

2008 Project Fiche Kosovo
IPA Centralised programme

1. Basic information

1.1 CRIS Number:

1.2 Title: **Preparation for implementation and management of agricultural and rural development policy in Kosovo**

1.3 ELARG Statistical code: 02.11

1.4 Location: Kosovo

Implementing arrangements:

1.5 Contracting Authority (EC): The European Commission Liaison Office to Kosovo

1.6 Implementing Agency: The European Commission Liaison Office to Kosovo

1.7 Beneficiary (including details of project manager):

Project activity/component	Beneficiary institution	Contact point responsible for project/activity coordination
Support to the MAFRD	The Ministry of Agriculture, Forestry and Rural Development	Mr. Qazim Kukalaj – Permanent Secretary Tel. (038) / 200 38 404 or 211 118 Email: qazim.kukalaj@ks-gov.net
Further support for Land use	The Ministry of Agriculture, Forestry and Rural Development <u>Sub-beneficiaries</u> The Ministry of Environment and Spatial Planning Kosovo Cadastre Agency	Mr. Qazim Kukalaj – Permanent Secretary Tel. (038) / 200 38 404 or 211 118 Email: qazim.kukalaj@ks-gov.net Spatial Planning Directorate Institute for Spatial Planning Hamit Basholli – Head of the Kosovo Cadastre Agency Email: basholli@gmail.com
Establishing Farmer Register system in Kosovo	The Ministry of Agriculture, Forestry and Rural Development Statistics Office of Kosovo	Mr. Qazim Kukalaj – Permanent Secretary Tel. (038) / 200 38 404 or 211 118 Email: qazim.kukalaj@ks-gov.net

Financing:

1.8 Overall cost (VAT excluded)¹: 4.4 million euros

1.9 EU contribution: 4 million euros

1.10 Final date for contracting:

Three years after the signature of the financing agreement between the European Commission and the Kosovo authorities

¹ The total cost of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated (see Section 7.6)

1.11 Final date for execution of contracts:

Two years after the final date for contracting

1.12 Final date for disbursements:

One year after the final date for the execution of contracts

2. Overall Objective and Project Purpose

2.1. Overall Objective:

The overall objective of the project is to facilitate and to stimulate economic growth in Kosovo by restructuring the agricultural, food, forestry and rural sectors through development and implementation of reformed agricultural and rural development policies.

2.2. Project purpose:

The project purpose is to strengthen the administrative capacity of the MAFRD to undertake short-term sector priorities and market-orientated reforms including carrying out of the coordination, monitoring and management of rural development funds available through the national ARDP 2007-2013 and future IPA Rural Development Component.

2.3. Link with AP/NPAA / EP/ SAA: The project makes a specific reference to the priorities identified in the *European Partnership* including:

- Strengthen the administrative capacity of all institutions for effective verification on consistency of policies and legislation with EU requirements, in particular by reinforcing the structures dealing with European approximation.
- Design and start implementing a rural development policy.
- Continue the alignment of legislation on the EU veterinary and phytosanitary acquis.
- Align the system of animal identification and registration for bovines with EU requirements.
- Develop a policy and a regulatory framework to support viable land reform. Support the protection of agricultural land against unplanned urban development.
- Start action for identification of sheep and goats and registration of their movements.
- Prepare a programme for upgrading food processing establishments.
- Start action for efficient control of domestic plant production in particular for products with EU specific requirements.

Kosovo Progress Report 2007 states that: "There are few developments to report as regards harmonising with European standards, despite the adoption of laws on fisheries and aquaculture, agricultural land, plant protection products and protection of plant variety rights. Kosovo's agricultural sector contributes 30% of GDP and 60% of the population live in rural areas. This importance is still not reflected either in government spending or in the reform efforts in this sector. The lack of political ownership, combined with heavy budgetary constraints and lack of adequate financial resources, has undermined the implementation of the government's own agricultural and rural development plan. Overall, there has been little progress in the areas of agriculture, veterinary and phytosanitary matters and fisheries."

2.4 Link with MIPD:

The following priorities as stated in the MIPD are addressed with the current project:

- **Supporting the development of sectoral strategies and policies compatible with European standards** in order to build up a sustainable Kosovo with a clear European

perspective. The priority sectors for support are internal market, statistics, financial sector regulation and public procurement; data protection and protection of intellectual property rights as well as food safety, veterinary and phytosanitary standards, transport, energy and environment

- **Promoting agriculture and rural development** through support to the rural economy and the livelihood of the rural population, in line with priority measures identified in Kosovo's Agriculture and Rural Development Plan 2007-13.

