



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

KOSOVO*

EU4 Cultural Heritage and Rural development

Action summary

The overall aim of the action is to foster rural economic development through improved management of the natural resources and increased income generation opportunities related to cultural tourism and improved capacities and alignment to standards in the agriculture sector.

The action will support sustainable forest management, contribute to a sustainable irrigation sector through investments and technical assistance measures, support the vineyards and winery to become compliant with European Union standards, support the conservation works and touristic infrastructure of heritage sites in three municipalities in Kosovo and finally strengthen institutional and local capacities for cultural tourism management.

**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	Annual Action Programme for Kosovo for the year 2020
Action Title	EU4 Cultural Heritage and Rural Development
Action ID	IPA 2020 / 042 090 / 05/ EU4 Cultural Heritage and Rural Development
Sector Information	
IPA II Sector	6. Competitiveness and innovation
DAC Sector	16061, 311, 312 and 332 (multi-sectoral action).
Budget	
Total cost	EUR 38 700 000.00 (EUR 17 300 000.00 by EU + EUR 20 000 000.00 by World Bank (WB) + EUR 1 400 000.00 by the Ministry of Environment and Spatial Planning (MESP))
EU contribution	EUR 17 300 000.00
Budget line(s)	22 02 01 02
Management and Implementation	
Method of implementation	Direct and indirect management
<i>Direct management:</i> EU Delegation	European Union Office in Kosovo
<i>Indirect management:</i> Other entrusted entity	Food and Agriculture Organization (FAO), World Bank (WB) United Nations Development Programme (UNDP)
Implementation responsibilities	European Union Office in Kosovo
Location	
Zone benefiting from the action	Kosovo
Specific implementation area(s)	Kosovo
Timeline	
Final date for concluding Financing Agreement(s) with IPA II beneficiary	At the latest by 31 December 2021
Final date for concluding contribution/delegation agreements, procurement and grant contracts	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 114(2) of the Financial Regulation
Indicative operational implementation period	6 years following the conclusion of the Financing Agreement
Final date for	12 years following the conclusion of the Financing Agreement

implementing the Financing Agreement (date by which this programme should be de-committed and closed)			
Policy objectives / Markers (DAC form)			
General policy objective	Not targeted	Significant objective	Main objective
Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
Aid to environment		X	<input type="checkbox"/>
Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
Trade Development	<input type="checkbox"/>	X	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
RIO Convention markers	Not targeted	Significant objective	Main objective
Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation		X	<input type="checkbox"/>
Climate change adaptation		X	<input type="checkbox"/>

1. RATIONALE

The overall aim of the action is to foster rural economic development through improved management of the natural resources and increased income generation related to cultural tourism and improved capacities and alignment to standards in the agriculture sector.

The action will support sustainable forest management, contribute to a sustainable irrigation sector through investments and technical assistance measures, support the vineyards and winery to become compliant with European Union standards, support the conservation works and touristic infrastructure of heritage sites in three municipalities in Kosovo and finally strengthen institutional and local capacities for cultural tourism management.

PROBLEM AND STAKEHOLDER ANALYSIS

Local and rural economic development is a major challenge Kosovo is facing today. The majority of the population (62%) lives in rural areas and is directly or indirectly dependent on agricultural production for their livelihood. It is very important to enhance income generation of underdeveloped and vulnerable communities in rural areas, as well as to promote sustainable economic development.

Forestry

Around 35% of Kosovo's land area (481 000 ha) is forested and contribute to GDP from 1.5 to 3 %.At present, there is limited regulation, monitoring and control of public and private forests use. The forest inventory report issued in 2013 by Ministry of Agriculture, Forestry and Rural Development it is indicated that 90% of forest logging is not in line with forest management plans, policies and rules in place. There is a great potential in developing sustainable management and use of forestry resources through regulated cropping of forest areas that will provide much needed income in rural areas. This will increase the sector's potential to contribute to economic growth, employment generation, higher income levels and poverty reduction in the rural areas.

Irrigation

Next to land fragmentation, irrigation presents a key structural challenge facing Kosovo's agriculture sector. The limited area of land covered by irrigation, the poor use and unequal distribution of water resources and the lack of knowledge and facilities for irrigation at the farmers level are only some of the issues that prevents the sector in meeting its productive potential. Although some investments in the irrigation sector were carried out in the past, they were mostly limited in scope and territorial coverage. There are a number of municipalities with no irrigation at all. The three main water companies that are operating in Kosovo face difficulties in their operations due to old infrastructure, which was not properly maintained, lack of reservoirs to meet the increasing demand from the farmers and a lack of resources to invest in new irrigation canals.

Vineyards and wineries

At its peak in 1989, Kosovo's wine sector boasted 9 000 ha of vineyards and was a major export business. The sector suffered in the 1990s and currently there are some 3 000 ha of vineyards and 27 wineries that range in size from less than 0.25ha to over 10ha per holding. The quality of the production in particular of local vineyards is low. In addition, many wines produced are not compliant with EU system of Protected Denomination of Origin and Protected Geographical Indications. In this regard, technical support to the grape and wine producers is necessary. In addition, support to the administrative structures of the Ministry of Agriculture, Forestry and Rural Development and Wine Institute as well as capacity building is essential. This would aim to improve the quality of the production in particular of local vineyards and make them compliant with EU standards.

Cultural Heritage tourism

Cultural tourism is a nascent industry in Kosovo with a lot of potential for income diversification of the rural population. It can be a good income generator in particular for youth and women. It is one of the development priorities for Kosovo. Advancements in conservation measures of cultural heritage sites (many of them in rural areas) and the provision of basic tourism infrastructure and services will

contribute to the development of the cultural heritage-led industry. This will enhance economic activity and increase employment opportunities especially for women; they will result in the opening of new small businesses in the areas of cultural heritage. The number of visitors to cultural heritage sites (i.e. Archaeological Park of Ulpiana, which had 33,248 visitors in 2018) indicates that the trend of cultural heritage tourism is positive, regardless of the poor conservation state of monuments and the lack of tourist infrastructure, and that the potential exists to attract and target a higher number of tourists.

