WITH ACCESSION PARTNERSHIP (AP) / EUROPEAN PARTNERSHIP (EP) / STABILISATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT

The annual progress report also emphasizes the priority of upgrading the agri-food establishments in order to meet the EU standards but also in view of food safety and quality. With the adoption of new hygiene package by the Kosovo government as part of the alignment of Kosovo's legislation to the EU acquis, the agri-food industry faces major challenge in providing investments to comply with those requirements, hence the priority is given to support this sector of agriculture as part of an economic development programme.

The European Partnership Action Plan (EPAP-July 2011) underlines the need for enhancement of civil service capacities with the aim to effectively lead the Kosovo's process of European Integration. With the aim of providing quality services, municipalities shall prepare the plans regulating municipal territories, pursuant to the Law on Spatial Planning: Municipal Development Plan, and other municipal regulations. This project intends to support the implementation of the delegated competencies and the update or development of municipal development plans while emphasizing the sustainable planning of rural areas and enforcing the plans' implementation.

The project is based on the following legislation and strategic documents: Strategy for Agriculture and Rural Development 2007-2013, Law on Agricultural Land Nr.02/L-26, Law on Spatial Planning Nr.2003/14 and other documents of which have to reflect the reform on agricultural land.

In addition, the project will contribute to the EUROPE 2020 flagship initiative for a resource-efficient Europe as it encourages the shift towards a resource-efficient, low-carbon economy to achieve sustainable growth.

The European Partnership Action Plan (EPAP) is a key element of the Stabilizations and Association Process (SAP), which is the main policy framework for the EU concerning the Balkans. In this framework, the EU Stabilization and Association Process Tracking Mechanism (STM) was created for Kosovo, enabling Kosovo authorities to benefit from the instruments of the SAP and helps Kosovo in its progress to European structured.

2.4 PROBLEM ANALYSIS

The sector faces several challenges that are reducing competitiveness and preventing it from meeting its production potential. Before the 1990s, Kosovo was largely food self-sufficient with large quantities of agricultural products exported to the region and livestock production

contributing about half of total agricultural revenue. However, after the war, this trend was reversed so that traditional markets were lost, livestock numbers plummeted, agricultural land area dropped drastically and the availability of previously subsidized inputs (fertilizers and irrigation waters) reduced dramatically. The sector is now characterized by un-favourable farm structures (average land holding of less than 2 ha per family), outdated farm technologies, lack of technical expertise, sub-optimal use of inputs, outmoded farm management practices, weak rural infrastructure, a rudimentary rural advisory system and limited access to credit and investment capital.

The practice in Kosovo is that Municipal Development Plans (MDPs) are mainly focusing on urban developments, largely neglecting optimised land use planning and environmental management in rural areas. One of the major effects is that residential and business construction is uncontrolled or even illegal, and indiscriminately spreading out over the good quality agricultural land. It results in significant loss of quality agricultural land, reduction of the surface of agricultural land per household, fragmentation, pollution and reduce the competitiveness of farm holding.

Rural land use is not well regulated and does not receive the required attention. About 80% of municipalities are in the process of MDP development, however these plans treat rural areas with much less importance than urban areas. Moreover, there is no centralized data collection system, no systematic approach, and research data are highly fragmented. Kosovo has not yet built up a unified system for spatial data: collection, analysis, processing, storage and distribution of spatial data. Implementing a Rural Spatial Planning (IRSP) in all municipalities of Kosovo, rural areas will be given the required attention.

Although necessary laws are in place, they need to be updated with more specific by-laws and supported by implementation structures at central level. Often municipalities lack capacities, instruments, regulations or political will to implement those spatial planning decisions, in particular as related to construction permits and control. There is no administrative enforcement and monitoring system at central level to support municipalities.

Currently municipalities are lacking the institutional structures and administrative coordination mechanisms that would enable them to better monitor and control the permits issuing and monitoring the construction processes within their territories in compliance with the current laws. Such control mechanisms are instrumental in achieving the true implementation of legislation on the ground. Administrative accountability systems and tools (“single window”) will be established and tested in 5 municipalities. Other municipalities will be closely supported in following the best practices.

In support of the management of the central grants delivery process the Land Parcel Identification System (LPIS) has been established in Kosovo in 2011. The system shall be practiced by the Paying Unit of MAFRD in collaboration with all municipalities. As this is a very new GIS and Web-based approach that requires adequate capacities, it is needed to provide further support in applying LPIS at the central level. The system also ought to be adapted or improved after some years of practice.

Lack of comprehensive data on Agriculture is hampering further development of crucial policies on Agriculture. While current statistic is based on Farm Accountancy Data Network FADN, other crucial information on the sector is missing, due to the following reasons:

- No agricultural census was held since 1960, there was a nine year gap in production of agriculture statistics from 1990 – 1999,
- Limited data on agriculture on lower territorial levels (municipalities),

- Incomplete data on agriculture in urban areas,
- Number of unregistered agricultural households,
- Incomplete information regarding Agriculture Enterprises and Cooperatives,
- No completed sample frame for conducting agriculture surveys,
- Outdated and incomplete information in the cadastre offices.

2.5 LINKED ACTIVITIES AND DONOR COORDINATION

Activity 1

Until 2007 donor support to agriculture and rural development was mostly directed at capacity building and transfer of know-how. With the approval of ARDP 2007-13 by the government on 4th April 2007 as main policy and planning document for Kosovo Agriculture and Rural Development, contribution of donors and in particular EU have been oriented to implementation of Agriculture and Rural Development Plan 2007- 2013. Current project is directly linked with EU rural grant scheme under IPA 2009 and twinning project "Further Support to Kosovo Food and Veterinary Agency". The table in ANNEX II below summarizes the past and ongoing assistance of the EU and other donors.

