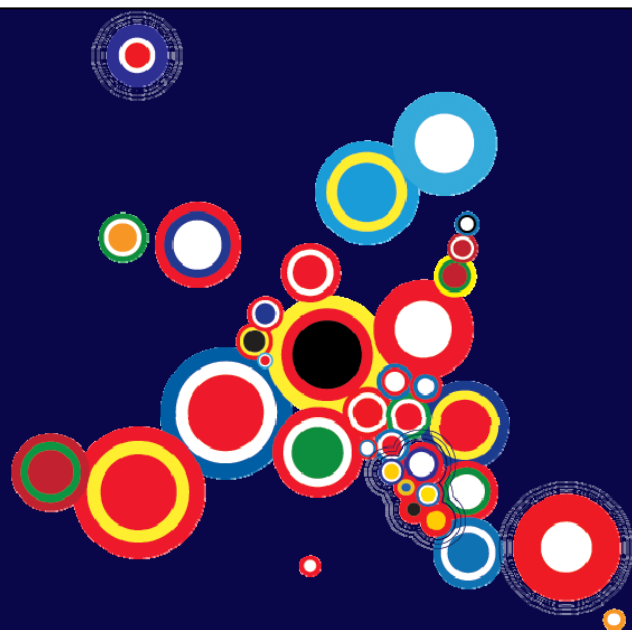




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

KOSOVO*

Agriculture and Rural
Development Support
Programme V



Action summary

The Agriculture and Rural Development Support Programme V shall focus on agri-food small and medium-sized enterprises and agro-food processing establishments for upgrading their facilities, meeting EU food safety standards, increasing competitiveness and for creating income and better livelihood in rural areas. The support shall cover few sub-sectors of the food processing industry and rural economic activities diversification.

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

Action Identification	
Action Programme Title	<i>2014 Annual Action Programme for Kosovo¹</i>
Action Title	<i>Agriculture and Rural Development Support Programme V</i>
Action Reference	<i>IPA 2014 / 032355 / Kosovo/ Agriculture and Rural Development Support Programme V</i>
Sector Information	
IPA II Sector(s)	Agriculture and rural development
DAC Sector	31120
Budget	
Total cost (VAT excluded) ²	<i>EUR 12 million</i>
EU contribution	<i>EUR 7 million</i>
Management and Implementation	
Method of implementation	<i>Direct management</i>
<i>Direct management:</i> EU Delegation	<i>European Union Office in Kosovo</i>
Implementation responsibilities	<i>European Union Office in Kosovo</i>
Location	
Zone benefiting from the action	Kosovo
Specific implementation area(s)	Kosovo
Timeline	
Deadline for conclusion of the Financing Agreement	<i>31 December 2015</i>
Contracting deadline	<i>3 years following the date of conclusion of Financing Agreement</i>
End of operational implementation period	<i>6 years following the date of conclusion of Financing Agreement</i>

¹ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

² The total action 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.

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

The agriculture sector in Kosovo plays a very important role in providing employment opportunities and generating income; 25% of the employment and 14.1% of the GDP resulted from this sector in 2012. Ministry of Agriculture, Forestry and Rural Development (MAFRD) prepared new Agriculture and Rural Development Program 2014-20 which is in line with IPA II regulation and CAP. For this purpose MAFRD conducted different analysis of agriculture and rural area.

The SWOT analysis of Kosovo's agriculture prepared for Agriculture and Rural Development Program 2014-20 highlights the substitution of imports and free access to the EU market as important opportunities for an improvement in national and individual farm incomes in Kosovo. Developing new production facilities will create extra jobs for women as well, especially in the most labour intensive sectors such as fruits and vegetables processing. However that potential will only be realized if farms and agro-food establishments are able to compete at the market prices prevailing in the EU and have the chance to improve and maintain the quality of their production for satisfying/safeguarding national needs, enhance marketing, improved labelling and packaging, once their competitiveness shall be improved in a wider scale.