Cultural tourism management

It is also very important to strengthen the institutional infrastructure and build capacity in the sector. Currently the institutional setting is underdeveloped. Tourism is organised in the Ministry of Trade and Industry where the Department of Tourism plans to have 10 employees (currently 3), but still lacking an assigned budget. There is currently no Kosovo Tourism Organization or representative tourism association.

The cultural heritage sites in the historic centre of Janjevë/Janjevoin the Municipality of Lipjan/Lipljan, Ulpiana Archaeological Park in Graçanicë/Gračanica and the historic centre of Prizren (historic street 'Marin Barleti' - Lumbardhi cinema - Cathedral of our Lady of Perpetual Succour) have a particular potential for the development of cultural heritage tourism. All four sites are representational in terms of communicating the diversity of cultural heritage in Kosovo. The physical infrastructure of Janjevë/Janjevo is in an emergency state and in urgent need for intervention.

OUTLINE OF IPA II ASSISTANCE

The following components are foreseen:

1. Improvement of sustainable forest management

Establish good professional practices in forest management. It will target institutions that are involved in the development of forest policy, forest use and forest management. This component will address issues of competitiveness in the sector and sustainable forest management for the users. It will also target good management of wild fauna and hunting.

2. Improvement and Rehabilitation of Irrigation Systems

Effectively supporting an economically, environmentally and financially sustainable irrigation sector through investment and technical assistance measures that will increase the efficiency of water utilisation and boost agricultural productivity. The grounds for the assistance have been provided under an Investment Framework for the Irrigation Sector prepared by Ministry of Agriculture, Forestry and Rural Development under the World Bank supported project "*Agriculture and Rural Development Project-Third additional Financing June 2017-June 2021*" A master plan/study recommending measures is being conducted in 2019 and will produce a first set of technical studies to create an investment pipeline.

3. Support to the wine sector

Support the production of Kosovo wines from autochthonous vine varieties and develop cooperation with, and a better understanding of the EU best practices in the wine sector. More specifically, the assistance will contribute in increasing knowledge of the wine producers in the Suharekë/Suva Reka, Gjakovë/Đakovica, and Prizren regions with regards to the quality of wine production systems and technologies.

4. Support to cultural heritage tourism

The development of sustainable heritage tourism in line with EU practices and policies and the development of appropriate infrastructure for boosting the heritage-lead tourism industry.

5. Support to cultural tourism management

Building institutional capacity and improve the performance of the relevant institutions involved in cultural tourism management.

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

The Action addresses largely the priorities set for agriculture and rural development under Kosovo's Strategy Paper for IPA II. These priorities refer first of all to alignment to the EU's Common Agricultural Policy, a policy which targets sustainable management of natural resources and balanced development of rural areas. They also foresee increase of the competitiveness of the agri-food sector and address the challenges of climate change. Improvement of the living standards of the rural population represents another priority.

The Indicative Strategy Paper (ISP) for Kosovo 2014-2020 also points out the importance of the heritage tourism that is considered as a development priority both by Kosovo authorities and by the donor community.

The Action contributes to the priorities stated in the EUROPE 2020 Strategy: "Sustainable growth: promoting a more resource efficient, greener and more competitive economy" and "enhance the competitiveness of the tourism sector" by increasing efficient use of resource that will in turn improve competitiveness. It will directly contributing to achieving the dimension target of "Twofold increase of share of irrigated agriculture land by 2020".

The cultural heritage and tourism sector is recognized as a regional priority in the South East Europe 2020 Strategy, and in Kosovo is addressed through the Strategy for Cultural Heritage 2017-2027. The proposed action is also in line with the Western Balkans Strategy and specifically flagship initiative 3 to enhance support for socio-economic development for the transformation of the Western Balkans.

The Action addresses several aspects of concern expressed in the Commission assessment of Kosovo's Economic Reform Programme (ERP) 2019-2021. The ERP assessment identifies the informal economy as one of three major impediments for the competitiveness of the Kosovo economy, where agriculture is the sector contributing most to informality and undeclared work. The Action will help create job opportunities and job diversification in rural areas and would help reduce informality. Moreover, the ERP assessment highlights both the weaknesses and potentials present in the agricultural sector, amongst which irrigation is one of them.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

The Ministry of Agriculture, Forestry and Rural Development has benefited from a number of forestry projects funded by the EU, as well as programmes funded by FAO, Swedish International Development Cooperation Agency (SIDA), United States Agency for International Development (USAID), Danish International Development Agency (DANIDA), Gesellschaft für Internationale Zusammenarbeit (GIZ), and the World Bank.

The Irrigation system network in Kosovo has been supported by several projects from donors, among others, the EU, KFOR, United Nations Development Programme, the United Kingdom and the Netherlands. But these were implemented in the distant past (mostly pre-2009). The main lesson learnt is that there is a need for a consolidated integrated irrigation support programme in Kosovo. The irrigation master plan is under preparation by the Ministry of Agriculture, Forestry and Rural Development with support from the World Bank.

The Department of Vineyards and Wine in the Ministry of Agriculture Forestry and Rural Development has extensive experience in working under various projects (many EU funded projects or other donors SIDA, USAID, DANIDA, GIZ, World Bank). The donors recommend continuing the support to the Ministry and the Wine Institute for the establishment of administrative structures of the wine institute. Capacity building to the employees of the wine institute and technical support of the grape and wine producers is a need.

In the past, the Ministry of Culture, Youth and Sports, the Ministry of Trade and Industry, municipalities and other relevant institutions have received financial support from various donors for

the preparation and implementation of several cultural heritage tourism projects, the development of strategic sector documents and the transposition and implementation of the EU acquis. The donor support included both technical assistance and capital investments, mainly oriented towards the conservation of heritage sites and tourism activities.