Activity 2

The project will be a direct follow-up of the previous EU project "Further Support to Land Use – EULUP" (02.2010-02.2012). The project has set an important step in introducing data-based approach and standardizing spatial planning of rural areas including Construction Zoning of villages as an integral part of MDPs. The drafted legislation shall form the legal basis for implementation of this project.

Donor programmes, such as UN-Habitat and LOGOS of SDA, are assisting municipalities in the development of MDPs and UDPs. USAID provides assistance to municipalities in developing environmental public services. The EU project "Strengthening Local Public Administration" also aims at strengthening selected municipalities in the preparation of MDPs and UDPs. The EU-funded project "Support to the Environment Sector" will ensure that environment protection plans are an integral part of the MDPs.

However, these projects do not pay adequate attention to the agricultural land and environmental protection. Achieved results still require a follow up with measures that would warrant their practical implementation and systematic enforcement. The piloted and practiced enforcement and control system of constructions in rural areas that are in line with residential zoning planning will uphold more competitive agriculture and better livelihood conditions for citizens.

The project will be in line with the Law on Special Protective Zones. Planning and implementation of residential zones will help to preserve the character and appearance of the sites to be protected, in particular the historical, cultural, architectural or archaeological context, and natural environment. The list of Special Protective Zones will be fully respected and implemented by the planning decisions of municipalities.

Activity 3

The current project of SIDA between the KAS and Statistics Sweden (SCB) started in 2011 and will run up to 2012 with the aim to be extended to 2015. The project is focused on price statistics, business surveys, agro monetary statistics, environment statistics, social statistics

including a household budget survey and statistical methodology. Also the project supported KAS in capacity building by offering subject-matter areas training courses, methodology training, IT application training and English language training. The project has initiated a “Trainee Component” which provides KAS an extra five junior experts yearly.

The Agriculture Census follows the Population and Housing Census conducted in 2011 and the funds will be allocated to the Multi Donor Trust Fund (MDTF) administered by UNOPS. This will enable the Statistical Agency to benefit from the already existing structures and equipments purchased for the population and housing census.

2.6 Lessons learned

Agriculture and Rural Development Programme and Agriculture Census:

Although impact realised through the previous assistance overall is quite satisfactory, a number of challenges remain:

- *Legal Reform in the sector:* The timelines for the adoption of legal instruments are, not respected, leading to delays in implementation and causing difficulties in project implementation.
- *Enforcement:* There has been large focus on establishing the legal frameworks in Kosovo. The capacity to enforce the law, however, has received insufficient attention. While legal reform has been advanced, law enforcement and implementation has not followed due to lack of resources. This creates a widening gap between the formal legal situation and ‘on-the-ground’ practice. Additional constraint is the lack of cooperation among different competent institutions to coordinate responsibilities, enforcement of legislation and efforts in the fields.
- *Conditionalities:* Often project implementation is hampered by either insufficient qualified staff and resources allocated to (newly established) institutions or insufficient operational funds available in the government budget to allow for appropriate implementation of the mandate of the concerned department. *Coordination within the government:* Further improvements – in line with the spirit of EU accession– could be realised in a stronger government leadership in the coordination efforts among the ministries and departments and a stronger focus on operational coordination and harmonisation of policies.

Rural Spatial Planning:

- Designing and implementing an integrated land policy approach is impossible without accurate information, including accessible data on land categorization (Agricultural Land Suitability classification).
- Earlier projects indicate that there is barely any real implementation of the spatial planning decisions and plans within municipalities. There is little government oversight, systematic support and control over implementation of spatial plans particularly as related to illegal construction.
- The proposed project shall contribute substantially in ensuring better implementation of the spatial plans and decision related to agriculture and environment.

3 DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE PROJECT

The overall objective of the project is to increase economic livelihoods in rural areas through improved quality and output of production and employment creation, to improve land management in view of sustainability and environmental protection and to provide the preconditions for the government to develop long-term agriculture development policies.

3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT

Specific objectives of the proposed projects are:

1. To improve the quality and food safety standards as well as environmental protection in order to strengthen the compositeness of the agricultural and rural development sector;
2. To increase the market share of local products and consumer confidence in them;
3. To strengthen capacities of central and local institutions in designing and implementing Municipal Development Plans, with particular focus on construction zoning of all settlements and villages in order to protect agricultural land from illegal construction;
4. To improve the system for the management of grants and subsidies from the central budget to farmers through completion and utilization of Land Parcel Identification System;
5. To provide comprehensive and reliable statistical data for the Agriculture sector, with the purpose of enabling the development of a sound and sustainable policy for agriculture, rural development as well as food security.

3.3 RESULTS

Activity 1 - Agriculture and Rural Development Programme:

1. Agri-food establishments upgraded and modernized to comply with EU food safety standards and requirements of food and agriculture sector;
2. The ARDP, food safety standards and hygiene package requirements are being implemented;
3. Improved farm competitiveness in the domestic market via successful implementation of priority measures identified in the ARDP;
4. Increased export of agro-processed products to regional and EU market.

Activity 2 - Rural Spatial Planning:

1. Municipalities have updated their MDPs taking into account recommendations for agriculture, land use and environment;
2. Capacities have been built within Municipalities in use of GIS for making spatial planning decisions and coordinating inter-departmental decision-making;

3. Development of tools for establishment of construction zoning and mechanisms for execution of municipal controls and accountability;
4. Central inter-institutional structure established ensuring support, enforcement and control of municipal decisions regarding construction on agricultural land (ALS class 1-4); Legal basis for such structure updated or established; and Capacities and awareness increased on controlling illegal constructions;
5. The simplified Land Parcel Identification System (sLPIS) is maintained, revised, updated and harmonised with other agricultural registries; and Capacities of the MAFRD in managing sLPIS system for delivery of government subsidies are continuously built.