The analysis of the competitiveness of Kosovo's agriculture shows that currently only a very small proportion of farms and processors could compete and capture a larger share of the EU and international market. The main structural causes of this low competitiveness are the small scale of most farm or family businesses, the fragmentation of their land, the outdated nature of their buildings and equipment, their lack of financial means for investment and the low level of knowledge concerning modern production technology. In addition most producers do not meet EU standards on food safety and hygiene, animal welfare and the environment. Lack of implementing proper marketing tool and lack of consumer confidence in Kosovo products additionally hampers the development of the sector.

Kosovo's rural areas are characterized by rich natural resources (soil, air quality, great diversification, varied landscape) and living in rural areas is favourable in terms of a cleaner and calmer environment and lower living costs than in the cities. On the other hand a much lower income and higher unemployment still count as the most severe problems in Kosovo's rural areas, although the rural population is willing to invest in start-up businesses related to non-agricultural activities or to become active in agricultural production.

Since Kosovo has a very high population density, the link between rural and urban areas is strong; therefore the rural areas have a multifunctional importance for the urban areas. At the same time the links between rural and urban areas have a great potential for diversifying economic activities wherever the infrastructure is present and allows market access. Agricultural production is supported by good conditions in terms of climate and soil; income generation from farming is a positive aspect of rural areas and also enhances the economic development of the supply sector of agriculture production, for example. While areas with poor infrastructure are isolated and will not benefit from these possibilities, opportunities are given where the road infrastructure allows the short distances to the cities and markets to be exploited.

RELEVANCE WITH THE IPA II INDICATIVE STRATEGY PAPER (OR MULTI-COUNTRY STRATEGY PAPER) AND OTHER KEY REFERENCES

Kosovo shares its European perspective with the rest of the region and participates in the Stabilisation and Association Process for the Western Balkans. In June 2013, the Council authorised the opening of negotiations for a Stabilisation and Association Agreement (SAA) between the EU and Kosovo. SAA negotiations were launched in October 2013. To meet its obligations under an SAA, Kosovo will need

in particular to: improve the rule of law, judiciary; increase the efficiency and transparency of its public administration; finalise the electoral reform; strengthen the functioning of the Assembly; strengthen the enforcement of human and fundamental rights; improve the protection of minorities; improve trade and internal market issues; progress in the alignment to the EU standards.

Kosovo currently benefits from unilateral trade concessions allowing it almost unlimited duty free access to the EU market. This trade regime is to be replaced or complemented by the trade provisions in the future SAA. Kosovo needs to improve its statistical data collection as there are significant differences between the EU and Kosovo data on trade and many other sectors.

The sector of **agriculture and rural development** is also key for Kosovo because of its economic potential and because it is *acquis*-intensive. The sector has benefitted from comprehensive sector strategy that should allow for the introduction of a sector approach within the next few years. The existence of a reliable strategy for the period 2014-2020 should facilitate the progressive introduction of the sector approach.

In agriculture and rural development, IPA II assistance will support Kosovo in achieving alignment with the EU *acquis* ; improvement of data collection, processing and reporting for all sub-sectors of agriculture and rural development at the Ministry of Agriculture, Forestry and Rural Development (MAFRD); increased competitiveness of Agro-food business operators and producers in the regional and EU market; increased employment and income generation in the agro-food sector and rural services, including the introduction of vocational training education, farm management and farm accounting education; adopting measures to improve resilience to the adverse effects of climate change.

MAFRD prepared the Agriculture and Rural Development Programme (ARDP) 2014 – 2020 with support of an EU Twinning project and a Danish technical assistance funded project. The ARDP follows the IPA priorities:

1. Enhancing farm viability, competitiveness
2. Restoring, preserving, enhancing ecosystems
3. Promoting social, economic inclusion
4. Transfer of knowledge, innovation

Current IPA II Action shall lead to achievement of Indicative Strategy Paper (ISP) overall objective, IPA II and Kosovo ARDP priorities by modernising agro-food processors and rural producers for improving their productivity and achieving standards (on food safety, animal welfare, environment etc.), by supporting investments tackling the climate change and by strengthening the rural economy through rural diversification projects. Therefore the Action is also in line with EU 2020 Strategy for Smart, Sustainable and Inclusive Growth, particularly being in convergence with these strategy objectives on jobs and climate change.