Challenges to still be addressed in the cultural heritage tourism sector include: the administrative and technical capacities for protection, conservation, management and valorisation of the heritage needs to be further strengthened; substantial efforts are needed to establish a model of governance with effective coordination across institutions, coherent planning, monitoring and enforcement of relevant legislation; awareness campaign targeting primarily local communities is essential for the success and sustainability of any heritage tourism project.

2. INTERVENTION LOGIC- Logical framework matrix

		OBJECTIVELY VERIFIABLE INDICATORS			SOURCES & MEANS OF VERIFICATION	
		BASELINES	MILESTONES	TARGETS		
OVERALL OBJECTIVE(S) / (IMPACT(S))	INDICATOR's NAME					
To foster rural economic development through improved management of the natural resources and increased income generation related to cultural tourism and improved capacities and alignment to standards in the agriculture sector	Rate of Growth of economic activity (Increase of contribution of the agriculture sector to Kosovo GDP)	9 % (2018)	10 % (2022)	12% (2024)	Project monitoring reports Ministry of Agriculture, Forestry and Rural Development, Ministry of Culture Youth and Sports, Ministry of Trade and Industry (Annual Reports) Kosovo Agency of Statistics annual reports	
SPECIFIC OBJECTIVE(S) / OUTCOME(S)	OBJECTIVELY VERIFIABLE INDICATORS (*)				SOURCES OF VERIFICATION	ASSUMPTIONS
Specific Objective 1: To support the regulation, control and sustainable management of public and private forests and increase their potential to contribute to economic growth, employment generation, higher income levels and poverty reduction in rural areas.	Rate of illegal logging	90% (2013)	70% (2022)	50% (2024)	Kosovo Agency of Statistics, Assessment reports, Monitoring reports, Annual Progress Report for Kosovo. Kosovo Forestry Agency. Annual Report,	Kosovo's strong commitment for EU approximation is maintained. Beneficiaries of IPA II will successfully implement their projects. Ministry of Agriculture, Forestry and Rural Development ensure full engagement of relevant departments and support in the implementation of field activities.
Specific Objective 2: To establish in Kosovo an economically, environmentally and financially sustainable irrigation sector through investments and	Number of water users/ area provided with improved /new irrigation and drainage services	42.226 ha (2019)	48,000 ha (2023)	55,000 ha (2024)	World Bank Reports; Ministry of Agriculture, Forestry and rural Development inventory	World Bank and EU funds are timely available; Cooperation of farmers and water companies is

technical assistance and measures that will increase the efficiency of water utilization and agricultural productivity.					of irrigated lands; Annual data from the water companies	ensured.
Specific Objective 3. To increase the export of wines to the EU.	Percentage of Kosovo wines in EU lists of non-EU countries' geographical indications	0 % (2019)	30% (2023)	70% (2024)	List of Protected Denomination of Origin and Protected Geographical Indications Wines listed in the third countries database of E Bacchus	
Specific Objective 4. To increase tourism at selected cultural heritage sites in three municipalities.	Number of tourists in selected heritage sites/municipalities; disaggregated by gender;	0% (2019)	10% (2022)	20% (2024)	Ministry of Culture Youth and Sport, Ministry of Trade and Industry (Annual Reports) Municipal annual report Project monitoring reports Kosovo Agency of Statistics annual reports	Specific targets will be adopted in line with EU acquis, heritage and tourism laws and the Kosovo Cultural Heritage Strategy Action Plan
Specific Objective 5. To strengthen the capacities of the central and local institutions in the tourism sector	Increase of budget for the promotion of sustainable tourism at central and local level	0% (2019)	10% (2022)	20% (2024)	Ministry of Culture Youth and Sport, Ministry of Trade and Industry (Annual Reports) Municipal annual report	
OUTPUTS	OBJECTIVELY VERIFIABLE INDICATORS	BASELINES	MILESTONES	TARGETS	SOURCES OF VERIFICATION	ASSUMPTIONS
Output 1 (under SO 1) Regulated use of forest resources and implementation of integrated forest management thus contributing to an increase of the contribution of the forest sector to the Kosovo economy.	Number of cases reported to forest inspectorate and leading to legal proceedings. Percentage of legal and regulated logging in accordance with forest management plans. Economic contribution of the forest sector to GDP.	5290 cases (2017) to be reviewed in a baseline study 10% (2019) 1-1.5% (2018)	,<5% (2022) 20% (2022) 2% (2022)	<10% (2024) 40% (2024) 2.5% (2024)	Number of laws and bylaws prepared. Reported court cases. Implementation report on forest management measures. Assessment reports. Monitoring reports. Official Gazette Number of legal acts prepared and enforced.	The strong commitment of the IPA II beneficiary for the EU approximation still remains. Beneficiaries of IPA II will successfully implement their projects. Ministry of Agriculture, Forestry and Rural Development ensure full engagement of relevant

