



Republika e Kosovës - Republika Kosova - Republic of Kosovo

Ministria e Bujqësisë, Pylltarisë dhe Zhvillimit Rural

Ministarstvo Poljoprivrede, Šumarstva i Ruralnog Razvoja

Ministry of Agriculture, Forestry and Rural Development



NATIONAL PROGRAM FOR AGRICULTURE AND RURAL DEVELOPMENT 2023 - 2027

JUNE 2023



Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada - Government

**Ministria e Bujqësisë, Pylltarisë dhe Zhvillimit Rural/Ministarstvo
Poljoprivrede, Šumarstva i Ruralnog Razvoja/Ministry of Agriculture,
Forestry and Rural Development**



AGRICULTURE AND RURAL DEVELOPMENT PROGRAM 2023-27

IPA RURAL DEVELOPMENT PROGRAM:

TABLE OF CONTENTS

1.RURAL DEVELOPMENT PROGRAM TITLE.....	6
2.BENEFICIARY COUNTRY.....	6
1.1. Geographical scope of the program.....	6
3.CURRENT SITUATION DESCRIPTION, SWOT ANALYSIS AND NEEDS IDENTIFICATIO.....	10
3.1. The general socio-economic context of geographical coverage.....	10
3.2. Performance of agriculture, forestry and food sectors.....	17
Table xx : Utilized area of agricultural land 2016-2019, in ha.....	15
Source:KAS - Survey of agricultural households ('16, '17, '18, '19).....	21
3.3. Environment and land management.....	43
3.4. Rural economy and quality of life.....	52
3.5. Preparation and implementation of Local Development Strategies - Leader.....	57
LAG: Planned/implemented budget, by year (2014-2019) (to be completed with information).....	61
Source: ARDP and ADA.....	61
As can be seen from the table above during the period 2014-2019 for LAGs and RDN a total of 1,650,000 have been allocated and a total of 621,283 Euros have been spent.....	61
3.6. Table of context indicators.....	63
4. SWOT - SUMMARY OF THE ABOVE ANALYZES.....	69
4.1. Agriculture, forestry, food industry (separate tables for each sector selected for support).....	69
4.2. Environment and land management.....	85
4.3. Rural economy and quality of life.....	87
4.4. Preparation and implementation of Local Development Strategies - Leader.....	95
5. MAIN RESULTS FROM PREVIOUS INTERVENTIONS.....	96
5.1. Main results of previous national interventions; disbursed amounts, summary of assessments, lessons learned.....	96
5.2. Main results of EU assistance; disbursed amounts, summary of assessments, lessons learned.....	96
5.3. Main results of EU assistance; disbursed amounts, summary of assessments, lessons learned.....	100
6. DESCRIPTION OF THE STRATEGY.....	103
6.1. Description of the existing national rural development strategy.....	103
6.2. Needs identification and strategy summary.....	105
6.3 Objectives of the program.....	109
6.4 Interaction between proposed ARDP 2021-27 interventions, IPA III Programming Framework and Strategic Response.....	111
6.5 Approximation of selected measures and selection criteria with the main elements of the EU Green Agreement and the Green Agenda for the Western Balkans.....	112
6.6 Summary of the logic of interventions, showing the measures selected for ARDP 2021-27, quantitative objectives.....	113
7. GENERAL FINANCIAL TABLES.....	115
8. DESCRIPTION OF SELECTED MEASURES.....	121
8.1. Requirements regarding all or some of the measures.....	121
8.2. Administrative Procedure.....	122

8.3. Description by the measure.....	122
8.3.1. Title of the measure.....	122
8.3.2. Legal Grounds.....	122
8.3.3. Reasoning.....	122
8.3.4. General objectives, specific objectives.....	123
8.3.5. Relation to other ARDP 2021-27 program measures and national measures.....	123
8.3.6. Final beneficiaries.....	123
8.3.7. Common eligibility criteria.....	123
8.3.8. Specific eligibility criteria (by sector).....	123
8.3.9. Selection Criteria / Principles related to selection criteria.....	123
8.3.10..... Eligible expenses	124
8.3.11..... Aid intensity and EU contribution rate	124
8.3.12..... Indicators and goals	124
8.3.13..... Administrative Procedure	124
8.3.14..... Geographic scope of the measure	124
8.3.15..... Other information about the measure (as defined in the list of measures)	124
8.3.16..... Preliminary budget of the measure	125
9. NATIONAL RURAL DEVELOPMENT NETWORK.....	125
10. INFORMATION RELATED TO ARDP 2021-27 INTERACTION WITH MEASURES FINANCED FROM OTHER SOURCES (NATIONAL OR INTERNATIONAL).....	125
10.1..... Demarcation criteria of ARDP 2021-27 within other windows of the Programming Framework or the same window.....	126
10.2..... Interaction of ARDP 2021-27 with other financial instruments	126
10.3. Demarcation criteria and interaction of ARDP 2021-27 measures with national policies	126
11. SUMMARY DESCRIPTION OF MANAGEMENT AND CONTROL STRUCTURES..	126
12. DESCRIPTION OF OPERATING STRUCTURE, INCLUDING MONITORING AND EVALUATION.....	127
12.1. Description of the operating structure (Managing Authority and Agency of ARDP 2021-27) and their main functions.....	127
12.2. Description of monitoring and evaluation systems, including the envisaged composition of the Monitoring Committee.....	127
13. RESULTS OF PROGRAMMING CONSULTATIONS AND PROVISIONS FOR THE INCLUSION OF RELEVANT AUTHORITIES AND INSTITUTIONS AS WELL AS ECONOMIC, SOCIAL, ENVIRONMENTAL PARTNERS.....	128
13.1..... Approved provision for escorting relevant authorities, bodies and partners	128
13.2..... Designation of consulted partners - summary	128
13.3..... Results of consultations - summary	128
14. EVALUATION RESULTS AND RECOMMENDATIONS EX-ANTE OF THE PROGRAM	129

14.1.....	Description of the process	129
14.2.....	Summary of recommendations	129
15. PUBLICITY, VISIBILITY AND TRANSPARENCY IN ACCORDANCE WITH IPA LEGISLATION.....		130
15.1..	Activities envisaged for informing potential beneficiaries, professional organizations, economic, social and environmental partners, bodies involved in promoting equality between men and women and NGOs regarding the opportunities offered by the program and the rules for obtaining funding.....	130
15.2.....	Planned activities for informing the beneficiaries of the EU contribution	131
15.3.	Activities for informing the general public about the role of the EU in the program and its results.....	131
16. EQUALITY BETWEEN MEN AND WOMEN AND NON-DISCRIMINATION PROMOTED AT DIFFERENT LEVELS OF THE PROGRAM (DESIGN, IMPLEMENTATION, MONITORING AND EVALUATION).....		131
16.1.....	Description of how equality between men and women will be promoted during the various phases of the program (design, implementation, monitoring and evaluation)	131
16.2.....	Description of how discrimination based on sex, race, origin, religion, age, sexual orientation will be prevented, during the various stages of program implementation	132
17. TECHNICAL AND ADVISORY SERVICES.....		132
18. ANNEXES (NUMBER OF PAGES IS NOT LIMITED).....		132

LIST OF TABLES

Table 1:	NUTS regions (level I, II, or III) covered by Program.....	8
Table 2:	Usually resident population and private households.....	12
Table 3:	Labor force in agriculture.....	13
Table 4:	Indicators of agricultural economic development.....	14
Table 5:	Export-Import of agricultural products.....	16
Table 6:	Farms and arable land by size category, as a percentage of the total.....	16
Table 7:	The utilized area of agricultural land 2016-2019, in ha.....	17
Table 8:	Cereals, fodder crops and potatoes	19
Table 9:	Areas in greenhouses 2017-2019.....	22

Table 10: Areas with trees /ha/t 2015-2019.....	23
Table 11: Grapes, area, total production and average yield.....	25
Table 12: Livestock Fund 2019.....	27
Table 13: Fund and structure of cattle, 2014-2019.....	28
Table 14: Number of sheep and goats, 2014-2019.....	30
Table 15: Number of pigs, 2014-2019	31
Table 16: Number of poultry and eggs 2015-2019, in '000.....	31
Table 17: Location/Region and number of fish producers	39
Table 18: Available capacity to work/mills	42
Table 19: Wine production 2014-2019	44
Table 20: Export - import of summer 2016 - 2019.....	44
Table 21: Export-Import of agricultural products	45
Table 22: Protected natural areas in Kosovo	48
Table 23: Main problems and strategic priorities for biodiversity conservation in Kosovo as defined in the Biodiversity Strategy 2011-2020	49
Table 24: Erosion Category	51
Table 25: Length of roads in Kosovo by category in km 2011-2019	56
Table 26: Basic data on the state of villages in Kosovo	58
Table 27: Number of approved/contracted projects by sub-measures and years	60
Table 28: Financial support for GLV - 2009-2013	62
Table 29: GLV: Planned/realized budget, according to years (2014-2019) (to be completed with information)	64
Table 30: Table of context indicators	66
Table 31: SWOT analysis of cow's milk production	73
Table 32: SWOT analysis of sheep and goat milk production	74
Table 33: SWOT analysis milk processing	76
Table 34: SWOT analysis meat production	77

Table 35: SWOT analysis of broiler meat production	78
Table 36: SWOT analysis egg production-	79
Table 37: SWOT analysis - meat processing	80
Table 38: SWOT analysis for cereals, fodder crops and potatoes - farmers.....	80
Table 39: SWOT analysis for vegetables - farmers.....	81
Table 40: SWOT analysis for vegetables - processors	82
Table 41: SWOT analysis for fruits production	84
Table 42: SWOT analysis for fruits processors	85
Table 43: SWOT analysis for grape farmers	86
Table 44: SWOT analysis for grapes-wine producers"	87
Table 45: SWOT analysis for Forestry"	89
Table 46: Rural economy and quality of life.....	92
Table 47: SWOT analysis honey production	94
Table 48: Aquaculture SWOT analysis	95
Table 49: Rural Tourism SWOT Analysis	96
Table 50: SWOT analysis of processing and marketing of products on a small scale (on the farm)	97
Table 51: SWOT analysis under the small-scale poultry farm sector.....	98
Table 52: SWOT analysis for businesses Sub-sector of crafts and handicraft products.....	99
Table 53: Preparation and implementation of Local Development Strategies-Lider.....	100
Table 54: Main results of previous interventions.....	101
Table 55: Identification of needs and strategy summary	110
Table 56: Summary of the logic of interventions, showing the measures selected for the PBZHR 2022-27, the quantitative objectives	
Table 57: General financial table	120
Table 58: Time plan for the start of the implementation of PBZHR measures.....	123
Table 59: Selection criteria for crop production.....	143
Table 60: Selection criteria for animal production.....	144

Table	61:	Indicative
budget.....		14
5		

LIST OF FIGURES

Figure 1: Map of rural areas.....	10
Figure 2:	11
Figure 3: Population Density	12
Figure 4: Agricultural Work (AW) and the number of workers by type of agricultural workforc.....	13
Figure 5: Age structure of bearers	14
Figure 6: Land use classes in Kosovo (% of total land area)	15
Figure 7: Plant production in mil. €, 2014-2019	18
Figure 8: Participation of agricultural crops in total plant production, 2019	19
Figure 9: Livestock in mil. €, 2015-2019	27
Figure 10: Circulation (€000), according to agricultural activities, 2018	35
Figure 11: Number and percentage of approved OBUs of animal origin	36
Figure 12: The quantity of fish produced by fish farms	40
Figure 13: Registered objects of OBUs of non-animal origin	41
Figure 14: Participation of agricultural products in total export (left), Participation of agricultural products in total import (right).....	45
Figure 15: Map of national and natural parks in Kosovo.....	48
Figure 16: Emissions of acidic substances 2010-2018	52
Figure 17: Emissions of Particles PM2.5, PM10 and TSP (kilotons) 2010-2018	52
Figure 18: Air temperatures 1900 -2003	53
Figure 19: Air temperature 2001-2019	53

Figure 20: GHG emissions in Kosovo by categories (%)	54
Figure 21: Households in Kosovo that had access to the Internet at home or apartment in the years 2017-2019, expressed as a percentage, (%)	56
Figure 22: Age group that had access to the Internet at home or apartment in 2018 and 2019 expressed as a percentage, (%)	57
Figure 21: Organizational structure of PA	57

DEFINITIONS

Farm elasticity	It refers to the capacity of farmers to continue farming in the event of a decline in short-term farm income, either due to low production, low prices or high costs, as a result of economic or natural crises;
Digital farming	Digital agriculture is the use of digital technology to integrate agricultural production from the field to the consumer. These technologies can provide the agricultural industry with tools and information to make more informed decisions and improve productivity.
Ecosystem services	They are diverse systems for people provided by the natural environment and healthy ecosystems. Such ecosystems include, for example, agroecosystems, forest ecosystems, grassland ecosystems and aquatic ecosystems.
Coupled support	It means farm income support related to production, i.e. either paid per ton in the case of cereals or per animal head;
Decoupled support	It means non-production farm income support, meaning payment is made per hectare (regardless of production level or even whether the land is cultivated or not) and for the number of animals owned by the farmer.
Index of birds on farmland	It is an indicator of the impact related to the biodiversity associated with the agricultural land taking into account the

	wealth in poultry as an indicator of the intensity of agriculture. Birds are associated with pesticide use through insects and with landscape features such as isolated trees or groups of trees, and studies show that intensive agriculture has a significant impact on reducing the number and species of birds associated with farmland.
Farm Advisory Services	FAS means the farm advisory service that explains how farmers can comply with cross-compliance (mandatory in every EU member state);
High value pasture (HNVG)	High natural value pastures are considered all grasslands (both meadows and pastures) under extensive management, meaning that they are not chemically fertilized, grazed extensively (up to 2 livestock units per ha) and mowed late (by enable plants to produce seeds);
IACS - Integrated administration and control system	It is the IT system used to manage all farmers' payment requests, including the conclusions of administrative and on-site controls, applied sanctions and payment authorization, up to recorded and certified payment.
LAGs - Local action groups	They are private-public associations in rural areas and small towns (private partners representing more than 50% of the total number of members) that aim to develop and implement local development strategies, taking into account local needs and opportunities. The EU's Common Agricultural Policy requires at least 5% of rural development funds to be implemented through LAGs;
LPIS - Land parcel identification system	It is the IT system which includes a digitized map of agricultural land (developed on the basis of ortho-photos) at the level of at least physical blocks, including all agricultural plots in succession under the same type of use (fields, permanent pastures , orchard or vineyard);
Rural Network	It is an umbrella of the most important rural players, such as farmers' associations, representatives of the business community, NGOs, representatives of municipalities and other local authorities, with the role of representing the interest of their members in the preparation and implementation of strategies and programs, as well as in the distribution of information to their members;
Short supply chain	The relationship between a producer and the market, which includes at most one trader. This concept aims to encourage the consumption of local products, thus promoting local communities and reducing the environmental impact of agri-food chains;

ACRONYMS AND ABBREVIATIONS

ADA	Agriculture Development Agency
ARDP	Agriculture and Rural Development Program

KAS	Kosovo Agency of Statistics
CAP	Common Agricultural Policies
DP	Direct Payments
EC	European Commission
EU	European Union
DEU	Delegation of the European Union
FADN	Farm Accountancy Data Network
UNFAO	United Nations Food and Agriculture Organization
FVA	Food and Veterinary Agency
HACCP	Hazard Analysis and Critical Control Point
IPA	Instrument for pre - accession
IPARD	Instrument for pre - accession assistance for rural development
MA	Managing Authority
MAFRD	Ministry of Agriculture, Forestry and Rural Development
MAP	Medical and Aromatic Plants
NGOs	Non - Governmental Organizations
NTFP	Non-timber Forest Products
SWOT	Strengthening, Weakness, Opportunities and Threatens
NUTS	Nomenclature of Territorial Units for Statistics
LAU	Local Administrative Units
SPO	Strategical Planning Office
OSD	Objectives for Sustainable Development
SAA	Stabilization and Association Agreement
WUA	Water Users Association
IADK	Kosovo Initiative for Agriculture Development
GIZ	The German Association for International Cooperation - The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
LAG	Local Action Groups
GAEC	Good Agricultural - Environmental Conditions
AWU	Annual Working Unit
SAH	Survey of Agricultural Households
MCP	Milk Collection Point
KMPA	Kosovo Milk Producers Association

1. RURAL DEVELOPMENT PROGRAM TITLE

Glossary of terms used in the Program.

2. BENEFICIARY COUNTRY

The Republic of Kosovo

2.1 Geographical scope of the program

3. CURRENT SITUATION DESCRIPTION, SWOT ANALYSIS AND NEEDS IDENTIFICATION

3.1 The general socio-economic context of geographical coverage

The Republic of Kosovo has an area of 10,905.25 km². It is located in the part of south-eastern Europe, bordered by Albania to the south-west, Montenegro to the north-west, Serbia to the northeast and Macedonia to the south.

The territory lies within latitudes 41° 51' and 43° 16', and within longitudes 19° 59' and 21° 47'.

The territory of the Republic of Kosovo is characterized by different altitudes. The lowest point of Kosovo is located in the valley of the river Drini i Bardhë, on the border with Albania and reaches an altitude of 270 m above sea level, and the highest is located in the west of Kosovo, in Gjeravica - 2,656 m.

In terms of hydrography, Kosovo is divided into following river basins: Drini i Bardhë, Ibri, Morava e Binçës and Lepenci. Kosovo rivers flows into three main catchments: Black Sea, Adriatic Sea and Aegean Sea.

The climate of the Republic of Kosovo is mostly continental, resulting in warm summers and cold winters, with Mediterranean and continental influences (average temperature within the country fluctuates from + 30° C in summer, to - 10° C in winter). However, due to uneven rises in some parts of the country, there are changes in temperature and rainfall distribution.

Currently according to the laws, the administrative division of Kosovo is done at the level of 38 municipalities and 1,469 settlements. Unofficially, for the purpose of regional economic development, municipalities are economically organized in five economic regions (corresponding to NUTS 3)

Table 1: NUTS regions (level I, II, or III) included in the Program

Region (corresponding to NUTS 3) *	Municipalities (LAU 1)	Number of settlements (LAU 2)	Total area (km ²)	Total population 2020)
Prishtina	Prishtina, Lipjan, Podujeva, Obiliq, F. Kosova, Gracanica, Glogoc, Novoborde	296	2,439	497,431
Peja	Peja, Deçan,	223	1,631	229,134

	Istog, Kline, Junik,			
Prizren	Prizren, Dragash, Mamusha, Suhareka,	154	1,025	292,597
Gjilan	Gjilan, Kamenica, Viti, Partesh, Ranillug, Kllokot	166	1,209	161,144
Ferizaj	Ferizaj, Shtime, Kaçanik, Shtërpce, Hani i Elezit	126	1,030	185,119
Mitrovica	Mitrovica, North Mitrovica, Leposavic, Skenderaj, Vushtrri, Zubin Potok, Zvečan	336	2,077	224,121
Gjakova	Gjakova, Malisheve, Rahovec	168	1,224	208,642
Total	38	1,469	10,635	1,798,188

* NUTS -3 regions generally have a population from 150,000 to 800,000 inhabitants - Eurostat

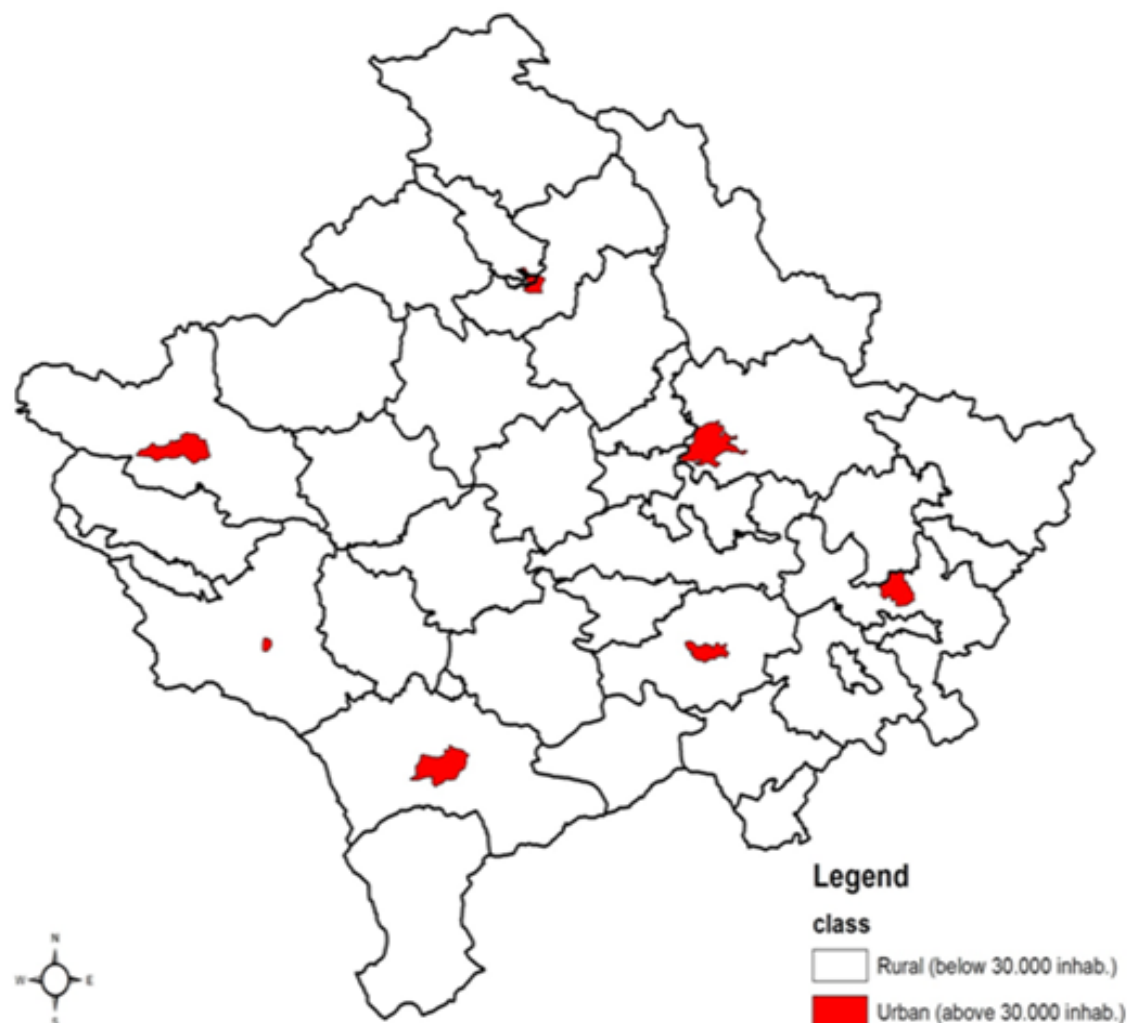
The most used method to define rural areas is the OECD method according to which an area is considered rural if its population density is below 150 inhabitants per km², while an area is considered urban if the population density is over 150 inhabitants per km².

The definition of rural areas used by the Kosovo Agency of Statistics (KAS) for the Kosovo Population and Housing Census 2011 is based on the level of settlements, characterized by low population density and usually where most of the land is agricultural compared to the surrounding area. This means that in the 2011 Kosovo Census the settlement was defined as rural by an administrative decision of the municipality. Using this demarcation by KAS, 1,028,963 ha (94.3%) are recognized as rural areas where 62.0% of the population is located (based on 1,078,239 inhabitants according to the 2011 Census).

The size of settlements is taken as an indicator of demarcation, to determine rural areas to reflect the current situation regarding rural areas in Kosovo from a socio-economic perspective and at the same time to use an approach which is in line with the current administrative situation.

The result of this decision is that settlements with a population of over 30,000 inhabitants, i.e. the cities of Prishtina, Prizren, Gjilan, Peja, Mitrovica, Ferizaj and Gjakova, are categorized as urban areas, while the rest of the territory of Kosovo is considered rural for ARDP 2014-2020 purposes. According to this definition, 98.8% (10,787.94 km²) of the territory is considered rural and is a settlement for 74.1% (1,286,554 inhabitants).