SECTOR APPROACH ASSESSMENT

The strategic framework for Agriculture and Rural Development in Kosovo is almost completed in terms of number of strategies and priorities covered. It is composed by a main sector strategy for Kosovo Agriculture and Rural Development Program, 2007–2013 (ARDP 2014-2020 is in final drafting updating phase) and five subsector strategies respectively Strategy for Horticulture Sector (2009-2013), Strategy for Forestry in Kosovo (2010-2020), Strategy for Non- wood forest Products & Action Plan (2010-2020), Strategy on Eco Tourism (2010 –2020) and Strategy for Land Consolidation in Kosovo (2010 -2020).

The ARDP 2014-2020 addresses three key EU Rural Development policy Axes until 2020 respectively: agriculture sector competitiveness; sustainable management of natural resources and climate actions and the balanced territorial development of rural areas. It aims to support competitiveness of the agro-food sector in alignment with EU veterinary, phyto-sanitary, food safety

and environmental standards, its restructuring and modernisation, contributing thus to the development of sustainable land management practices by supporting organic farming and other agro environmental practices, sustainable forests management and forestation. It will also contribute to the sustainable rural development by supporting diversification of economic activities and strengthening the LEADER approach.

The ARDP 2014–2020 builds on previous ARDP 2007-2013 related strategy addressing long term goals and priorities in compliance with the EU ARD policy and linking programming process with multiannual RD programmes.

A new organisational structure was established to manage the process. It is composed of three main entities: Programming Steering Group; Managing Authority (Core Team for programming) and Working groups. The Programming Steering group is a decision making body lead by Minister of MAFRD and composed by representatives of key stakeholders. The Managing Authority (MA) is in charge of drafting and coordinating the programming process, coordinating the consultation process through four key thematic Working Groups, stakeholders and the EC.

Considering ARD contribution in Kosovo economic development, the “Declaration of Medium Term Policy Priorities 2014-2016” defines it as one of the four key priorities for the sector. On the other side, the “National Strategy for European Integration Kosovo 2020” evidences ARD as a crucial sector for Kosovo European Integration perspective. Agriculture, fisheries, food safety and rural development are one of the seven thematic areas of the initiated Stabilisation and Association Process Dialogue aiming to strengthen the sectors contribution to achieve an overall economic development resulting in an improved external trade balance, using the given natural resources and land in the most efficient and environmentally sustainable way as well as integration of the existing labour force in the economic development process.

Significant reforms, both legislative and institutional have been carried out in the ARD sector. They consist in new Laws and bylaws adoptions in line with EU acquis as well as institutional framework set up consisting of a number of institutions and bodies aiming to restructure the MAFRD, upgrade Paying unit to an Agency managing and controlling aid or to establish forest management board etc. Progress Report 2012 Acknowledges progress of reforms in the ARD sector as proved by the statement mentioning that “Kosovo authorities have a sufficient legal framework to exercise their tasks and obligations. They now need to focus on implementation”.

In the upcoming period MAFRD should take immediate actions to enhance monitoring efficiency by improving monitoring tools and mechanisms linking data sources from available registers and databases and investing in monitoring logistics, staff and skills; Cooperation between Agriculture Development Agency (the Paying Agency), Local Government Units and end-users on data collection needs to be strengthened. As **key short term priority**, MAFRD should make efforts to strengthening the link between strategic planning and central budget, through developing results based oriented budgeting mechanisms and

Regarding donor coordination at Government level (horizontal coordination) is part of the functions and responsibilities of Ministry of European Integration (MEI). The necessary structures for donor coordination have been established in three levels: the High Level Forum at the highest political level, sector working groups and sub-working groups to coordinate donors which hold regular meetings.

The most common donor coordination activities are related to ensure Donor’s participation/feedback during the strategic planning process. Considering the limited involvement of the DEIPC, the up to now donor related activities are limited to meetings with Donors.