					Annual logging and trade records of the Kosovo Forestry Agency.	departments and support in the implementation of field activities. Commitment for proper implementation of Kosovo and EU legislation Commitment from Kosovo's institutions to EU approximation Funds for the maintenance of the equipment available in future from Kosovo government
Output 2 (under SO 2) An economically, environmentally and financially sustainable irrigation sector is developed through investment and technical assistance measures that will increase the efficiency of water utilisation and boost agricultural productivity.	Area of arable land expressed in hectares included under new or improved irrigation systems. Water users (households) provided with new/improved irrigation and drainage services	0 (2019) 0 (2019)	1000 ha (2022) 1000 (2023)	10,000 ha (2024) 7000 (2024)	Regional Irrigation Company Radoniqi and Dukagjini; Department for Agricultural Policy and Markets; Kosovo Statistical Agency. World bank project reports	
Output 3 (under SO 3) Improved productivity of grape for wine and improved quality of wine.	Quantity of grape produced per ha of vineyards. Number of wines with Protected Geographical Indications status listed on the E-Bacchus" database in accordance with bilateral agreements on trade in wine	2,160 (2019) 0 (2019)	2,400 (2022) 4 (2022)	3,150 (2024) 10 (2024)	E Bacchus data base; http://ec.europa.eu/agriculture/markets/wine/e-bacchus/index.cfm?event=pwelcome&language=EN	
Output 4 (under SO 4) Conservation works and strengthening of touristic infrastructure of heritage sites are implemented.	Percentage of cultural tourism infrastructure enhanced (in each site) and/or created	Marin Barleti 0% Lumbardhi cinema 0% Janjeva 0% Ulpiana 0%	Marin Barleti 20% Lumbardhi cinema 30% Janjeva 20% Ulpiana 25%	Marin Barleti 20% Lumbardhi cinema 30% Janjeva 20% Ulpiana 25%	Ministry of Culture Youth and Sport, Ministry of Trade and Industry (Annual Reports) Municipal annual report Project monitoring reports Kosovo Agency of	Ministry of Culture Youth and Sport, Ministry of Trade and Industry and municipalities will assure co-financing for documentation preparatory conservation/feasibility studies and/or detail designs including precondition -

					Statistics annual reports	<p>supplementary projects.</p> <p>All parties will collaborate on implementing the proposed actions.</p> <p>Private sector in three municipalities show willingness to invest in tourist related market</p>
<p>Output 5 (under SO 5) Improved capacities in tourism management and promotion of cultural heritage values.</p>	<p>Number of qualified and licenced tourist workers (guides, animators, and companions) and of the promotion activities</p>	0(2019)	<15(2022)	<50(2024)		<p>MCYS,MTI annual report</p> <p>Municipal annual reports</p> <p>Project monitoring reports</p>

DESCRIPTION OF ACTIVITIES

Output 1: Improvement of sustainable forest management.

The activities will introduce a new legal framework for the forestry sector and enhanced integrated forest management practices. This will increase the contribution that the forest sector makes to the Kosovo economy through the sustainable use of forestry resources taking into account economic, environmental, social aspects and contributing to climate change mitigation.

Activity 1: The following activities will improve timber legality, trade and law enforcement in forest sector

- Preparation of necessary by-laws on timber legality, wood market and for law enforcement in forestry
- Strengthen Public service capacity, and provide equipment to detect and counteract illegal logging, transport and trade.
- Raise Public awareness on legality issues in forestry and timber trade

Activity 2: The following activities will enhance transparency and strengthen the institutional capacity in good governance and implementation of forest policies, strategies and programmes.

- Operationalise the Kosovo Forest Information System for transparent decision-making in sustainable forest management.
- Support and evaluate the implementation of Policy and Strategy Paper for Forestry Sector Development for 2010-2020: and formulate gender responsive policy and strategy paper 2021-2030.
- Support the implementation of Kosovo Forest Health Programme Action Plan to monitor and prevent pest and disease outbreaks.
- Implementation of the Kosovo Afforestation and Reforestation Programme involving women, youth, ethnic minorities and rural Small and Medium Enterprises supported

Activity 3: The following activities will support the forest management and inclusive forest value chains

- Introduce and implement Multi-Purpose Forest Management Plans via appropriate activities in the field, accompanying local operators in the process of passing from illegal logging to controlled sustainable forestry exploitation (including re-forestation activities)
- Develop gender-sensitive forest-based value chains to reduce non-regulated logging and alleviate poverty
- Build forest fire prevention and preparedness capacities and integrate them in forest management planning

Activity 4: Introduce practices for sustainable wildlife management in forested areas

- Create a database to catalogue and estimate wildlife populations within regions.
- Create a registry of hunting associations and their members authorised to take game from forested areas.
- Provide technical assistance to capacity build and develop a Kosovo Programme for forest wildlife management and hunting, which develops co-management between communities, hunting associations and other public and/or private sector entities.

Output 2: Support for the Improvement and Rehabilitation of Irrigation Systems.

These activities are part of a broader water security and rural development programme under the management of the World Bank. The precise locations, beneficiaries and shares of investments will be determined based on the findings of a “Master Plan” commissioned by the World Bank which create a potential pipeline of investments under the water security and rural development programme. IPA supported project activities will include:

Activity 1: Investments in the irrigation infrastructure

- The irrigation masterplan has been developed under World Bank financing. The study projects investments in rehabilitation of the existing canals,
- building of the new irrigation network and also
- building small irrigation infrastructure at the farmers level

The details of each scheme will be available after the actual start of the World Bank project, following feasibility study for each irrigation infrastructure intervention.

Activity 2: Technical Assistance to ministry of agriculture, forestry and rural development, water companies and farmer's associations to increase the investments in irrigation infrastructure

- technical assistance to investments for irrigation and drainage rehabilitation, modernization and revitalization of existing irrigated areas, including existing irrigation systems under Socially Owned Enterprises managed schemes, as well as in other priority areas.
- Technical assistance for investments in water storage (rainwater harvesting, small reservoirs) to increase water availability for irrigation and develop climate resilience.
- Technical Assistance to conduct Detail Design Studies and provide Engineering Quality Assurance/Construction Supervision support to targeted irrigation and water storage investments

Activity 3: Technical Assistance for investments that improve irrigation water management and/or operational systems

- Technical assistance to ministry of agriculture, forestry and rural development, water companies and farmer's associations to support the investments that develop water management information systems and tools for improved water use efficiency.
- Provide Technical Assistance to support change processes in irrigation Socially Owned Enterprises towards improving irrigation service delivery, financial sustainability in the sector, and improve accountability and transparency, in conjunction with investments in systems' modernization.
- Develop and define clear mandates and roles for small-scale, non-Socially Owned Enterprises led, collective irrigation organizations of water users and give technical support for collective irrigation systems.