Figure1: Map of rural areas

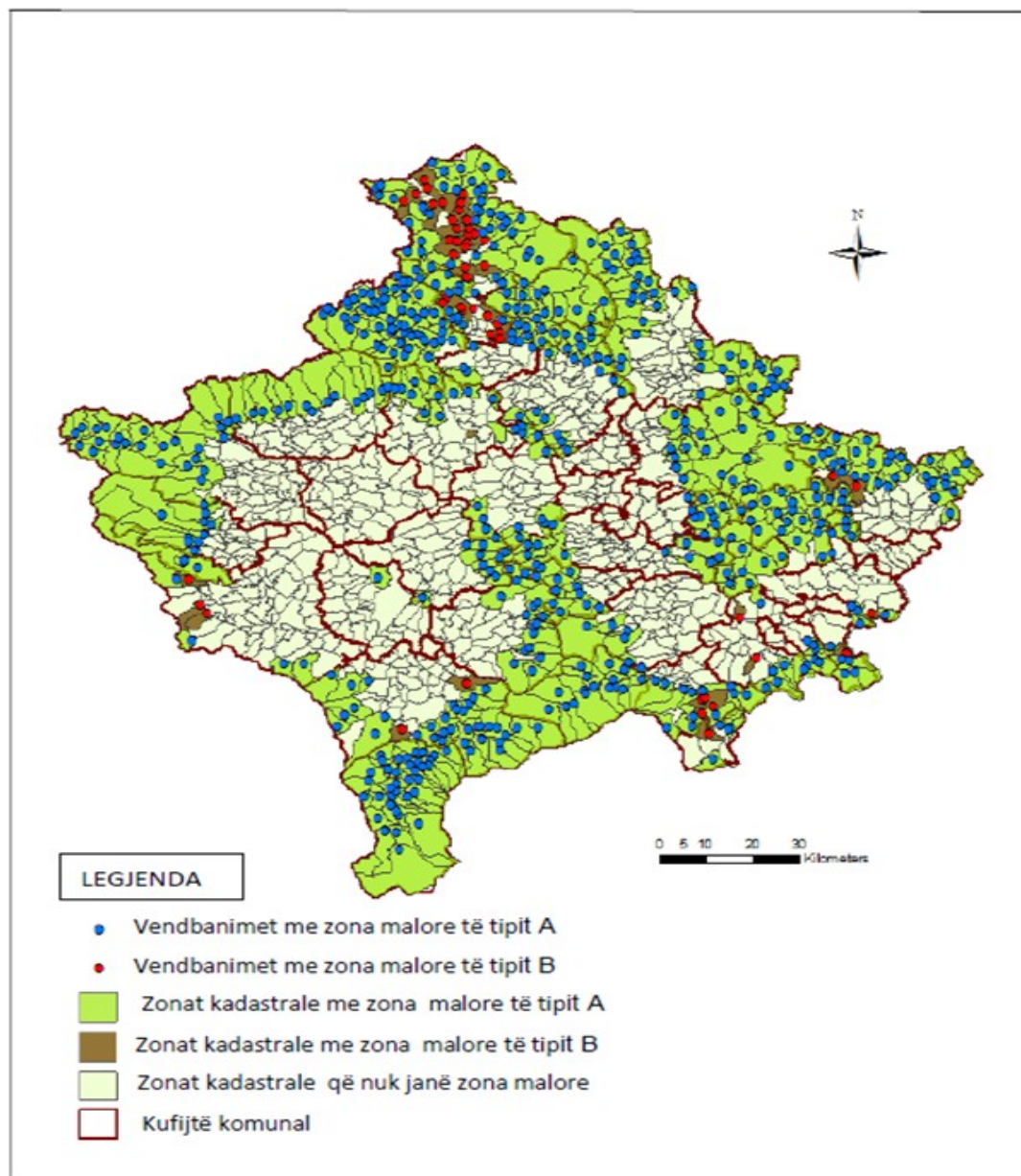


Mountain zones

According to EU practices, two parameters are taken into account for the definition of mountain areas: altitude (type A) and altitude and slope (type B). To compare with the demarcation of rural areas, cadastral zones have been chosen as basic territorial units. As another step, the average altitude is calculated for each cadastral zone. Mountain areas "Type A" are defined as cadastral zones with an average altitude above 700m and all settlements located within these areas are defined as mountainous areas.

Mountain areas affected by the combination of slope and altitude are defined as areas with an average altitude of over 600m and slope above 10% to more than 50% of the cadastral zone surface. Such areas are defined as mountainous areas of "Type B".

Figure 2: Settlements with mountainous areas type A and B



The list of settlements defined as mountainous area is defined in **Figure 2** of this Program. This list will apply the high aid intensity for investment projects under several Measures.

These areas are characterized as less favored areas due to the shorter vegetation season and higher altitude, or because of the slope of the land.

In mountainous areas, the following obstacles appear: land with poor productivity;

low rankings resulting from low productivity of the natural environment and reduction or migration of the population mainly dependent on agricultural activity.

The economic development of rural/mountainous areas remains very weak. The high level of migration from rural areas (especially of young people), lack of financial capital for investment, unavailable qualified labor force and poor rural infrastructure (including social infrastructure) are important obstacles in the development of rural areas.

Kosovo has a population of 1,798,188 inhabitants, with one of the youngest demographic profiles in Europe, by about 50% of the population under the age of 25. 28% of the population is under the age of 15, while almost two thirds (65%) are of working age (ages 15-64). Residents over 65 represent 7% of the total population. In contrast, this older age group makes up 16% of the population in Europe.¹

Table 2 - Population usually resident and private households

Total population	1,798,188
Urban population (according to the definition of	661,586
Rural population (according to the definition of	1,078,239
Population under 6 years of age	179,648
% of population at age 6 years	10.3%
Population over 65 years of age	116,785
% of population over 65 years of age	6.7%
Population at 75 years of age	38,922
% of population over 75 years of age	2.2%
Number of private households	297,090
Average members per private household	5.9

The average population density calculated in the total area of the country (10,908 km²) is 170 inhabitants per/km² (which shows the high population density compared to the average of 27 EU member states which is 115 as well as compared to that of region).

With a very large population density (about 170 inhabitants/km²), **about 59% of the country's population (1,078.239) lives in rural areas**, compared to the EU average of 15%. Rural areas depend mainly on the agricultural sector, due to the low level of agricultural development, the

¹ KAS: *Population, Household and Housing Census in Kosovo 2011, 2012 publication*

inhabitants of rural areas have lower per capita income than the national average.

Figure 3 : Density of the population



With a very high population density (about 170 inhabitants/km²), about 59% of the country's population (1,078,239 million) lives in rural areas, compared to the EU average of 15%. Rural areas depend mainly on the agricultural sector, due to the low level of agricultural development, the per capita income in rural areas is lower than the average of the country.

According to the results presented in the publication of the Labor Force Survey (TM1), it follows that 39.5% of the population in Kosovo are of working age, which includes the working age population of 15-64 years. The highest employment is shown among men 42.8%, while employment among women is 15.9%. Women are employed, mainly in the education sector 23%, health care 12.8% and trade, with 16.7%, while men are mainly employed in the construction sector 12.6%, trade 16.7% and production with 13.87%. The net salaries of most employees were between €400 and €500 per month.

The economic sectors leading with employment continue to be: trade with 16.8%; production by 12.4%; education with 11.1%; and construction with 9.4%. While, other sectors participate with a smaller percentage in employment.

Through the Survey of Agricultural Economies (2019), data have been collected about employment in agriculture depending on their engagement in production, full-time, part-time or occasional. Agricultural work during 2019 expressed in APU (Annual Work Unit), (1 APU is equal to 1,800 hours of work per year).

According to AEB (Survey of Agricultural Economies) 2019, agricultural work totals 82,657 PJV. In the structure of agricultural work, legal entities represent only 3.2% of the PJV.

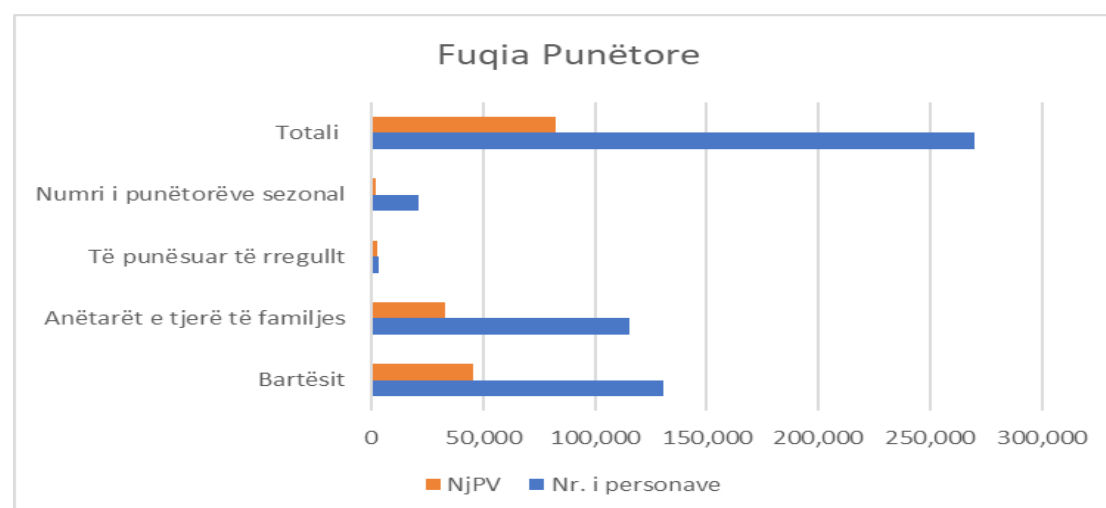
Table 3 : Labor force in agriculture

Labor Force		Number of persons	AWU
Family members working in the agricultural economy	Bearers	130,333	45,589
	Other family members	115,265	32,688.72
Other employees (non-family)	Regular employees	3,553	2,614.11
	Number of seasonal employees	21,030	1,765.59
Total		270,181	82,657

Source: Agricultural Economics Survey 2019 KAS

Most of the agricultural work in Farming Households is performed by family labor force. Agriculture in Kosovo has potential for the creation of new job, especially in the sectors of fruits and vegetables but also in animal breeding, and this comes as a result of the increase in the size of the farm. Although agriculture has the potential to create jobs, most of the agricultural work in households is performed by the labor force of family members, according of Figure 4 it can be observed that the largest part of the NjPV consists of the bearers with 55.2% and other members of the family, which constitutes 39.5%, while other groups have a low participation.

Figure 4: Agricultural Labor (AL) and the number of workers by type of agricultural labor force



Source: KAS, Developed by RDPD

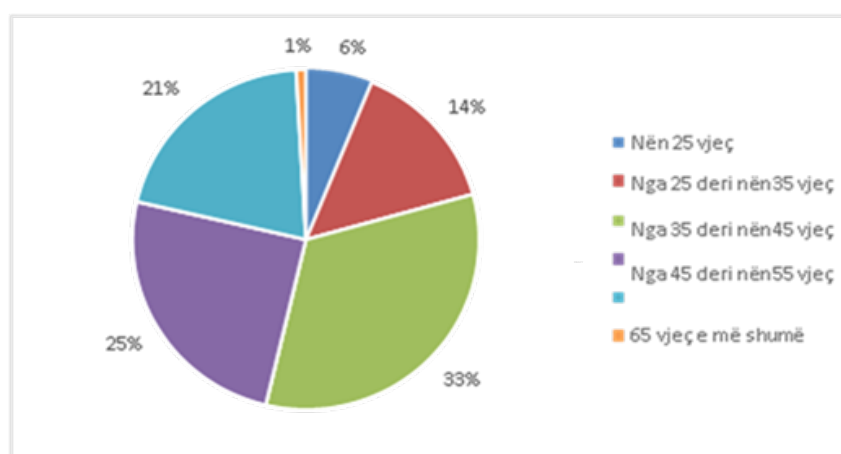
Agriculture in Kosovo has potential for the creation of new jobs, especially in the sectors of trees and vegetables, but also in animal breeding, and this

comes as a result of the increase in the size of the farm. Although agriculture has potential for job creation, the majority of agricultural work in households is performed by the labor force of family members, according to Figure 4, it is noticed that most of the households of AWUs are 55.2% and other family members make up 39.5%, while other groups have a lower share.

Given the importance of agriculture in gross domestic production, as well as the high potential of the sector in general and sub-sectors such as: trees, vegetables, and animal breeding with the increase in the size of farms and further development is seen as potential to generate income and jobs.

Agricultural and rural development policies are undoubtedly an important element of the country's development.

Figure 5: Structure of the age of bearers



Source: Agricultural Economics Survey 2019 KAS

According to Figure 5 the structure of the age group of bearers, it is observed that the age group 35 to 45 years is the largest group and constitutes 33% of this structure, while the next group is the age from 45 to under 55 years which constitutes 25%.

3.2 Performance of agriculture, forestry and food sectors

The agricultural sector has played and will continue to play an important role in the country's economy, both in terms of contribution to gross domestic product (GDP) and employment. The agricultural sector is considered a very important and strategic economic activity, where it contributes about 6.9% of GDP. The Kosovo Statistics Agency (KASK) publishes the revised data of Gross Domestic Product (GDP) according to two approaches (according to economic activities and with the expenditure approach).

Gross Domestic Product (GDP) is the most important economic indicator in the System of National Accounts that represents the performance of a country's economy over a period.

GDP at current prices in 2021 was 7,957.8 mil. €. The real growth in 2021 compared to 2020 was 10.75%. GDP per capita for 2021 was €4,486. With a participation of 6.9% in GDP in 2021, the agriculture sector is ranked fourth in the country's economy in general.

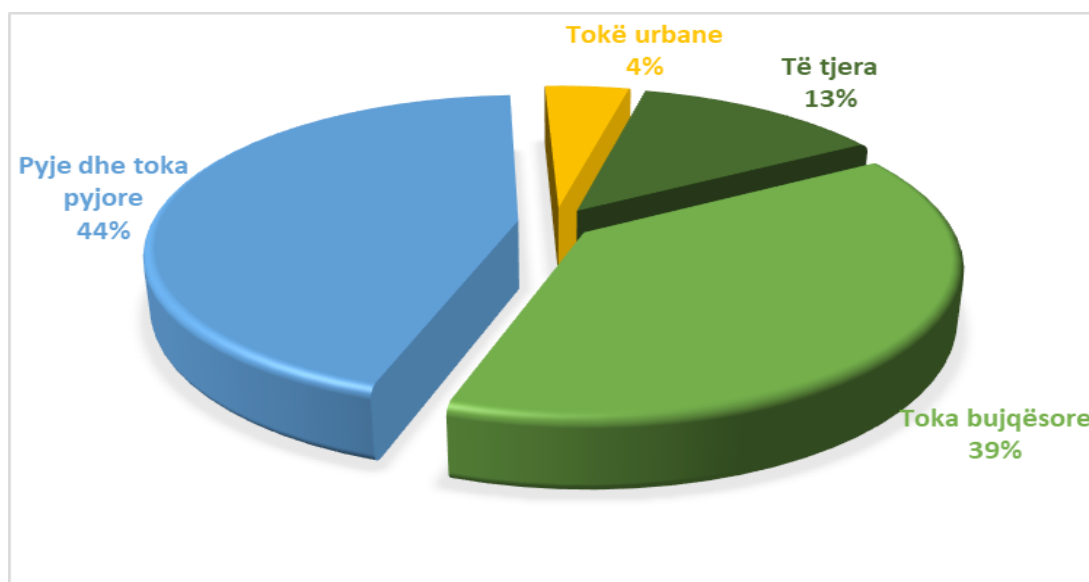
Table 4: Indicators of agricultural economic development

Year	2015	2016	2017	2018	2019	2020	2021
Contribution of Agriculture to GDP	7.3	8.2	7.4	6.5	7.2	7.4	6.9
Value added of agriculture, at current prices, in € million	435,635	493,337	470,932	435,728	510,773	498,526	550,948
Employment in agriculture (% of total employment)	---	14,2	15,9	12,3	19,2	16,9	-
Agri-food exports, in thousand €	41,683	45,205	61,336	63,950	65,510	78,075	92,642
Agri-food exports (% of total exports)	12.8	14.6	16.2	17.4	17.1	16.4	18,7
Agri-food imports, in thousand €	633,702	658,730	694,517	712,314	759,359	765,356	965.6
Agri-food imports (% of total imports)	24.1	23.6	22.8	21.3	21.7	23.2	26.2
Agri-food trade balance, in thousand €	-592,019	-613,525	-633,181	-648,364	-693,849	-687,281	-872,927

However, starting in 2022 it was becoming clear that high inflation is putting pressure on private investors, including in agriculture. Machinery, equipment and construction became more expensive, presenting the need to increase the level of grants per beneficiary.

Kosovo has an area of 1,090,500 ha. About 39% or 420,327 ha of the total area is land suitable for agriculture, while about 44% or 481,000 ha is covered with forests. State forests cover 295,200 ha or 62%, while private forests cover about 180,800 ha or 38% of the territory. Of the agricultural land, 51.7% are meadows and pastures, while the rest is used for the production of agricultural crops.

Figure 6: Land use classes in Kosovo (% of total land area)



Source: National Forest Inventory, NFI

Although there is a continuous increase in the import of agricultural products, at the same time there is also an increase in the export of agricultural products, as a result of this, in 2018 the import-export coverage was only 9.0% in 2019 it was 8.6%, it is a symbolic increase, while in 2021 the coverage of export import fell to 9.6% compared to 2020, which was 10.2%

Table 5:Export-Import of agricultural products

	Exports (1-24), in '000 €	Import (1-24), in '000 €	Trade balance, in '000 €	Import Export Coverage (%)
	1	2	3=1-2	4=1/2
2014	39,359	616,118	-576,759	6.4
2015	41,683	633,702	-592,019	6.6
2016	45,205	658,730	-613,525	6.9
2017	61,336	694,517	-633,180	8.8
2018	63,950	712,314	-648,364	9.0
2019	65,510	759,359	-693,849	8.6
2020	78,075	765,356	-687,281	10.2
2021	92,600	965,000	-872,927	9.6

Source: Green Report 2022²

In the period 2017-2021, the value of the export of agricultural products has marked a continuous increase. In 2021, the export value reached 92,600 mil. €, which compared to 2020 was 78,075 million. €, there is an increase of about 18.7%. The trade balance of agricultural products continues to be negative and the gap is widening and that of -872,927 € in 2020. However, the export-import coverage of agricultural products has decreased to 9.6% in 2021, which was 10.2% in 2020.

² Green Report 2022

The participation of the export of agricultural products in the total export has marked a significant increase.

The share of the export of agricultural products (01-24) in the total export (1-98) in 2014 was (12.1 %) during the 4-year time period 2014-19 there was an increase, so in 2019 it reached (17.1 %).

Despite all the investments made in the agricultural sector during the past period 2014-2020, the unfavorable structure of the farm, small farms, non-competitive producers, weak connections with the market are some of the factors that hinder the development of the sector and hinder the sector in fulfilling its productive potential.

In order to overcome the situation, the MAFRD will continue to support investments in increasing the size of farmers, in the production sectors of trees, vegetables as well as in animal husbandry, investments in new machinery/technology, in irrigation, investments in harvesting equipment as well as in facilities post-harvest to improve farmers' skills/advisory services etc. Kosovo's agriculture continues to be characterized by small-scale agriculture, 69% of farms own arable land up to 2 ha, and 46% of arable land is owned by farms with an area of up to 5 ha

Table 6- Farms and arable land by size category, as a percentage of the total

Farm size (ha)	Number of farms	Farms by size category, as a percentage of the total	Arable land by category in hectares	Arable land by size category, as a percentage of the total
0 - 0.5	31,290	69.00%	6,453	46.00%
0.5 - 1.00	17,560		11,999	
1.00 - 2.00	22,560		29,055	
2.00 - 5.00	23,383	23.00	38,665	
5.00 - 10.00	7,063	8%	64,819	35.00%
10.00 - 20.00	1,429		16,800	19.00%
20.00 - 30.00	240		5,255	
Më shumë se 30	198		13,393	
Totali	103,723	100%	186,389	100%
Totali	103,723	100%	186,389	100%

Source: Green Raport 2022

The area of arable land - arable land per inhabitant is quite low (0.10 ha/person); It is estimated that about 30-40% of landowners are missing, or have migrated into urban areas or have migrated abroad.

A major problem is incomplete cadastral registry and, consequently, many farmers cannot prove their ownership. In addition to small plots in Kosovo, the price for agricultural land varies around 23,000 Euros/ha in Prishtina, 2,400 Euros in Peja and 1,400 Euros in Mitrovica. (MAFRD, 2020b). In

general, land prices are very high for agricultural activities, as the profit rate is very low compared to land prices.

Despite the unfavorable structure of farms, the utilized area of agricultural land is constantly increasing. According to the latest data of the Survey of Agricultural Economies. In 2017, the total utilized area of agricultural land was 416,072 ha, while in 2018, a slight increase was observed, continuing with growth in 2019, where the area had reached 420,141 ha. The increase in agricultural land use continued in 2020, in 2021 the area of agricultural land used reached 420,327 ha, which shows a change of 0.3% compared to 2020.

Table 7 : Utilized area of agricultural land 2016-2021, in ha

	2016	2017	2018	2019	2020	2021	Change '20/'19 in %	Share in % 2020
Arable land - fields	187,223	186,954	188,359	188,365	188,372	183,375	0.0	44.8
- Out of which, with vegetables in the open field (first crop)	7,864	8,033	7,818	8,319	8,435	8,491	1.4	-
- Out of which, with vegetables in greenhouses (first crop)	457	467	468	518	547	562	5.5	-
Garden	994	1,199	1,003	1,122	1,133	1,089	1.0	0.3
Orchard plantations	5,493	6,247	7,687	9,244	10,029	10,144	8.5	2.4
Vineyard plantations	3,112	3,199	3,272	3,367	3,437	3,471	2.1	0.8
Nursery	196	159	109	111	137	140	23.1	0.0
Meadows and pastures (including common land)	218,808	218,314	218,152	217,932	217,102	217,107	-0.4	51.7
Total utilized area of agricultural land	415,826	416,072	418,582	420,141	420,210	420,327	0.03	100

Source: Green Report for 2022

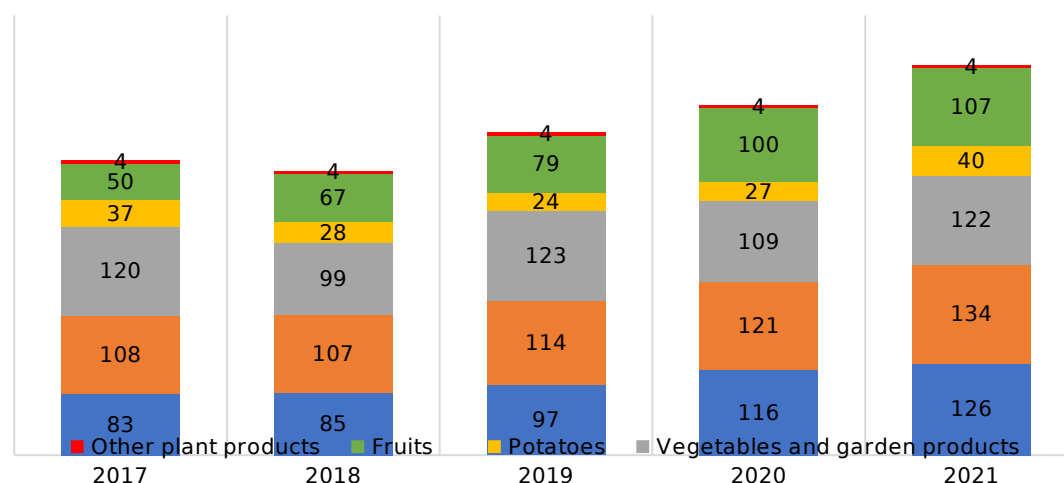
The largest area of utilized land is occupied by meadows and pastures (including common land) which constitutes 51.79% of the total utilized area of agricultural land. After meadows and pastures, the largest area is the category of arable land-fields, with a share of 44.8%, which represents the area of 188,365 ha, which includes the area of vegetables in the open field (first crop) and greenhouses (first crop)

Plant Production

The analysis of the competitiveness of Kosovo's agriculture shows that only a very small part of farmers can compete in the regional, EU and competition markets.

The main reasons for this low competition are that most businesses are small, land fragmentation/fragmentation, old and unpredictable facilities and equipment, lack of financial means for investment and low level of knowledge about modern technology. produced

Figure 7: Crop products in mil. €, 2017-2021



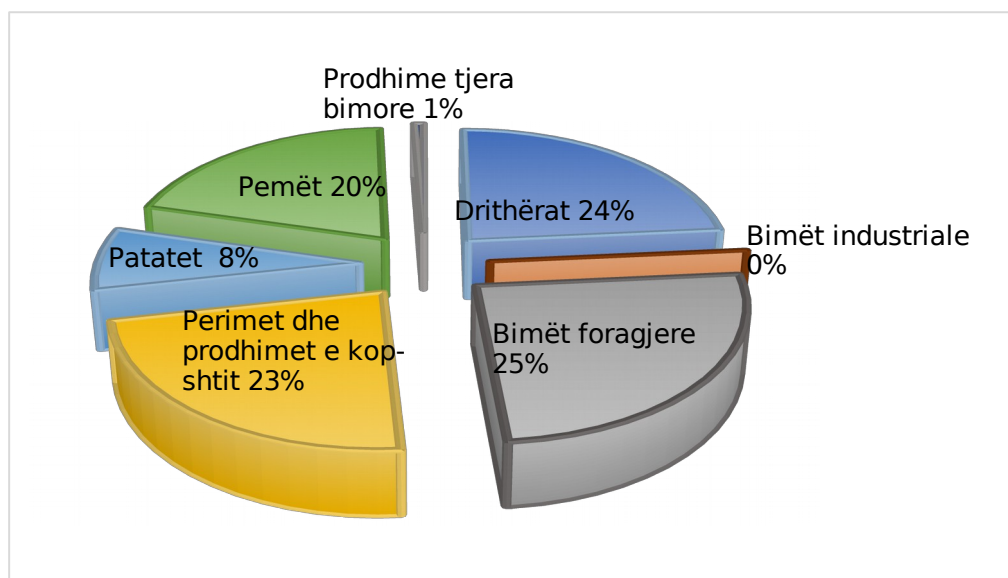
Source: KAS - Economic Accounts for Agriculture , processed by DAESB – MAFRD Green Raport 2022

In addition, most farms do not meet EU standards for food safety and hygiene, animal welfare and environmental protection. If we analyze plant products for the period 2017-2021, we notice that there were slight movements in their value during these years.

However, in 2021, most categories recorded growth, except for other plant products, which, compared to the previous year, recorded a decrease of 1%.

Cereals recorded the highest value in 2021 compared to 2020 with an increase in land of 10%, fodder plants for 13%, vegetables and garden products for 13%, potato 13%, trees 7% and other plant products recorded a decrease for 9%.

Figure 8: Share of agricultural crops in total crop production-2021



Source: Gree Report 2022

Cereals, fodder crops and potatoes: From the total areas of arable land - the field is dominated by the main crops such as: wheat, followed by fodder and corn.