Activity 3 - Agriculture Census:

1. Preliminary and final results of the agriculture census published, giving a comprehensive overview of the situation in the agricultural sector in Kosovo;
2. Farm list established which will be the basis for establishing a Farm Structure Survey according to Eurostat recommendations and use definitions and nomenclature in accordance with Eurostat standards;
3. Agriculture sample surveys introduced - according to Eurostat recommendations and use definitions and nomenclature in accordance with Eurostat standards;
4. Agriculture structural statistics indicators produced which will be used as input for other calculation statistics (GDP etc).

3.4 MAIN ACTIVITIES

Activity 1 - Agriculture and Rural Development Programme

The project will be implemented via a grant scheme which will finance the following types of activities/investments:

- Improve product quality, presentation and packaging for achieving the EU standards and requirements;
- Improvement of quality of processing plant for agriculture products;
- Introduction of new technologies and /or innovation related to product processing, hygiene and quality;
- Environmental protection; water purification stations for mechanic purification; recycling of by-products or production waste and elimination or treatment of waste;
- Better use of by-products, particularly by recycling waste and elimination or treatment of waste;
- Improving marketing channels with accent on local/international markets, labels etc;
- Improving marketing structures, particularly if such investments encourage the development of new outlets by facilitating the marketing of the products, having characteristics which comply with the EU policy;

- Construction or renovation of agri-food processing establishments (pork, veal, beef , lamb, goat, poultry meat and fish), fruit & vegetables, cereals processing plants; use of processing technologies for storing, cooling, freezing, drying, smoking, baking (bread and pastry), packaging, labelling, etc.;
- Equipment for improvement of hygiene and product quality, purchase of equipment for up-to-date packaging;
- Equipment to improve and control the product quality and safety through the introduction of a system for the analysis of critical control points (HACCP);
- Setting up a system of quality management complying with ISO² 9000 requirements;
- Storing, cooling and special cooling vehicles for transport of products and facilities (special bulk dairy tanker lorries etc.);
- Improving the storage of finished products (construction and equipment of freezing and cooling facilities);
- Training for the introduction of HACCP, ISO requirements, new technologies and equipment.

Activity 2 - Rural Spatial Planning

Activities to achieve result 1:

- To provide trainings and assistance to municipalities in updating their MDPs on rural spatial planning and residential zoning plans for villages.
- To provide ArcGIS intensive trainings and needed software to municipalities.
- To establish municipal control mechanisms and accountability tools for implementing residential zoning and dealing with illegal buildings (“single-window” approach).
- To establish structured coordination and procedures between municipalities and the central level regarding construction zoning enforcement.

All municipalities will participate in and benefit from the project. It is expected that the new A.I. on MDP structure will be approved by MESP, therefore all municipalities will be legally obliged to develop construction boundaries for all settlements and update their MDPs. Municipalities will need a close support in understanding and using the Spatial Database as developed by EU EULUP project in the GIS environment for development of construction zoning plans.

The GIS data structure (specific software) for storing and managing the construction permits’ and monitoring data will be developed by the project and installed in all municipalities. All municipalities’ planners and instructors will receive trainings in data and process management and administration along with strong GIS training, and will receive prepared monitoring and reporting formats. Such system and tools would increase accountability and effectiveness of municipalities and encourage public participation process. The project shall purchase GIS software for municipalities that need it, while municipalities shall invest in relevant hardware.

Horizontal (inter-municipal) and vertical (central-municipal level) communication channels and structures along with improved legislation shall be established to ensure timely coordination of illegal building control. Such system would strengthen the position of municipalities to effectively and transparently implement legislation, while the Kosovo government will be enabled to have a Kosovo-wide GIS data base and up-to-date monitoring system of illegal construction and land-use changes to be able to enhance policy making and to support municipal decisions in sometimes difficult situations.

Activities to achieve result 2:

- Establish a central level Institution (Agency or Committee, or Inspectorate – as inter-ministerial body (MAFD - MESP) dealing with control of illegal constructions on agricultural land (ALS class 1-4): prepare work descriptions, work flows, work plans, control and monitoring system and tools, and efficient administrative network.
- Develop a Kosovo-wide database on illegal constructions and permits in cooperation with relevant institutions and municipalities. The data will be GIS based and collectable from relevant GIS databases in municipalities as established by the project. Data transfer mechanisms and supporting legislation shall be created and approved. If desired, the database may contain supplementary data on overall land-use change and land-use destination (planned and realised) in Kosovo.
- Ensure adoption of legal acts in order to establish a legitimate basis for the Institution and its operation, including relation with Courts on dealing with illegal constructions. The Court shall treat illegal constructions (especially on good agricultural land) as a theft of resources and give a priority to analysing such cases while considerably increasing the level of penalty. Appropriate governmental agreement shall be reached to implement such decisions.
- Facilitate awareness of the Assembly of Kosovo, municipalities and public in general about new structural and legislative changes in construction zoning. A wide awareness campaign in collaboration with MAFRD, MESP, municipalities, NMGOs and media shall cover all territory of Kosovo.
- Build capacities of central government Institution via trainings and support. The trainings will focus on administration, management, monitoring and reporting related to land-use information and construction. Intensive GIS trainings for staff managing the Kosovo-wide database along with purchasing the relevant GIS software and hardware.

Activities to achieve result 3:

- Purchase of DTM (10 m resolution) from KCA for all Kosovo, prepare a seamless database and DTM cover; upload it into sLPIS system.
- Assist PU MAFRD in management of sLPIS data, the application process of beneficiary subsidies, and process of quality control.
- Update or improve sLIPS software, harmonise it with other agricultural registries for online data transfer between the registries.
- Support and train PU MAFRD in sLPIS system administration and management.