Output 3: Vineyards and wineries.

The main proposed activities will be as follows:

Activity 1: Technical Assistance to Department for Vineyards and Wine in order to be able to set up a Protected Denomination of Origin and Protected Geographical Indications for Kosovo wines. It will include these activities

- Developing the capacity of the administrative staff of Department for Vineyards and Wine (DVW) within Ministry of Agriculture in order for them to be able to establish Protected Denomination of Origin (PDO) and Protected Geographical Indications (PGI) legislation for wines of Kosovo. More specifically aligning the local legislation with the EU wine legislation Council Regulation (EC) No 479/2008 and (EC)1308/2013 the implementing Commission Regulation in area of PDO and PGI for wine.

Activity 2: Technical Support to Vineyards and wineries in improving the quality of grape and wine produced.

- Support Vineyards and wineries in improving the quality of grape and wine produced in Kosovo, and support the producers in the use of new technologies in the viticulture, wine, and marketing sector. Particular focus shall be given to the producers of autochthonous varieties of

the South region (e.g. Vranac, Prokup, Smederevska, etc.). A selected group of producers will be targeted in order to introduce modern concepts and practices of oenology.

- Support to growers and producers for the use of eco and bio products in vineyards and wine.
- Development of wine markets through joint marketing.

Output 4: Conservation works and enhancement of touristic infrastructure of heritage sites are implemented in: Janjevë/Janjevo (Historic Centre) Ulpiana Archaeological Park and Prizren (historic street Marin Barleti; Cathedral of our Lady of Perpetual Succour; and Lumbardhi Cinema).

The feasibility study on conservation and improvement of the Historic Centre of Janjevë/Janjevo, including socio-economic integration of the local community is being undertaken prior to the beginning of the project for conservation and infrastructure improvement works. The University of Pristina, Department of Architecture has finished the technical documentation, which will aid the feasibility study process. The conservation and related infrastructure work on Marin Barleti Street and Ulpiana will be implemented based on the existing management and conservation plans.

Activity 1: Conservation and Regeneration of Janjevë/Janjevo Historic Centre

- Improvement of primary infrastructure (sewage system, water supply, etc.) followed by the improvement of public spaces and living environment through conservation of selected buildings, as well as promotion of tourism-based economy. The above activities intend to not only recover the situation as much as possible, but also to tackle the long-term development of socio-economic aspect of the local Croatian population, which form the majority of the population in Janjevë/Janjevo.

Activity 2: Advancing research, and improving conservation and access to the public at Ulpiana Archaeological Park

Excavation and enhancement of the physical condition of the Ulpiana are an ongoing project. The action will be based on previous excavation (conducted with the supervision of the French University École Normale Supérieure (ENS) and other non-intrusive research of not excavated part of the site.

- Improve public access to the site;
- Carry out exemplary excavation and conservation works on-site as part of the promotion and enactment activities that serve to communicate the message that Ulpiana is an active research site;
- Training programme for students and local employees in archaeology and cultural heritage in order to accelerate the scientific and cultural European perspective of Kosovo.

Activity 3: Conservation and regeneration of historic street “Marlin Barleti” in Prizren

The Marin Barleti street is one of the proposed sites for intervention in the historic centre of Prizren. The street fronts suffer from lack of maintenance and inadequate interventions which jeopardize the street’s historic character. Ministry of Culture Youth and Sport has initiated studies for the revitalisation and socio-economic integration of the inhabitants of the street in 2017 and is in the process of implementation since February 2018.

- Activities to address the above challenge comprise of conservation of selected buildings and enhancement of the street infrastructure, as well as promotion of tourism-based economy.

Activity 4: The creation of a multi-purpose centre in Lumbardhi Cinema.

Lumbardhi Cinema is a heritage site and former cinema, established in the mid-20th century in Prizren. After 50 years of activity as the most visited public space in the city, it was left without a management and fell into decay following 1999. The space has not undergone renovation since the early 80s and its technology and infrastructure are desolate, making it usable only 7 months per year.

- Activities to address the above challenge comprise of improvement of physical condition of the Lumbardhi cinema based on the management plan.

Output 5: Improved capacity of Ministry of Culture Youth and Sport, Ministry of Trade and Industry, municipalities and local communities in cultural tourism management.

Support to be provided to Ministry of Culture Youth and Sport, Ministry of Trade and Industry and other relevant sectors' institutions including local community to establish a coordinating platform for the heritage tourism in order to align policies and strategies in the process of regulating, planning monitoring of measurements for the sustainable development of this sector.

Activity 1: Developing the administrative capacity among stakeholders

- The administrative capacity among main stakeholders including Municipalities will be developed through the transfer of the technical knowledge, dissemination of good practice and lessons learned in the field of tourism management. Activities will entail development of methodologies and guidelines, procedures, trainings/workshops, conferences or study tours. The engagement of Municipalities is crucial to ensure sustainability and long-term impact of the project.
- Promotional initiatives to enhance access for touristic purpose will be implemented for the Cathedral of our Lady of Perpetual Succour in Prizren. This activity is complementary to already ongoing restoration project, and it targets the identified needs by Cathedral to promote and communicate cultural heritage values of the site and open its premises for tourism purpose according to a fixed open hours and related services. Activities to address the above challenge intend to increase intellectual and physical access to the site for touristic purpose through promotion and interpretation activities.

RISKS

The main potential risks with proposed mitigation measures are presented in the table below.