Table 8: Cereals, forage crops and potatoes

Crops	2015	2016	2017	2018	2019	2020	2021
Area	ha	ha	ha	ha	ha	ha	ha
Cereals	134,886	134,571	120,746	123,869	124,199	124,714	124,477
Green fodder and harvested cereals	97,183	97,936	105,613	107,099	108,480	108,436	108,560
Potato	3,353	3,795	4,290	3,606	3,688	3,771	3,854
Total area	235,422	236,299	230,648	234,573	236,366	236,921	236,366
Production	t	t	t	t	t	t	t
Cereals	443,584	562,899	477,880	441,757	459,404	529,112	504,371
Green harvested fodder and cereals	317,888	390,707	486,989	480,966	504,406	503,758	481,952
Potato	70,678	98,583	118,250	68,790	73,816	74,508	73,984
Yields							
	t/ha	t/ha	t/ha	t/ha	t/ha	t/ha	t/ha
Wheat	3.38	4.10	3.98	3.46	3.55	4.25	4.03
Potato	21.08	25.98	27.56	19.08	20.02	19.76	19.20

Source: Gree Report 2022

The areas cultivated with cereals are the main part of the agricultural areas in Kosovo. About two-thirds or 87,717 ha of the agricultural area cultivated with cereals come from farms with a maximum of 5 ha of land. Cereals are mainly used for consumption on the farm. There is no integration in grain production, input suppliers do not finance producers, horizontal

collaborations do not exist and due to the small area of farms and land fragmentation, even the efficiency of machinery is limited. Efficiency of scale is very important in this sector, according to most studies cereal production is not competitive due to small areas. The low yield, for example, of 4.03 t/ha for wheat, comes from small areas and from the failure to implement adequate agro-technical measures by farmers, often no investments are made at all or insufficient investments are made for quality seeds, fertilizers and tools. for plant protection.

Wheat: Wheat is the main crop in terms of cultivation area and does not have the yield that would normally be expected: The main factors are poor quality seeds, poor mechanization, especially the use of outdated technologies (tractors, planters, sprinklers, combine harvesters), improper use of fertilizers and pesticides, as well as lack of crop rotation, etc.

Corn: Corn is grown alternately with wheat, often accompanied by beans and squash. Hybrid seeds are widespread and the main purpose of growing corn is for fodder. Due to the dry climate, lack of irrigation, inadequate plant protection and poor quality fertilizers, corn production is quite low in Kosovo. Calculations show that a yield of either 4.29 t/ha or less does not cover the cost of production. In the Kosovo market, hybrid seeds are quite widespread, the main purpose of corn cultivation is as a fodder crop

Barley, oats and rye: Barley and oats cover an area of 4,090 ha (approximately the same area), rye is less important, with somewhere around 550 ha. Rye grows especially in high mountain areas, which are not suitable for wheat production. In the past, the Peja brewery was the main buyer of barley for beer production.

Fodder crops: Fodder and green cereals are constantly growing and have reached about 108,560 ha; The main forage crop is meadow hay with about 70,723 ha, alfalfa about 18,360 ha and cultivated grass with 9,293 ha. Next comes green corn, which in 2021 managed to be cultivated on 7,061 areas. This trend will most likely continue to grow as green corn for silage is becoming more in demand by farmers.

Other fodder crops including grass, fodder beet, fodder cabbage are less cultivated. A more professional animal husbandry is needed, in addition to 217,107 ha of meadows and pastures, there is also a need for fodder crops such as alfalfa, red clover, white clover and others.

Potatoes: The area planted with potatoes is about 3,854 ha in Kosovo. The potato yield is around 20 t/ha, in some cases it reaches 28 t/ha, which is higher than in neighboring countries such as Serbia and North Macedonia.

⁷ Mehmeti et al, 2019

The cultivation of more areas with potatoes is conditioned by the lack of storage/storage capacities, as there are only a few farmers/traders who have the possibility of storing potatoes. Consequently, farmers who grow potatoes have to sell them immediately after harvest, so they fail to sell them at good market prices when supply starts to dwindle.

Potatoes are produced and consumed in large quantities, the potato being the only crop that has had significant export growth in the past. The country already manages to meet about 100% of its needs.

Vegetables: Vegetables are very important and most promising crops in Kosovo. These crops are suited to the climatic conditions and these crops bring more income to small farmers. Although they are promising crops, the production of vegetables is not at a satisfactory level due to the low level of use of the mechanism and inputs (seeds, seedlings, fertilizers, pesticides, etc.) with high quality.

The areas cultivated with vegetables are 19,399 ha, almost twice as much as the tree sector. The main vegetables produced per hectare are potatoes, peppers (Kosovo has the highest yield of peppers in the region, about 20 tons), beans, pumpkins, onions, watermelons, cabbage, squash (blue stella) and tomatoes. Pumpkin, cucumber and melon are also cultivated.

In total, the area of vegetable cultivation is the same over the years. Despite the good climatic conditions, the yield of vegetables, especially in open fields, remains low, the reason for this being small farms with large fragmentation/fragments of land, but also outdated production technology.

Within the agriculture sector, crop production contributes 60% to the overall value of agricultural production, compared to 40% coming from the livestock sector. Half of the value of crop production comes from vegetables; 8% comes from trees, and the rest from cereals and grapes.

Vegetables can be very profitable, intensive cultivation of pepper has a gross margin of 5,915 euros/ha, compared to cereals, it is much more profitable and the profit achieved from one hectare of pepper is comparable to the profit achieved from 34 ha of wheat, but vegetable/pepper cultivation requires much more manpower. Large farmers focus mainly on wholesale markets, while small farmers sell their produce in both markets. Another problem faced by farmers and vegetable producers is the lack of storage space, especially cold stores (4°C).

Currently, the total area of greenhouses covers 562 ha, the important factor of this rapid expansion of greenhouses is the significant support of the government with grants and subsidies.

The weakness of production in greenhouses is the cultivation of the limited number of agricultural crops that grow in them. The main vegetables cultivated in greenhouses are: tomato, cucumber, green salad, etc. Other vegetables that can be cultivated in greenhouses are: peppers, eggplants, pumpkins, melons and French beans, cultivated with very small areas. In addition to this, a good option for cultivation in greenhouses is also the cultivation of sedum, although it is cultivated less.

The demand for fresh fruits and vegetables throughout the year is increasing. This shortfall in the market can best be filled with indoor/greenhouse production. Greenhouse production is usually on small acreage requiring intensive labor and a relatively large workforce (more so than growing the same crops in the open field). In this way, by investing in greenhouses, we contribute to the growth of jobs. The Kosovar market is supplied with fresh fruits and vegetables throughout the year, mainly imported from different countries. The increase in greenhouse areas also contributes to the replacement of imported products with local products, improving the country's negative trade balance.

Production in greenhouses: The areas planted with crops in greenhouses have a slight increase from 547.52 ha in 2020 to 562.49 ha in 2021. The crops that dominate in greenhouses are: pepper with 178.30 ha, tomatoes 190.29 ha and cucumber with 107.25 ha. Peppers, tomatoes and cucumbers are the dominant crops in greenhouses even in previous years.

Table: 9 Areas in greenhouses 2019 -2021

Kulturat bujqësore	2019			2020			2021		
Greenhouses	(ha)	(ton)	(t/ha)	(ha)	(ton)	(t/ha)	(ha)	(ton)	(t/ha)
Vegetable	517,65			547,52			562,49		
Pepper	168,13	4546,52	27.04	169,88	4304,48	25.3	178,30	4,457,98	25.0
Tomatoes	171,85	6659,93	38.75	189,05	6333,19	33,5	190,29	6,276,16	33,0
Cucumber	102,03	4129,37	40.47	106,13	4115,08	38,8	107,25	4,075,10	38,0
Onions	24,96	570,72	22.87	26,36	384,50	14,6	27,31	385,42	14,1
Garlic	3,50	50,97	14.55	3,76	53,13	14,1	3,79	49,55	13,1
Watermelon	2,32	70,47	30.37	2,37	66,32	28,0	3,09	82,38	26,6
Melon	3,67	62,21	16.93	4,15	67,62	16,3	4,50	70,86	15,8
Cabbage	9,62	337,29	35.06	10,04	346,02	44,5	10,22	344,98	33,7
Cauliflower	0,86	11,98	13.92	0,76	9,98	13,1	0,81	10,42	12,9
Spinach	15,99	222,61	13.92	19,04	199,19	10.3	20,31	192,34	9,5
Lettuce	9,05	134,17	14.83	10,68	148,85	13.9	11,22	142,81	12,7
Stella blue squash	-	-	-	-	-	-	-	-	-

Parsley	0,33	6.33	18.9 8	0.32	5,52	27,4	0,43	7,36	17, 1
Leek	1,05	22.7 5	21.6 1	0,99	21,0 0	21,2	1,01	20,61	20, 4
Eggplant	1,23	35.4 6	28.7 6	0.99	27,3 3	27,6	1,03	27,26	26, 5
Radish	0,85	8.95	10.4 7	0.84	7,04	8,4	0,90	6,84	7,6
Carrots	0,20	3.47	17.2 8	0.15	2,44	15,8	0,16	2,42	15, 0
Strawberry	1,07	13.0 1	12.1 7	0,84	8,45	10.0	0,97	9,04	9,3
Other vegetables	0,93	13.0 2	13.9 3	0,81	8,14	10,0	0.90	8,87	9,8

Source: Agricultural economics surveys elaborated by FRDP

Orchard: As a result of good cultivation conditions, trees are cultivated in many regions of Kosovo, the production of which has a long tradition. Trees make up a significant part of the cultivated area, occupying up to 10,382ha.

Although local production in most products has increased, in recent years there is still a need to achieve self-sufficiency for fresh consumption and also to meet the needs of the agro-processing industry, which leaves room for the expansion of areas with intensive tree production.

Trees, especially berries /small trees, are cultivated in small areas and require a lot of labor, this suits the current situation of high unemployment.

The benefit from the trees is high, if the cultivation is done properly and the area of the orchard is not small.

Currently, tree producers face several problems such as: old orchards and low-quality varieties, lack of irrigation opportunities, lack of hail protection systems/nets, lack of warehouses for tree storage, lack of sorting and packaging equipment for trading, the lack of horizontal connection between the producer and the processor, with particular emphasis on small producers. The market requires constant and stable quantities of fresh, high-quality trees.

The focus will be on improving production efficiency, supporting the creation of new orchard areas, modernizing cultivation equipment, water-saving irrigation systems, hail protection systems and agricultural machinery to improve on-farm efficiency as well as general improvement of standards.

Tree storage facilities are limited and if any farmers have them, it is only the big farmers. Small farmers do not have storage and cooling facilities, as they are too expensive.

If there were public or private cold storage facilities where farmers could rent "individual refrigerators" for up to a few months, then the marketing opportunities for farmers would increase enormously.

Trees, including manors/mints and walnuts, make up a significant part of the area cultivated with trees, occupying about 2.4% of it. Fruit trees such as: apples 3,083 ha, plums 2,210 ha are more cultivated with about 5,300 ha.

The reason for continuing to support the tree sector is to increase competitiveness and replace the import of trees and the possibility of creating new jobs, since their cultivation requires more labor power.

The development of the tree sector is going well and this is reflected in the ever-increasing area. Apple has now reached the upper limits of production, as the self-sufficiency rate has increased to 77% in 2021.

Other trees are cultivated in smaller areas. Blackberries and raspberries (although raspberries have a significant increase in planted areas) have a modest percentage and are produced on a small scale, however, they represent an important market potential. The average production of sorghum is lower (6.04 t/ha) than the average production achieved in the countries of the region.

Mechanization is at low levels due to the small areas of the plots, but also due to the lack of financial means. Tractors, ploughs, trailers are old and only big farmers can afford to buy modern machines like sprayers, harvesters etc. The situation is better in the case of larger farmers with modern orchards of 5 ha and above.

However, their situation should be further improved, as this category of farms has the potential to remain competitive in the market. Like the storage and cooling facilities, the classification and packaging facilities are also missing.

Table 10: Areas with trees /ha/t 2017-2021

Agricultural crops	2015	2016	2017	2018	2019	2020	2021	Difference 2021/2020 in%
Fruits /ha	4,930	5,668	6,422	7,922	9,479	10,265	10,382	
Apple	1,972	2,076	2,155	2,556	3,006	3,068	3,083	0.5
Plum	1,518	1,518	1,524	1,821	2,096	2,201	2,210	0.4
Raspberry	324	797	1,231	1,537	1,637	1,661	1,665	0.3
Walnut	177	186	340	608	886	1,295	1,352	4.4
Pear	367	416	456	479	610	614	618	0.7
Hazelnut	65	91	95	119	252	390	391	0.3
Strawberry	203	175	175	234	235	236	238	1.0
Production	t	t	t	t	t	t	t	
Fruits	44,674	54,836	34,207	53,606	67,294	72,265	67,533	-6.5
Apple	18,352	27,485	13,159	26,093	33,835	38,049	37,381	-1.8
Plum	17,543	12,722	7,393	10,643	12,745	13,147	11,247	-14.5

Raspberry	1,748	6,250	7,747	8,267	7,206	6,659	5,840	-13.2
Walnut	323	470	405	761	2,028	2,591	2,108	-18.6
Pear	3,189	3,966	2,083	3,500	5,110	5,586	4,953	-11.3
Hazelnut	13	16	17	29	80	116	101	-12.7
Strawberry	1,498	1,328	1,328	1,316	1,677	1,487	1,439	-3.2
Yields	t/ha	t/ha	t/ha	t/ha	t/ha	t/ha	t/ha	
Apple	9.31	13.24	6.11	10.21	11.26	12.40	12.12	-2.2
Plum	11.56	8.38	4.85	5.84	6.08	5.97	5.09	-14.8
Raspberry	5.40	7.84	6.29	5.38	4.40	4.01	3.51	-12.5
Walnut	1.82	2.53	1.19	1.25	2.29	2.00	1.56	-22.0
Pear	8.69	9.53	4.57	7.31	8.38	9.10	8.01	-12.0
Hazelnut	0.20	0.18	0.18	0.24	0.32	0.30	0.26	-12.9
Strawberry	7.38	7.59	7.59	5.62	7.14	6.30	6.04	-4.1

Source: Green Report 2022

Like vegetables, fruits are often produced in fairly small areas and require a lot of work; this fits the current situation of high unemployment. However, it seems that sooner or later, the capacity of the workforce will be lost, as young people do not see agriculture as a business, but only as an unwanted legacy.

Like the storage and cooling facilities, the classification and packaging facilities are also missing.

Regarding marketing channels, it is clear that the horticulture sector is mainly dominated by the domestic market and informal contracts in the relationship between farmers and buyers, especially in green and wholesale markets; there are gaps in the application and enforcement of quality and safety standards. Moreover, the domestic market does not provide traceability, while internationally recognized certifications such as organic, GlobalGAP, etc. are not widespread.

Gradually, large fruit growers or groups of farmers are also benefiting from the growing importance of supermarkets, which are constantly in need of large volumes. However, supermarket chains are becoming increasingly demanding of suppliers in terms of volume, consistency, quality, costs and trading practices, with an emphasis on long-term relationships and contracts with suppliers.

Wine and table grapes: Kosovo has a tradition in the production of grapes and wine. Most of the existing vineyards were created in the time of the former Yugoslavia and are outdated/depreciated and therefore give low and low quality rankings.

For wine production, farmers will have to plant new vineyards with the new varieties to produce quality wine or replant existing vineyards in order to produce high quality wine in their own label bottles. Up to 63% of the current surface of the vineyards is planted with wine grapes, while the rest with table grapes.

Table 11: Grapes, area, total production and average yield

Agricultural crops	2017	2018	2019	2020	2021	Difference 2021/2020 in%
Area in ha						

Vineyards	3,199	3,272	3,367	3,437	3,471	1.0
Table grapes	799	816	878	911	938	2.9
Wine grapes	2,400	2,455	2,489	2,526	2,533	0.3
Production in t						
Vineyards	15,360	27,320	19,310	26,327	26,527	0.7
Table grapes	3,187	4,998	4,546	6,279	7,435	18.4
Wine grapes	12,170	22,320	14,770	20,027	19,091	-4.8
Yields t/ha						
Vineyards	4.80	8.35	5.74	7.7	7.6	-0.2
Table grapes	3.99	6.13	5.18	6.89	7.9	15.0
Wine grapes	5.07	9.09	5.93	7.93	7.5	-5.0

Source: Green Raport 2022

Since most of the vineyards are small, the level of mechanization is very low. In addition to sprinkling and some land management activities, the farmers and their families do all the work; at harvest time, seasonal workers are sometimes hired.

Marketing of wine grapes differs from marketing of table grapes. While wine grapes are sold to about 27 wineries, table grapes are traded in green markets by farmers or sold to traders who often have refrigerators. It should be noted that most of the table grapes are of old varieties, with seeds and that do not match the current taste trends; consequently there is a need for a table grape replanting initiative.

The grape sector needs specific solutions; for table grapes the right way would be to plant new vineyards and replant modern seedless varieties, drip irrigation (when needed), set up hail nets and refrigerators or cold storage facilities for grapes post harvest for at least a few weeks until prices rise sharply.

For wine grapes, farmers will have to face the replanting of new vineyards and then produce the bottled wine with their own label. The supply of outdated varieties of wineries below cost recovery prices will soon come to an end. Quality wine, combined with agritourism, can take the sector forward.

NWFP and MAP sector: Non-wood Forest Products (NWFP) and Medicinal and Aromatic Plants (MAP) are important products that grow both wild and cultivated. The territorial area is small, but climatic conditions and soil make the country rich in quality and quantity.

The areas where PPJDs and BMAs are collected consists of eight areas. Two of the collection areas belong to the National Parks 'Sharri' and 'Bjeshket e Nemuna', which are managed by the Directorates of the National Park and six other areas (Mitrovica, Gjilan, Prizren, Prishtina, Pejë, Ferizaj), managed by the Forestry Agency of Kosovo. Approximately 95% of total PPJDs and BMAs are exported to the EU market. In 2022, the total export amount of PPJDs and BMAs was 16,027,8584 /EUR, where the majority (86.59%) of export sales were from PPJDs. Total sales of PPJDs and BMAs in the national market were 331,220/ EUR.

Exports in 2022 increased by 17% compared to the previous year, while exports in 2021 compared to 2020 were 10.76% higher, showing a positive trend. Most of the exported products were (51%) semi-processed products followed by raw materials (40%), and only a small amount (9%) as final products. These figures reflect the needs and opportunities for greater

investments in the processing capacities of this industry that enable the value addition of these products.

More than 300 species of NWFPs and MAPs can be collected and a considerable number of species have been cultivated (Organika, 2020). At least 67 species have a commercial value and contribute to the income generation and economic well-being of families living in rural areas.

From an economic perspective and export potentials, Kosovo's main NWFP and MAP are *Vaccinium myrtillus* (Cranberries), *Juniperus communis* (Juniper), *Primula veris* (Primrose), *Sambucus nigra* (Elder), *Malus sylvestris* (Wild Apple), *Crataegus monagina* (Hawthorn), *Castanea sativa* (Chestnut), *Achillea millefolium* (Yarrow), *Urtica dioica* (Diotic nettle), *Thymus* sp (Timus.), *Rosa canina* (Wild rose), *Betulla pendula* (White Birch), *Origanum vulgare* (Oregano), *Robinia pseudocacia* (Acacia).

Many actors are involved in the development of this sub-sector, including collectors of wild and cultivated plants, collectors/processors, processors/exporters, associations, MAFRD, Kosovo Forest Agency, Ministry of Environment and Spatial Planning, Agency for Protection of Environment, Municipalities, forest education system, donors and financial institutions.

Harvesters and producers of NWFPs and MAPs are usually people living in mountainous or rural areas and whose main activity is the collection or cultivation of NWFPs and MAPs in the surrounding area. Harvesters are the ones who make the detailed selection of the collected products, in order to sell them to collectors/processors or someone directly in the market. The country is estimated to have around 20,000 pickers, mostly women and children and often entire families, whose income ranges from 12-15 EUR per day. Farmers cultivating NWFPs and MAPs are the ones who mainly respond to the needs of collectors in terms of type, quantity and time.

Collectors/processors: The main role of collectors and processors of wild and cultivated NWFPs and MAPs is to link harvesters and exporters to the value chain. They are well informed about the demand and supply of these products and serve as regulators between collectors and exporters by providing information on prices, volume, quality, processing and export requirements. In most cases they have the processing line; therefore, they tend to sell their products to processors/exporters. It is estimated that the total number of collectors/processors operating in the NWFPs and MAPs sector is approximately 42¹⁰.

Processors/exporters: There are about 42 processors/exporters in the country, who have processing and packaging lines that meet the demand of the international market in terms of quality and safety standards. Out of 41 processors/exporters involved in this sector, 35 are classified as micro-enterprises with less than 10 employees, 5 belong to small enterprises with 10-49 employees, and 1 is a medium-sized enterprise with 50-249 employed. Since 2013, processors/exporters of NWFPs and MAPs have established an Association called 'ORGANICA' whose purpose is to strengthen the cooperation between the value chain actors of NWFPs and MAPs and to carry out lobbying activities related to the promotion of the sector in the international market.

Approximately 95% of the total NWFPs and MAPs are exported to the EU market. In 2019, the total amount of exports of NWFPs and MAPs was EUR 8.15 million, where the majority (83%) of export sales were from NWFPs. Total sales of NWFPs and MAPs in the national market were EUR 2.2 million.

Organic farming: Organic farming is still not very widespread in Kosovo. There are currently 480 ha cultivated (2019) with organic medicinal and aromatic plants. In addition to these certified cultivated areas, there are other large areas in five areas with about 373,488 ha for the collection of PPJD and BMA. The national certification system is not yet established.

In total, more than 100 organic farms are certified in Kosovo. Unfortunately, farms in the conversion period are not receiving compensatory payments for production loss, for production certification as well as inspection and certification costs. These are additional payments for regular subsidies, unlike EU member states; however, the support received must be returned if farmers do not obtain organic certificates.

Local organic products are not finding a market in Kosovo, the packages are international organic products that are found in pharmacies and supermarkets. Kosovars are still not ready to pay more for organic products, one of the reasons is the low purchasing power, for sales in the local market there is not so much interest from producers because they are focused on export markets. Most organic products come from certified mountain and forest areas where PPJD are collected. The cultivation of MBAs and all other products is still in its infancy.

Organic farming considers the medium and long-term effect of agricultural interventions on the agroecosystem. It aims to produce food while establishing an ecological balance to protect soil fertility or pest problems.

Organic farming today is supported by EU policy across the Green Agreement, the greening of the agricultural sector, the circular economy and more. To respect the Green Agreement and work towards its goals, organic farming should be considered as the main objective. It is important that farmers see the benefits of organic farming, whether the interested farmers will ultimately be certified organic or simply improve the quality of the soil on their farms, one way or another is in the interest of the Green Agreement.

Livestock Production: Livestock production is the basis for intensive growth of agricultural production. Whereas, the development of livestock production provides the basis for building a wide range of processing capacities.

In order for this sector to comply with EU legislation, full harmonization and implementation of animal welfare legislation is needed. In order to improve animal welfare standards, this sector has a great need for investments in the modernization of stables, infrastructural facilities, for the use of milking systems, etc.

With the increase in farm production, the environment must also be protected from negative impact. In order to protect surface and underground waters from pollution with nitrates coming from solid manure and liquids. New livestock farms are obliged to build manure storage.

Table 12: Livestock Fund 2021

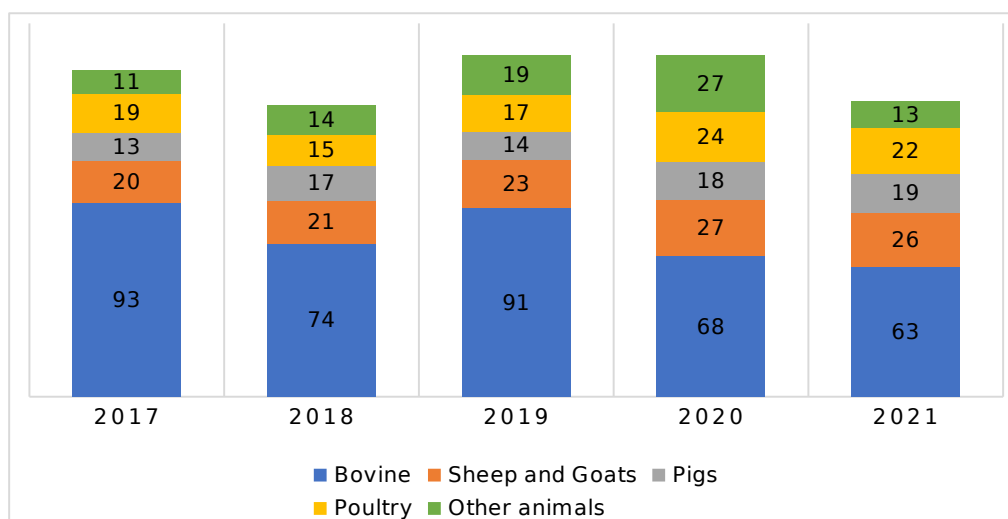
Bovine	Sheep	Goat	Pigs	One-hoofed	Poultry	Bee hives
260,528	211,354	30,039	47,384	1,864	2,788,000	219,077

Source: Agricultural Economics Survey 2021

In total, the livestock fund recorded a decrease in 2021 compared to 2020. The cattle fund in 2021 was 260,528 Heads, which had 861 Heads compared to 2020, while the number of dairy cows was 1.4%, lower than in 2020. While the sheep and goat fund had decreased by 0.1% in 2021.

In 2021, the total number of birds increased by 0.2% compared to 2020. While the number of bird people (94.8% of the number of birds) in 2021 increased by 2.9%. The beekeeping sector in 2021 recorded a decrease of 16.6% in the number of hives compared to 2020. Unlike other sectors, the number of pigs has higher changes in 2021, compared to 2020 for 4.4% while compared to the average of the previous four years, the increase was 13.4%. In general, livestock products have a value of 8.4% in 2021, compared to 2020. Compared to 2020, in 2021 the sale of meat from cattle, their sheep and poultry, while it has increased for pigs. As for livestock products, compared to the previous year, in 2021 the production of eggs has increased, milk production is unchanged for other products.