Activity 3 - Agriculture Census

Activities to achieve result 1

- Draft relevant AC legislation and request government commitment to get it adopted by the Parliament well ahead of time for the execution of the AC;

- Develop a methodology for carrying out an AC, including design of questionnaires, determine the proper definitions, classification, variables, statistical indicators, etc; all in accordance with EU standards;
- Set up a working group with representatives from KAS and other relevant institutions for task allocation and responsibilities related to preparation of the AC and post census: activities;
- Develop an operational plan (budget, timelines, staffing levels, including recruitment and training of field staff, project milestones etc.);
- Carry out data collection (enumeration of farms);
- Process and disseminate data.

Activities to achieve result 2

- Introduction of an Agriculture Sample Surveys (ASS) according to Eurostat recommendations and with nomenclature in accordance with Eurostat standards;
- Establish standard sample frame to be used for all ASS, which will support improved agricultural statistics.

Activities to achieve result 3

- Improve methodology of for compiling agriculture statistics and indicators;
- Cleaning the database, data analysis, tabulation plan.

3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT (WHERE APPLICABLE)

The EU has confirmed Kosovo's European perspective and is supporting the alignment of Kosovo's agricultural sector to the EU Common Agricultural Policy. Rural Grant project is direct contribution in implementation of ARDP 2007-14 measures 4 (Improving the processing and marketing of agricultural products). MAFRD is supporting the implementation of measure 2 (Restructuring physical potential in the agri-rural sector) with a program which is complementary to this project. Establishing and capacity building of administrative structures such as Managing Authority and Paying Unit/Paying Agency will contribute that Kosovo to be prepared on time for and to take over implantation of IPARD program.

Rural spatial planning project impact (outputs) will be related to increased administrative and technical capacities of municipalities and government to deal with illegal construction, to monitor the land use management, to provide clear guidance to citizens on development locations and possibilities and to protect or better manage natural resources. All this will lead to establishing the necessary basis for sustainable local development, more competitive agriculture and thus – better integration into EU internal (agricultural) markets and cross-border cooperation in sharing best practices and lessons learned.

The two-level management and control system of illegal construction that is aimed to be piloted and spread to other municipalities will provide more transparency and thus will strengthen the rule of law and progress the fight against corruption on a long term.

The clear spatial planning of all developments and their robust and systematic implementation will gradually eliminate risks and uncertainty for businesses willing to invest in rural areas

and thus the project will stimulate economic growth, SMEs, employment and investments in a long term, especially in more disadvantaged rural regions.

Piloted and mainstreamed municipal-central administrative accountability system and tools as related to implementation of Construction Zoning plans will contribute to delivery of public services to all people and establishing a professional, accountable, accessible, representative public administration free from political interference.

The enhanced and better practiced sLPIS system will create good preconditions for further establishment of AICS based land management system and EU area-based subsidies to farmers, and will lead to more smooth approximation of EU *aquis* with regard to Common Agriculture Policy.

The Agriculture Census will provide statistical platform for the Ministry of Agriculture to determine strategy for long term development of the sector. The introduction of the new sample frame in the context of the Census will also lead to improvements in other agriculture statistics.

3.6 SUSTAINABILITY

Sustainability of the projects will be achieved through several actions and factors:

- Establishment and capacity building of administrative structures such as Managing Authority and Paying Unit/Paying Agency will help Kosovo to be prepared on time for and to take over implementation of IPA funds for rural development and agriculture.
- Increasing the understanding and involvement of beneficiary institutions.
- All beneficiaries will be closely consulted and involved in all activities while supporting their staff in building their knowledge and understanding of the project outputs through extensive training programme. This will ensure the acceptance and greater level of ownership of project results by relevant stakeholders.
- Ensuring the outputs are put into legislation.
- In every stage of the projects the need for legislation update and will draft necessary legal acts upon request and agreement with the beneficiary institutions.
- Creating relevant administrative and management procedures and structures.
- Strengthening/establishment of a relevant central Institution.
- Establishing collaboration and communication of related institutions.
- Close consultation and collaboration among relevant stakeholders ensures the efficiency and sustainability of the project results. The project will allocate enough resources to engage stakeholders in communicating and accepting proposed measures and tools through long term collaborative structures.
- Securing further financing of results implementation.

If it will be necessary, the project will assist main beneficiaries in resource mobilization through lobbying and communication, engagement of relevant financial partners and donors, and in preparing necessary documents.

The MAFRD, MESP, KAS and other involved beneficiaries are committed to contribute to project implementation by providing human and financial resources. An important role of the beneficiary to ensure sustainability of results is its participation in the relevant legislation development and its approval within the period of the project. Close collaboration between all level of beneficiaries (municipal and central) is a key factor here.

3.7 ASSUMPTIONS AND PRE-CONDITIONS

1. Sufficient staff and budget is made available by the beneficiary institutions - Government and municipalities - for the project activities.
2. The legislation covering activities to be performed by the proposed projects is timely adopted (Agriculture Census, Law on Spatial Planning and Law on Agricultural Land).
3. Beneficiaries demonstrate strong ownership attitude towards the project.

In the event that conditionalities are not met, suspension or change of the project specific activities may be considered.

4 IMPLEMENTATION ISSUES

Activity 1 will be implemented through a grant scheme of €5 million. EUO, together with MAFRD and FVA and the EU technical assistance support, will engage in operating, monitoring and evaluation of the grant scheme. Parallel co-financing from the Kosovo government budget is foreseen (€3 million).

Activity 2 will be implemented through a service contract of €1.5 million, and managed in close consultation and collaboration with two beneficiaries – central and municipal institutions – in order to strengthen local involvement and ownership.

The main beneficiaries and partners of the project will be: MESP, including the Institute of Spatial Planning; MAFRD, including Paying Department; Kosovo Cadastral Agency (KCA); Association of Kosovo Municipalities; Courts; Kosovo Assembly, including relevant committees; Procurement Agency; local NGOs and private businesses.

Parallel co-financing of €0.2 million by the Kosovo government is foreseen.