Risk categories	Mitigation measures
The government and other stakeholders still show little interest in promoting the components of the Action.	Demonstrate from the very early start the ownership of the key actors; Define clear responsibilities of relevant entities; Assess and define the scope of complementary actions that have direct impact in successful implementation of this action document; Sufficient funding to be allocated for the implementation of the planned activities; Donor and IFI involvement at an early stage to overcome potential budgetary constraints.
Political interference in the selection of projects with high cost and low benefit.	Allocate funds exclusively for the priorities soundly and firmly agreed, coherently with the required sector support; 'Ownership', 'Transparency', and 'Prioritisation' principles applied in the project selection process; Realistic assessment of project maturity.
Insufficient support and involvement of the relevant ministries and other institutions in providing human and financial resources necessary to support the implementation of IPA II	Information sharing and dissemination structure established; Inter-project meetings and coordination; Addressing the difficulties which occur at earliest stage; Choosing of competent partner organizations for the support in addressing the needs and in implementation.
Unmotivated staff participate in the project activities	Early stage involvement and active participation; Joint event as promotion and activity motivation; Addressing of ownership; Change of staff if required.

Limited public participation and diverse stakeholder engagement	<p>Ensuring access to information;</p> <p>Engagement of the stakeholders early and often including diverse women and men;</p> <p>Applying proactive, transparent and targeted communication;</p> <p>Cultivating relationship based on trust and transparency to improve operational stability and sustainability;</p> <p>Setting up goals and a feasible engagement plan to increase ownership and accountability.</p>
---	--

CONDITIONS FOR IMPLEMENTATION

The main assumptions for the implementation of the Action are:

- Sufficient ownership, motivation and support from relevant ministries and municipalities involved must be secured;
- The consensus of the decision makers is essential for an integrated approach to all activities;
- The full engagement of the Kosovo authorities and the municipalities is critical in providing sufficient human resources to carry out the planned intervention;
- The government must be fully committed for the timely implementation of the underpinning legislation and the adoption of the necessary strategies (e.g. the Kosovo Tourism Strategy as well as the Heritage Management Plans for the selected sites).
- It is important to achieve effective communication and active involvement among all sector institutions, donors and other stakeholders in order to make maximum use of funds and avoid any duplication of activities.

Specific conditions for activities related to improvement of sustainable forest management:

- Drafting of a strategy for the forestry sector;
- Co-financing by the government and SIDA is secured;
- The ministry funds a programme for afforestation; and
- Commitment of government to enforce new forestry legislation and address issues of illegal logging and misuse of other forest resources.

Specific conditions for activities related to improvement and rehabilitation of the irrigation system:

- Timely completion and adoption of irrigation master plan;
- A pre-appraisal of the network pipeline for the irrigation system based on cost benefit analysis must be completed by the government;
- The irrigation company, targeted by the action, has the structure and governance and capacity to fulfil the tasks assigned to it;
- Greater involvement by the private sector through new institutional arrangements that support public-private partnership;
- All land that will be possibly necessary for the construction of the irrigation infrastructure must be made available by Kosovo government; and
- Stakeholder cooperation between Ministry of agriculture, forestry and rural development, water companies, Ministry of environment and spatial planning, and local government.

Specific conditions for activities related to the vineyards and wineries:

- For the implementation of Protected Geographical Indicator and Protected Denomination of Origin in the Vineyards and Winery sectors Kosovo wine producers must:

- Have the ability to show that they are traditionally and entirely manufacture (prepared, processed and produced) within the specific region and thus acquire unique local properties;
 - Provide appropriate documentation and proofs that the quality and the properties of the proposed wines are significantly or exclusively determined by the geographical environment, including natural and human factors;
 - Must have at least one of the stages of production, processing or preparation taking place in the area;
- Appropriate institutional structure including an independent ISO 17025 laboratory for testing the wine; and
 - A control system in place in order to avoid misuse of labelling that could mislead consumers.

Specific conditions for activities related to cultural heritage tourism:

- The Ministry of Culture, Youth and Sport will complete and make available the preliminary study.
- The Municipality of Lipjan/Lipljan will complete the restoration of the river bed going through Janjevë/Janjevo village.
- The Ministry of Culture, Youth and Sport in coordination with the Municipality of Lipjan/Lipljan will be responsible for the identification, selection and access to private houses.
- The Ministry of Culture, Youth and Sport will resolve any issue related to private ownership and/or expropriation of land for further research and excavation.
- The Ministry of Culture, Youth and Sport in coordination with the Municipality of Prizren will be responsible for the identification, selection and access to private houses.
- In addition, the owners of other selected buildings located on the street will modify the style of the façade of the buildings in conformity with the restoration plan/original style of the street.
- Ownership issues and arrangements for public use of Lumbardhi cinema need to be clarified and confirmed by the Municipality of Prizren and the Ministry of Culture, Youth and Sport.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

1. Improvement of sustainable forest management

This component will be implemented in coordination with the Ministry of Agriculture, Forestry and Rural Development and with the support of a Working Group composed of relevant stakeholders who will contribute to the preparation of Strategic and Legislative Guidelines.

Coordination with other active donors in the field of forestry and agriculture for rural development will be required. The main beneficiary of these activities is the Ministry of Agriculture, Forestry and Rural Development, the Forestry Department and the Kosovo Forest Agency, while other beneficiaries are Ministry of Employment and Social Policy, ~~Ministry of European Integration~~ Prime Minister Office, Ministry of Finance, Municipal authorities, NGOs, forest owners, media, businesses, and people in rural areas.

2. Irrigation System (improvement and rehabilitation)

The component aims at the improvement of irrigation service and infrastructure for the agriculture needs and the water control in order to promote the competitiveness and increasing of livestock and

horticulture subsectors and implementing measures selected by the strategy for agriculture and rural development.

The main beneficiary of these activities is the Ministry of Agriculture, Forestry and Rural Development, water companies and farmer's associations.

The main aim is to modernise the Radoniqi and Dukagjini Scheme for phase I, which is managed by the irrigation company "Radoniqi-Dukagjini".

The Ministry of Finance is the chair of the Inter-ministerial Commission for Public Enterprises; the Ministry of Economic Development will give approval for capital investments and monitor the Public Enterprises;

The Ministry of Environment and Spatial Planning is responsible for natural resources.