Figure 9: Livestock in mil. €, 2017-2021



Source: Green Report 2022

Compared to 2020, in 2021 the sale of beef, sheep, goat and poultry meat decreased, while it increased for pigs. As for livestock products, compared to the previous year, in 2021 the production of eggs increased (4.3%), milk decreased in value by 4.5%, while for other products there was no change

Bovines are the most important category within livestock and they make up 51% of the total livestock heads. Regarding the structure of the cattle fund, 50% are dairy cows, followed by the category of calves under 1 year old with 32% and other categories all together with 17%.

Table 13: Cattle fund and structure, 2016-2021

Number of animals	2016	2017	2018	2019	2020	2021	Difference 2021/2020 in %
Cattle Fund	264,971	259,729	258,662	257,733	261,389	260,528	-0.3
Male calves under 1 year old	45,443	43,748	41,911	43,863	45,492	48,047	5.6
Female calves under 1 year old	38,124	40,731	41,263	39,263	38,653	35,191	-9.0
Male cattle 1 - 2 years	11,756	13,449	14,627	14,852	14,080	14,513	3.1
Female cattle 1 - 2 years	13,967	11,356	12,335	11,297	11,478	12,323	7.4
Bulls over 2 years	7,044	7,082	5,519	6,303	7,113	7,451	4.8
Female cattle over 2	11,344	9,442	9,635	8,128	8,920	8,890	-0.3
Dairy cow	136,783	132,971	132,474	131,939	133,916	132,076	-1.4
Other cows	510	950	898	2,088	1,737	2,037	17.3

Source: Green Report 2022

Livestock and in particular, the dairy sector, remains the main business activity in all rural areas of Kosovo. With the prospect of eventual membership in the European Union (EU), the dairy sector in Kosovo faces the challenge of transforming from an inefficient small dairy farm sector to a sector that will eventually have to compete with the highly efficient EU dairy industry. With increasing competition globally and declining profit margins in most countries, it is very important for dairy farmers in Kosovo to improve milk quality and increase milk production efficiency.

The current state of the dairy sector

Cow milk: The cow milk production sector in Kosovo is moving forward with safe steps. It is evident that a lot of efforts have been made in recent years with the support of MAFRD and other international donor organizations. It is also clear that there are large investments in both dairy cows and facilities. To protect these investments, a radical change in the sector management approach must be made immediately. Driven by good milk prices (0.33 - 0.42 EURO/l) and the lack of alternative opportunities for income generation, the number of commercial dairy farms in the last four years has increased significantly in Kosovo; however, cow milk production for small farms remains low which is around 2100 l / lactation while in commercial farms it is around 5000 l / lactation. Meanwhile, the average milk production for lactation in the EU in 2018 was 7280 l / lactation.

To develop a competitive dairy sector, it is first necessary to understand the current constraints.

Low productivity is mainly caused by inadequate animal feed, poor farm management and poor genetic potential of the breeds used for milk. The main challenges facing the dairy industry are: poor milk quality, low productivity and low livestock efficiency. One of the sources of low efficiency of milk production in Kosovo can be attributed to the disproportionate use of feed ingredients. For example, the costs of fodder and concentrated feed are high on dairy farms in Kosovo. Increasing the average milk yield and reducing the cost of food are vital for the efficiency of milk production.

Dairy cows are fed mainly in stables and not in pastures, thus increasing the cost. Hay is the most common food during the winter time. Silage production is increasing, thus reducing animal feed costs. Silage production brings more security to farmers for winter feed.

For a satisfactory production of milk, dairy cows must be provided all the food they need, in addition to food, the cow must be healthy, have better general health condition and be inseminated regularly., which ensures good milk production. Especially when it comes to highly productive cows as is the case with the Holstein breed, nutrition is very important. Indigenous breeds can survive on less feed, but their genetic potential to produce large amounts of milk is lower.

In Kosovo, combinations between cows of different breeds with the local breed, are still present in a high percentage, such as. Busha. Generally, this breed is characterized by low production rate, but is known for high resistance to various diseases and good adaptation to extensive breeding conditions. Finally, crossbreeds of imported breeds can be seen in commercial females such as: Simmental, Holstein, Brown Swiss.

The practice of inseminating cows in Kosovo is based on natural and artificial insemination. Natural inseminations are significantly more commonly used. Unsuccessful gestation, lack of timely detection of estrus and other failures have led to the use of lower rate artificial breeding even on commercial farms.

In recent years, the supply network of the dairy processing industry has improved, as farmers and the processing industry have agreed to sign agreements for the supply of raw milk. By establishing new milk collection centers and equipping farmers with milk cooling equipment, the efficiency of milk collection has increased and milk quality has improved.

There are about 53 milk collection points (MCPs) in Kosovo, collecting milk from farmers, cooling it and delivering it raw to milk processors. The MCPs are responsible for conducting basic milk analysis for each provider farmer, as well as providing their comments on the quality and terms of payment for the dairy farmer. The MCP is, in a way, a mediator for the dairy farmer and milk processor, which receives a percentage payment for the transaction mediation. There are two types of MCPs: those that are located on a large farm, which collects its own farm produce but also collects milk from other farmers in the vicinity. And MCPs that are not located on any dairy farm, but operate as intermediary businesses and that not only collect farmers' milk, but also send it to dairy processors. According to information from the AMCP, 53 MCPs receive milk from 2,113 dairy farmers and collect about 82,420 liters of milk per day.

In recent years, following MAFRD and other donors investment grants, milk collection points have improved the condition where they have installed refrigeration equipment, milk collection equipment and milk transportation

equipment from MCPs to dairy processors. Most collection points meet food safety standards, but still need investment to enhance food safety and enforce food safety standards.

Kosovo depends heavily on imported animal feed such as corn, soy and sunflower, as well as complete and additional food mixes (combination of proteins, minerals and vitamins).

Sheep and goat milk: The fund of sheep and goats in 2021 was 241,393 heads, which constituted 43.8% of the total number of animals. The participation of sheep is 87.6% and goats 12.4%. In 2021, the total fund of sheep and goats decreased by 0.1%, and divided by group, sheep decreased by 0.4%, while goats increased by 1.6%. Within sheep, sheep for breeding have a participation of 74.1%, while within goats, goats for breeding have a participation of 74.0%.

Table 14: Number of sheep and goats, 2017-2021

Number of animals	2016	2017	2018	2019	2020	2021	Change 2020/19 %
Sheep and goats	212,040	210,688	209,808	216,299	241,688	241,393	-0.1
Sheep	184,265	182,278	181,105	189,102	212,131	211,354	-0.4
Sheep for breeding	141,995	136,810	139,312	145,248	159,067	156,666	-1.5
Other heads (lamb, ram, etc.)	42,270	45,468	41,793	43,854	53,064	54,688	3.1
Goats	27,775	28,410	28,703	27,197	29,557	30,039	1.6
Sheep for breeding	24,315	24,836	22,401	20,602	21,907	22,234	1.5
Other heads (kid, bucks, etc.)	3,460	3,574	6,302	6,595	7,650	7,805	2.0

Source: Green Report 2022

The importance of the sheep and goat sector mainly lies in the production of meat, while the milk is used for the production of cheese and mainly to meet family needs for consumption or a small amount is also sold directly to the farm or green markets.

In general, the sheep breeding system in Kosovo is extensive. It is based on the traditional concept of using natural pastures at certain times of the year. Herds of sheep are kept in stables during the winter and graze in the pastures near the village, while, in the summer, the sheep are grouped into larger herds and transferred to the summer pastures in the mountains.

During the grazing period, the herds feed on common pastures. Pastures (municipal or state) are not treated with any kind of improvement measures, except that they are grazed by cattle and sheep. During the winter, farmers feed small ruminants with hay, which is prepared during the summer and has a small grain content.

Sheep are usually raised by Kosovar farmers for meat, milk and wool production. Wool is considered a low-value by-product, which is mainly used for family consumption. Sheep in Kosovo are kept for a dual purpose: milk and meat. Sheep and goats mainly belong to local breeds, well adapted to

the country, with relatively low productivity, but with a resistance to diseases. In practice, most farms are family sheep and goat farms.

Problems faced by this sector are:

Poor organization of farms; Insufficient efforts for farm development and modernization; slow adoption of technology (e.g., use of milking equipment); Inadequate housing of animals, usually low level of well-being; Lack of pasture management because they are mainly public or common property and lack of a strategy for marketing sheep and goat products (milk and meat).

Pigs: The importance of the pig sector in Kosovo continues to remain low compared to other livestock sectors, where the category of pigs accounts for only 8% of the total number of animals.

From the total number of pigs, 28.0% are pigs for fattening, 28.5% sows, 23.0% gilts under 20 kg, 15.7% pigs of 20-50 kg and 4.8% breeding stock. From the category of fattening pigs, most of them weigh 110 kg or more (38.5%), followed by the 80-109 kg group (35.1%) and the 51-79 kg group (26.4%).

Table 15: Number of pigs, 2017-2021

Number of animals	2017	2018	2019	2020	2021	Difference 2020/2019 in %
Pigs	40,164	40,164	40,533	45,394	47,384	4.4

Source: Green Report 2022

Poultry / egg sector: In 2021, the total number of poultry was: 2,788,000, the number of hens per egg (94.8% of the number of poultry. Of the total number of chickens, the majority are hens per egg (75.5%), followed by broilers (13.1%) and the category birds, turkeys and other chickens (11.4%).

Table 16: Number of birds and eggs 2017-2021, in '000

Number of fowls (1000)	2016	2017	2018	2019	2020	2021	Difference 2019/2018 in %
Fowls	2,740	2,811	2,538	2,665	2,782	2,788	0.2
Chickens	2,586	2,676	2,393	2,558	2,637	2,643	0.2
Broilers	196	398	407	321	384	346	-9.9
Egg-laying chickens	2,043	2,051	1,728	1,947	1,939	1,996	2.9
Birds, cocks and other chickens	347	227	259	289	315	301	-4.4
Turkeys	108	98	88	61	75	94	25.2
Other fowls (Geese, Ducks, etc.)	46	37	56	47	70	52	-25.6
Eggs *	350,827	348,998	315,097	366,447	365,554	419,908	14.9

Source: Green Report 2022

The egg production industry is in continuous and stable growth during the last five years, even though we have a significant increase in egg production in 2021. In 2021, the total egg production is estimated to be 419.9 million eggs. In 2021, 4.4 million were imported. eggs in the amount of €429,377. The imported amount of eggs in 2021 compared to 2020 has increased by 8.7%.

In Kosovo, there are 171 egg farms that have more than 2,000 laying hens, approximately in these farms the total number of laying hens is 858,498, while the rest of the 1.1 million laying hens are in family farms. The average consumption per capita is estimated to be around 208 eggs/year. Kosovo meets about 88.8% of egg consumption needs. The quality of chicken eggs is good, so the egg sector has potential for expansion in the foreign market, exclusively in the regional market. So far, no analysis has been done regarding the use of eggs in the food processing industry. There is no data on how many fresh eggs are processed.

Meat production (beef): Meat (cattle) production: Meat production in Kosovo can be described as incomplete and fragmented. The meat production sector in Kosovo is dominated by existing farms with herds of less than (9) nine head. In 2021, local livestock farms supplied 44% of Kosovo's beef market needs, while the rest of 56% was imported. In 2021, the import of fresh and frozen beef reached 75.5 million Euros. The total consumption of meat per capita in Kosovo is calculated to be around 51.1 kg per year (beef 25.5 kg; chicken 24.5 kg; sheep and goat 1.2 kg of meat). The actual consumption per capita in Kosovo is still low compared to the countries of EURLQ (South-Eastern and Central European countries) and EU countries. However, with the economic growth, the demand for the consumption of fresh meat and meat products in Kosovo is expected to increase.

Local production of all categories of meat is relatively small compared to the demands of the domestic market. Since Kosovo's cuisine has a preference for meat, the local supply does not meet the country's demand and as a result the import of meat is high. Imports of meat and edible offal have increased continuously. The increase in imports in 2021 compared to 2020 was 28.7% in euros.

Poultry meat production: In 2021, poultry meat production is estimated to be around 3,007 tons. This year, the import of chicken meat was 40,502

tons with a value of 51.1 million. €. The average consumption per capita in Kosovo is calculated to be 24.5 kg/year. With current production, Kosovo manages to cover only 6.9% of consumption needs. Domestic production has decreased by 9.9% in 2021 compared to 2020, as a result of the reduction in the number of boilers on commercial farms and which has led to a decrease in the production of these farms. This is due to the fact that this sector is not supported by grants or subsidies. Kosovo has capacities and knowledge for the production of poultry meat, but it has a weak chain of production and sale of broilers. Small farmers do not have easy access to slaughterhouses for broilers because slaughterhouses with large capacities in Kosovo have invested in growing broilers on their farms and currently do not see interest in cooperating with other farmers.

Forestry sector

Kosovo is considered a country rich in forests and forest resources. The data show that our country is covered with forests with 481,000 ha or 44.7% of the territory. Other categories that are not forest land such as: (urban areas, agricultural land, meadows, pastures, water surface, etc.), together occupy 566,800 ha or 52.6%, while other forest lands occupy 28,200 ha or 2.6 % of the territory.

State-owned forests cover 295,200 ha or 62%, while privately owned forests cover about 180,800 ha or 38% of the territory. Kosovo's forests are dominated by deciduous forests, covering 449,400 ha or 93% of the forest area, while 7% of the forest area is covered by coniferous forests.

The FDS (Forest Development Strategy) provides a framework for forest development towards the implementation of the 2030 Agenda for Sustainable Development and the achievement of most of the Sustainable Development Goals (SDGs). The FDS aims to contribute to the sustainable management of forest resources in the country by: strengthening the enabling environment for the forest sector, introducing multi-purpose forest management planning, restoring degraded forest lands and forest protection measures.

Increasing forest area through afforestation, reforestation and natural regeneration, including afforestation of degraded lands, abandoned lands and reforestation of degraded forests and integration of carbon sequestration into forest management.

The rate of forest coverage in Kosovo is 44.7%, which is higher than the world average (31%). However, the forest area per capita in Kosovo (0.28 ha) is lower than the world average (0.6 ha) and much lower than the European average (about 1.4 ha). Given the climatic and geographical conditions, there is potential for increasing the forest area in Kosovo, where an increase of 3% is aimed for the ten-year period. Official statistics show that in Kosovo there are approximately 317,000 forest plots managed by approximately 132,796 forest owners. According to these statistics, the average size of the forest plot in total is around 1.49 ha for one forest owner.

As in agricultural lands, also in private forests there is the problem of continuous fragmentation in the case of family growth, the right to ownership and the problem of migration or relocation of residents of rural areas to urban centers or close to them. Problems of this nature have

created difficulties in management, regulation with long-term management plans, in their protection against the phenomenon of illegal logging and forest fires, etc.

Forest management is considered to be very complex from the period of delegation of competencies from MAFRD to the local/municipal one. Based on the Law on Forests 2003/3, until 2012, the Kosovo Forest Agency has the exclusive right to manage and administer public forests, forests in national parks and the regulation of private forests. The distribution of competencies caused the failure of central and municipal institutions in terms of use, preservation and maintenance of the forest crown, affecting the increase of irregular logging, lack of control of the situation, fulfillment of duties and responsibilities of the institutions in question. The total stock in the country's forests is estimated to be about 40.5 million m³ of wood volume, in which the largest contribution is given by beech forests with about 46% and oaks with 23% share in volume. The annual net growth is estimated to be around 1.55 million m³, which is almost entirely dominated by deciduous forests.

Currently, forest management is considered as one of the most complex challenges, due to the presence of irregular logging, which according to statistics is estimated to reach about 93% of logging, while regular logging reaches about 7% of timber volume. The purpose of the National Sector Development Strategy is to increase the contribution of the forest sector to the national economy, through the sustainable use of forest resources, including economic, social and environmental benefits, taking into account the fact that forests contribute to mitigating climate change. The National Afforestation and Reforestation Program 2018-2027, has identified suitable areas of about 101,656 ha for afforestation and, 7,448 ha reforestation based mainly on the use of indigenous species.

In recent years, about 250-400 ha per year are afforested in Kosovo, mainly focused on the use of coniferous species for new plantings. It also aims to maintain forest health in order to ensure optimal productivity on the basis of forest capacity based on their very functional dimension in sustainable management using resources against environmental, social and economic interests.

Forest fires are very important factors, which should be taken into account for the development of forest sector policies in order to take measures to protect them, given that with rising temperatures within this 10 year period, we have an increase of cases. Causes of forest fires are rising temperatures over the years and carelessness of people.

Knowing that forests play an important role in the global carbon cycle, and that active forest management is vital in efforts to mitigate climate change, creating the necessary infrastructure to regularly monitor CS (carbon sequestration) and increase biomass for Kosovo is of great importance.

Agro-processing

Agriculture and industry are traditionally considered as two separate sectors, both by their characteristics and by their role in economic growth. The food processing industry is defined as the transformation of livestock and agricultural products into products for intermediate or final consumption. Kosovo has paid special attention to the development of agro-industry through Program Development Policies, considering it as an industry sector

that generates jobs. Investing in agro-industry not only increases farmers' incomes, but also creates new employment opportunities in rural areas. The food processing and packaging industry in Kosovo is divided into the following sub-sectors: vegetables and fruits, cereals, medicinal plants, viticulture, meat and dairy.

The food processing sector in Kosovo during the last decade (2010 -2020) has had large investments in facilities and processing equipment. These were funds from the Kosovo budget as well as from international donors. As a result of the investments that have been made in the food processing sector, there have been increasing improvements in the safety and quality of processed products. Processors of food products, as a result of the investments made in the sector, have now created new and innovative products for the existing market. Milk producers have improved their packaging to extend the shelf life of the product. Meat producers have adopted new technologies, and are constantly supplying the market with new products. Despite the investments that have been made in the food processing sector, they still do not meet the local demand for processed food products.

Investment in agro-industry not only increases farmers' income, but creates new employment opportunities in rural areas. The food processing and packaging industry in Kosovo is divided into the following sub-sectors: vegetables and fruits, cereals, medicinal plants, viticulture, meat and dairy.

The level of diversification of processed products in Kosovo is still low. Peppers and cucumbers are mainly processed, and only as pickles, not in any other product. Moreover, the focus is on the processing of vegetables, while trees are less used as raw material, one of the reasons is the low production of trees in Kosovo and the low price offered by the processors compared to the prices on the market green.

The limited number of different product types also results in different processors competing within the same market segments with very similar products and market entry strategies. The exception is the household products market, which offers potential (variety) to consumers with special preferences. Furthermore, it appears that the P&P processing industry is focusing mainly on final products, while doing little in the processing of semi-final products (e.g. frozen purees, aseptic purees, dried and frozen fruits and vegetables , etc.). Most companies in Kosovo process products aimed directly at the retail market, not the food processing industry (as a semi-final product).

Fruit and vegetable processing companies are mainly supplied with fruits and vegetables from local producers through various supply channels. Processing companies, depending on the type of agricultural crops they collect for processing, use two main supply channels: directly from farmers and indirectly from fruit and vegetable collection centers¹⁰.

¹⁰ PePeKo,2020

The main difficulty of this sector is the organization of the supply chain, that is, the provision of raw materials. Since the farmers who produce P&P, they mainly produce for the fresh market, where there are enough buyers. Often times in Kosovo, second and third grade fruits and vegetables are marketed

as fresh products, due to high market demand, leaving processing factories without raw materials.

Taking into account that the supply of most of the companies is realized from the collection points and directly from the farmers, it is necessary to establish contractual relations in order to have guarantees that the farmers will deliver their products to the processing companies.

Often, processing companies have contracts for the supply of fruits and vegetables with dozens of collection points, moreover, there are non-notarized contracts with farmers and/or traditional cooperation with farmers without any contract.

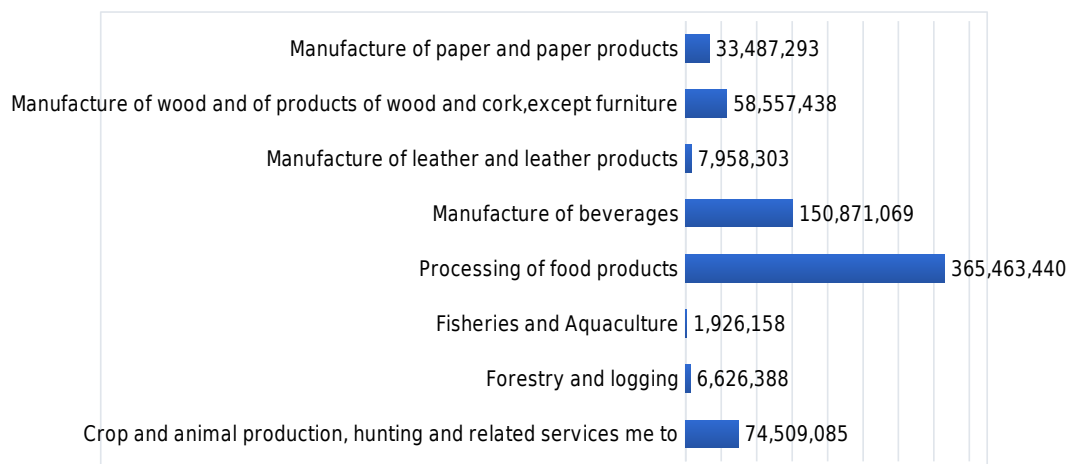
Cereals are processed by mills, fodder crops are generally used for on-farm processing as silage while potatoes are partially processed, mainly as snack food (chips etc). In Kosovo there is a tradition for the cultivation of grapes, but not so much for the production of qualitative wines. The current market is characterized by poor quality wine and low prices as commercial wines have to compete with domestic production. In order to have a better return on investment in the subsector, better quality and a clear profile of the marketed wine is required. This situation is partly still current, however, there are small and young winemakers who aim for quality and marketing, both very necessary in the wine sector.

The potential for the development of the food processing industry is huge, but so are the major challenges facing this sector: insufficient and unsustainable raw materials, weak structures of primary agricultural production, ownership of fragmented land boundaries the ability of processors and traders to provide business opportunities sufficient quantities of primary agricultural products with uniform quality standards, lack of implementation of new technologies, lack of food processing technologists, poor infrastructure, lack of connectivity between producers of raw materials and processors, the contractual relationship between processors and farmers is underdeveloped, unfair competition from imports, are some of the obstacles and challenges that food processors are facing and will face in their daily activities.

The increase of consumption per capita for these products presents potential and continuous opportunities for the development of these businesses by lowering the increase of imports of these products.

According to KBRA, data shows that about 2,235 companies are registered in the agribusiness processing sector, which is 4.5% of the total number of companies registered in Kosovo.

Figure 10: Circulation ('000 €), by agricultural activities, 2021



Source: Green Report 2022

Within the activities of agricultural businesses or agro-industry in 2021, the largest turnover was in the processing of food products with a turnover value of 699,399 mil. €. Most local processors are relatively small and unable to meet all local customer requirements. About 70% are small and medium enterprises, while 30% are large enterprises. The food processing industry is dominated by family businesses. According to estimates, vegetable and fruit processors cover about 30% of the needs of the local market, although in recent years the processing capacities of fruits and vegetables have increased, but are still far from meeting the needs of local consumers. Although there is a lack of statistical and economic data on food processing, gross value added in the food processing industry is estimated at about 2% of GDP and is directly related to the development of the primary agricultural sector.

Industry for processing animal originating products

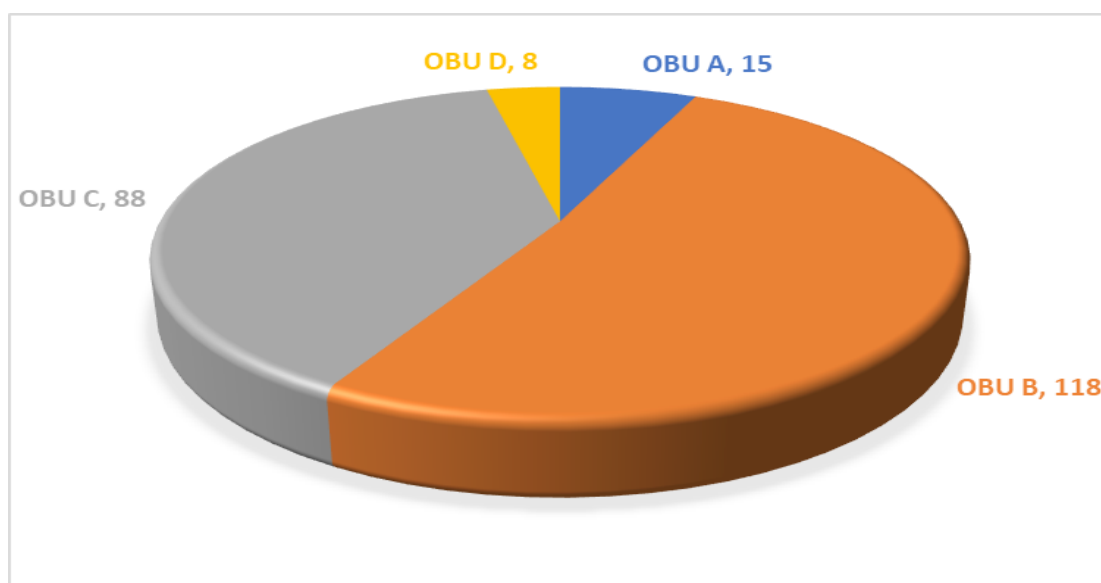
Kategorit	A	B	C	D	Totali
Regjistri i objekteve të aprovuara për përpunim dhe paketim të qumështit	4	24	16	0	44
Regjistri i depove ftohese te aprovuara	4	21	17	6	48
Regjistri i objekteve të aprovuara për përpunimin e mishit	3	33	26	0	62
Regjistri i objekteve të aprovuara për therjen e thundrakëve	4	27	26	2	59
Regjistri i aprovuara për therjen dhe copëtimin e mishit të shpezëve	0	6	2	0	8
Regjistri për grumbullim, paketim te mjaltit dhe produkteve tjera nga bletet	0	4	0	0	4

Regjistri i objekteve të aprovuara për përpunim të vezëve	0	2	0	0	2
Regjistri i objekteve të aprovuara për përpunim të peshkut	0	1	1	0	2
Totali	15	118	88	8	229

Source: AVU-processed by DPHR 2022

About 229 OBUs (food business operators of animal origin) are registered/approved in Kosovo. 89% OBU are in categories B and C. Only 15 or 6.5% of OBU are in category A. There is still a lot of room for improvement in the quality and food safety of OBU of animal origin. The approximate number of employees in OBUs is 17,260 people

Figure 11: Number and percentage of approved FBOs of animal origin



Source: VFA, prepared by FRDD

Dairy industry

A total of 44 milk processing and packaging facilities have been approved in Kosovo, 8 of which are currently not active. The processing capacities of all dairies are 774.29 t/day. Products produced in Kosovo dairies are mainly: yogurt, sour cream, white cheese, kačkavall cheese, cream, ajrani, cottage cheese, peppers with cottage cheese. One dairy produces ice cream and two produce UHT milk. The largest number of dairies are in the region of Prizren, a total of 14 dairies, followed by Prishtina 8, Peja and Gjakova 6, Gjlani and Ferizaj 4, as well as 3 dairies in the Mitrovica region. Based on the level of food safety risk, milk processing and packaging enterprises are categorized into 4 categories. According to the list of the register of facilities approved for milk processing and packaging, category B enterprises dominate 24 and C 16 or 91%, while in category A there are 3 and there is only 1 enterprise in category D. In Kosovo according to AUV data one dairy has a processing capacity of 180,000 l/day maximum capacity, two with 100,000 l/day. Mainly

other processing capacities that dominate are under 10,000 l/day and smaller.