Furthermore at Ministerial level, the Division for Coordination and Programming within the Managing Authority acts as Steering Group Secretariat with clear tasks and responsibilities on preparation/coordination of SC meetings reporting to the Programming Steering Group, coordination of consultation process with the stakeholders and the EC. MAFRD should further enhance Donor

Coordination efforts to ensure financing of an adequate level of ARDP interventions by IFIs and other donor organisation.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

A Mid-Term Evaluation of the ARDP 2007-2014 was carried out by independent evaluation in the framework of EU twinning project. From this evaluation it became evident that the interventions done so far under IPA I found a very high performance of supported firms in terms of economic indicators. GVA increased on average by 202,613 € (47 %) per project per year, and the number of employees increased from 27 to 39 employees per supported enterprise on average.

It was recommended to reduce the percentage of EU contribution in the grant scheme progressively in the years and align it with IPARD rules.

ARDP priorities should be more tailored to rural needs (infrastructure, public services, diversification of activities) to enhance the local development process. Infrastructure measure and diversification measure should receive high priority and sufficient financial means should be allocated. Rural development and agricultural competitiveness depend also on appropriate infrastructure regarding sustainable water and electricity supply, waste management, and proper roads to reach even remote areas. The Government should foster investments in basic infrastructure in rural areas to make rural areas more attractive for establishment of new businesses and to encourage local economic development. Most pressing need, like the high rate of unemployment specifically in rural areas, needs to be tackled urgently. Supporting the processing sector should become priority within a new programme to modernise the processing technology and increase the quality of products.

A multi-annual budget for the future ARDP is a precondition for setting realistic targets. These targets should be set such that they are in compliance with what can be achieved with the available budget. Targets should be adjusted if the actual budget falls short of what it was planned to be.

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	
The overall objective to support Kosovo institutions aligning and implementing the Common Agricultural Policy and meeting EU standard food control mechanisms; to increase the competitiveness of the agri-food sector; to increase the capacity of food business operators to meet EU food safety standards and their competitiveness; to improve its adaptation to climate change phenomena; and to improve the living standards of Kosovo's rural population.		National statistical data Annual RDP implementation report Mid-term and Ex-post evaluations Monitoring and evaluation data	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	ASSUMPTIONS
To support the upgrade of agri-food establishments, to improve processing and marketing, hygiene, quality and food safety standards and environmental protection in the dairy, meat, fruit & vegetable, including wine production processing industry and to support creation, diversification and development of rural activities through investments in farm diversification and development of non-agricultural activities.	Increase of Gross value added on agro-food enterprises: 15% Improved Labour productivity (GVA/AWU): 15% Extra jobs created: 405, out of which 122 jobs for women	Monitoring system, Monitoring reports – disaggregated information by sex, Evaluation reports	Kosovo shall continue its efforts towards EU approximation The control systems in regards to implementation of EU standards shall be enhanced;
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	ASSUMPTIONS
Result 1: Enhancing agro-food processors and rural businesses viability and competitiveness; Upgrading agro-food processing establishments in meeting EU food safety standards;	Number of agri-food processors with upgraded establishments meeting relevant EU food safety standards: 15, out of which 5 women owned	Monitoring system, Monitoring reports – disaggregated information by sex, Evaluation reports	The Beneficiaries shall successfully implement their projects Monitoring and control system is functional.
Result 2: Diversifying agriculture activities and development of alternative sources of income in agriculture and rural development	Number of diversified activity-related farms and non-farming rural businesses: 45, out of which 14 women owned		Grant beneficiaries are

			committed to the successful implementation of the project
ACTIVITIES	MEANS	OVERALL COST	ASSUMPTIONS
<p>Activities to achieve Result 1: Support for investments in upgrade of agro-food establishments to meet quality and food safety standards for milk, meat, fruit and vegetable processing sectors and wine production sectors</p> <p>Activities to achieve Result 2: Support for investments in honey production, wild berries/medicinal/aromatic herbs and mushrooms collection and wood processing and rural tourism, including off farm activities</p>	Grant scheme	12 Million EUR of which EUR 7 million EU contribution	<p>Sufficiently received quality applications</p> <p>High interest in the grant scheme</p> <p>Full commitment by the beneficiaries.</p>

ADDITIONAL DESCRIPTION

The intervention shall be focused in attaining the above stated results.