2.5 Link with National Development Plan (where applicable)

This program proposal is in line with the Medium Term Expenditure Framework 2008-2010 and its specific medium term objectives and policies for agriculture under the heading of the Agricultural Rural Development Plan 2007-13 (ARDP).

2.6 Link with national/ sectoral investment plans (where applicable)

This program fits under Priority Axis 1 of the Medium Term Expenditure Framework and has been identified as one of high priority under the Kosovo Consolidated Budget (KCB) for 2008-2010. The amounts envisaged for the sector under the KCB 2008 sum up to around 5 million euros.

3. Description of project

3.1 Background and justification:

Kosovo has a total land area of 10,977 sq. km. Agricultural land makes up 53% (577,000 hectares) of the territory and forests 41%. Although 88.8% of land is already in private ownership, the average farm size is only 2.5 hectares and 70% of rural households have between one and three dairy cows. The total number of farmers is estimated at being about 180,000² and private farms with more than 10 hectares of land are less than 3% of the total. Commercial bank lending directed towards agriculture remains low at 3.14% of total outstanding lending³, although as the banking sector is gaining more confidence in agricultural lending this figure is predicted to increase. However, there remain some major constraints to accessing agricultural related loans.

Institution building- Support to MAFRD

In late 2006 the Ministry of Agriculture, Forestry and Rural Development (MAFRD) developed the Agricultural Master Plan of Kosovo (AMPK) and the Agriculture and Rural Development Plan for 2007-13 (ARDP 2007-13). The ARDP, which is prepared so it approximates EC Guidelines⁴, is considered as a first step towards Kosovo developing a strategy directed specifically at accession to the EU.

However with status settlement still pending and having a potential candidate country status under IPA, the MAFRD of Kosovo should start with its own preparation and the preparation of the agri-food sector for the implementation of the rural development measures under the ARDP 2007-2013 of Kosovo. The preparations for implementing the IPARD component and

² World Bank Kosovo agricultural sector note January 2004

³ Central Banking Authority of Kosovo (CBAK) Monthly Statistics Bulletin February 2007. Table 16 ODC loans, by Industry.

⁴ This is in accordance with Council Regulation (EC) no 1268/1999 of 21 June 1999 and commission regulation (EC) No 2759/1999 of 22 December 1999 laying down detailed rules for its application, and other legislation referred to in these regulations.

for setting up the implementing institutions (Managing Authority, IPARD Paying Agency, Competent Authority, and Monitoring Committee) to manage the funds that will be made available once Kosovo is granted the status of "candidate country" should also start. As the latter is a long process which usually takes around 3- 4 years, an early start is required. For this end the MAFRD will proceed with a step-by-step preparation for establishing the ARDP and future IPARD implementing institutions. The creation of an integrated database system, including data flow between a land register, farm register and the animal identification, registration and movement control system will also be envisaged.

In conjunction with the efforts to start with the implementation of the ARDP and preparations for utilisation of the future IPA Rural Development Component, the Ministry of Agriculture, Forestry and Rural Development (MAFRD) has to introduce major new policies and means of supporting general and sectoral reforms and developments. To do this MAFRD needs to undertake sectoral analysis, adoption of legislation and/or modifying existing legislation, which is necessary for the implementation of the ARDP and for the preparation of implementation of the rural development measures under IPARD. However, it has less than 100 senior officials, many of whom have no or little experience of private sector market management or policy and strategy formulation.

In addition, MAFRD needs to identify and plan the next series of sectoral alignment and reform priorities (following veterinary and plant health harmonisation), on which available resources will be concentrated or made available, in order to help national producers and processors increase economic earnings.

Further support for Land use

The agricultural sector is facing key challenges. The major constraint for agriculture is the difficult situation of agricultural land use. Issues at hand are weak implementation of legislation, land fragmentation, very small land holdings, low or variable quality of agricultural produce, lack of rural planning, lack of structure in the land market, and a serious unplanned loss of agricultural land due to uncontrolled construction, uncharted pollution of agricultural lands and waters, un-clarity about future ownership and management of public lands and more.

The land use project will focus on efficient and sustainable implementation of agricultural legislation related to land consolidation, land marketing, rural planning and pollution control in the field. Given the fact that improved access to land for agriculture is an essential precondition for improving agricultural production, the land use project will be highly effective and worthwhile. In addition, the project will closely cooperate and coordinate activities with the World Bank project on establishing the Cadastre in Kosovo.