According to the Kosovo Association for Milk Production (KAMP), there are 2,500 commercial dairy farmers who trade their fresh dairy products through commercial channels. Local dairy products cover at least one third of the market demand for processed dairy products in Kosovo. Industry has identified many barriers that hinder this economic potential.

Meat industry

A total of 62 meat processing facilities have been tested in Kosovo, only 2 (two) are currently inactive. Processing capacity of all meat processors is 300 t/day. Activities that take place in meat processing facilities are: meat products, packaging, repackaging, etc. The largest number of processors is in the region of Prizren and Peja with 13 meat processors each, followed by Prishtina 10, with 7 approved meat processors each Gjakova and Gjilan, 3 Mitrovica and 2 Ferizaj.

Based on the degree of food safety risk, meat processing and packaging enterprises are categorized into 4 categories. According to the list of the register of facilities approved for meat processing and packaging, enterprises of category B - 33 and C - 26 or 95% dominate, while in category A there are 3, in category B there are 24 and none in category D. In Kosovo according to the data of AUV, small processors dominate with capacities of 0.2 t/day, 10 processors, 2 processors have capacities of 25 t/day, while others are in the middle of these processing capacities. The meat processing industry in Kosovo is highly dependent on raw meat imports.

Currently, meat processors are mainly producing products such as: sausage, hamburger sausage with dry meat, hot dog. As a result of insufficient supply of primary products from Kosovo farmers, local meat processors import 80% of the raw material to meet their production needs. As the share of meat imports has increased steadily in the last five years, Kosovo continues to import live animals as well as carcasses/frozen meats to meet market demands.

Slaughterhouses

In total, 59 animal slaughter facilities are approved in Kosovo, 53 are active and 6 are currently inactive. Total slaughtering capacity in Kosovo is 1,500 heads/day. The facilities with the highest slaughter capacity are 36-50 heads/day, the average capacities are 16-35 heads/day and the low slaughter capacity is 5-15 heads/day and 8 slaughterhouses are for slaughtering chickens.

According to the categorization (A, B, C and D), 3.3% of the current capacities of cattle slaughterhouses are in category D, 44% in category C, which means that the risk is very high for these two categories, 45.76 % in category B and only 6.7% in category A. The situation with chicken slaughterhouses is the same, 75% of current chicken slaughterhouses are in category B and 25% in category C according to AUV, 2021. According to the

categorization (A, B, C and D), 10% of the current capacity of cattle slaughterhouses are in D category, 44% in C category, which means that the risk is very high for these two categories, 39% in B category and only 4% in A category. The situation with poultry slaughterhouses is the same, 75% of current poultry slaughterhouses are under B category and 25% under C category FVA, 2021. Currently, the list of approved institutions processing food of animal origin is available on the FVA website: the list will be organized in accordance with the provisions of the EU Master list SANCO/2179/2005 Revision 2014 and the technical specifications of master list and with lists of food establishments approved by the EU and some other specified food establishments. The registry of food products and animal by-products has not been made yet.

Some of the meat traded in Kosovo comes from slaughtering carried out outside authorized slaughterhouses. Although the slaughter process is supervised by an experienced butcher, there is no guarantee of hygiene of operations performed without veterinary supervision. As one of the pillars of the food safety system is the "from farm to fork" approach, the agency must regulate this sector with specific laws with exceptions provided for some operators and products. The ultimate goal is for all operators working in this sector to be fully compliant with legal requirements and market requirements.

The current situation of slaughterhouses in Kosovo is not encouraging, as sanitary procedures and humane treatment of animals before slaughter are almost non-existent. The main problem in the meat sector is the lack of supplied quantity of beef. Slaughterhouses are outdated and mostly self-designed by the owners. Most slaughterhouses are manual and very inefficient compared to regional and EU automated slaughterhouses. Most of them are involved in processing, but without quality packaging.

Farm practices are very poor and data on animal traceability and registration are significantly lacking. Displacement of slaughtered animals is not done properly and slaughtered animals by farmers are not reported. Meat inspection regulations should be implemented regularly. Many small shops have simple refrigerators where they store fresh meat after being hung in storefronts without a refrigerator during the day.

Slaughterhouses, processing and storage centers for products of animal origin are divided into the following categories:

- Slaughterhouses;
- Centers for meat processing and preparation of products of animal origin and
- Centers for cooling, freezing and storage of products of animal origin.

There are a total of 7 (seven) approved poultry slaughter facilities in Kosovo, of which 6 (six) are active and only 1 (one) is not active. Total slaughter capacity is 15,000 pieces/day. The highest slaughter capacity is 6,000 pieces/day, the average capacity is 1,500 pieces/day.

According to the categories, the number of facilities for slaughtering fowls is:

- A Category: no
- B Category: 6
- C Category: 2
- D Category: none

Only one company which was engaged in the production of eggs (Kon Soni), slaughters non-productive chickens and then sells them for meat in the market. Other egg producers sell non-productive chickens on the green market or directly from farms to private buyers and traders. Broiler farmers who have started slaughtering broilers on their farms work very well and the demand for local meat is increasing every year. The main problems are the condition of slaughterhouses, they do not meet food safety standards and need investment. The slaughtering process is one of the problems of the poultry sector.

Fisheries and aquaculture sector

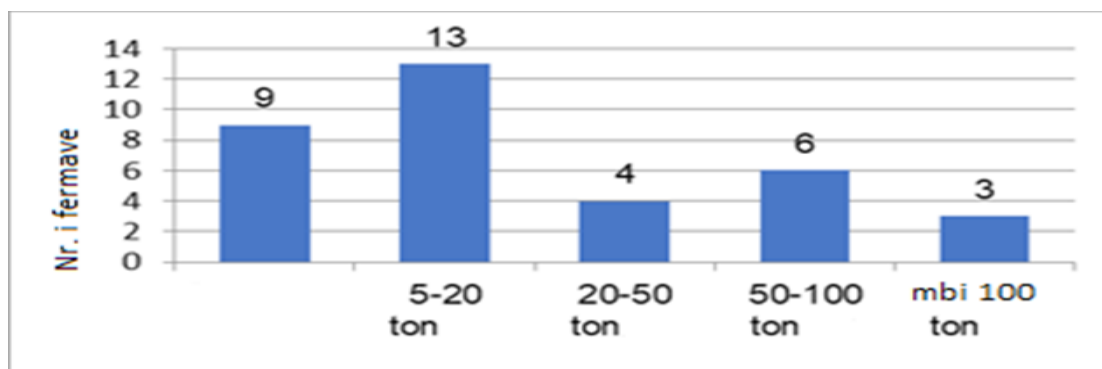
Fisheries are sectors with little potential for development as Kosovo has a relatively small number of rivers, lakes and ponds (farms) active for the production of fresh fish (aquaculture). Despite the small potential for development of the fisheries sector in recent years, it tends to grow positively. Fish farming is one of the activities that is growing in the agri-food sector over the last few years, with an average annual growth rate of 8.5% since 2010. The current annual production is estimated at 1581 tons of Rainbow Trout (*Oncorhynchus mykiss*). Production has increased compared to reports of production of about 715 tons in 2010. The size of live and processed fish on the market is about 350-400 grams. Other species, including common carp, are produced in very small quantities. The total number of fish farms in Kosovo is 35. Five of them are newly created and supported by grants in 2020. Most fish farms use water directly from the source, which ensures a stable and safe amount of good quality water. There are few cases of fish farming where river water, irrigation system and/or wells are used. The cultivation process is cyclical, where the production cycle lasts approximately 16 months.

Table 17: Location / Region and number of fish producers

Region	Number of fish producers
Peja	11
Prizren	7
Gjakova	3
Mitrovica	4
Ferizaj	5
Gjilan	1
Prishtina	4
Total number	35

Based on fish production, fishing farms can be grouped into four categories: producers with an annual production of over 100 tons (3 farms), 50-100 tons (6 farms), 20-50 tons (4 farms) and those produce 5-20 tons per year (about 13 farms). There was no data For the others

Figure 12: The amount of fish produced on fish farms



Source: DAPT processed by the DRDP

Based on fish production, fishing farms can be grouped into four categories: producers with an annual production of over 100 tons (3 farms), 50-100 tons (6 farms), 20-50 tons (4 farms) and those produce 5-20 tons per year (about 13 farms). There was no data For the others.

In recent years, there has been an increase in the number of small family fish farms (most of which are for fish farming for restaurants), as part of the tourism and catering industry.

As an economic activity, fish farming has a significant socio-economic contribution to employment.

As fresh water fish farms are mainly located in rural areas, employment opportunities for local residents lead to increased employment rates and development of these areas. 17 out of 35 fish farms combine their fish production with restaurants and other service tourist. Part of the production is sold directly to customers in restaurants. In most cases, the restaurants are located in an attractive environment, near or directly on the mountain. The employment opportunities through restaurants should be considered complementary to the employment created by the production itself.

In the near future it is expected that all fish farms including small (family) farms will have to comply with the legal framework for the registration and operation of a fish farm.

Except for a few larger units, the farms are poorly equipped with equipment for raising and cultivating fish. Only two fish farms are equipped with liquid oxygenation equipment, conveying pumps and automatic fish sorting machine. Four fish farms use aerators. Almost all feeding is done by hand, and none of the farms have automatic water quality alarm systems.

So far, 4 (four) entities have been licensed for the production of fish in ponds (aquaculture) while 3 (three) are pending the licensing procedure. About 650 tons of fresh fish are produced annually by licensed aquaculture entities. It is also important to note that the total consumption of fish products in Kosovo is approximately 1.4 kg per capita, well below the European average of 23 kg per capita. In the countries of the region, the consumption is: in Albania 5.36 kg, in Northern Macedonia 4.08 kg and in Serbia 6.18kg¹⁵

With improved breeding technology and based on current breeding capacities it is possible to produce up to 2,000 tons of rainbow trout per year. Regarding breeding technologies, which contribute to the protection of nature and the environment, further opportunities for the development of freshwater aquaculture are also possible through the creation of an

aquaculture recycling system (RAS)¹⁵ and the development of ecological and organic aquaculture.

Fish processing has now started in Kosovo and in the market is provided as smoked fish, meatballs, fish fillets and fresh dishes from fish meat, etc. in small quantities about 20 ton per year, large companies now have created a good experience in this regard and have potential for processed products. The local market requires information and marketing activities in order to increase the consumption of fish products. The increase in consumption is based on the increase in domestic production and the increase in imported fish products. 98% of imported fish is frozen fish.

A major concern is dependence on imported food and equipment. The quality of food needed for production is not available in the regional market.

The fish farming and fishing sector is organized mainly through the MAFRD, which deals with the development of legal regulations, and the Kosovo Food and Veterinary Agency, which deals with fish health issues. The fish farmers are organized in the fish producers association which groups almost all the fish producers in the country.

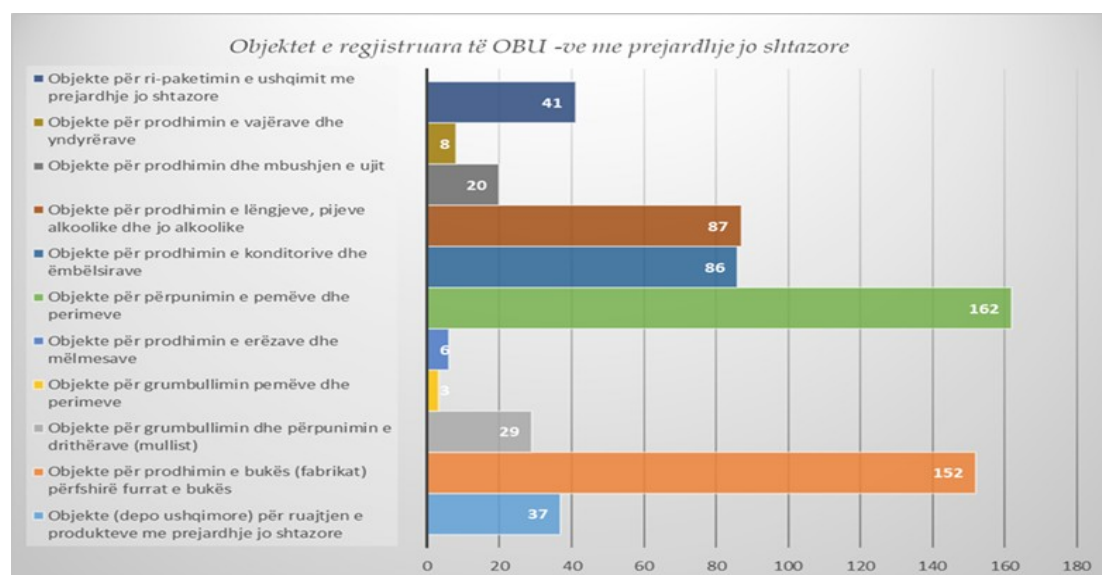
¹⁵<http://www.fao.org/faostat/en/#data/FBS>

¹⁶Bregnballe, 2015

Industry for processing non-animal originating products

A total of 631 facilities are registered in the FVA for processing food of non-animal origin

Figure 13: Registered FBO facilities of non-animal origin



Source: FVA, prepared by FRDD

As shown in the graph above, FBOs of non-animal origin are dominated by fruit and vegetable processing facilities (162) and bread production facilities (factories) including bread factories (152). The current total capacity of fruit and vegetable processors is unused, as most local processors are relatively small and unable to meet the demands of local consumers.

According to estimates, fruit and vegetable processors cover about 30% of the needs of the local market. The fruit and vegetable processing industry in

Kosovo is growing and its processing technology is improving. Based on processing capacities, there are three categories of processors.

- Industrial Processors (Abi & Elif, Euro Food, Coral, Asks-Foods, Moea)
- Medium Processors (Bio Pack, Profit, Rizona, Etlinger, Pineapple Impex, Fungo FF, MIB Trade)
- Small Processors (Association of Women and Individuals with a Small Capacity and Home-Made Cooking Recipes)

Industry of fruit and vegetable processing

In total, the fruit and vegetable processing industry employs about 10,000 workers, in good years another 12,000; less than 50% are seasonal workers. According to MAFRD data, the fruit and vegetable processing industry in recent years has undergone a consolidation in terms of investment in physical assets and machinery, but its overall development has been slow. This is also reflected in the fact that fruit and vegetable processors are still lagging behind when it comes to food safety certifications such as ISO 22000, HACCP, ISO 9001 and GlobalG.AP¹⁷, wastewater treatment, as well as reduction of losses in the production process.

A recent PePeKo study found that processors use from 25 to 95% of installed capacity; it is very likely that fruit and vegetable processing companies will not use more than 50% of their existing capacity¹⁸.

Despite all the investments that have been made in the food processing sector, they still do not meet local demands for quality products.

Imported products dominate the Kosovar market, as a result 70% of the market is dominated by imported products. To compete successfully in an increasingly open market, the food industry still needs to modernize technologies and improve food safety management systems.

Priority will be given to investments for the implementation of food safety standards, which are of particular importance for supplying the local market with safe food products and for successful competition with imports. In order to promote the adaptation of the food industry to environmental standards, priority has been given to investments aimed at waste treatment, water purification and the efficient use of production waste. Supported investments will contribute to improving the situation of primary agricultural production.

The potential is very great for the development of the food processing industry, but also the great challenges faced by this sector: insufficient and unstable raw material, weak structures of primary agricultural production, fragmented land ownership limit the ability of processors and traders to provide sufficient quantities of primary agricultural products with uniform quality standards, lack of implementation of new technologies, lack of technologists for food processing, weak infrastructure, lack of connection between producers of raw materials and processors, contractual relations between processors and farmers are underdeveloped, unfair competition from imports, are some of the obstacles and challenges that food processors face and will face in their daily activities.

The increase in consumption per head/inhabitant for these products represents potential and continuous opportunities for the development of these businesses, reducing product imports

These processing companies together have sufficient working spaces with ambient temperatures and some storage spaces, especially cold warehouses (4 ° C), cold rooms (-20 ° C) and controlled atmosphere storage/storage facilities are missing and should be expanded over the next few years.

The level of diversification of products at the level of vegetable processing in Kosovo is still low. Moreover, we are dealing with an emphasis on the processing of vegetables (peppers and cucumbers), while trees are not used as raw material due to the low production of trees in Kosovo and the low price offered by processors compared to the prices in market.

In general, 20-25% of locally grown fruits and vegetables are processed by industry in Kosovo.

¹⁷PPSE-Promoting-Private-Sector-Employment, 2020

¹⁸PPSE-Promoting-Private-Sector-Employment, 2020

The shortages of fruits and vegetables temporarily result in the import of raw materials for the processing sector from Northern Macedonia, Serbia and Turkey. Fruits, for example, apples are imported from Albania (Korça) where the fruits are grown for the processing industry; the price there is 0.10 EUR/kg. To this price we must add the transport costs of 0.16 EUR/kg so the apples cost 0.26 EUR/kg at the factory gate in Kosovo.

Regarding the difficulties with the supply of raw materials, it is interesting to look closely at the costs for processing fruits: raw material 12%, electricity 23%, water 5%, fuel 7%, salary 0.4% and others 14%. It is extraordinary that energy costs are 2-3 times more important (costly) than raw material costs. In addition to focusing on the production of cheap raw materials, it is also seen as worthwhile to invest in the installation of renewable energy - supported at best by the MAFRD.

Processing industry for cereals, fodder and potatoes

Cereals are processed by flour mills, fodder crops are usually used for on-farm processing as silage, and potatoes are partially processed.

Kosovo has a total of 93 flour mills, but only 53 are active¹⁹. Based on information received from the Millers Association (01 June 2021), one third of the wheat is imported and the rest is bought from local farmers. The mills process about 270,000 tons of wheat per year and about 148,825 tons are imported. Imported wheat comes mainly by trucks from Serbia and Hungary.

Table 18: Available mill capacities

Available capacity to mills	
Total	53 mills
Active all year round	33 mills, utilized capacity 13 to 27%
Up to 3 months active	16 mills

In working condition but not working	4 mills
--------------------------------------	---------

Source: Association of millers prepared by DRDP

The problem with factories is that factories require cereals in large quantities and of uniform quality. Local farmers can not offer this because they, for example, use different seed qualities, often outdated and with low starch content. Furthermore, the delivered cereals are not clean and have to undergo a process of cleaning, sometimes even drying. These barriers often make the domestic supply of raw materials unattractive to the milling industry. The milling industry prefers to order uniform quality in large quantities by train or truck. Kosovo produces flour from two thirds of domestically produced wheat and only one third of that imported.

¹⁹Based on information received from the Association of Millers (01 June 2021)

There are cases in potato production that some companies have contracts with a large number of farmers. They provide to the farmers with quality potato seeds, modern equipment for planting, protection against diseases and pests, as well as modern equipment for harvesting potatoes. In addition, the company also organizes various trainings for farmers.

Starch production factories are unknown in Kosovo; also, potatoes are not processed into frozen potato products for chips or mash.

Grape processing industry / wine and brandy production

There are 27 wine producers in Kosovo who are licensed by the MAFRD. In Kosovo there is a tradition of viticulture, but not of quality wine production. In order to overcome this situation and to have a better return on investments in this sub-sector, investments are required in improving the quality as well as a clear profile of the marketed wine. This is still partly true, however, there are small wine producers and new ones coming with a focus on quality and marketing, both much needed factors in the wine sector.

Table 19: Wine production 2017-2021

Production	2017	2018	2019	2020	20201	Difference 2021/2020 in%
White wine	2,024	6,234	3,380	5,100	4,744	-7
Red wine	1,455	5,441	2,325	4,295	3,001	-30
Pink wine	1,826	69	49	35	40	14
Total wine	5,305	11,744	5,754	9,459	7,785	-17

Source: Green Report 2021

Table 20 : Wine export-import 2016 - 2019

Wine export 2016 - 2019			Wine import 2016 -2019	
No.	Year	Amount in Millions liters	Year	Quantity liters
1	2016	5,312,370	2016	564,439
2	2017	5,778,490	2017	652,352
3	2018	8,558,571	2018	698,096
4	2019	8,247,522	2019	705,326

Source: DVV

Trade in agricultural products

The value of the export of agricultural products has increased from year to year, although not at the desired level. The trade balance has been increasing in spite of the increase in the value of exports since, on the other hand, imports also increased. In 2021, the value of the export of agricultural products was 92,642 mil/€ and at the same time this is the largest export value for this time period, which compared to 2020 had an increase of 18.7%. While the export in 2021 had an increase of 18.7%, on the other hand, the import is presented with a greater increase in scale of 26.2% compared to the year 2020 and with a negative balance of - 872.9 million/€.

Table 21: Export-Import of agricultural products

Year	Exports (1-24), in '000 €	Import (1-24), in '000 €	Trade balance, in '000 €	Coverage of Import with Export (%)
	1	2	3=1-2	4=1/2
2014	39,359	616,118	-576,759	6.4
2015	41,683	633,702	-592,019	6.6
2016	45,205	658,730	-613,525	6.9
2017	61,336	694,517	-633,180	8.8
2018	63,950	712,314	-648,364	9.0
2019	65,510	759,359	-693,849	8.6
2020	78,076	765,357	-687,281	10.02
2021	92,642	965,569	-872,927	9.6

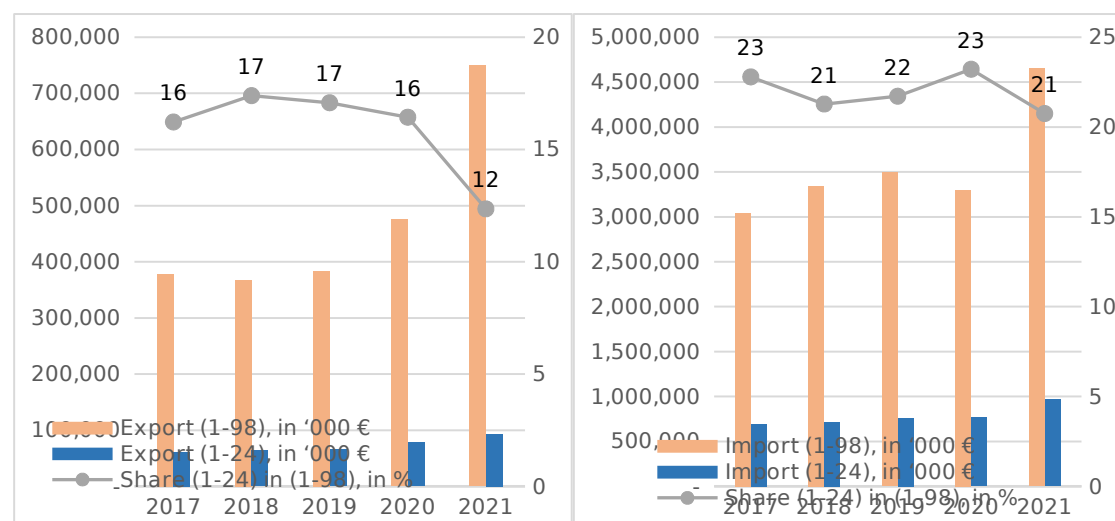
Source:KAS, developed by DAESB-MAFRD

Trade balance as in other years continues to be negative, so in 2021 the negative balance appeared in the amount of -872.9 mil. €, so the coverage of import with export is at the rate of 9.6% in 2021

The share of export of products in the total export has different variations. The large share of the export of agricultural products (01-24) in the total export (1-98) in 2019 (17%), while as higher facilities existed in 2017 and 2020 with 23%. The share of export of products in the total export in 2021 was 12%.

As for imports, the situation is different. In this case, we have product import revenue in the total import. The lowest years were 2018 and 2021 with a quality of 21%, while the highest participation was in 2017 and 2020 with 23%

Figure 14: Share of agricultural products in total exports (left), Share of agricultural products in total imports (right)



Source: KAS, prepared by DEAAS-MAFRD

The largest import value was from EU countries (467.0 million €), followed by CEFTA countries (266.6 million €) and other countries 232.0 million €. According to the data presented above, it appears that in 2021 the trade balance was negative in the amount of 872.9 € million.

The export of agricultural products in 2021 had a value of 92.6 million. €, of which 51.6 mil. € were from CEFTA countries, 31.7 million. € from EU countries and 9.3 mil. € from other countries.

The following two figures show the participation of export and import according to groups of countries in 2021. The largest export value was realized in the CEFTA countries which had a participation of 55.7%, the EU countries 34.2% and the countries other 10.1%. The largest import was from EU countries with a participation of 48.4%, from CEFTA countries 27.6% and other countries 24.0%.