3. Vineyards and wineries

The main beneficiaries will be the Department for Vineyards and Wine (DVW) within the Ministry of Agriculture, Forestry and Rural Development, vineyard owners and wineries, wine producer associations and grape producers associations of the region South. Other key stakeholders are the ~~Office of the Prime Minister–Ministry of European Integration~~, Ministry of Finance and particular involvement is expected from the Municipal authorities of Rahovec, Suhareka, Prizren, Gjakova and Malisheve.

4. Cultural heritage tourism and 5. Cultural tourism management

The Ministry of Culture, Youth and Sport is responsible for setting the cultural heritage conservation standards and pursuing conservation permits. It is the key body responsible for protection and management of cultural heritage. The Ministry of Trade and Industry is responsible for setting the tourism standards and issuing work permits for touristic activities (guides, animators, companions). Other structures involved in the heritage and tourism management sectors include: the Assembly of Kosovo, local government-municipalities, private operators, businesses and other participants. These entities will be involved when required and work under close supervision of Ministry of Culture, Youth and Sport and Ministry of Trade and Industry.

For these components a steering committee will be established to include Ministry of Culture, Youth and Sport and Ministry of Trade and Industry as line ministries, Public University, municipalities subject to proposed interventions together with representatives from the implementation entities.

METHOD(S) OF IMPLEMENTATION AND TYPE(S) OF FINANCING (SEE ANNEX IMPLEMENTATION – BUDGET)

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING AND EVALUATION

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

Achieving of the Action results will be regularly monitored by the EU Office Kosovo and NIPAC office.

In line with the IPA II Implementing Regulation 447/2014, an IPA II beneficiary who has been entrusted budget implementation tasks of IPA II assistance shall be responsible for conducting evaluations of the programmes it manages.

Having regard to the importance and nature of the action, a mid-term and final evaluation(s) will be carried out for this action or its components via independent consultants through a joint mission contracted by the Commission via an implementing partner.

The evaluations will be carried out following DG NEAR guidelines on linking planning/programming, monitoring and evaluation¹. A Reference Group comprising the key stakeholders of this action will be set up for every evaluation to steer the evaluation process and ensure the required quality level of the evaluation outputs as well as the proper follow up of the recommendations of the evaluation.

Mid-term evaluation will be carried out for problem solving, learning purposes, in particular with respect to the actual achievement and complementary activities.

Final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the impact of the intervention and need for follow up support.

The Commission shall inform the implementing partner at least 90 calendar days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities].

The evaluation reports shall be shared with the IPA II beneficiary and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the IPA II beneficiary, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

In addition, the Action might be subject to external monitoring in line with the European Commission rules and procedures set in the Financing Agreement.

5. SECTOR APPROACH ASSESSMENT

The National Development Strategy (PLAN-NDS) identifies the specific priorities and challenges which are aligned with the **Policy and Strategy Paper on Forestry Sector Development 2010-2020**, which aims to increase the sector's contribution to job creation, revenue generation and fulfilment of socio-economic and environmental aspects.

Kosovo also has a **Strategy for Cultural Heritage (NSCH)** for the period 2017-2027, which foresees the development of infrastructure for cultural heritage among the top priorities, together with measures and actions needed to achieve sustainable preservation and promotion of heritage sites at central and regional/international level, which will raise the participation of the cultural heritage in the development of Kosovo economy. The Ministry of Culture, Youth and Sport has initiated the implementation of actions contained in the Action Plan of the Strategy through funding conservation initiatives in heritage sites with touristic potential. In parallel, Ministry of Trade and Industry has established the Department of Tourism and has committed to address challenges identified in Sector Profile Tourism document prepared in 2014, as well as newly identified issues with regards to the heritage tourism industry.

6. CROSS-CUTTING ISSUES

¹ https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/near_guidelines.zip

GENDER MAINSTREAMING

Equal participation of women in the rural and agricultural sector in Kosovo remains problematic. Traditionally, men inherit property and family property, which has led to women owning only 8% of all wealth. Lack of assets and wealth leaves women without collateral to apply for loans, contributing to a very low credit access: only 3% of women have loans. Moreover, the female unemployment rate is 38.8%, and even higher for young women, at 68.4%. These problems are more pronounced in rural areas. Special additional activities are needed to ensure that women are aware of this action and planned activities that may impact their lives; they also need special communication approaches to ensure they are aware of grants and investment opportunities in their areas.

Representation of women in institutions in this sector, especially at the level of decision-making, remains very unsatisfactory.

New and particularly better jobs will be created for both women and men through the various projects. All these represent essential steps for reducing poverty, advancing gender equality and empowering women.

EQUAL OPPORTUNITIES

Insufficient participation of women and people with disabilities in decision-making within the sectors may affect the extent to which women's particular needs and interests in this sector are taken into account in planning, implementation, monitoring and evaluation. Therefore, affirmative action can be taken to increase their contribution in order to ensure that the definition of equality is met. This aspect will be addressed through participatory processes in which equal opportunity is given to men and women beneficiaries, and persons with disabilities, to be consulted and to address their concerns.

Steps will be taken to ensure that planning, implementation, monitoring and evaluation will be carried out following a participatory approach in which beneficiary women and men are consulted and their concerns are addressed. Particular attention should be paid to preventing the artificial inclusion of women applicants who intend to grant award only for the projects submitted. These actions will encourage women to apply and provide an equal and real opportunity for women to enter and benefit from funds through a series of affirmative measures.

The proposed activities within this Action Document thus will be implemented by complying with the principles of preventing all forms of discrimination and allow equal opportunities through following measures:

- Integrating the gender perspective in assessment studies, planning, implementation and monitoring of projects;
- Consultation prior to the introduction of new policies, procedures and technologies and equal representation of men, women and people with disabilities in these consultations;
- Creation of equal opportunities for all to benefit from awareness-raising and training initiatives;
- Attention will be also given also to the informal sector activities in order to improve their working conditions by formalizing and integrating them into the system where possible.