A specific identified opportunity of local processors shall be addressed: quality production, introduction of quality standards are particularly important, especially standards related to food-safety and environmental standards related to livestock farms (in regards to manure storage) and processing (waste and waste water treatment), but also standards related to animal welfare.

The final beneficiaries must be registered within Kosovo Farm Register, and are: famers, agro-food processors and other rural businesses.

The demarcation within RDP managed by MAFRD shall be done on the level of the minimum and maximum accepted thresholds of the eligible costs:

Actions	Agriculture and Rural Development Programme Support V eligible costs per project (euro)		MAFRD Rural Development Programme 2014 - 2020 eligible costs per project (euro)	
	Min.	Max.	Min.	Max.
Support for investments in agro-food processors diversification of production and meeting standards on milk, meat, fruit and vegetable and wine production sectors	>200,000	500,000	30,000	400,000
Support for investments in agriculture production, i.e. honey production, wild berries/medicinal/aromatic herbs and mushrooms collection and processing, sheep and goat on farm milk processing	>50,000, and more than 50,000 in case of rural tourism related investments	500,000	3,000	20,000, except for rural tourism for which is 50,000

This Programme implementation has its own risks. The main risk areas have been identified and mitigation measures are proposed to be in place, as follows:

<u>Risk description</u>	<u>Rating the risk</u>	<u>Mitigation measures</u>	<u>Estimated risk after mitigation</u>
Not supporting viable projects	Medium	Supported Beneficiaries shall present within the submitted projects key indicators which must demonstrate market viability	Low
Risk of corruption, inequitable selection system	Medium	Evaluation committee will be comprised by EUOK staff only	Low
Insufficient gender mainstreaming, inclusion of youth and of friendly environmental issues	Low	Selection criteria will stimulate meeting these desiderates	Low

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

At the central level the main institutional stakeholders of the action are the Ministry of Agriculture, Forestry and Rural Development, Kosovo Food and Veterinary Agency (KVFA) and the European Union office in Kosovo who will have the broad mandate for overseeing the action.

The European Union Office in Kosovo will have the responsibility to tender the grant scheme and select and conclude contracts with the grant beneficiaries. The EUO will oversee the daily operations of the action and ensure the timely and prudent delivery of grant assistance to the beneficiaries, monitoring and evaluation of the action.

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

Grant Scheme under direct management, implementation duration of the grants is expected to be not less 24 months and not more than 36 months.

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

The action foresees the regular monitoring from the MAFRD, KVFA and the EU office in Kosovo through direct participation in the project steering committee as well as regular reporting provided by the grant beneficiaries. The action further foresees monitoring from the Results Oriented Monitoring (ROM) teams from the EU.

The EU Office will be responsible for: regular monitoring of the programme beneficiaries to ensure that they are sufficiently supported and that regular contact is maintained in order to address any issues that might arise or to take remedial actions that may be required in order to ensure the supported agro-food operator, or entity is operational. The grant beneficiary will be required to conduct an evaluation to assess the overall impact of the action and its ability to provide the needed support. The assessment will be used to provide suggestions for the future implementation of similar programming and draw out lessons learned from the current phase.

The Action shall be envisaged with systematic system of indicators collection, and with an interim or ex-post stages review assessment.