Activity 3 will be implemented through a Contribution to a Multi Donor Trust Fund (€0.9 million) managed by the United Nations Office for Project Services (UNOPS). To this end, the Commission will conclude a Contribution Agreement with UNOPS. All the funds from different donors and from the Government of Kosovo will be pooled into one Multi-Donor Trust Fund for the population and housing census. The Multi-Donor Trust Fund will create a structure for enabling to carry out the census in an efficient and transparent way ensuring effective use of resources.

The estimated surplus from the Population and Housing Census Trust Fund³ will be used for the benefit of the agricultural census. This fund is already available and the donors have expressed their intent to use the remaining funds for the agricultural census.

³ Trust fund managed by UNOPS

Parallel co-financing of €0.5 million by the Kosovo government is foreseen.

4.1 INDICATIVE BUDGET

Indicative Project budget (amounts in €)

| PROJECT TITLE: | | | SOURCES OF FUNDING | | | | | | | | | |
|---------------------------------------|---------|-------------------|---------------------------|------------------|-------------|--------------------------|-----------|---------------|----------------------|------------|----------------------|-------|
| | | | TOTAL EXPENDITURE | IPA CONTRIBUTION | | BENEFICIARY CONTRIBUTION | | | | | PRIVATE CONTRIBUTION | |
| IB (1) | INV (1) | € (a)=(b)+(c)+(d) | | € (b) | % (2) | Total € (c)=(x)+(y)+(z) | % (2) | Central € (x) | Regional/Local € (y) | IFIs € (z) | € (d) | % (2) |
| Agriculture and Rural Development | | | | | 8.0 | 5.0 | 63 | 3.0 | 37 | 3.0 | | |
| Contract 1. 1 (Grant Scheme) | | | X | | 5.0 | 5.0 | 100 | | | | | |
| Parallel Co-financing | | | X | | 3.0 | | 3.0 | 100 | 3.0 | | | |
| Rural Spatial Planning | | | | | 1.7 | 1.5 | 88 | 0.2 | 12 | 0.2 | | |
| Contract 2. 1 (Services) | | | X | | 1.5 | 1.5 | 100 | | | | | |
| Parallel Co-financing | | | X | | 0.2 | | 0.2 | 100 | 0.2 | | | |
| Agriculture Census | | | | | 1.4 | 0.9 | 66 | 0.5 | 34 | 0.5 | | |
| Contract 3.1 (Contribution agreement) | | | X | | 0.9 | 0.9 | 100 | | | | | |
| Parallel Co-financing | | | X | | 0.5 | | 0.5 | 100 | 0.5 | | | |
| TOTAL IB | | | | | 11.1 | 7.4 | 67 | 3.7 | 33 | 3.7 | | |
| TOTAL INV | | | | | - | - | | | | | | |
| TOTAL PROJECT | | | | | 11.1 | 7.4 | 67 | 3.7 | 33 | 3.7 | | |

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW

Amounts net of VAT

(1) In the Activity row, use "X" to identify whether IB or INV

(2) Expressed in % of the **Total** Expenditure (column (a))

4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

| Contracts | Start of Tendering/ Call for proposals | Signature of contract | Project Completion |
|--|---|-----------------------|--------------------|
| Contract 1 (Grant Scheme) | Quarter 1 2013 | Quarter 4 2013 | Quarter 4 2015 |
| Contract 2 (Service Contract) | Quarter 1 2013 | Quarter 3 2013 | Quarter 3 2015 |
| Contract 3 (Contribution agreement with UNOPS) | n/a | Quarter 1 2013 | Quarter 4 2014 |

Procurement/grant award dossiers (technical specifications, terms of reference, guidelines for applicants, etc.) will be prepared by the European Union Office in Kosovo. As indicated above, preparation and launching of tenders will begin following the signature of FA and the above contracts are to be signed in the last quarters of 2013 other than Agriculture Census for which quarter 3 in 2012 is projected as time for contract signature.

4.3 CROSS CUTTING ISSUES

The project will be used as a platform to raise awareness on issues relating to good governance, human rights, gender, minorities, and environment sustainability. The dimension of cross cutting issues will be integrated in all stages of the project cycle, including reporting, and will be a joint responsibility of the project team and the beneficiary.

4.3.1 *Equal Opportunities and non discrimination*

The project will not specifically target gender aspect, but will ensure equal opportunities to participate and express opinions to all gender and social groups.

4.3.2 *Environment and climate change*

Particular attention will be paid to environmental sustainability as this cross cutting principle is the most relevant and important for the project goals. It needs to be integrated across all project components as related to decision making policies and procedures. Any legislative and rural planning proposal produced will take into account the environmental impact of proposed policies or actions. Disaster resilience and risk prevention and management should be integrated in the planning, preparation and implementation of projects.

4.3.3 *Minorities and vulnerable groups*

No ethnic minorities will be discriminated. The project will ensure that the participation of minority ethnic and gender groups will be pursued and monitored adequately within the project preparation and implementation stages.

4.3.4 *Civil Society/Stakeholders involvement*

The project puts in adequate efforts to strengthen inter-ministerial cooperation and in particular – enhanced collaboration between municipalities and ministries by establishing institutional support arrangements, working groups, organizing field visits and study tours. The NGOs (i. e. Association of Kosovo Municipalities, Council of Spatial Planners) and representatives of civil society will be highly encouraged to participate in development of rural planning enforcement structures and tools. Besides increasing the knowledge and skills of the participants, the latter activities also aim at strengthening communication, coordination and target-orientated cooperation to ensure effective implementation of policy decisions.