Establishing a Farm Register system

The statistical system in Kosovo has been established in line with EU standards, and the data collection has been carried out at the EU standard since 2001. Regular annual Sample Survey activities in agriculture have been conducted by Statistics Office of Kosovo (SOK) in close collaboration with the Statistics Office at MAFRD.

Agricultural Household Listing (AHL), which is the first major step in setting up a Farm Register System, has been carried out within the framework of a joint systematic sampling activities since 2001. Significant amount of farm holdings across Kosovo has been listed and about 68 000 farms in 601 villages and more than 15 000 farms in 175 villages have been

registered during 2004-2005. In 2007 respectively, accounting to almost a total of 70 000 farms in 600 villages (about 40 %), have already been registered. The estimated number of farm holdings in Kosovo ranges from 150 000 to 190 000 spread in 1 466 villages.

The last Agricultural Census in Kosovo dates back to 1960. This underlies the importance of setting up a Farm Registry, which will set the base for a future Agriculture Census.

The farm register in Kosovo will be used as a significant component for the policy development of the MAFRD.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

The project is expected to deliver a significant legal and administrative capacity focused on legislative alignment process and institution building within MAFRD, so that the Ministry streamlines its responsibilities, formulates adequately its priorities and policy development and is capable of gradually introducing the harmonized principles, mechanisms and organisational patterns of CAP into Kosovo agricultural policies.

Further more the project will assist in creating and maintaining market structures based on firm relations of land ownership which are favourable for the development of efficient agriculture. Thus priorities include land consolidation and creating conditions for a land market both for buying and leasing.

The project also aims at building the capacity of MAFRD to establish, implement, update and monitor the Farm Register. The expected impact is to allow the undertaking of economic analyses and consequently improve the capacity for the development of realistic and constructive policies in the areas of agriculture, economy and socio-economy.

3.3 Results and measurable indicators:

1. Support to of MAFRD

Expected results:

- The capacity of MAFRD to implement and enforce legislation, as well as to manage rural development funds in accordance to EU financial management rules is strengthened.
- The implementing institutions and instruments of the ARDP 2007-2013 and future IPARD Component are designated and established.

Measurable indicators:

- Programme of sectoral alignments (adoption of legislation) is approved by MAFRD
- An Action Plan for the gradual establishment of the future IPARD and ARDP implementing institutions is prepared and approved by the MAFRD.
- A concept for establishment of an integrated database system governing the financial implementation of the ARDP and future IPARD is prepared and approved by MAFRD.
- Identified and elaborated pilot scheme of an RD measure available under IPARD and envisaged in the ARDP is prepared for implementation.
- At least 30 senior staff is trained in general policy formulation and appraisal.
- Training programme elaborated and adopted by MAFRD.

2. Further support for land use

Expected results:

- The organisational structure according to the National Strategy on land consolidation is established and put in operation.
- Inventory and information system for pollution of agricultural land is available
- The Land Register is established for a pilot region.
- Pilot region results regarding new ownership after land consolidation and land classification are registered in the Cadastre and the Land Register in coordination with the World Bank project on the Cadastre.

Measurable indicators:

- Land Consolidation Offices (LCO) and Land Consolidation Commissions (LCC) are in place and are operational.
- At least 7 LC projects are commenced and at least 5 LC projects are completed
- 5 municipal land valuation maps are in place and 3 Municipalities initiate the programme for land consolidation
- Data base of pollution of flood plains and other suspected areas is available
- Aerial photography and GIS software are provided.

3. Establishing Farm Register system in Kosovo

Expected Results

- Reliable and updated Sample Frame for preparing sample for surveys, administration and analysis is available and is implemented.
- Farm Register is established for the territory of Kosovo

Measurable indicators:

- Farm surveys are carried out.
- Data from the farm surveys is processed and entered into the Farm Register.
- Local staff at the beneficiary institutions is trained.

3.4 Activities:

Activity 1: Support to MAFRD (Contract 1.1 and Contract 1.2)

The project will be implemented via twinning. It will consist of conducting a gap analysis of the general organisation, functions and activity of the MAFRD and existing agricultural and forestry support mechanisms. Furthermore the twinning project will assist the MAFRD in the defining of programme of sectoral alignment and conduct of policy formulation and appraisal. A respective needs assessment in terms of MAFRD readiness for implementation of legislation and the corresponding human resource needs will be also prepared. Additional assistance will be provided to MAFRD through the project by the preparation of an Action Plan for setting up the ground for gradual establishment of the implementing institutions and instruments of the future IPARD Component and the ARDP 2007-2013. This will be realised through working groups sessions, study visit and in-country training sessions.