MINORITIES AND VULNERABLE GROUPS

Activities will give equal and real opportunities to minorities and groups at risk of access to and benefit from the funds. Actions will stimulate their participation and the special components of actions aim to focus on vulnerable minorities and groups of men and women, such as special information campaigns, special training sessions. Action results will be provided in Albanian and Serbian and the official website will also publish official documents in Albanian and Serbian. Specific arrangements will be made for all activities to be implemented equally in minority areas.

Certainly, during the course of this Action, attention will be paid to the allocation of relevant activities across Kosovo, which will include populations from minorities, NGOs and family businesses.

The proposed activities will not harm in any way the rights of any individuals, including minorities and vulnerable groups; on the contrary it will support vulnerable communities. It will strongly support and facilitate minorities and vulnerable groups including both women/men within these groups.

This Action Document will contribute to the improvement of living standards for citizens regardless of their ethnic, religious, linguistic or other social status. The equality principle will apply for minorities and vulnerable groups as well as in the interventions proposed.

ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER STAKEHOLDERS)

Major components of the action are in line with Agriculture and Rural Development Plan/ARDP 2014-2020 and will be implemented in coordination with Ministry of Agriculture, Forestry and Rural Development, which has already established a dialogue with key stakeholders (Representatives of farmers/trade unions/associations, public authorities, non-governmental organisations (NGOs), Agriculture and Forestry Education, Local Association Groups (LAG), Donor organizations)

Civil society organizations (COSs) will be partners in implementing the components of this Action. The intervention intends to ensure continuous close cooperation and alignment of the activities of development partners, allied to active participation of stakeholders in civil society and local government. Where deemed appropriate to achieving better results to implement the recommendations of monitoring bodies a structural cooperation with NGOs will be sought. In this respect, an intensive communication between all key actors will be envisaged. In order to support the activities, the public communication and involvement measures will be mandatory in the proposed actions.

The effective public involvement will help to define the real necessary management practices and will significantly contribute to consensus building and improving its performance. This communication mechanism will result in appropriate and innovative solutions, creating an ownership and a new mentality towards promotion of socio-cultural and economic. Furthermore, participation of civil society will increase the transparency and legitimacy of the decision-making process.

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

Climate change is one of the many factors that shape European agriculture and rural areas whereas socio-economic factors, international competition, technological development, and policy choices will be those that will determine the impact that agro-climate change will have on the EU's agricultural sector.

All actions are linked with environment and climate change, considering that technical assistance are supporting economic perspective by promoting efficient energy and renewable energy investments, waste management, improved soil and water management. These actions foresee the undertaking of measures in protecting forest environments and their sustainable and improving the irrigation and water management systems. These actions not only aim at improving generation of new jobs and incomes, introducing vocational education and farm management, but also improve the sustainable long term management of these resources taking into account a need to militate against the effects of climate change. Disaster resilience and risk prevention and management of heritage sites subject to planned interventions will be integrated in the planning preparation and implementation of projects where relevant.

Proposed activities within this Action Document will put forward the cross-cutting theme of environment and climate change in order to promote economic growth with better use of resources, support the shift towards a low carbon economy, increase the use of renewable energy sources, modernize the transport sector and promote energy efficiency. The environmental impact of the economic activity is discussed on general level within the context. The proposed activities will ensure the improvement of living standards, promotion of qualitative and efficient touristic activities, sustainable development of services, preservation of heritage sites and environmental protection.

Moreover, considering the activities for the introduction of the cross-compliance, the environment and climate change may be considered particularly as main target.

Climate action relevant budget allocation: cannot be quantified

7. SUSTAINABILITY

Strong political commitment of Kosovo to implement reforms proven along the past years is an important critical factor for all Actions.

Some components of the Action include major infrastructure activities that will be integrated in the physical infrastructure of the beneficiary and the economic support is foreseen in the policies and sector strategies of the government. They are also closely related to economic activities that generate income and part of it will finance the maintenance and sustainability of the infrastructure (in irrigation, forestry and cultural heritage infrastructure projects). Under the component supporting the irrigation system, the technical assistance and capacity building provided to the regional water companies and farmers groups, coupled with the subsidy schemes implemented by the Ministry of Agriculture Forestry and Rural Development will ensure sustainability and proper maintenance of irrigation schemes implemented by the project.

The institutional sustainability is foreseen in involving the main line ministries and central bodies in the respective areas. The sustainability of actions proposed will be further enhanced through the involvement of all actors in the local communities and specific sectoral organisations.

In the cultural heritage component, all actors will be involved to ensure preservation and protection of, and implicitly the sustainable development of, infrastructure and will work towards fair and affordable fees for tourists. The action will also contribute to raising public authorities' responsibility towards citizens, to increasing transparency, consultancy and public participation in the decision-making process.

8. 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 funded from the amounts allocated to the action.

All necessary measures will be taken to publicise the fact that the action has received funding from the EU in line with the EU communication and visibility requirements in force. All stakeholders and implementing partners shall ensure the visibility of EU financial assistance provided through IPA II throughout all phases of the programme cycle.

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

Visibility and communication aspects shall be complementary to the activities implemented by DG NEAR and the EU Delegations in the field. The European Commission and the EU Delegations should be fully informed of the planning and implementation of the specific visibility and communication activities.

A consolidated communication and visibility plan for the Action will be developed, based on an agreed communication narrative and master messages, customised for the different target audiences (stakeholders, business community, civil society, general public etc.). The plan should clearly set out how EU visibility will be ensured in all the activities.

Effectiveness of communication activities will be measured inter alia through public surveys in the IPAlI beneficiaries. The surveys will cover awareness about the action and its objectives as well as the fact that it is funded by the EU. As a minimum one survey should be carried out before the start of the implementation of the communication and visibility plan and one after its completion.