INDICATOR MEASUREMENT

Indicator	Description	Baseline (year)	Last available (year)	Milestone 2017	Target 2020	Source of information
Increase of Gross value added on agro-food enterprises	Total extra incomes minus variation of intermediate consumption (intermediate consumption = Total costs on NEXT year after project implementation, including: raw materials + maintenance of buildings and machinery + energy, water, fuel/transportation, but WITHOUT the costs with labour, rent, loans repayment and bank interest).	2014 N/A	N/A	10%	15%	MAFRD
Improved Labour Productivity (GVA/AWU)	Change/Extra GVA (gross value added) per FTE jobs 1FTE = 1800 AWU	2014 N/A	N/A	10%	15%	MAFRD
Extra jobs created (correspondent to CSP indicator: “ <i>Gross number of jobs created in the entire food chain and in rural areas outside agriculture</i> ”)	The total number of Full Time Equivalent (FTE) jobs shall be calculated as extra jobs in 1 year after the project is implemented, as direct result of the investments made through the projects. Family and/or seasonal employees shall be considered.	2013 N/A	2014 N/A	250	405	MAFRD

<p>Number of agro-food processors with improved standards towards meeting EU relevant standards (corresponding to CSP indicator: “<i>Number of economic entities progressively upgrading towards EU standards in the agri-food sector</i>”)</p>	<p>Total number of supported farms / enterprises which, as direct result of the support, which shall improve their standards towards compliance with national and EU standards on food safety / animal welfare / environment</p>	<p>2013 N/A</p>	<p>2014 N/A</p>	<p>6</p>	<p>15</p>	<p>MAFRD KVFA</p>
<p>Number of diversified activities- related farms and non- farming rural businesses</p>	<p>Total number of supported farms / enterprises which, as direct result of the support, introduced / achieved at least a new product (e.g. changes in land use or in agricultural practices that lead to a change in the composition of the basic agricultural products, a slaughterhouse introduced the skin processing, a milk processing unit will start to process sheep milk etc.) or the type of production is changed or Initially technology applied is changed. Other examples: new greenhouses, new orchards, new orchards etc.</p>	<p>2014 N/A</p>	<p>N/A</p>	<p>25</p>	<p>45</p>	<p>MAFRD</p>

5. CROSS-CUTTING ISSUES

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

Although air quality assessment is conducted using a series of data available in comparison to EU standards as a reference point, in particular the EU Directive 2008/50/EC, the analysis of data shows an inconsistency with EU standards. The different sources of air pollution include Kosovo Energy Corporation (KEK), Trepça, Feronikel, public heating systems and other industries, traffic pollution and radioactive waste from industry and medicine.

Few data are available on the pressures of climate change and its broad impact. Kosovo has a relatively low economic development and is considered as a developing country; thus it may be assumed that the impact of climate change is limited as a result of economic activity.

Kosovo is committed on adhering as other countries of adaptation to have a carbon resilient economy adopt measures to mitigate with climate change. Measures at the Action level include support of energy efficient and renewable energy investments at processing site and effective waste water treatment, safe disposal of animal by-products and use of bio-mass for production.

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

This action follows the MAFRD RDP for 2014 – 2020, in particular Measures 103 and 301. Thus, at an early stage, MAFRD already established a dialogue with stakeholders in the agricultural and rural development process for the annual planning of support measures under the current ARDP 2007-2013 and specifically for the programming of the future ARDP 2014-2020. To guarantee that all relevant stakeholders are involved in this dialogue, a comprehensive stakeholder analysis was carried out to identify those organizations with a stake in agriculture and rural development. The relevant stakeholders of the agricultural and rural sector were identified and grouped in:

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

The prioritization process took into account the stakeholders' technical competence and ability to demonstrate accountability to the wider agricultural and rural community. Other prioritization criteria were the number of actors in the field of agriculture and rural development represented by a particular stakeholder organization, whereby priority was mainly given to organizations acting nationwide rather than only on a local level. A database was created to record, complete and maintain contact details for regular dissemination of information and communication with the stakeholders under the responsibility of the Managing Authority. Relevant organizations were approached to nominate a representative to participate in the various stakeholder events.