ANNEXES

ANNEX 1: Logical framework matrix

| LOGFRAME PLANNING MATRIX FOR Project Fiche | | Project title and number | Support to Agriculture and Rural Development |
|---|--|--|--|
| | | Contracting period expires 3 years after signing the financing agreement | Execution period expires 2 years following the final date for contracting |
| | | Total budget: € 11.1 million | |
| | | IPA budget: €7.4 million | |
| Overall objective | Objectively verifiable indicators (OVI) | Sources of Verification | |
| The overall objective of the project is to increase economic livelihoods in rural areas through improved quality and output of production and employment creation, to improve land management in view of sustainability and environmental protection and to provide the preconditions for the government to develop long-term agriculture development policies. | <p>Agricultural production and export statistics;</p> <p>Achievement rate competitiveness of the agriculture sector and rural development;</p> <p>Implementation of Regulations and Instructions adopted to underpin the framework law on Agricultural Land Use and Law on Rural Spatial Planning;</p> <p>Improved performance of the Independent agencies that are directly coping with agriculture, agricultural properties and environment.</p> | <p>Final evaluation of the ARDP implementation.</p> <p>Import/Export statistics.</p> <p>Central and local inspections of implementation of rural development plans, improvement of the environment and the number of beneficiaries of Governmental grants.</p> <p>Farming incomes periodical surveys.</p> <p>Farm productivity</p> | |

| | | <p>statistics.</p> <p>KAS report.</p> <p>Eurostat report.</p> <p>Consolidated agriculture system and organized solid data base.</p> | |
|---|---|---|---|
| Specific objective | Objectively verifiable indicators (OVI) | Sources of Verification | Assumptions |
| <p>1. To improve the quality and food safety standards as well as environmental protection in order to strengthen the compositeness of the agricultural and rural development sector;</p> <p>2. To increase the market share of local products and consumer confidence in them;</p> <p>3. To strengthen capacities of central and local institutions in designing and implementing Municipal Development Plans, with particular focus on construction zoning of all settlements and villages in order to protect agricultural land from illegal construction;</p> <p>4. To improve the system for the management of grants and subsidies from the central budget to farmers through completion and utilization of Land Parcel Identification System;</p> <p>5. To provide comprehensive and reliable statistical data for the Agriculture sector, with the purpose of enabling the development of a sound and sustainable policy for agriculture, rural development as well as food security.</p> | <p>Increased employment in the sector.</p> <p>Market share gained locally and regionally.</p> <p>Employment generation/creation (number of additional people employed by the grant beneficiaries/ (something missing).</p> <p>Number of municipalities that updates municipal development plans with rural planning data and construction zoning for settlements (37).</p> <p>Availability of central level and municipal mechanisms and data to control illegal constructions and land destination changes. Percentage in decrease in illegal construction in Kosovo.</p> <p>Percentage of reduced on-the-spot checks to verify the best management government grants.</p> <p>Farm list and a Farm Structure Survey established.</p> <p>Number and types of agriculture farms.</p> <p>Adequate sampling system according to euro stat standard for different agriculture surveys.</p> | <p>Economic performance indicators for the sector.</p> <p>Monitoring Committee Evaluations.</p> <p>Number of grant contracts signed and implemented.</p> <p>Municipality /government statistics and updated legislation.</p> <p>MESP data on approved Municipal Development Plans including rural spatial planning part.</p> <p>MAFRD Paying Unit statistics and sLPIS database records.</p> <p>Projects progress report.</p> | <p>Support is provided by the MAFRD and KVFA in monitoring the rural grants as well as collection of statistical data for performance indicators.</p> <p>Co-financing is in place and used.</p> <p>Sufficient staff and budget is made available by the beneficiary institutions - Government and municipalities - for the project activities.</p> <p>The legislation (Law on Spatial Planning and Law on Agricultural Land) are supplemented by updated A.I. as recommended by EULUP project that ensure legal basis for the project actions.</p> <p>Beneficiaries demonstrate</p> |

| | | | |
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| | | <p>Project steering committee minutes, monitoring , evaluation and audit reports.</p> <p>Progres reports from KAS on the production of reports and census results.</p> | <p>strong ownership attitude towards the project.</p> <p>Beneficiaries and other donors fulfill their commitment for financing of the project.</p> <p>KAS, MAFRD and other stakeholders are coordinated and provide joint efforts in sucesfull completion of the Agriculture Census.</p> |
| Results | Objectively verifiable indicators (OVI) | Sources of Verification | Assumptions |
| <p>Activity 1: Agriculture and Rural Development Programme:</p> <p>1. Agri-food establishments upgraded and modernized to comply with EU food safety standards</p> <p>2. The ARDP, food safety standards and hygiene package requirements are being implemented successfully.</p> <p>3. Improved farm competitiveness in the domestic market via successful implementation of priority measures identified in the ARDP;</p> <p>4. Increased export of agro-processed products to regional and EU market.</p> <p>Activity 2: Rural Spatial Planning:</p> <p>1. Municipalities have updated their MDPs taking into account recommendations for agriculture, land use and environment;</p> <p>2. Capacities have been built within Municipalities in use of GIS for</p> | <p>ARDP 2011 -2013 updated according to the mid-term evaluation</p> <p>Pilot projects launched and amount of funds and co-financing used</p> <p>Priority measures selected and pilot projects launched for implementation</p> <p>Number of municipalities that updated MDPs with GIS data on agriculture ,environment, land use, and construction zoning (37)</p> <p>Number of municipalities (37) and staff train(200)Number of GIS software purchased and installed (Number of</p> | <p>Mid term and final evaluations</p> <p>Reports from MAFRD</p> <p>Quarterly reports</p> <p>Minutes of Steering Committee meetings</p> <p>Visibility events</p> <p>Decisions of Municipal Assemblies on MDP updates</p> <p>Purchase and tender</p> | <p>Local and central level stakeholders understand and fully cooperate in the implementation of a long-term strategy.</p> <p>Stakeholders understand the long-term perspective</p> <p>MAFRD staff trained and capable of monitoring the use of and accounting for available grant funds.</p> <p>Ability of counterpart staff to absorb and assimilate technical assistance and training.</p> |