In addition a pilot scheme of a rural development measure to be implemented under IPARD Component and available also under ARDP 2007-2013 will be prepared for implementation by the designated implementing institutions.

Activity 2: Further support for land use (Contract 2.1 and Contract 2.2)

The project will include assistance to the MAFRD to implement the national strategy for land consolidation and assistance to the Land Consolidation Office in planning, design and implementation of land consolidation projects. Input will be provided for carrying out inventory on ownership in the cadastral zone(s) covering land consolidation projects, as well as for reviewing and refining the existing land valuation criteria and carrying out land value

assessments and land value maps in municipalities. The development and implementation of land register for a pilot region is also envisaged in the project. The pilot region will be selected based on the availability and completeness of ownership and cadastral records. As an overall approach of the project, a review and harmonization of legislation will be carried out in respect to the Law on agricultural land and the Law on spatial planning.

Activity 3: Establishing Farm Register system in Kosovo (Contract 3)

The project will include revising the current Agriculture Household List Frame (AHLF), preparing guidelines and instructions to the enumerators and supervisors for data collection, entry and management; carrying out field activities, processing and analyzing of data and establishing the Farm Registry System will be also executed. Training of MAFRD staff is also envisaged.

Contracting arrangements

Activity 1: Contract 1 - A Twinning project is envisaged for exchange of experience and know-how with a member state administration for a period of 18 months. The project will include a member state project leader who continues to work in his/her member state administration but who devotes some of his/her time to conceiving, supervising and coordinating the overall implementation of the project. He/She will be assisted by at least one full-time expert known as a Resident Twinning Adviser from a member state who will work on a day-to-day basis with the beneficiary.

RTA profile:

- Experience in implementation of EU Agriculture and rural development legislation;
- Experience in the management [programming, monitoring, evaluation, implementation and control] of rural development programs.
- Fluency in English;
- Relevant university degree in the area of agriculture and/or agro-economy or equivalent.

Co-financing will be provided by the Kosovo Consolidated Budget to cover the costs for airplane tickets for the MAFRD experts for the envisaged study visits under the Twinning Work Plan, as well as costs related to in-country training (provision of materials, coffee breaks, local staff expenses, etc.).

Activity 2: Contract 2.1 -A Service contract is envisaged

Parallel co-financing (Contract 2.2) will be provided by the Kosovo Consolidated Budget to the project. These funds will be utilised to cover the administrative and running costs of the Land Consolidation Office and the Land Consolidation Committees.

Activity 3: Contract 3 - A Service contract is envisaged

3.5 Conditionality and sequencing:

The project includes the following conditionality:

- Availability of staff
- Availability of national financing for the implementation of a pilot RD scheme
- Availability of MAFRD budgetary provisions
- Availability of co-financing
- Strong political will to implement the project

- Timely preparation of legislation
- Good cooperation among the different stakeholders concerned in the implementation of the action
- Respect of responsibilities and obligations of the parties concerned.
- Endorsement by all key stakeholders of the Terms or Reference and Technical Specifications, as well as Twinning Work Plan.
- Participation by the beneficiary in the tender process as per EU regulations.
- Organisation, selection and appointment of members of working groups, steering and coordination committees, seminars and study visits by the beneficiaries as per the project work plan.
- Appointing the relevant staff by the beneficiaries to participate in training activities as per work plan.

In the event that conditionalities are not met, the EC Liaison Office to Kosovo reserves the right to suspend or cancel the project.

3.6 Linked activities

Since 1999 over €60 million of EC assistance (including investment, training, management support and technical assistance, and institutional support) has been provided for the development of agricultural sector in Kosovo. The table below summarises the past EC assistance relevant to this project:

Name of project (Amount €million)	Start End	Activities/Results
Institutional Support to Ministry of Agriculture Forestry and Rural Development (ISMAFRD)	Started in February 2007	to provide further strengthening to MAFRD by: (i) supporting the EU integration process and law of approximation and harmonisation; (ii) making MAFRD more efficient through human resources development and training; (iii) supporting agricultural policy, and development of agricultural statistics and the farm accounting data network (FADN) and; (iv) developing budget management skills to faceplate access to IPA financial resources
Agricultural Land Utilisation Support Project	February 2006 – February 2008	to develop sound land administration and management practices at both central and local government levels to include: (i) facilitating land reform through participatory land consolidation and the development of a market in land, initially through leasing arrangements; (ii) improve building and development control through sound spatial planning practices, and support for environmental protection; (iii) help provide security for, and access to, credit from financial institutions; and (iv) support the generation of revenues through the collection of rents, issuance of building permits and fines for illegal construction and violation of environmental protection regulations.
Agricultural Statistics and Policy Advice Unit Kosovo (ASPAUK 1 & 2)	September 2002 - 2004	provided policy support advice to MAFRD, statistical information, farm surveys and support with the introduction of FADN
Agricultural Master Plan for Kosovo (AMPK)	November 2004- 2006	(i) to strengthen the institutional capacity of MAFRD and related bodies to develop and implement overall macroeconomic, trade and sub-sector agricultural policy; programming and budgeting within the Ministry; (ii) assist MAFRD in preparation for the <i>acquis communautaire</i> in agriculture during the pre-EU accession period; (iii) develop a coherent Kosovo rural development strategy that will facilitate continued progress towards harmonisation with the EU, through development of a realistic Rural Development Plan and; (iv) assist MAFRD in developing a dialogue with rural developments in Kosovo, particularly in facilitating contacts and exchanges of information amongst rural development instigators (from the

		public and private sectors) in Kosovo, and at regional and international levels
World Bank project	2008 - 2009	Establishment of Cadastre in Kosovo

3.7 Lessons learned

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

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

4. Indicative Budget (amounts in €million)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+ (d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity 1	x		1.6	1.5	94	0.1	6	0.1				
contract 1			1.6	1.5	94	0.1	6	0.1				
Activity 2	x		1.8	1.5	83	0.3	17	0.3				
contract 2.1			1.5	1.5	100							
Contract 2.2						0.3	100	0.3				
Activity 3	x		1.0	1.0	100							
contract 3			1.0	1.0	100							
TOTAL IB			4.4	4.0	91	0.4	9	0.4				
TOTAL INV												
TOTAL PROJECT			4.4	4.0	91	0.4	9	0.4				

Note:

(1) In the Activity row "X" is used to identify whether IB or INV

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

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1	Q1 2009	Q1 2010	Q3 2011
Contract 2.1	Q1 2009	Q3 2009	Q3 2011
Contract 2.2	Q1 2009	Q3 2009	Q3 2011
Contract 3	Q1 2009	Q3 2009	Q4 2010

All projects should in principle be ready for tendering in the 1ST Quarter following the signature of the FA.

6. Cross cutting issues (where applicable)

6.1 Equal Opportunity

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

- address the barriers in the workplace that prevent the achievement of gender equality and ethnic diversity; create a workplace culture supportive of gender equality and ethnic diversity to improve gender/ethnic balance within the organisation. Opening up new possibilities for minorities as well as opportunities for women to work in non-traditional areas will, in turn, contribute to change the policy, business and customer focus of these institutions.
- introduce concepts of equality and diversity in strategic planning and management, including the business case for equality and diversity so as to make the workforce more representative of/responsive to Kosovo customer base. The Twinning Contract and the Terms of Reference will explicitly identify the project's intended effects /impact/ opportunities on/for women as well as minorities. Data systematically disaggregated by sex and ethnicity shall be produced to establish baseline and measure progress. Team of experts must possess relevant skills to ensure effective mainstreaming of gender equality and minorities inclusion/participation.

The project will promote the participation of women in all activities.

6.2 Environment

All support provided will be subject, when necessary, as required by the legislation in force in Kosovo and by EU Directives and standards, to include measures on controlling pollution, enhancing environmental protection. Environmental Impact Assessment of the proposed activity and investment, along with scrutiny of issues related to health and safety at work will also be taken into consideration.

6.3 Minorities

The project will actively promote the participation of ethnic minorities in all activities, will make particular effort to work in minority areas, and will deliver outputs that are ethnically

disaggregated so that progress and achievements for minorities can be transparently recognised.

ANNEXES

- I- Log frame in Standard Format
- II- Amounts contracted and Disbursed per Quarter over the full duration of Programme
- III- Description of Institutional Framework
- IV - Reference to laws, regulations and strategic documents
- V - Details per EU funded contract (*) where applicable