Stakeholder seminars

With special regard to the preparation of the new ARDP strategic priorities, the MAFRD organized five stakeholder seminars at national and regional level in April and May 2012. The seminars were organized in Peja/Peč, Gilan/Gnjilane and Pristina/Priština (three times) to initiate the dialogue process between the MAFRD and representatives of stakeholder organizations and served the purpose of providing training on the stakeholders' role in the programming and implementation process as well as obtaining their views on strategic priorities to be tackled in the upcoming ARDP 2014-2020. The strengths and weaknesses of the agricultural and rural sector were intensively discussed and development priorities elaborated for the future programming period. In addition to the seminars,

stakeholders were also asked by survey to express their specific stakes in the programme and the way they would like to contribute either in the programming stage or in its implementation. Women Farmers Association participation was appreciated, considering this NGO deep understanding and involving in stimulating women entrepreneurship in agriculture and women empowerment.

Stakeholder conferences

Following the first five stakeholder seminars, a 1st nationwide stakeholder conference, a so-called “Kick off Meeting with Stakeholders”, was organized by the MAFRD on 6 November 2012 in Pristina/Priština to launch the start of the preparation of the new ARDP 2014-2020. About 180 representatives of public authorities, the private sector, associations and NGOs took part in this first event in the consultation process. After an initial presentation on the main principles of the new programming period and strategic priorities for agriculture and rural development under IPA II, the participants were asked to join one of the working groups related to the four priorities of the agricultural and rural development policy area under IPA II.

The main objective of the working groups’ activities was to gather the stakeholders’ views on the strength/weaknesses/opportunities and threats related to the particular priority area according to IPA II for agriculture and rural development. There was also a discussion on the current situation of the agricultural and rural development sector. Development needs and the most relevant interventions for sector development to be addressed by the future ARDP were identified. The results of the workshops were presented in a plenary session for further discussions with other workshop participants and the political and administrative representatives of the MAFRD. The event also had the aim to mobilize and motivate stakeholders to actively participate in the technical working groups established for the development of the new programme and to contribute with technical knowledge and inside views of the agricultural and rural sector. The results of the workshops were recorded and taken into consideration when drawing up the SWOT analysis of the ARDP 2014-2020.

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

Steering Programming Group and Technical Working Group

In order to ensure an integrated approach and close inter-ministerial coordination, a Steering Programming Group (SPG) for the preparation of the Agriculture and Rural Development Plan for the period 2014-2020 was established with Decision N3382 of 2 November 2012 by the Minister of Agriculture, Forestry and Rural Development. The SPG is composed of representatives of the MAFRD, other key Ministries, the EUO in Kosovo and donor organizations. The main task of the SPG is to discuss and take strategic decisions during the programming process for the period 2014-2020 such as decisions on:

- the timetable for preparation of the ARDP 2014-2020;
- the strategic objectives of the ARDP 2014 – 2020;
- the selected measures to be implemented in line with the strategy objectives for the period 2014-2020;
- the priority sectors in agriculture and the food industry to be supported under the selected measures for the period 2014-2020;

- the main eligibility criteria and selection criteria according to the defined priorities under the selected measures;
- the consultation meetings with the stakeholders and partnership events;
- the coordination of the ARDP with other policy areas in the framework of the EU's IPA II pre-accession for the period 2014-2020.

The SPG is chaired by the Minister of Agriculture, Forestry and Rural Development. The members of the SPG represent the Ministry of Finance, the Ministry of European Integration, the Government Unit for National Strategy, the Ministry of the Environment and Spatial Planning, the Ministry of Local Government Administration and the Ministry of Economic Development as well as the main MAFRD departments and the most relevant donor organizations such as the EUO in Kosovo and the World Bank.

The Steering Programming Group has scheduled its regular meetings with the purpose of overseeing and coordinating the overall process and also to take relevant decisions on the basis of the reports provided by the Managing Authority, which also serves as the secretariat of the SPG.

At the first meeting of the Steering Programming Group on 17 December 2012, the decision was taken to establish technical working groups for the priority areas which would be responsible for the particular chapters in preparation for the new ARDP 2014-2020. The decision was taken based on the presented road map containing the organizational structure of the programming process and the related period. SPG members are involved in the approval of the terms of references for the ex-ante evaluation. The programming unit of the MA serves as the secretariat of the SPG to prepare meetings as well as take and circulate the minutes of meetings.