3.3 Environment and land management

Biodiversity

Although Kosovo is a small country, it is known for its rich biodiversity. Geographical position, geological, pedological, hydrological, relief and climate factors are some of the factors that have enabled Kosovo to have a rich biological and landscape diversity with a good variety of flora, vegetation and fauna, where it is worth emphasizing the presence of relic, endemic species, as well as species of special importance. The richest areas

with flora and fauna are "Sharr Mountains" and "Bjeshkët e Nemuna". Kosovo does not yet have a complete biodiversity inventory.

Since the responsibilities in the field of natural resource management are distributed between MMPHI and MAFRD, cross-sectoral cooperation in terms of proper management of the environment and biodiversity is still a challenge.

MAFRD lacks a department/unit for environment and climate in order to orient its policy towards a greener agricultural policy.

Kosovo until recently has had extensive agriculture, which means that there has been low application of fertilizers, herbicides and similar chemicals, which lead to soil, water and air pollution. Therefore, when talking about the quality and quantity of these three critical factors, it can be said that there has been no need for any specific intervention in terms of agro-environmental measures in our territory so far.

But with the development and investments in agriculture, some environmental measures must be taken into account to protect the land with high natural values and the flora and fauna of the environment. Also to protect the land from the risk of undergrazing as well as from overgrazing so that the pastures are transformed into arable land.

FLORA: The diversity of plant species is a result of the complex interaction of physical factors such as soil and climate that create favorable conditions for a diversity of inhabitants and species. Based on the research so far in Kosovo, about 1800 species of vascular flora have been inventoried, but it is assumed that this number is higher and reaches up to about 2,500 species.

So, we still do not have a complete inventory of flora and vegetation. Kosovo vegetation is represented by 139 plant associations grouped into 63 alliances, 35 orders and 20 classes. The centers of floristic biodiversity in Kosovo are considered "Sharr Mountains" and "Bjeshkët e Nemuna". Within the researched species about 200 of them are endemic, endemorelic and subendemic. Particularly important is the group of local endemics, the number of which is still not fully defined (known for fourteen species of vascular flora), some of which have a very limited distribution. These endemic species as well as other plant species, including plants with medicinal properties, are widespread in some parts of the mountains of Kosovo. Places with the richest phyto-diversity are considered the Sharr Mountains and the Albanian Alps (Bjeshkët e Nemuna).

Flora biodiversity centers in Kosovo are considered to be: Sharr Mountains, Bjeshkët e Nemuna, Koritnik, Pashtrik, Koznik, Blinaja, Gërmia and Kopaonik Mountains. High forests and mountain ecosystems also provide favorable conditions for important populations of large mammals such as brown bear (*Ursus arctos*), lynx (*Lynx lynx*), red deer (*Capreolus capreolus*), wild goat (*Rupicapra rupicapra*) of birds of prey and songbirds are very important for the ornitho-fauna of Kosovo, the Balkans and Europe. The most bird-rich areas are Bjeshkët e Nemuna and the Sharr Mountains but there are also lakes and swamps important to many species of migratory birds. Mountain eagles (*Aquila chrysaetos*), (*Falco naummani*), (*Tetrao urogallus*) are endangered species in Kosovo but also internationally.

Fauna: Considering the geographical position, relief, complex of ecological, historical and other factors, Kosovo entered the ranks of the richest fauna of

the Balkan Peninsula. The richest territories with fauna are: "Sharr Mountains", "Bjeshkët e Nemuna", "Kopaonik", "Mokna" and other mountain massifs, rivers and lakes. According to current research, over 250 species of wild vertebrates as well as a large number of invertebrates live in Kosovo (so far 200 species of butterflies are known, over 500 taxa of water macrozoobenthos). Within protected areas there are two strict reserves in which two species of animals are protected. Rusenica Reserve in the municipality of Suhareka, habitat of the lynx (*Lynx lynx*) and Kozhnjari in the municipality of Deçan, habitat of the wild goat (*Rupicapra rupicapra*). Within the fauna, birds with about 180 species occupy an important place. The richest areas with birds are "Bjeshkët e Nemuna" and "Sharr Mountains".

They are listed in the IUCN (World Conservation Nature Union), EU-RL (European Red List), WR-RL (World Red List).

The current network of protected areas is based on the national legislation for the conservation of biodiversity, which is in harmony with the relevant acquis of the EU. Based on Law No. 03/L-233 for Nature Protection, the classification of protected areas was as follows:

1. Strikt nature reserve	5. Natural monuments
2. National Park	6. Protected Landscapes
3. Special Protected Area	7. Park Architecture Monument
1. 4.Park Natyre	

Burimi:MMPHI

The total number of nature protected areas in Kosovo (2017) is 184, which include an area of 126,119.29 ha, or 11.56% of the area of Kosovo. These areas include: 19 Strict Nature Reserves ("Rezervati i Arnenit", "Maja e Ropsit", "Rusenica", "Kamilja", etc.), 2 National Parks (PK "Sharri", PK "Bjeshket e Nemuna"), 157 Natural Monuments ("Burimi i Drinit të Bardhë me Shpellën e Radavcit", "Shpella e Gadimës", "Ujvarat e Mirushës", "Gryka e Rugovës", "Kanioni i Drinit të Bardhë të Ura e Fshajtë ", "The Gadima Cave", "Mirusha Waterfalls", "Rugova Gorge", "The White Drin Canyon of Ura e Fshajte", "Trungu i Rrapit në Marash" etj, etc.), 1 Nature Park ("Mali Pashtrik and Lake Vërmica"), 4 Protected Landscapes ("Shkugeza" and "Pishat e Deçani", etc.) and 1 Special Protected Bird Area ("Ligatina e Hencit-Radeves"). The largest area of protected areas is made up of the National Parks: "Bjeshket e Nemuna" and "Sharri", Nature Park "Mali Pashtrik and Liqeni i Vermica", Protected Landscape "Germia" and MNRV " Ujvarat e Mirushës ", etc.

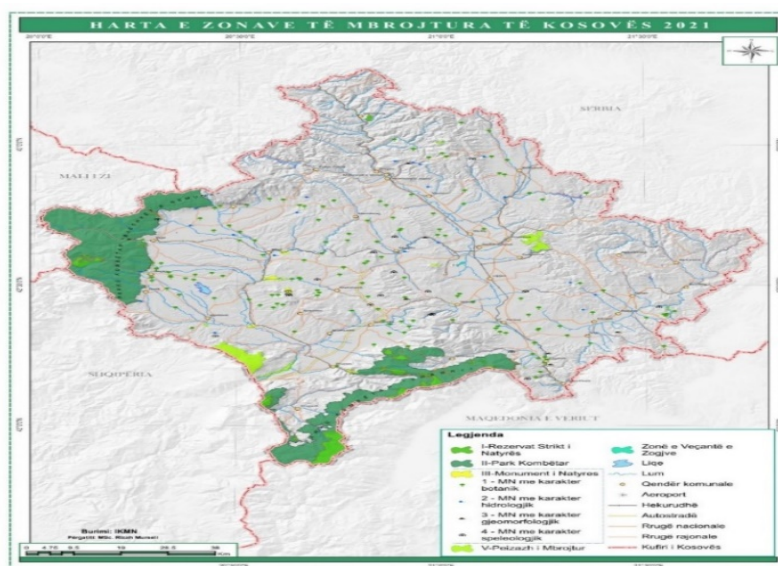
Table 22: Areas of protected areas in Kosovo by categories

IUCN Categor y	Name	No. of areas	Area in ha	Participati on in sip. general of	The participati on of ZM in sip. of Kosovo
I	Strikt nature reserve	19	10,882.96	7.7	0.99
II	National Park	2	115,957	82.1	10.6

III	Natural monuments	219	6,173.35	4.4	0.56
V	Natural park	1	5,934	4.2	0.5
V	Protected Landscapes	6	2,227.35	1.6	0.2
V	Special Protected Bird Area	1	109.5	0.08	0.01
	Total	248	126023.2 20	100 ²¹	11.55 %

Source: MESPI

Figure 15: Map of protected areas



Source: MASPI

²⁰Clarification: this area of protected areas does not include the protected areas found within the National Parks "Sharri" and "Bjeshket e Nemuna"

²¹Clarification: the percentage is derived from the total area, including the area of protected areas within national parks.

Management of protected areas: Management bodies exist only for a national park, a natural park and a natural monument, but none of the protected areas have a management plan yet:

- "Sharr Mountain" National Park is managed by the Park Directorate, which is located in Prizren.
- "Gërmia" Natural Park is managed by public enterprise "Horticulture".
- "Gadime Cave" Natural Monument is managed by a private manager.
- Certain nature reserves "Maja e Ropsit", "Gubavc", "Gazimestan", "Kozhnjer", "Malet e Prilepit", "Bifurkacioni of Nerodime River", "Kamilja" and the Natural Park "Mirusha" do not have management bodies. The rest of the natural monuments are managed by the municipal authorities.
- The main problems and strategic priorities identified for biodiversity conservation in Kosovo are summarized in the following table based on the Kosovo Strategy and Action Plan for Biodiversity Conservation 2011-2020.

Table 23: Main problems and strategic priorities for biodiversity conservation in Kosovo as defined in the Biodiversity Strategy 2011-2020

The main problems	Priorities - Strategic Actions
General points for biodiversity conservation	
Lack of national biodiversity indicators; Lack of management bodies and management plans of protected areas; Insufficient budget for nature protection and at the same time, lack of absorption mechanisms for international funds.	Research, inventory and mapping of species, habitats and landscapes; The decline in biodiversity loss through the extension of protected areas reaches somewhere around 10% of the national territory; Designation of Protected Areas Identified as IBA (Important Bird Areas) and Nature 2000; Approval of management and spatial plans of protected areas; Development of national biodiversity indicators.
Biodiversity legislation and institutions	

<p>Implementation of legislation is very poor, which puts pressure on nature protection; Harmonization of laws between sectors is lacking; International conventions on biodiversity conservation and protocols have not been signed.</p>	<p>Harmonization of national legislation between sectors in order to ensure effective implementation of the Convention on Biodiversity and relevant EU Directives; Ratification of relevant international conventions and signing of Protocols; Adoption of special laws for the implementation of international conventions on biological protection and landscape diversity; Development of financial mechanisms for nature protection with the creation of an Eco fund.</p>
Management of protected areas	
<p>Management of protected areas is low; Complex institutional competencies, both horizontally and vertically.</p>	<p>Effective development of institutions and activation of the Kosovo Institute for Nature Protection; Institutionalization of biodiversity data collection, maintenance and processing; Strengthening institutions for nature and environment protection at all levels, inspection and supervisory services; Incentives for cooperation with universities, university colleges and NGOs in research projects: inventory, Red Book, etc.;</p>
Communication and public awareness	
<p>Insufficient communication and information to the public regarding biodiversity; Low awareness and low public participation; Lack of coordination system for communication and information between institutions responsible for biodiversity; Lack of professional expertise in the field of communication and information</p>	<p>Developing campaigns to raise public awareness of biodiversity, mainly among young people; Cooperation with the media and development of thematic publications (brochures, advertisements, posters, etc.); Establishment of a three-year program for communication and information on biodiversity in relevant institutions; Creating professional expertise in the field of communication and information in relevant institutions.</p>
<p>The main problems in the perspective of MAFRD/ related to agriculture</p>	
<p>Lack of training for the use of PMB (plant protection products); Insufficient grazing The risk of grazing pastures,</p>	<p>Presentation of agro-environmental measures</p>

Lack of cross-compliance rules for the protection of individual trees and trees in groups	
---	--

Source: MAFRD, Biodiversity Strategy 2011-2020

Natura 2000 Network. Kosovo has not yet identified its “Natura 2000” sites, but preparatory work has begun for the “Sustainable Forest Management Project” (SFMP) project for which a report has been compiled to identify potential areas that meet the criteria for the ecological network Natura 2000. Kosovo legislation and the EU Birds Directive (2009/147/EEC) correspond to 95%, with 96% for the Habitats Directive (92/43/EEC).

Agro-biodiversity. Kosovo once had great genetic diversity. Nowadays, however, most of the old varieties of corn, barley and garden trees have been replaced by more productive ones. The situation is the same with the old indigenous breeds like Busha cows Bardhoka sheep, etc. Local breeds must be protected to preserve the biodiversity of the territory, they are more adaptable to local conditions and are more stable to climatic conditions as well as to various diseases.

Land:

Demands for the use of land in the country on an annual basis are increasing, especially in the sphere of economic use, such as for the sector of agriculture, construction, roads, tourism, recreation and other infrastructure (waste management), water treatment plants, etc.

Land use is different depending on which economic sector it is used for. Although there is a lack of data on the use of land by construction infrastructure or roads for 2020, in the agricultural sector these data are provided by the survey of agricultural economies for 2019. According to the data of this survey, the utilized area of agricultural land has not had major changes and has been an approximate trend of utilization for this time period as well. In 2016, the total utilized area of agricultural land was 415,826 ha, while in 2017 a slight increase was observed, continuing with growth in 2018 where the area was 418,582 ha. The increase in the use of agricultural land continued in 2019 and in this case the area reached 420,141 ha, which shows a change in 2019 compared to 2018 by 0.4%. The largest area of utilized land is occupied by meadows and pastures (including common land), which constitutes 51.9% of the total utilized area of agricultural land.

Kosovo has different types of land although its territory is small. It is estimated that 15% of Kosovo's land is of high quality, 29% is of medium quality and 56% is of poor quality. Therefore, the medium and high quality of the land constitutes 44% of the total amount. They consist of humus soil (11%), which is mainly distributed in the plains of Kosovo, carbonized gray soil (8.4%), alluvial soil (7.8%) and other black and serpentine soils. Soils of poor quality are mostly found in mountainous and hilly areas.

In Kosovo, in addition to the agricultural sector, forests are an important source of rural areas in ecological, economic and social terms. so that the integrated management of forests and forest lands will be enabled with rural development. Forests, with their many functions, enable life in these areas, economic security for rural families, providing heating and construction materials, as well as non-wood products, opportunities for recreation and tourism, as well as creating opportunities for new jobs.

There is currently no data on an annual basis for the production of this environmental indicator. However, based on some data provided by previous research, AMMK has made an assessment in GIS for the spatial extent of land surfaces with very strong erosive intensity and other surfaces with strong, medium and weak erosive intensity as well as soil surfaces without erosion. As presented in the following table, 7.35% of land surfaces in Kosovo have very strong erosive intensity, 16.1% strong, 35.4% medium, 24.55% weak, 10.1% very weak and 6.5% no erosion.

Surfaces with very strong and strong erosive potential lie mainly in mountainous areas, while those with low erosive potential and no erosion lie mainly in valleys and flat land surfaces.

They consist of acidic gray soils, diluvial soils, swamps and other infertile soils. Fertile land is lost due to the construction of roads, houses, landfills and other constructions. The latest data show that most of the land in Kosovo suffers from erosion processes. Afforestation will have the opportunity to address the issue of degraded land. In addition, the introduction of cross-compliance rules, such as the obligation to plow along relief lines or to increase the areas of winter crops, as well as agro-environmental measures such as the establishment of grazing strips along rivers in plots prone to soil erosion are expected to improve soil quality.

Table 24: Erosion form % of land area

No.	Form of erosion	% of land area
1	Very strong	7.35
2	Strong	16.1
3	Medium	35.4
4	Poorly	24.55
5	Very poor	10.1
6	Without erosion	6.5

Source: Annual report on the state of the environment 2020

Quality and quantity of water :Water resources in Kosovo are insufficient compared to the need for water, and this has been seen as a limiting factor for economic development for the future of Kosovo. The topographic area for water collection in Kosovo is 11,645 km², of which 10,908 km² are in the territory of Kosovo and 758 km² are abroad. Kosovo is divided into four river basins, which discharge water into three seas: Adriatic Sea (Drini i Bardhë river), Black Sea (Ibri and Morava e Binçës rivers) and Aegean Sea (Lepenci river). Most of the water flows into the Black Sea (50.7%) then the Adriatic Sea (43.5%) and the Aegean Sea (5.8%). The average annual rainfall is approximately 600 mm in the lowlands and about 1,400 mm in the mountains. The western part of the country is thought to have the largest quantity of groundwater, while the eastern part is poor.

Water quality in plain rivers is very poor, due to lack of wastewater treatment and waste disposal, while rivers are mostly of good quality. In 2011 there were twenty-two hydrometric stations operated by the Hydro-meteorological Institute which monitors surface water quality. Neither groundwater monitoring nor urban wastewater monitoring exists. Drinking water quality is monitored by the Institute of Public Health. Some major

rivers flow into large industrial municipalities and are also heavily polluted as water cannot be used for drinking water supply or irrigation (Sitnica River).

Groundwater quality is also affected by untreated wastewater pollution by municipalities and industries. 44% of the total population and only 8.4% of the population living in rural areas have access to the water distribution system. People in rural areas rely on rural water supply systems, their wells or springs and surface water. Wells in rural areas are mostly in poor condition. Groundwater quality is poor due to organic contamination. Monitoring data shows that drinking water pollution arises even more from bacteriological contamination than chemical contamination. Most of the bacteria are in the water supply systems of small towns and rural areas, estimating that 74-90% of wells and springs have sewage and fecal contamination (Environmental Assessment for Kosovo WB, 2011).

There is no wastewater treatment in Kosovo. Only 31% of homes are connected to the sewer system. In villages and other small settlements, sewage passes through open canals which contaminate surface and groundwater. This results in poor quality drinking water from the wells.

Industrial wastewater is not treated and is discharged directly into rivers. Recent chemical and bacteriological monitoring shows that most of the rivers in Kosovo are polluted and cannot be used for industrial purposes until the water is treated. While most source rivers are of good quality, this changes rapidly as rivers flow through towns and industries.

Prior to the 1999 conflict, 70,000 ha of land could be irrigated, both traditionally and using irrigation plants or sprinklers. This dropped to 23,000 ha in 1999, due to war and lack of maintenance. The latest data show that currently 31.5% (35,961 ha) of arable land is under irrigation. It is estimated that around EUR 45 million has been requested for the rehabilitation system.

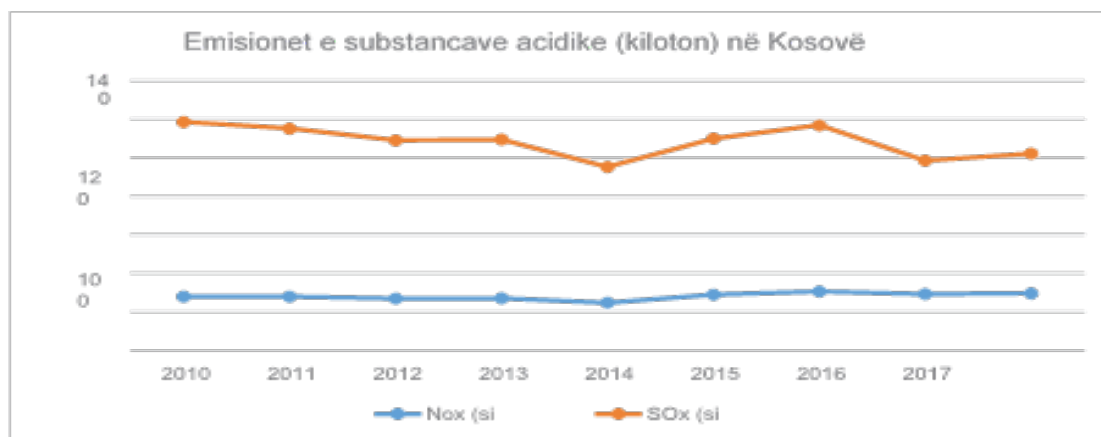
Air Quality

Air is a very important element for human health and in general for the environment that surrounds us. Air is constantly under the influence of various sources of pollutants. One of the main sources of air pollution is ammonium, which comes from agriculture and is released from solid and liquid manure and during the application of PMB and chemical fertilizers. Air pollution is also caused by people themselves as well as by various natural phenomena.

Ammonia emissions from manure can be reduced by reducing the surface area exposed to manure during storage. The possible interventions are the measures: Investment in animal stables and in the organic manure storage.

Average annual SO_x emissions are between 90-110 kilotons, while average annual NO_x emissions are around 20 kilotons.

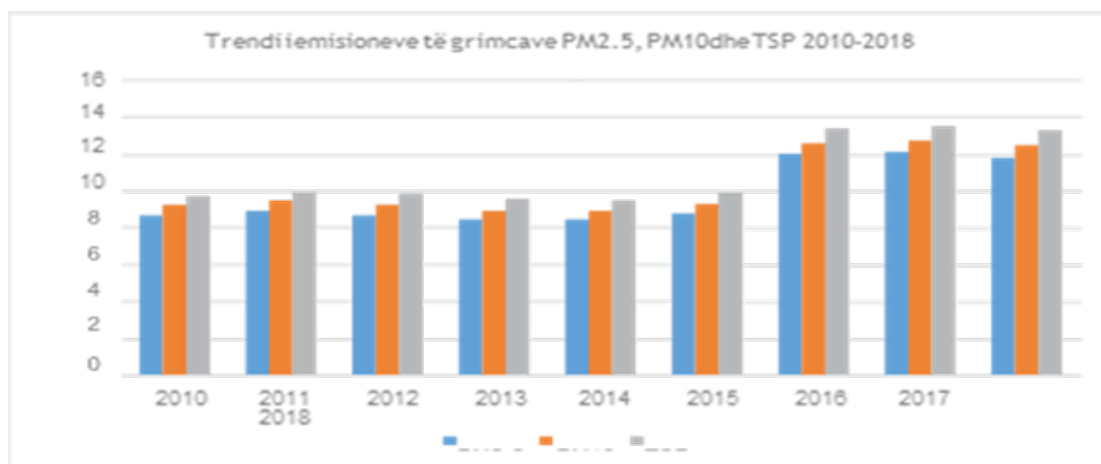
Figure 16: Emissions of acidic substances 2010-2018



Source: National Climate Change Strategy 2018-2017/ Climate Change Action Plan 2018-2020)

PM10 Dust particles, PM2.5 Dust particles and TPS (Total Suspended Particles). As seen from figure 16, the emissions of primary particles suspended in the air show an upward trend. The minimum annual emissions of PM10 are about 8.8 kilotons, while the maximum annual emissions are about 12.6 kilotons. As for PM2.5, the minimum of annual emissions is about 8.3 kilotons, while the maximum of annual emissions is about 12 kilotons. The total emitted particles range between 9.4 and 13.5 kilotons per year.

Figure 17: Particle Emissions PM2.5, PM10 and TSP (kiloton) 2010-2018



Source: National Climate Change Strategy 2018-2017/ Climate Change Action Plan 2018-2020)

Climate Change

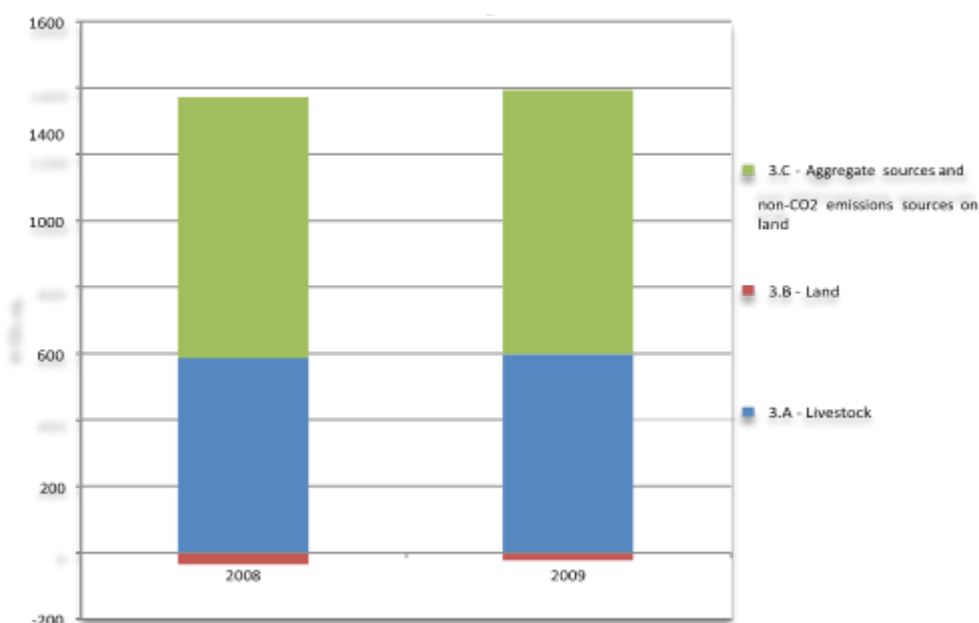
Kosovo has inherited many environmental problems accumulated over decades, affected by uncontrolled exploitation of natural resources, uncontrolled construction on agricultural lands, uncontrolled exploitation of forests, illegal logging, economic and industrial activities, including mining and processing industry as well as high population density, which affect the environment. In addition to all the factors affecting agriculture, forestry and land use, climate change adds additional difficulties to achieving equitable socio-economic development.

Due to the high demand for agricultural products. Agriculture, although small and not sufficiently developed, remains a sector with a potentially high impact on climate change.

The Agriculture, Forestry and Land Use sector accounts for about 13% of the total GHG emissions in Kosovo. This sector consists of three distinct sub-sectors. Livestock, as the first sub-sector, generates about 600 thousand tons of cattle every year. The land use subsector is dominated by forestry, which can be a powerful sequester of atmospheric carbon. Good forest inventory and sustainable forest management can contribute greatly to reducing emissions.

And the third sub-sector of the emission of this category is the management of the use of fertilizers in plant production, which in total emits 800 thousand tons of CO_2 ²².