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| <p>making spatial planning decisions and coordinating inter-departmental decision-making;</p> <p>3. Development of tools for establishment of construction zoning and mechanisms for execution of municipal controls and accountability;</p> <p>4. Central inter-institutional structure established ensuring established ensuring support, enforcement and control of municipal decisions regarding construction on agricultural land (ALS class 1-4); Legal basis for such structure updated or established; and Capacities and awareness increased on controlling illegal constructions;</p> <p>5. The simplified Land Parcel Identification System (sLPIS) is maintained, revised, updated and harmonised with other agricultural registries; and Capacities of the MAFRD in managing sLPIS system for delivery of government subsidies are continuously built.</p> <p>Activity 3: Agriculture Census</p> <p>1. A comprehensive overview on the situation of the agricultural sector in Kosovo (data base of agriculture,).</p> <p>2. Established a Farm list and a Farm Structure Survey. Introduced agriculture sample surveys - according to Eurostat recommendations and use definitions and nomenclature in accordance with Eurostat standards.</p> <p>3. Agriculture sample surveys introduced - according to Eurostat recommendations and use definitions and nomenclature in accordance with Eurostat standards.</p> <p>4. Agriculture structural statistics indicators produced which will be used as input for other calculation statistics (GDP etc).</p> | <p>municipalities with administrative control mechanisms for illegal construction in place (5) Central control and enforcement mechanism in place Central GIS database on illegal construction and land destination change in place (Sub) law on legitimising the activity of the central inter-institutional structure.</p> <p>Number of people informed.</p> <p>Number of staff trained in the maintenance, updating and harmonizing sLPIS with farm register.</p> <p>Number of farmers parcels registered in sLPIS.</p> <p>The organizational chart, timetable, budget prepared and finalised and Guidelines for enumerators printed. Established and functional working groups. Developed operational plan, time approved and updated. Well trained in house capacity, in processing of data align with international standards. Successful implementation of pilot project. Successful implementation on whole project. (i) number of printed publications of the final results; (ii) webpage with census information; (iii) number of CDROMs with statistical information; and (iv) Number of three page leaflets for each agriculture sector.</p> | <p>documents.</p> <p>Copies of updated legislation and regulations Reports of inspections.</p> <p>Municipality /government statistics.</p> <p>Projects progress report.</p> <p>Consultants mission reports.</p> <p>Project steering committee minutes, monitoring , evaluation and audit reports.</p> <p>Publication the result of farm structure survey and other surveys , reports to local and international organisations Reports, publication , web page etc</p> <p>Results of publication from different surveys as reports, printed publications, pres release etc.</p> | <p>No delay in EU contracting.</p> <p>Government allocates resources to support programme implementation.</p> <p>Government commits resources to safeguard project implementation & sustainability and after project completion.</p> <p>Good Cooperation between KAS and MAFRD.</p> |
|--|--|--|---|

| Activities to achieve results | Means | Costs | Assumptions |
|---|--|---|--|
| <p>Activity 1 - Agriculture and Rural Development Programme</p> <p>Implementation of a grant scheme.</p> <p>Activity 2 - Rural Spatial Planning</p> <p>Activities to achieve result 1:</p> <p>To provide trainings and assistance to municipalities in updating their MDPs on rural spatial planning and residential zoning plans for villages.</p> <p>To provide ArcGIS intensive trainings and needed software to municipalities.</p> <p>To establish municipal control mechanisms and accountability tools for implementing residential zoning and dealing with illegal buildings (“single-window” approach).</p> <p>To establish structured coordination and procedures between municipalities and the central level regarding construction zoning enforcement.</p> <p>Activities to achieve result 2:</p> <p>Establish a central level Institution (Agency or Committee, or Inspectorate – as inter-ministerial body (MAFD - MESP) dealing with control of illegal constructions on agricultural land (ALS class 1-4): prepare work descriptions, work flows, work plans, control and monitoring system and tools, and efficient administrative network.</p> <p>Develop a Kosovo-wide database on illegal constructions and permits in cooperation with relevant institutions and municipalities. The data will be GIS based and collectable from relevant GIS databases in municipalities as established by the project. Data transfer mechanisms</p> | <p>Grants with EU contribution up to 75% of total budget of the awarded projects.</p> <p>Service Contract.</p> <p>Contribution agreement with UNOPS.</p> | <p>€ 5 million – EU contribution.</p> <p>€3 million – parallel co-financing.</p> <p>€ 1.5 million – EU contribution.</p> <p>€0.2 million parallel co-financing.</p> <p>€0.9 million EU contribution.</p> <p>€0.5 million parallel co-financing.</p> | <p>The implementing institutions have the basic understanding of implementation of a scheme base on the assistance provided by the previous twinning project.</p> <p>Cross cutting issues are identified and addressed through the involvement of partners such as Ministries, Agencies, University, professional bodies etc.</p> <p>MAFRD staff is available and identified.</p> <p>No delay in promulgating regulation and instructions.</p> <p>Harmonization of rural development plans with municipal development plans.</p> <p>Readiness of the local population to take part in construction zoning.</p> <p>Sufficient and qualified</p> |