ANNEX I: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Programme name and number IPA 2008	
Preparation for implementation and management of agricultural and rural development policy in Kosovo		Contracting period) expires: three years after the signature of FA	Disbursement period expires: one year after the final date for the execution of contract
Sector: Rural Development		Total budget : 4.4 million euros	IPA budget: 4 million euros
Overall objective	Objectively verifiable indicators	Sources of Verification	
- To facilitate and to stimulate economic growth in Kosovo by restructuring of the agricultural, food, forestry and rural sectors through development and implementation of reformed agricultural and rural development policies	Drafts of EU aligned legislative acts are available. Increase of agricultural production Staff trained	STM conclusions Progress reports IPA evaluation reports	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
- to strengthen the administrative capacity of the MAFRD to undertake short-term sector priorities and market-orientated reforms, including carrying out of the coordination, monitoring and management of rural development funds available through the national ARDP 2007-2013 and future IPA Rural Development Component	- Draft laws and secondary legislation, Guidelines, manuals and strategy papers are prepared and approved - Land consolidation programme is implemented - Entire farm and forest holdings have been registered. - The implementing institutions of ARDP 2007-2013 and future IPA Rural Development Component are established and put into operation	- Legislation adopted - Quarterly Reports - Statistics and Policy Unit at MAFRD - Statistics Office Of Kosovo - Baseline survey reports - Cadastral Records	The Draft LC Strategy is adopted by MAFRD and PISG Coordination among different stakeholders is strengthened. Reliable input will be produced for policy development in Land Reform and also major inputs in agriculture to the National Account estimations will be available.
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
1. <u>Support to MAFRD (Contract 1)</u> - An Action Plan for the gradual establishment of the implementing institutions of the ARDP 2007-2013 is prepared and approved by the MAFRD. - Identified and elaborated pilot scheme is prepared for implementation. - Training assessment (short-term and long-term) is done	- At least 30 senior staff is trained in policy formulation and appraisal. - Draft version of the basic legislative acts following the defined sectoral priorities is prepared. - Training programme elaborated and adopted by MAFRD - One pilot scheme (financed with national funds) is launched by the end of the project.	- Quarterly Reports - Draft legislation - training programme	Staff is available and retained Office space is available
2. <u>Further support for land use (Contract 2)</u> - The organisational structure according to the National Strategy on land consolidation is established and put in operation. - Inventory and information system for pollution of agricultural land is available - The Land Register is established for a pilot region.	- Land Consolidation Offices (LCO) and Land Consolidation Commissions (LCC) are in place and are operational - at least 7 LC projects are commenced and at least 5 LC projects are completed - 5 municipal land valuation maps are in place and 3 Municipalities initiate the programme	- Cadastre records - Progress reports - Survey reports - Data from the pilot land register	KCB funds are available Cooperation of the courts and Min. of Justice on land ownership clarification

<p>3. <u>Establishing Farm Register system in Kosovo</u></p> <ul style="list-style-type: none"> - Reliable and updated Sample Frame for preparing sample for surveys, administration and analysis is available and is implemented. - Farm Register is established for the territory of Kosovo 	<p>for land consolidation</p> <ul style="list-style-type: none"> - Farm Register database ready by the end of 2010. 	<ul style="list-style-type: none"> - Farm surveys - the Farm Register Data. - Training programme - Progress reports 	<p>Equipment is available. Close cooperation with Kosovo Statistics Office is established.</p>
<p>Activities</p> <p>Activity 1 Support to MAFRD</p> <ul style="list-style-type: none"> - Carrying out of gap analysis of the general organisation, functions and activity of the MAFRD and existing agricultural and forestry support mechanisms - Development of strategy paper for the establishment of the implementing institutions and instruments of the ARDP 2007-2013 and future IPARD Component. - Development of procedure manuals, guidelines and key documents - Preparation of job descriptions and human resources strategy (including training plans) - Selection of a RD measure for a pilot scheme and provide staff training for the implementation of a pilot scheme by the designated implementing institutions. <p>Activity 2: Further support for land use</p> <ul style="list-style-type: none"> - Review and harmonization of legislation will be carried out in respect to the Law on agricultural land and the Law on spatial planning; - Assistance in the setting up of land consolidation office and land committees. - - Carry out land value assessments and preparation of land value maps for municipalities - Development and implementation of land register for a pilot region <p>Activity 3. Establishing Farm Register system in Kosovo</p> <ul style="list-style-type: none"> - Verify AHLF for a possible update requirement (conduct a pilot survey on the farms which have already been listed). - Establishing the methodology for the formation of the Farm Registry System - Organize and conduct field activities, - Process and analyze the data, - Prepare guidelines, and instructions to the enumerators and supervisors for data collection, entry and management, - On the job training 	<p>Means</p> <p>Contract 1.1 and Contract 1.2 - Twinning</p> <p>Contract 2.1 and Contract 2.2 - Technical Assistance</p> <p>Contract 3 - Technical Assistance</p>	<p>Costs</p> <p>1.5 million euro – EU Contribution 0.1 million euro – National co-financing</p> <p>1.5 million euro – EU Contribution 0.3 million euro – National co-financing</p> <p>1.0 million euro – EU Contribution</p>	<p>Assumptions</p> <p>Smooth cooperation is established between MAFRD, MESP, Kosovo Property Agency and Kosovo Cadastre Agency (KCA).</p> <p>Interministerial working group involving the above stakeholders is established.</p> <p>Beneficiary allocates sufficient staff for the project and required infrastructure to conduct the project.</p>