Figure 18: GHG emissions in the agriculture, forestry and land use sector



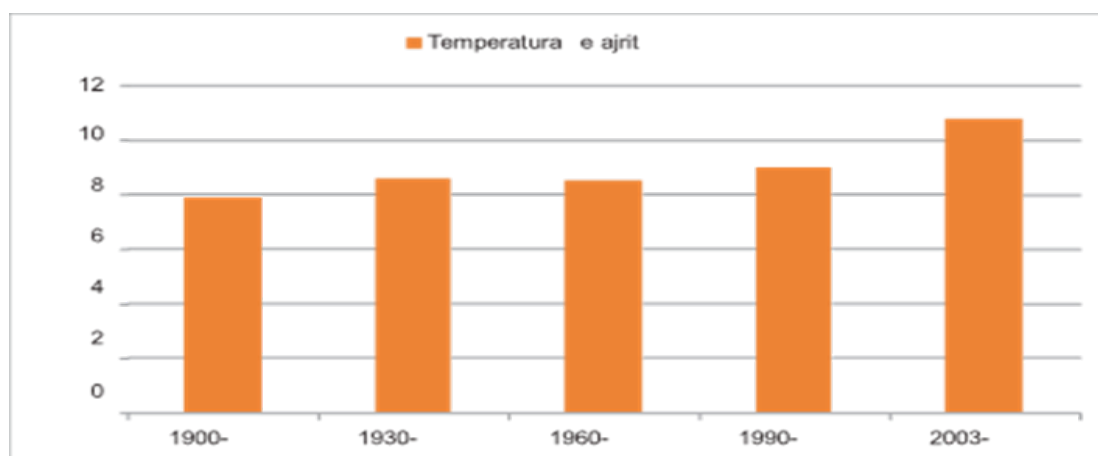
Source: National Climate Change Strategy 2018-2017/ Climate Change Action Plan 2018-2020)

Data on air temperature in Kosovo that come from the Kosovo Hydrometeorological Institute and international institutions, show that in Kosovo since 1900 until today there have been movements of average annual temperatures with an increasing trend. Thus the average annual temperature for the period 1930-1990 was 8.6 Celsius degrees, for the

period 1990-2002 it was 9 Celsius degrees, while for the period 2003-2019, over 10 Celsius degrees (figure 18 and 19).

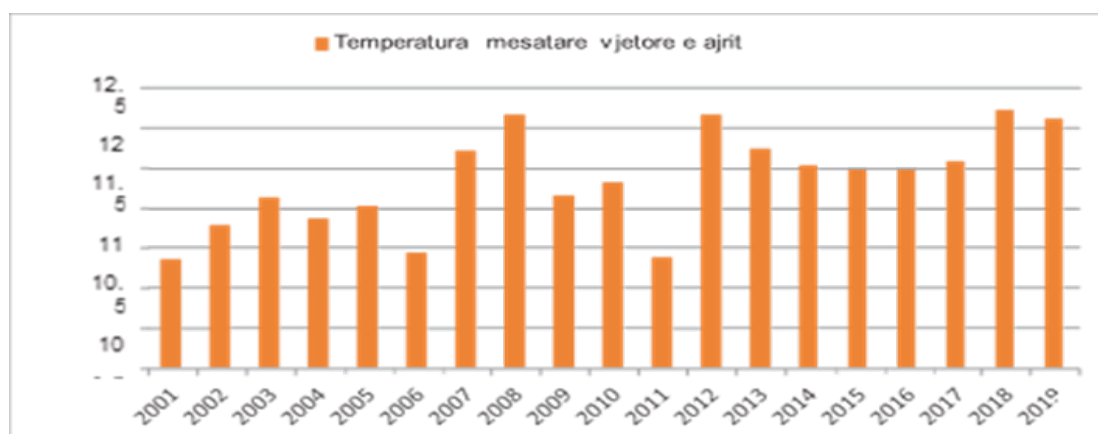
²²National Climate Change Strategy 2018-2017/ Climate Change Action Plan 2018-2020)

Figure 18: Air temperatures 1900 -2003



Source: National Climate Change Strategy 2018-2017/ Climate Change Action Plan 2018-2020)

Figure 19: Air temperature 2001-2019



Source: National Climate Change Strategy 2018-2017/ Climate Change Action Plan 2018-2020)

As can be seen from the table, in Kosovo there are small regional changes in air temperature and there is also a tendency of the temperature to change from year to year with an increasing tendency.

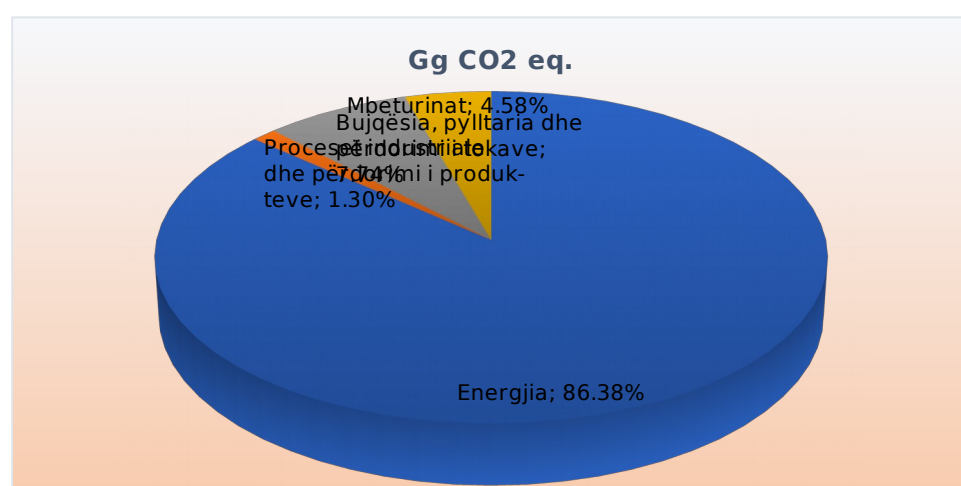
Climate change can affect the intensity and frequency of rainfall. For this purpose the annual rainfall of a country is an important monitoring indicator. Data on the annual rainfall in Kosovo is obtained from the Kosovo

Hydrometeorological Institute and international institutions. This data shows that in Kosovo, from 1930 until today there has been a change in the amount of rainfall with a tendency to reduce the amount of rainfall. Thus the average annual rainfall for the period 1930-1990 was 820 mm, while for the period 2001-2019, it was 674 mm.

Emission of greenhouse gases: The increase in atmospheric concentrations of greenhouse gases produces an effect on climate change, namely on its warming. It is estimated that globally since 1990 to date, the total warming effect from greenhouse gases originating from anthropogenic activities has increased to about 40%

In Kosovo, total greenhouse gas emissions vary between 9,489 Gg CO₂ eq. (2008) and 10,164 Gg CO₂ eq (2016). Emissions depend largely on energy demand and the activities of the energy sector, which is the main emitting sector at the country level.

Figure 20: GHG emissions in Kosovo by category (%)



Source: Green Report 2021

Compared to other countries in Europe, Kosovo has lower emissions (5 tons of CO₂ equivalent), per capita than the European Union average, but has higher emissions than some of the countries in the region. As for CO₂ emissions per unit of GDP (Gross Domestic Product), Kosovo with 0.5 kg of CO₂ has higher emissions than the European Union average and higher than other countries in the region except Bosnia and Herzegovina.

In the framework of monitoring greenhouse gas emissions, Kosovo has so far prepared an inventory of greenhouse gases for the period 2008-2013. The average greenhouse gas emissions in Kosovo is about 9.5 million tons of CO₂ equivalent. The main source of greenhouse gas emissions is the energy sector with a share of 88% of total emissions. The second sector is agriculture with 7%. The waste sector represents 3% of the total discharges and industrial processes and the product utilization sector with about 2.5%. The forestry and land use sector is the only sector accumulating greenhouse gases.

Table 25: Emission of GHG (greenhouse gases) in Kosovo 2013

	Gg CO2 eq.
Total Emission	9568.4
Energy	8428.4
Manufacturing industry	198
Use of products	36
Agriculture	690
Forestry and land use	-34
Wastes	250

N₂O (nitrogen oxide) and CH₄ (methane) are the main GHGs emitted by agriculture. Good agricultural practices should be promoted and farmers trained to limit GHG emissions.

Kosovo has not yet developed scenarios and projections for greenhouse gas emissions for several reasons: as it is not yet a signatory to the UNFCC Convention and the Montreal Protocol and has not yet set a reference year for greenhouse gas emissions. Moreover, so far there has been no assessment of Greenhouse Gas projections and setting targets at the national level for their reduction²³.

Agriculture

The 2018 assessment of the EU's adaptation strategy describes how Europe is still vulnerable to climate impacts within and beyond its borders. Among the four sectors assessed, the transboundary effects of climate change are strongest in agriculture. The new common agricultural policy proposed for 2021-2027 has adaptation as a clear objective, which should motivate Member States and other European countries to increase their investments in adaptation measures²⁴. The socio-economic impacts of climate change can have direct or indirect effects on the agricultural sector. Direct economic impacts are due to changes in productivity and crop yields, while indirect economic impacts affect the sector through changes in trade flows caused by changes in crop production and yields. Climate change affects agriculture in several ways. Changes in temperature and precipitation, as well as weather and climate extremes are already affecting crop yields and livestock productivity. Weather and climate conditions also affect the availability of water needed for irrigation, livestock watering practices, processing of agricultural products, and transportation and storage conditions. Negative impacts of climate change on crop yields have been more common than positive impacts. Impacts can result from changes in temperature, precipitation, hydrological systems (eg irrigation), soil quality, erosion and extreme events.

Responses to climate change: increasing the adaptive capacity of the agricultural sector. In agriculture, adaptation measures occur at a range of spatial scales, including national, regional and farm level.

Farm-level adaptation focuses on technical measures that change production patterns, methods, structures and farm strategies. Technical measures relate to changes in agricultural practices as a result of rising temperatures, for example drought-resistant crops, responsible and targeted

use of pesticides, sustainable use of water, depending on local circumstances, use of hail and frost protection , flood prevention, etc. Adaptation at the farm level should address the specific needs of farms.

²³ Kosovo Environment Report 2020 of environmental indicators

²⁴ Politikat për përshtatjen ndaj ndryshimeve klimatike në bujqësi Policies for adaptation to climate change in agriculture

- Precision agriculture, including modification of fertilization and spray application;
- Use of adapted crops;
- Cattle breeding for greater tolerance and productivity;
- Improving the management of pastures and grazing;
- Improvement of animal rearing conditions;
- Prevention of existing and new diseases;
- No plowing or minimal tillage;
- Cover crops;
- Diversification and crop rotation;
- Efficient irrigation, etc.

3.4 Rural economy and quality of life

Infrastructure:

The rural economy has a significant potential for job creation, to contribute to sustainable development and economic growth of rural areas and the economy in general. Investment/reliance on rural areas can strengthen the link between rural and urban economies and can boost growth and diversify in the agricultural and non-agricultural sectors, and reduce inequality between rural and urban areas. Empowered rural economies not only act as promoters of food security but they also add/promote the traditional values of different rural areas by providing different quality services in a very natural environment.

Rural areas have the potential to become centers of innovation to foster activities and diversification of food systems and livelihoods in general. Generating and promoting jobs in the rural economy is essential to reducing inequality between rural and urban areas. Policies that encourage investment in rural infrastructure, such as: transport networks, telecommunications, energy, healthcare, kindergartens, care for the elderly/people with disabilities, day-to-day services and other activities should be priority areas as a way to contribute to improving the quality of life in rural areas.

According to the data presented in 2019 in the territory of Kosovo we have 2,311.7 km, in the category of roads, motorways are 5.9%, National 28.8% while 65.3% are regional roads.

Table 25: Length of roads in Kosovo by category in km 2015-2019

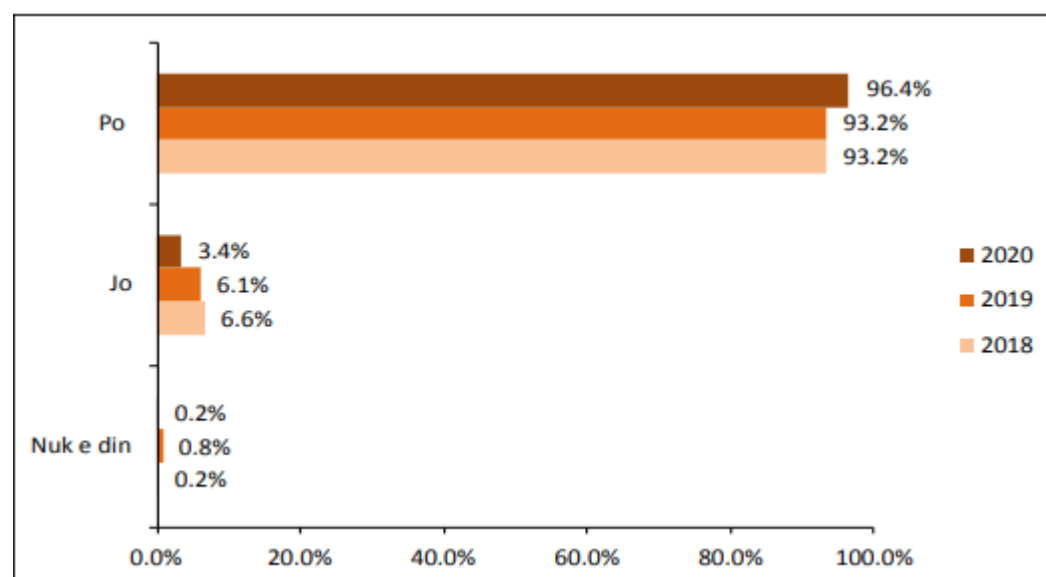
	2015	2016	2017	2018	2019
Motorway	78.0	98.0	108.0	119.1	137.2
National	630.4	630.4	630.4	641.7	665.2
Regional	1,305.0	1,305.0	1,305.0	1,313.9	1,509.4
Total	2,013.4	2,033.4	2,043.4	2,074.7	2,311.7

Data source: MMPHI

In 2019, there were a total of 2,311.7 km of roads, 2,210.7 km or 95.6% expressed as a percentage are paved roads, while 101 km or 4.4% of the roads are unpaved. The two main road infrastructure projects, the highway connecting Pristina with Albania and Serbia were completed in 2013, while the highway connecting Pristina with Macedonia was completed in 2019.

Despite the fact that there are no clear data available for rural roads, it is considered that there is a need for their expansion and rehabilitation or modernization of the existing infrastructure. Rural areas in Kosovo mainly face the lack of proper road infrastructure. Migration is a continuous phenomenon. The difficult social and economic situation, the lack of infrastructure (roads, water supply, sewerage, electricity, hard-to-access terrains, etc.), are the main factors that encourage the population to migrate. Improving the conditions for transportation from rural areas enables the movement of people, the better provision of health and educational services, which contribute to economic development. Investments in rural roads will improve the lives of residents in general. The main beneficiaries of the investment will be residents and businesses in rural areas as well as agricultural economies. The results from the general census that was done in 2011 regarding the use of Information and Communication Technology ICT - and the level of penetration of telecommunication services show that 69.76% of urban households have access to the Internet, while in rural areas it is 47.38%. The rapid development of the use of Information and Communication Technology can also be seen from the results of the 2019 ICT survey. In 2019, 93.2% of households in Kosovo had access to the Internet at home or in their homes from any device.

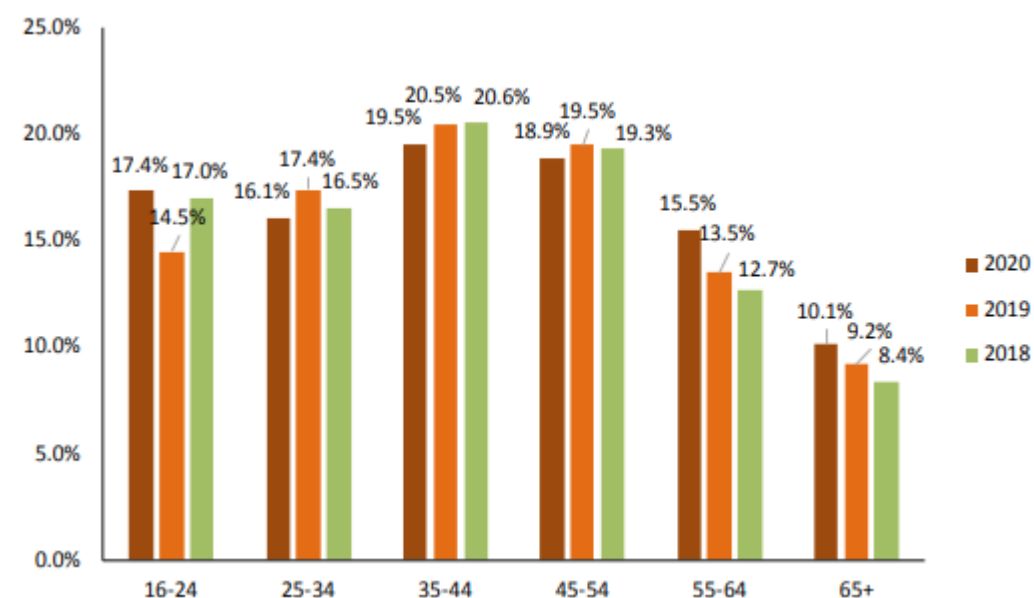
Figure 21: Households in Kosovo that had access to the Internet at home or apartment in the years 2017-2020 expressed as a percentage, (%)



Source: Results of the Information and Communication Technology Use Survey, 2020

As noted in Figure 21, the percentage of households that had access to the Internet from home in 2020 was 96.4%, while in 2019 and 2018 it was 93.2%. Until 2014, there was a very small number of Internet users over the age of +65, during 2019 about 9.2% of the +65 population used the Internet, while in 2020 the percentage of use was 8.4%.

Figure 22: Age group that had access to the Internet at home or apartment in 2018 and 2019 expressed as a percentage, (%)



Source: Results of the Information and Communication Technology Use Survey, 2020

According to gender, men dominate as Internet users with 55.8% compared to women 38.7%. Electricity in Kosovo is now no longer an obstacle to development. The overall generation of electricity has increased steadily during the period 2014 – 2020, but that the electricity market in Kosovo still remains undersupplied and dependent on expensive imports of electricity from the region. Rural areas/villages are supplied with electricity 24 hours a day, but often have problems with interruptions/reductions in electricity supply. The main problem of rural areas related to electricity supply is the outdated power transmission network, as a result of which the current voltage is low.

In 2018, about 86.31% of the population of Kosovo was supplied with water through the public system managed by the Regional Water Companies, while 13.69% of the population did not have access to the public water supply service. There is a big difference in the level of connection in the public system of supply in urban areas (almost 99%) and rural areas (61%). Many of the properties that are not connected to the public supply systems are remote.

The level of connection to public wastewater collection services is much lower. According to the Annual Performance Reports for the Regional Water Companies, only 65% of households in the KRU service area are connected to the public sewage system. In Kosovo, until now, the only plant for the treatment of urban wastewater is the plant in Skenderaj. A small number of small treatment facilities in rural areas are also operating. Wastewater is discharged directly into rivers and is one of the main pollutants of surface water.

Table 26: Basic data on the situation of villages in Kosovo

Categorization of rural settlements by size	Number of inhabitants	Number of settlements (2011)	%
Uninhabited	0	50	3.5
Small	< 2.499	1307	91.7
Medium	2.500-4.999	60	4.2
Large	5.000+	8	0.6
Total		1,425	100.0

Source: Kosovo Zonal Maps 2020-2028

There are 1,425 identified villages in Kosovo. Of these, 50 uninhabited villages, the trend of migration from villages is increasing. Currently, the only definition for the territory of the village is the cadastral zone, which in addition to residential areas also includes other accompanying contents (agricultural land, forest, etc.).

With this in mind, and in order to unify and for equal treatment of these areas throughout the country, the competent municipal authorities are required that within the Municipal Zone Map, rural areas be considered only inhabited areas and spaces planned for expansion of the village, while other contents (agricultural land, forest, water, etc.) should be treated in other categories of zoning. The local level is responsible for defining these areas, unless a property belongs to some municipalities then it should be determined by the central level,

In Kosovo, there are: 1,564 cultural heritage assets under provisional protection. In terms of nature protected areas, over 11.5% of the territory is covered with nature areas declared under legal protection. Most of this area is covered by two national parks, while the rest by areas of other protected categories

About 59% of the population of Kosovo live in rural areas according to the latest census. Kosovo is characterized by a very high population density of about 170 inhabitants/km². The connection between rural and urban areas is strong; therefore rural areas have a multi-dimensional importance for urban areas. Life in rural areas is more favorable in terms of a cleaner, quieter environment as well as with lower costs for living than in cities.

But these areas also face challenges such as: low incomes, high unemployment, lack of public transport, quality medical services and other professional services. Jobs created in rural areas are mainly for unskilled workers, wages and the nature of work are unattractive. Skilled workers migrate to cities. Moreover, women and large numbers of young people often make up the largest number of unemployed.

This can be supplemented with information coming from the 2014 Agriculture Census;

The average age of holders of Agricultural Households and Individual Businesses is 52 years old. Most of the holders are male, while among the members of the household, who work in the Agricultural Household, women dominate. The level of education of the agricultural workforce is low. In terms of education/training in agriculture, more than 95% of managers have only practical experience in agriculture.

Although there is an increase of employees in agriculture, according to statistics in 2016 it was 4.2%, while in 2017 it increased to 5%. Source: KAS, Labor Force Survey, 2017.

As a result, rural areas are depopulated and mostly elderly people remain in these areas. Another problem faced by the population in rural areas is the uncontrolled and unregulated construction activities due to the lack of regulations for planning or their strengthening that leads to the loss of agricultural land.

The compactness of rural areas must be preserved and promoted, the expansion of these areas will have an impact on the irreversible loss of agricultural land.

To overcome these problems in rural areas, investments in new modern technologies must be increased in order to create new employment opportunities, increase incomes and increase productivity.

Another problem faced by the population living in rural areas is underdeveloped infrastructure and lack of public services. Roads, water supply, sewerage, electricity supply network, provision of quality health services, education, care for people in need, etc. Solving these problems is possible through the close cooperation of actors living in rural areas and government authorities.

There are different methods and approaches to problem solving in rural areas. The basic principle of the EU is the implementation of approaches that will manage to ensure sustainable long-term development of rural communities. One of them is the adoption of measures in the rural development program that will help reduce economic disparities between rural and urban areas.

Agricultural and forestry activities make rural areas the most important food providers. Diversifying on-farm activities would be one of several initiatives that will encourage farmers to start new activities in addition to traditional agriculture - e.g. production of traditional foods, cultivation and processing of various spices, production of organic products creating a small-scale processing industry, development of various craft activities, provision of rural tourism services, etc.

Moreover, rural areas are increasingly important as centers of energy production, from biomass and other renewable sources, such as water sources, sun and wind. One of the activities with potential for rural development is the development of rural tourism as an important driver of economic development. Rural tourism stimulates economic growth by generating new income, employment, and investment. It also promotes the values of rural areas including the preservation of cultural heritage, natural heritage, etc.

Taking into account the potential of Kosovo for the possibility of investments in rural areas and in order to improve living in rural areas, MAFRD within the RDP 2014-2020 has implemented the measure of Diversification and development of businesses in rural areas, with several sub-measures. A total of 159 projects have been implemented in rural areas during this period in order to improve livelihoods.

Table 27: Number of projects approved/contracted by to sub-measures and years

No.	Description of sub-measures	Number of projects by year					
		2014	2015	2016	2017	2018	2019
302.1	Production, processing and promotion of honey	56	52	56	48	63	72
302.2	Collection, processing and promotion of berries/Processing of agricultural products at the farm level.	2	7	7	8	33	30
302.3	Processing and promotion of cultivated agricultural products	1	11	11	13	-	-
302.4	Development and Promotion of Craft Activities	-	3	9	12	18	20
302.5	Development and Promotion of Rural Tourism	-	6	14	10	16	7
302.6	Aquaculture - Fish production	-	-	-	-	-	10
302.7	Growing poultry for eggs and meat	-	-	-	-	-	20
/	Total	59	79	97	91	130	159

Biomass Energy: There are various sources to provide forest biomass for energy production:

- Remnants from harvesting operations in the forest, including stalk top branches, leaves, trunks, and root caps that are left during the removal of the stalk wood.
- Various industrial wood waste such as sawdust. This is very important in the current use of wood bio-energy.
- Artificial plantations for the production of short-rotation energy. This includes chips from willow, poplar, eucalyptus plantations planted on the surface of land previously used for agriculture or in bare lands.
- Timber biomass from trees grown outside forests, e.g. horticulture and roadside care,

3.5 Preparation and implementation of Local Development Strategies - Leader

What is LEADER?

Considering that more than half of Europe's population lives in rural areas and that rural areas cover 90% of Europe's territory. With the aim of sustainable rural development, the EU launched the LEADER program during the 1990s. The purpose of this program has been to use the potential of rural areas based on the initiatives of the local population in order to improve living conditions.

A bottom-up approach, involving the local community in decision-making was seen as a good opportunity to develop rural areas, create jobs, improve the quality of life by exploiting the full potential of rural areas where the community lives.

By supporting the local community in designing and implementing sustainable local development strategies, the LEADER approach was seen as an opportunity to be a valuable resource for future rural policies. Ever since the LEADER approach was implemented in the EU, the rural community has played an important role in shaping rural development policies as part of the CAP. The LEADER Program has now become an integral part of rural development policies. Kosovo LEADER experience: At the initiative of MAFRD and supported by EU Funds through the Local Development Strategies Project (LDS), which was implemented during 2007-2009, during this period in Kosovo 30 Local Action Groups (LAGs) were established, which represented the public-private partnership. At the national strategic level, territorial and rural development was introduced for the first time as a priority of the ARDP policy in 2007-2013. The main goal of the LAGs is to contribute to the economic development of rural areas by providing support to communities regarding the preparation and implementation of development strategies in close collaboration with the local community.