| | | | |
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| <p>and supporting legislation shall be created and approved. If desired, the database may contain supplementary data on overall land-use change and land-use destination (planned and realised) in Kosovo.</p> <p>Ensure adoption of legal acts in order to establish a legitimate basis for the Institution and its operation, including relation with Courts on dealing with illegal constructions. The Court shall treat illegal constructions (especially on good agricultural land) as a theft of resources and give a priority to analysing such cases while considerably increasing the level of penalty. Appropriate governmental agreement shall be reached to implement such decisions.</p> <p>Facilitate awareness of the Assembly of Kosovo, municipalities and public in general about new structural and legislative changes in construction zoning. A wide awareness campaign in collaboration with MAFRD, MESP, municipalities, NMGOS and media shall cover all territory of Kosovo.</p> <p>Build capacities of the central government Institution via trainings and support. The trainings will focus on administration, management, monitoring and reporting related to land-use information and construction. Intensive GIS trainings for staff managing the central database along with purchasing the relevant GIS software and hardware.</p> <p>Activities to achieve result 3:</p> <p>Purchase of DTM (10 m resolution) from KCA for all Kosovo, prepare a seamless database and DTM cover; upload it into sLPIS system.</p> <p>Assist PU MAFRD in management of sLPIS data, the application process of national subsidies, and process of quality control.</p> <p>Update or improve sLIPS software, harmonise it with other agricultural registries for online data transfer between the registries.</p> <p>Support and train PU MAFRD in sLPIS system administration and</p> | | | <p>staff available at beneficiary institutions respectively KAS.</p> <p>Clear schedule of activities.</p> <p>Stability of high ranked official and regular reports.</p> |
|---|--|--|---|

| | | | |
|--|--|--|--|
| <p>management.</p> <p>Activity 3 - Agriculture Census</p> <p>Activities to achieve result 1</p> <p>Draft relevant AC legislation and request government commitment to get it adopted by the Parliament well ahead of time for the execution of the AC;</p> <p>Develop a methodology for carrying out an AC, including design of questionnaires, determine the proper definitions, classification, variables, statistical indicators, etc; all in accordance with EU standards:</p> <p>Set up a working group with representatives from KAS and other relevant institutions for task allocation and responsibilities related to preparation of the AC and post census: activities:</p> <p>Develop an operational plan (budget, timelines, staffing levels, including recruitment and training of field staff, project milestones etc.).</p> <p>Carry out data collection (enumeration of farms)</p> <p>Process and disseminate data</p> <p>Activities to achieve result 2</p> <p>Introduction of an Agriculture Sample Surveys (ASS) according to Eurostat recommendations and with nomenclature in accordance with Eurostat standards:</p> <p>Establish standard sample frame to be used for all ASS, which will support improved agricultural statistics.</p> <p>Activities to achieve result 3</p> | | | |
|--|--|--|--|

| | | | |
|--|--|--|--|
| Improve methodology of for compiling agriculture statistics and indicators Cleaning the database, data analysis, tabulation plan. | | | |
|--|--|--|--|

2. Description of 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).

Ministry of Agriculture, Forestry and Rural Development is responsible for the following activities:

- Develop polices 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 polices for water use, including the planning of irrigation;
- Develop polices 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.

The **Ministry of Environment and Spatial Planning** continued its activities immediately after the creation of the Kosovo Government, and after its separation from the Ministry of Health, (regulation 2002/5, 3/1/2003). The role of the Ministry is to develop, coordinate, monitor and oversee the sector encompassing environmental protection, water resource management and spatial planning. The Environment Ministry has a Minister and Cabinet, the Office of Permanent Secretary, and five departments:

- Environment Protection,
- Spatial Planning,
- Housing and Construction,
- Water Resources Management,
- Administration and Professional Services.

Kosovo Agency of Statistics

Kosovo Agency of Statistics (KAS) was set up as an independent institution in 1999 as an executive agency attached to the Ministry of Public Administration (MPA). KAS is regulated by Law on Official Statistics, Law no. 04/L-036, which entered into force on December 2011. KAS is a professional institution, independent, carrier and distributor of official statistics and coordinator of Kosovo's official statistics, which

operates under the Prime Minister's Office (PMO). KAS sets annually priorities and designing of the work plan for respective year, based on priorities established by KAS Management in cooperation with other stakeholders in the field of official statistical researches.

The main objectives of the Office are to collect, process, analyse and publish statistical data. It also provides evaluations and surveys on demographic, social and economic phenomena in Kosovo. To achieve this objective, the Office uses methodologies, nomenclatures and classifications accepted by international statistical organisations, including Eurostat.

Kosovo Agency of Statistics under the Law on Official Statistics takes different role and content from those that had before the adoption of this law. Therefore in this context, KAS will design a new mid-term five-year plan 2013-2017, which will be the guide of statistical research activities in the future.

3. Reference list of relevant laws and regulations only where relevant

| | |
|--|---|
| Law on Agriculture Land | Law No. 02/L-26 |
| Law on Agriculture and Rural Development | Law No.03/I-098 |
| Agriculture and Rural Development Plan | 2009-2013 |
| Law for Environmental Protection | Approved on 19/03/2009 |
| Law on Construction | Approved 14/10/2004 (currently under revision by the parliamentary commission) |
| Law for Environmental Impact Assessment | Approved on 14//10/2010 |

Law on Official Statistics, Law no. 04/L-036.

As the derivative of this law KAS is currently preparing the below administrative instructions;

- Administrative direction for restructuring;
- Administrative direction for generating incomes
- Administrative direction for storage of statistical material

Law on Agricultural Census is in the process of adoption.

4. Details per EU funded contract(*) where applicable:

Agriculture and Rural Development Programme: will include a Grant Scheme for a minimum of 12 beneficiaries.

Guidelines for grant applicants will be drafted by EUO in close cooperation with the MAFRD and KVFA. The size of the grants will be determined at this particular stage, following careful consideration of the type of projects eligible and the management resources.

Rural Spatial Planning:

The measures described under this activity will be carried out under a single service contract.

Agricultural Census:

This component will be implemented by the European Commission through joint management with the United Nations Office for Project Services (UNOPS), according to Article 53d of the Financial Regulation and the corresponding provisions of the Implementing Rules. To this end, the Commission will conclude a Contribution Agreements with UNOPS.

5. Project visibility activities

The European Union Office in Kosovo has developed clear visibility guidelines and ensures that all projects which are implemented in Kosovo are fully in line with these guidelines. Project visibility is also clearly stipulated in all contractual documents whereby the contractors/implementers are obliged to adhere to all EU visibility requirements.