Pre-conditions – Availability of staff in the beneficiary institutions, availability of national co-financing

ANNEX II: amounts (in €million) Contracted and disbursed by quarter for the project

Contracted	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4
Contract 1					1.5							
Contract 2			1.5									
Contract 3			1.0									
Cumulated			2.5		4.0							
Disbursed												
Contract 1					0.6		0.7			0.2		
Contract 2				0.5			0.4			0.4		0.2
Contract 3				0.3			0.6	0.1				
Cumulated				0.8	1.4		3.1	3.2		3.8		4.0

Annex III- Description of Institutional Framework

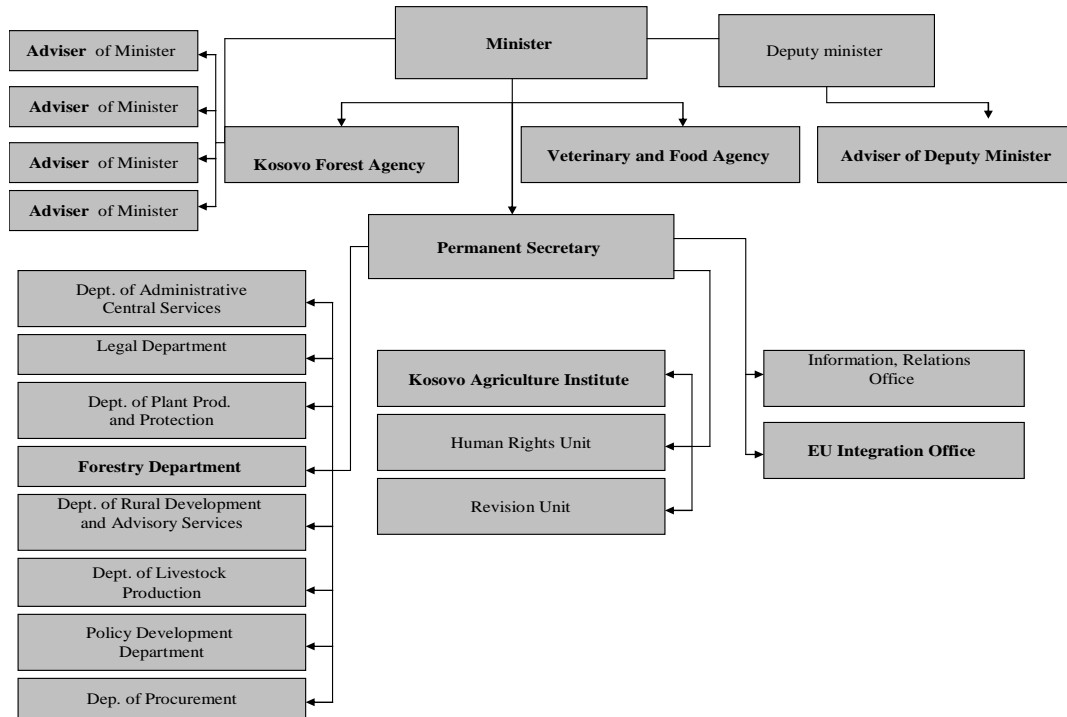
Ministry of Agriculture, Forestry and Rural Development is established on 17 April 2000 with UNMIK Regulation No. 2000/27 on the establishment of Administrative Department of Agriculture and Rural development (ADAFRD).