Two more SPG meetings took place (25 February 2013 and 2 May 2013) to inform members about the state of play of the programming process by the MA and to present initial output from the programming work. The 4th SPG meeting was held on 5 December 2013 to present the draft measure fiches of the ARDP incl. an indicative financial plan for the period 2014-2020 and further outlooks on the completion of the ARDP.

Technical working groups

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

- Competitiveness related to livestock production and processing
- Competitiveness related to plant production and processing
- Agri environment incl. forestry
- Diversification and LEADER approach
- Vocational training and advisory service

The two technical working groups on competitiveness are divided into subgroups in line with the subsectors supported under the competitiveness priority, namely i) milk, ii) meat, iii) fruit & vegetables and cereals, iv) vineyards & wine and v) eggs.

The frequency of meetings and procedural rules were agreed by the working group members. They were engaged in the elaboration of sector analyses of agriculture and rural development incl. SWOT analyses and defining future interventions to tackle the identified needs of the various sectors. Their work continued during the elaboration of the selected measures to provide the technical expertise on target measures according to identified needs. Input was given in the definition of specific objectives

for measures, eligibility criteria, eligible investments and selection criteria. The activities of the working groups are coordinated by staff members of the Managing Authority.

Between April 2013 and the beginning of November 2013, each working group/subsector working group met 8-10 times in the programme preparation phase to contribute and discuss the various chapters of the ARDP with a specific focus on the preparation of the measure fiches.

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

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

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

EQUAL OPPORTUNITIES AND GENDER MAINSTREAMING

During the design of the Action, MAFRD consulted with the human rights unit established under the MAFRD and with a wider group of stakeholders, NGOs (e.g. Women for Women) representing gender issues. Thus, is acknowledged the fact that women are having in Kosovo just 8% ownership

over the agricultural land, thus, increasing this percentage representing a challenge for the authorities. Implementing MAFRD grants schemes 2013 and having extra-scoring system for women, the percentage of women contracted projects for farming and processing proved to be 18.88%, therefore it may be stated that extra scoring women application had a positive effect. As a consequence, for this Programme actions, it is foreseen that women applicants to receive extra score, in the attempt of empowering women and raising women ownership over family assets.

The implementation, monitoring and evaluation will respect the provisions of gender equality by specifically monitoring projects submitted and implemented by women. Monitoring and evaluation reports will contain adequate information on the realization. The composition of the Evaluation Committee for the projects will also take into account the gender equality provisions.

Publicity and communication activities will pay specific attention to targeted information delivery to potential female beneficiaries to encourage them to develop projects. Successful projects managed by women will be specifically promoted as best practice examples to encourage rural women to become economically active.

MINORITIES AND VULNERABLE GROUPS

Preparation of the Actions was done in full respect of minorities and vulnerable groups. Thus, shall be no direct or indirect discrimination against any person based on gender, age, marital status, language, mental or physical disability, sexual orientation, political affiliation or conviction, ethnic origin, nationality, religion, race, social origin or any other status. The Call for proposal shall be open for the entire territory of Kosovo.

6. SUSTAINABILITY

This Action follows the perspective of Kosovo in aligning its agriculture sector to EU Common Agriculture Policy. Moreover, is proved that Kosovo has potential in agriculture and that agriculture has the chance of creating sustainable jobs and income to rural inhabitants. The sustainability of investments is closely linked with the sustainable of projects, therefore the Beneficiaries must demonstrate their future profitability of their businesses and how the proposed investments are supporting this aim.

7. COMMUNICATION AND VISIBILITY

Communication and visibility will be given high importance during the implementation of the Action.

The implementation of the communication activities shall be the responsibility of the beneficiary, and shall be funded from the amounts allocated to the Action.

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, as stipulated in the Communication and Visibility Manual for EU External Actions.

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

interventions. Visibility actions should also promote transparency and accountability on the use of funds.

It is the responsibility of the beneficiary to keep the EU Office fully informed of the planning and implementation of the specific visibility and communication activities.

The beneficiary shall report on its visibility and communication actions in the report submitted to the IPA monitoring committee and the sectoral monitoring committees.