In conformity with UNKIK regulation No. 2001/19 annex 10 is amended on the authority of the Interim Administration of Kosovo, Ministry of Agriculture, Forestry and Rural Development

Mandate of Ministry of Agriculture, Forestry and Rural Development

- Develop polices and implement laws for development of agriculture including also the cattle and production of plant, rural development and setting of standards for maintenance.
- Facilities development of credit scheme for the support of agriculture, forestry and activities for rural development in private sector;
- Develop policy for assisting the administration and management of forestry sector including protection, activities of reforestation, self-support, fighting form the fire, prevention of fire, disinfection form the insects and different diseases, license for felling of tree and control of hunting and fishing;
- Regulate activities of hunting and fishing;
- Supervise the approach of veterinary services, including among the others prevention of animal diseases, zoonese and the improvement of herds qualities and herds of poultries;
- Develop polices in the field of watering including also the projects for the planning of irrigation;
- Develop polices and implement laws particularly the utilization of land with the purpose of its protection;
- In cooperation with Ministry of Health, Environmental and Spatial Planning surveys control of food quality and agriculture inputs with the purpose of consumers;
- Supervise activities that aim disappearance of insects, parasites, plants diseases or harmful causers;
- Take part in the activities of protection of the environmental that have to do with forestry, hunting, fishing and management of resources of the water and
- Provide assistance in the issues that are linked with veterinary, does the phytosanitary control and of the quality of animals and animal's products that are passed transit through the administrative cross boundaries and state too of the food and the agriculture, plants and plants products.

Structure of the Ministry of Agriculture, Forestry and Rural Development



Annex IV - Reference to laws, regulations and strategic documents:

Reference list of relevant laws and regulations

- Agriculture and Rural Development Plan 2007-13
- Agriculture Land law Nr 02/L-26
- Administrative Instruction for land consolidation Nr 35/2006
- Draft Strategy for Land Consolidation

Reference to AP /NPAA / EP / SAA

The *European Partnership* 2007 includes the following for agriculture:

- Strengthen the administrative capacity needed to formulate and implement agricultural and rural development policy.
- Update legislation and strengthen implementation and controls in the areas of food safety and veterinary and phytosanitary issues.
- Expand animal identification and registration to all relevant species.
- Continue to upgrade veterinary, phytosanitary, wine and sanitary laboratories, inspectorates and controls at external borders.

Reference to MIPD

"2.2 Component I – Transition Assistance and Institution Building

For 2007 – 2009, the main areas of intervention for component I are described below as the following sub-components of the MIPD:

- *Socio-economic Requirements*

This sub-component addresses wider socio-economic issues, including fiscal and financial management, improvement of investment climate, trade opportunities, and development of energy, environment, transport, agriculture, education and employment sectors".

Reference to National Development Plan

As a sign of commitment to the process of convergence and structural reforms, the Kosovo Government proposes to adapt the concepts and modalities of EU-type National Development Planning to the Kosovo policy process.

The development of economic strategies for the key sectoral “engines of growth” will require close co-ordination between the Ministries of Agriculture, Forestry and Rural Development and the Ministry of Trade and Industry.

Reference to national / sectoral investment plans

Regarding agriculture, the Government specifically wants to: (i) increase the overall income of farmers; (ii) encourage import substitution and develop exports of niche agri-food products; (iii) ensure food security and quality for consumers; (iv) increase the value of production through

improvements in harvest, post harvest technologies and product processing and; (v) increase the economic security of rural inhabitants.

The amounts envisaged for the sector under the KCB 2008 sum up to around 5 million euros.

ANNEX V- Details per EU funded contract (*) where applicable:

- **Activity 1 (Twinning Contract)**

Tasks in this activity to be performed by Team Leader, RTA and STM experts include:

- Carrying out of gap analysis of the general organisation, functions and activity of the MAFRD and existing agricultural and forestry support
- Development of strategy paper for the establishment of the implementing institutions and instruments of the ARDP 2007-2013 and future IPARD Component.
- Training of staff (in-country visit and study visits to MS)
- Development of procedure manuals, guidelines and key documents
- Preparation of job descriptions and human resources strategy (including training plans)
- Selection of a RD measure for a pilot scheme and provide staff training for the implementation of a pilot scheme by the designated implementing institutions.

- **Activity 2 (Service Contract)**

Tasks included in this activity to be performed by the Contractor are:

- Review and harmonization of legislation will carried out in respect to the Law on agricultural land and the Law on spatial planning;
- Assistance in the setting up of land consolidation office and land committees.
- Review and detailing of existing valuation criteria
- Carry out land value assessments and preparation of land value maps for municipalities
- Development and implementation of land register for a pilot region
- Provision of aerial photography and GIS

- **Activity 3 (Service Contract)**

Tasks included in this activity to be performed by the Contractor are:

- Verification of AHLF for a possible update requirement (conduct a pilot survey on the farms which have already been listed).
- Establishing the methodology for the formation of the Farm Registry System
- Organize and conduct field activities,
- Process and analyze the data,
- Provision the related software for the Farm Register,
- Preparation of guidelines and instructions to the enumerators and supervisors for data collection, entry and management,
- On the job training and organisation of study visits