In order to facilitate communication, dissemination, promotion and information between the LAG and other stakeholders, the Rural Development Network (RDN) was established. The network is a platform for discussion, and exchange of ideas for various projects and proposals. RDN members have been appointed by MAFRD. The role of the Network is to lobby and promote LAGs at home and abroad. RDN activities have been limited due to lack of understanding of the role and importance of RDN as well as lack of financial support.

In order to activate the LAGs, in 2009 MAFRD started to support the LAGs. Measure 8 was designed to support the direct activities of local communities for which there is a common interest and needs presented by the local community. According to the ARDP 2007-2013, the design of the measure was in line with the LEADER approach of the 4 axes of EU Rural Development (EU Regulation 1698/2006). Due to the lack of commitment from the bottom-up approach, the LAGs applied with projects which were tendered, implemented, managed and billed by the individual LAGs themselves. In this respect the implementation of local development strategies was different from the usual LEADER approach as the LAGs in Kosovo were the owners of the project themselves. The co-financing required has changed. In the beginning, the participation of municipalities was above 50% of the cost transfer in 2009/10, while in 2011 it was 30%. Following the call for applications issued by the MAFRD, the LAGs were eligible to apply for grants.

In 2010/11 each LAG was able to receive financial support for only two projects.

The relevant Working Group established in MAFRD, composed of members of various LAGs, RDN as well as MAFRD representatives have jointly identified specific areas of support and related eligible investments. Although 30 LAGs have been established, not all of them have been active. As shown in the Table below, only 21 Local Action Groups have applied for LEADER projects, while only 66 projects have been supported with EUR 592,300 until 2013. The allocated funds were fully disbursed only in 2011 as the support rate had increased up to 70%.

Table 28: Financial support for LAGs 2009-2013

Year	No. of applications	No. of projects Accepted	% of projects accepted	Budget planned	Intensity of aid in %	Funds Use in €	Budget Use in %
2009	21	11	48%	42,300	50%	40,295	95.30%
2010	19	13	68%	100,000	50%	60,287	60.30%
2011	18	15	83%	100,000	70%	100,663	101%
2012	15	13	86%	150,000	70%	89,368	59%
2013	39	14	36%	200,000	70%	185,674	92.80%
Total	112	66	64%	592,300	62%	476,287	81,6%

Source: MTE Report 2012) MAFRD, RDPD / Monitoring and Evaluation Unit for 2012, elaborated by ARDP

In the first four years of the measure implementation, only half of the LAGs actively participated in the ARDP activities, while the other LAGs were passive. One of the main reasons for the passivity and limited activity of the LAGs have been: due to the lack of knowledge among local authorities on the role and importance of the LAGs, lack of knowledge about access to funds, insufficient communication with relevant municipalities, failure to promote LAGs, lack of capacity to prepare and implement projects.

In order to improve the current situation and strengthen the role of LAGs in the period of the Program 2014 - 2020, MAFRD has decided to continue to support LAGs and RDNs of LAGs. Prior to the preparation of the measure for continuity of support, a SWOT analysis was made for the LEADER approach. According to the SWOT analysis, the overall objective of the Leader approach has emerged: "Local capacity building in order to improve living in rural areas according to the bottom-up approach." The Leader approach aims to develop civil society and social dialogue within the rural population, facilitate good governance through local partnerships, and foster employment and human capital development.

As a result of the SWOT analysis, a considerable number of weaknesses have emerged which have been addressed with the activity that will be conducted:

- Reorganization of LAGs
- Review and implement local strategies of LAGs, based on bottom-up approach.
- Strengthening the Network of LAGs
- Regulation of legal infrastructure for access to funds
- Capacity building within LAGs According to the Leader approach

Taking into account all these, MAFRD during 2014 has implemented the activity "Technical Assistance for capacity building of potential LAGs and RDN", in the form of a call for the preparation and presentation of Local Development Strategies (LDS). Existing or new LAGs had the right to apply in certain funds in order to carry out their activities. Their task was to prepare new local development strategies or to update the existing ones in order to qualify/be selected for the following activities, foreseen within the LEADER chapter of the ARDP. The call was announced by the Rural Development Policy Department (RDPD) / Managing Authority (MA). As a result of the call for applications for the activity "Technical assistance for capacity building of potential LAGs and RDNs" have applied a total of 12 potential LAGs and RDNs of LAGs. Financial means for this activity "Technical assistance for capacity building of potential LAGs and RDN were in amount of 150,000 Euros. The 12 potential LAGs that had applied for the activity "Technical Assistance for Capacity Building of Potential LAGs and RDNs" had the task to submit their LDS by the end of 2014. (Local Development Strategies) prepared or revised.

By decision of the Minister of MAFRD, the Commission for evaluation of the LDS was established. This Commission was composed of a total of 5 members, including experts from ARDP/MA, the Agency for Agricultural Development (ADA) and an independent expert representing civil society.

The selection committee was previously trained by experts mobilized within the GIZ-COSiRA project framework. The same experts provided technical assistance and training during the selection procedure. The selection committee has made an in-depth evaluation of the 12 SDLs submitted. The evaluation is based on the eligibility and selection criteria, identified in advance.

The selection committee has also drafted recommendations for improving the quality of submitted LDS-s. The selection procedure was completed at the end of December 2014; all 12 SDLs were considered acceptable, as they had achieved more points than the expected minimum (60/100).

Based on the quality of the submitted documents, the Selection Committee has concluded that there is a significant difference in the quality of the LDS-s.

The successful selection of the first group of 12 LAGs should be followed by the implementation of the first two activities, envisaged under Measure 303 "Design and implementation of local development strategies - leader approach" - for the selected LAGs. The third activity (cooperation) will start at a later stage, once the LAGs are well structured, their employees are trained and the inhabitants of their territories have demonstrated capacity to benefit from those activities.

Although the Selection Committee had completed its work on time and the LDS evaluation report was submitted on time for signature to the current Minister, there was a delay in the signing by the Minister.

The call for application for selected LAGs and for RDN of LAGs was made at the end of 2015, for the implementation of the first two sub-measures, foreseen under Measure 303. Sub-measure 303.1 "Acquisition of skills and encouragement/animation of the inhabitants of the territory of the LAGs for selected LAGs" and sub-measure 303.2 "Implementation of local development strategies - LEADER approach".

The sub-measure "Implementation of local development strategies" had two activities:

- a. First activity being Functionalization of the elected LAGs and the RDN of the LAGs by supporting the operating expenses: opening of offices, engagement of a manager, equipping of offices, etc.
- b. The second activity is the implementation of the LDS-s of the LAGs which will promote and implement small projects in line with the SDLs.

Sub-measure 303.1 "Acquisition of skills and animation of the inhabitants of the territory of the LAGs for selected LAGs".

Due to the delays, the call was made for the activity "Functionalization of selected LAGs and RDN of LAGs", supporting them in opening offices.

In 2016, only one activity was carried out, "Functionalization of selected LAGs and RDN". All selected LAGs opened offices and managers were selected. At the end of 2016, it was planned to make a call for application, for continuity in support of operating expenses (office, manager, etc.), as well as the activity "Acquisition of skills and animation of the inhabitants of the territory of the LAG - for selected LAGs" but due to budget changes the call was not completed.

In April 2017, in March 2018 and May 2019, calls were published continuously for application for selected LAGs and for LAG RDN to apply for funds for activities: 1. "Functionalization of the LAGs/operating expenses, "Acquisition of skills and incentives of residents in the territories of the LAGs" and "Implementation of the LDSs of the LAGs". During this period, although with great difficulty, the 12 LAGs and the RDN of the LAGs implemented their activities.

LAG: Planned/implemented budget, by year (2014-2019) (to be completed with information)

Tabel 29: GLV: Planned/realized budget (2014-2019)

Measure 303 Local Action Groups (LAGs)	Allocated	Completed
2014	150,000	93,871
2015	300,000	66, 816
2016	300,000	59,880
2017	300,000	-
2018	300,000	208,566.21
2019	300,000	192,147.20 up to date *
Total	1,650,000	554,464

Source: ARDP and ADA

As can be seen from the table above during the period 2014-2019 for LAGs and RDN a total of 1,650,000 have been allocated and a total of 621,283 Euros have been spent.

National LAGs Network

In order to facilitate communication and dissemination of information between the LAGs and other rural stakeholders, the national rural network of LAGs was established. The membership fee is set to be 100 Euros per year for each LAG.

LAG managers are constituent members of the network as well as a representative from MAFRD. The network has also established a Management Board of eight members. The management board then selects its governing bodies.

The network is supposed to function as a platform to discuss various project ideas and proposals as well as exchange experiences. The members of the network are also members of the MAFRD working group and it was established in order to discuss the opportunities and problems of LAGs that they face during their work.

During the Programming period 2014-2020, both LAGs and RDNs have received funds from MAFRD to conduct their activities. One of the main tasks of the RDN of LAGs has been to identify the needs of such LAGs:

Some of the LAG needs have been:

- Organizing various trainings for capacity building of LAG members.
- How to animate the population of a certain territory;
- Trainings for the preparation of various projects;
- Organizing various information sessions;
- Support in joint organization of various fairs in promoting the goods of rural areas.

The LAG Rural Development Network, in addition to benefiting and cooperating with MAFRD, has also had ongoing collaborations with donors such as GIZ/Cosira (German) and HELVETAS/S4RE (Swiss). Collaborations have been on continuous capacity building of LAG members. Cooperation with Helvetas/S4RE, project "Activation and empowerment of local action groups" in municipalities: Kamenica, Shtërpçë, Dragash, Novobërdë, Viti.

Moreover, during this period RDN of LAGs has had the cooperation and support of the project of GIZ/Cosira (German). The purpose of the trainings was to exchange experiences, inform and raise awareness about the LEADER Approach, the functioning, function and vision of the LAGs, the dissemination of information, the work done, the results achieved and the next steps to be taken for the future.

3.6 Table of context indicators

Tabel 30; Context pointers

Socio-economic indicators				
Context indicator name	Unit of measurement [if relevant]	Context Indicator Value [required]	Year 2018 [required]	Comments [Optional] References:
1.Territory:	km ² number	Total surface of the territory of Kosovo: 10.905,25km ² Number of municipalities: 38 Number of settlements: 1.469.00	2021	KAS: KAS, 2022 Statistical Yearbook of the Republic of Kosovo 2022
2.Population	number	Total resident population: 1.773.971	(31 December 2020)	KAS: KAS, 2021 Statistical Yearbook of the Republic of Kosovo 2022
2.1 Population in rural and urban areas	%	- In rural areas live: 59% of the population. - 41% of the population lives in urban areas.	2011	KAS: KAS, 2021, Statistical Yearbook of the Republic of Kosovo 2022
3. Density of population.	number/km ² .	162.70 inhabitants per 1 km ²	(31 December 2021)	KAS: KAS, 2022 Statistical Yearbook of the Republic of Kosovo 2022
4.Households.	number	Total number of households: 365.767	2021	KAS: Statistical Yearbook of the Republic of Kosovo 2022
5. Number of businesses	number	74,658 active businesses	2021	KAS: Statistical Yearbook of the Republic of Kosovo 2022
6. Key indicators of the labor market	%	Employment/unemployment rate % 2014: 26.90 / 35.30 2015: 25.20 / 32.90 2016: 28.00 / 27.50	2014-2020	KAS: Statistical Yearbook of the Republic of Kosovo 2022

		2017: 29.80 / 30.50 2018: 28.80 / 29.60 2019: 30.10 / 25.70 2020: 28.40 / 25.90		
7.Total Export-Import	million, billion €.	- Export of goods: 755,7 million € - Import of goods: 4,6 billion €	2021	KAS: Statistical Yearbook of the Republic of Kosovo 2022
8.Gross Domestic Product	thousand €	7,957,876€	2021	KAS: Statistical Yearbook of the Republic of Kosovo 2022
9. Number of enterprises registered by economic activity	years/no.	Total registered enterprises / Enterprises registered in agriculture, forestry and fisheries 2014: 9,404/674 2015: 9,833/945 2016: 10,424/1,090 2017: 9,223/822 2018: 9,805/626 2019: 10,004/121 2020: 9,805/ 397 2021; 10,649/269	2014-2021	MAFRD: 'Green Report 2022'
Sectoral indicators:				
Context indicator name	Unit of measurement [if relevant]	Context Indicator Value [required]	Year (required)	Comments (Optional) References:
1. Agricultural economies.		130.775 agricultural economies.	2021	MAFRD: 'Green Report 2022 Based on the agriculture census, 2014.
2.Livestock funds:	number, (heads, hives).	- Bovine: 260,528 heads; - Sheep/goats 241,393 heads; - Pigs: 47.384 heads; - One-hoofed (<i>horses, mule, donkey</i>): 1.864 heads; - Fowls (chicken, turkey, geese and ducks): 2.788heads; - Bee hives: 219,077 c.	2021	MAFRD: 'Green Report 2022'
3. Agricultural area:	ha, %	Arable land / fields: 188,375(vegetables	2021	MAFRD: 'Green Report 2022'

		<p><i>in the open field: 8,491 greenhouses: 562).</i></p> <p>Gardens: 1,089 Orchar plantations: 10,144 - Vineyard plantations: 3,471 - Nursery: 140 eadows and pastures: 217,107 ha</p> <p>Total utilized area of agricultural land: 420,327 ha The use of agricultural land, according to categories, has this distribution: - Meadows and pastures (including common land) with a participation of 51.7%, - Arable land - 44.8%, - Other: 3.5%</p>		
4. Farm size		In Kosovo, farm size of 5 to less than 10 ha represents 35% of the total arable land area, followed by farm size of 2 to less than 5 ha (21%), size 1 to less than 2 ha (16%) and other sizes with less participation where the size with the smallest area is that from 0 to less than 0.5 ha.	2020	MAFRD: 'Green Report 2021'
5. Total number of persons engaged with the agriculture:	Number / % Annual Work Units / AWUs (where 1 AWU equals 1,800 working hours per year / 225 working days / from eight	<p>Total number of persons engaged with the agriculture: 270 181 persons. Their general contribution to agricultural work: 82 656.98 Annual Work Units (AWUs). The structure of the age group of bearers, it is observed that the age group 35 to 45 years is the largest group and constitutes 33% of this structure, while</p>	2019	KAS: Agricultural Economies Survey (AES), 2019

	<i>hours per day).</i>	the next group is the age from 45 to under 55 years which constitutes 25%.		
6. Irrigation of agricultural land	ha	Through forms of formal and informal irrigation in our country, a total of 19,958 ha were irrigated during 2021. Through formal irrigation organized through irrigation companies, a total of 14,451 ha were irrigated, while through informal irrigation, unorganized irrigation and irrigation individual which is made from different water sources such as rivers, wells, etc., 5,506 ha were irrigated.	2021	MAFRD: 'Kosovo Green Report 2022'
7. Registered agri-business enterprises.	years/number	Number of registered agri-business enterprises 2014: 2,055 2015: 2,130 2016: 2,314 2017: 2,398 2018: 2,942 2019: 2,405 2020: 2,780 2021:3,019	2014-2021	MAFRD: 'Kosovo Green Report 2022'
8. Number of employed persons in agri-businesses	years/number	Number of employees: 2014: 8,004 2015: 8,790 2016: 10,024 2017: 10,449 2018: 13,156 2019: 12,467 2020: 14,996 2021:17,260	2014-2021	MAFRD: 'Kosovo Green Report 2022'
9. FADN Standard Results.	€, unit	If we analyze farm revenues for 2018, we notice that the total value of output (production) as an average per farm was € 7,773, net farm revenues € 1,778 and	2018	MAFRD: 'Kosovo Green Report 2020'

		net farm value added per annual unit of work was € 1,552. In terms of costs, in 2018 inputs amounted to € 6,342, intermediate consumption € 4,772, and depreciation 1,142. The ratio between output and input was 1.23.		
10. Trade balance in the agricultural sector	million €.	Export: 92,642 mil. € Import: 965,569 mil. € Trade balance: -872,927 mil. €	2021	MAFRD: 'Green Report 2022'.
10.1 Export/Import of agricultural products, by years.	in '000 €	<u>Year / Export / Import / Balance / %</u> 2014: 39,359 616,118/-576,759/6.4 2015: 41,683 633,702/-592,019/6.6 2016: 45,205 658,730/-613,525/6.9 2017: 61,336 694,517/-633,180/8.8 2018: 63,950 712,314/-648,364/9.0 2019: 65,510 759,359/-693,849/8.6 2020: 78,076/765,357/10.2 2021: 92,642/965,569/9.6	2014-2021	MAFRD: 'Green Report 2022'.
11. Gross domestic product structure, by activities Economic / Agriculture	year / %	Participation of agriculture in Gross Domestic Product 2010-2020, (%) 2014: 8.3 2015: 7.7 2016: 8.2 2017: 7.4 2018: 6.5 2019: 7.2 2020: 7.4 2021:6.9	2014-2021	MAFRD: 'Green Report 2022'

12. The value of plant and livestock products at current prices	Year/%	Plant production: 532 Beekeeping production: 277	2021	MAFRD''Green Report 2022
Environmental indicators				
Context indicator name	Unit of measurement [if relevant]	Context Indicator Value [required]	Year	Context indicator name
1. Biodiversity Flora - Fauna	number	In our country it is thought that there are 2600 - 2800 different species of tall plants, among them in addition to endemic species there are also stenoendemic species. The latter are species that grow only in our country and nowhere else and are a total of seventeen (17) species.	2019	Ministry of Economy and Environment Annual report on the state of the environment in Kosovo, 2018-2019
2. Nature Protected Areas	number, ha, %	The total number of protected nature areas in Kosovo (2021) is 248 which include an area of 126,023.2ha, or 11.5% of the area of Kosovo. These areas include: 19 Strict Nature Reserves ("Arnen Reserve", "Ropsi Peak", "Rusenica", "Kamilja", etc.), 2 National Parks ("Sharri" and "Bjeshkët e Nemuna"), Nature Park, six (6) Protected Landscapes and one (1) Special Bird Protected Area.	2021	Ministry of Environment, Spatial Planning and Infrastructure: Annual report on the state of the environment 2021.
3. Ecotourism	places	The most important ecotourism destinations in Kosovo are: Sharr Mountains, Bjeshkët	2021	Ministry of Environment, Spatial Planning and Infrastructure:

		e Nemuna, Mirusha Waterfalls, Blinaja, Gadime Cave, Drini i Bardh Spring and Radavc Cave, Gryka e Madhe Cave, Batllava Lake, etc.		Annual report on the state of the environment 2021.
4. Organic Productivity	ha/number	Data for 2019 show that there are a total of 480 ha cultivated with medicinal and aromatic plants, 35 certified companies, 373,488 ha certified areas for collection of medicinal plants and wild trees and 45 collection centers throughout Kosovo. There are also 522.47 ha cultivated with pumpkins for seed production/production of organic oil and 34.07 ha cultivated with nuts.	2019	Ministry of Economy and Environment "Kosovo 2020 Environment, Environmental Indicators Report",
5. Forests	%	Based on statistics released by the National Forest Inventory/NFI of 2012, Kosovo is covered with 45% of forests, which is considered a sustainable potential for development of the country, of which about 62% are public forests and about 38% are considered private forests. Based on forest inventory, protected areas or forests cover about 12% of their total area and in themselves enclose about 36% of the total volume.	2021	MAFRD: 'Kosovo Green Report 2022'
6. Erosion	%	7.35% of land areas in Kosovo have very strong erosion intensity, 16.1% strong, 35.4% medium, 24.55% weak, 10.1% very weak and 6.5% without erosion	2018	Ministry of Economy and Environment "Kosovo 2020 Environment, Environmental Indicators Report",

4 SWOT - SUMMARY OF THE ABOVE ANALYZES

4.1 Agriculture, forestry, food industry (separate tables for each sector selected for support)

SWOT Analysis - AGRICULTURE

SWOT analysis cow milk production	
Strengths	Weaknesses
<ul style="list-style-type: none"> - Long traditions in livestock production in general; - A large number of farmers engaged in milk production have practical experience and knowledge on basic business figures is driven by a market-oriented approach. - The Association of Dairy Producers is playing an active role, e.g. in the collection of milk samples and the promotion of the introduction of the milk quality scheme - Favorable environmental and ecological production conditions. - There is animal identification and registration - Consolidated milk collection system and quality control system 	<ul style="list-style-type: none"> - Most dairy producers are small farms (1 to 9 cows 65%; 10% more 10 cows - Low average annual yields for cows and high production costs - Low farm hygiene, low quality raw milk - Milk collection points are still dissatisfied with the milk supply given the large number of milk suppliers making it difficult to control milk quality - Low quality feed for fodder - High cost due to low annual yields for cows and high feed cost - Insufficient specialization (milk or meat) in production.
	<ul style="list-style-type: none"> - Low level of education in farm management (especially small farmers), which has led to poor herd management practices and lower quantities and quality of raw milk. - Databases for reliable breeding information are not used properly - The bargaining power of dairy producers with processors is small and ineffective - Low availability of technical assistance through government extension service

	<ul style="list-style-type: none"> - There is no coordinating body, at national level, to articulate the demands and needs for market organization and production - Animal Health and Welfare - lack of farmer-veterinary contracts, lack of environmental standards (fertilizer management rules based on the Nitrates Directive)
Opportunities	Threats
<ul style="list-style-type: none"> - Forced modernization in the future will improve the quality and revenue of milk - Consolidation of farms through the increase of the breeding fund and the racial improvement of dairy cows. - Milk production and processing are considered among the top priorities for rural development policies. - Supporting infrastructure improvements in forage quality production - The subsidy program exists and is easily accessible - The grant scheme exists and is accessible - Dairy product awareness and marketing - Investments in the renewable energy 	<ul style="list-style-type: none"> - Migration of agricultural labor force; small farms will be closed; less employment - Various diseases - Small-scale natural disasters - Changing the destination of agricultural land
SWOT analysis sheep and goat milk production	
Strengths	Weaknesses
<ul style="list-style-type: none"> - Long traditions in sheep production in general; - Sufficient pastures and environment for ecological production - Local breeds have adapted to the conditions of production - The quality of lamb is well known 	<ul style="list-style-type: none"> - Small farms and fragmented lands - Farm infrastructure is poor - There is no integrated market for lamb and milk. There are no contracts between slaughterhouses or milk processors. - Low milk production and low milk quality - High production cost

	<ul style="list-style-type: none"> - Poor road infrastructure for access to stables and pastures - Lack of pasture maintenance - Lack of record keeping on the farm - There are no licensed slaughterhouses for the export of lambs - There is no coordinating body at the national level to articulate the demands and needs for market organization and production - Seasonal production of sheep milk
Opportunities	Threats
<ul style="list-style-type: none"> - Opportunity to open the market for the export of lambs - Organic meat and milk production - Providing payment for milk quality for sheep and goat milk - Protecting the Origin of Sharri Cheese - Awareness of the use of marketing of dairy and meat products - Investments in the renewable energy - Implementation of agro-environmental scheme for extended grazing 	<ul style="list-style-type: none"> - Migration of agricultural labor force; small farms will be closed; less employment - Various diseases of sheep and goats - Without the support of grants and subsidies this sector can not develop - Changing the destination of agricultural land

SWOT analysis - milk processing

SWOT analysis - Milk processing	
Strengths	Weaknesses
<ul style="list-style-type: none"> - Large companies use modern equipment for milk processing and have high production capacities 	<ul style="list-style-type: none"> - Low average quality of raw milk collected in the dairy factory. - The processing industry is

<ul style="list-style-type: none"> - Large dairy companies have a hygienic level (EU) - Shrinking the size of the informal sector - Dynamic sector: consolidation is going relatively well - Infrastructure and technical knowledge for large-scale milk quality testing are operational and fully utilized - The installed technical processing capacities exceed local production and present opportunities for additional milk production. - 	<p>not willing/able to pay more than the current price for better quality milk. The incentive for milk quality in the short term is driven by subsidies</p> <ul style="list-style-type: none"> - High costs, especially for milk collection - Dairy processors are often in a poor negotiating position against large supermarkets - Lack of the necessary amount of local milk for processing. - Limited range of dairy products - There is no relevant instrument to be provided to processors by the state and which to regulate market surplus by supporting the storage of dairy products that are stored for longer periods - The informal sector is still large and has a high level of farm consumption and a high level of sale of raw milk in the green markets. - There is no systematic approach to diversifying production and developing new products - Unobtainable controls for imported products; - There are no exports; - Lack of breeds of dairy cows with high productive potential - Loss of employees due to migration; - Low level of other employees; - Low waste water treatment;
<p align="center">- Opportunities</p>	<p align="center">- Threats</p>

<ul style="list-style-type: none"> - Better access to regional market and open market in EU - Increasing domestic demand through import substitution - Niche products (sheep and goat milk) can be developed 	<ul style="list-style-type: none"> - More direct competition from dairy products imported from the EU - Domestic competition and price pressure - Small processors with low competitive power will be shut down
<ul style="list-style-type: none"> - Raising consumer awareness of the consumption of local dairy products - Increase quality control for imported products - Increasing the value of dairy products through processing, quality improvement, branding, etc.; - Export potential, especially to neighboring countries - Increasing demand for quality products 	<ul style="list-style-type: none"> - Higher costs for food safety controls - Proper market regulations are lacking; Imports of cheaper dairy products from the EU and other third countries are high.

SWOT analysis - meat production

Strengths	Weaknesses
<ul style="list-style-type: none"> - Long traditions in livestock - Availability of significant areas for grazing and forage production. - Favorable environmental and ecological conditions of production 	<ul style="list-style-type: none"> - Small-scale farm structure and old stables - Dual-purpose breed beef production - There is no association for this sector - High cost of input, especially feed due to insufficient quantities of wheat produced on farms (imported protein sources) - Overall low production efficiency and low farm prices for veal - Land fragmentation is hampering agricultural development and forage production - Small-scale slaughterhouses are working in old premises and with poor hygiene - Lack of trust and mutual cooperation between meat producers and processors/traders; - Animal registration and identification works quite well for "inside" data (i.e. additional animal identification), but still not well enough for "outside" movement and data recording (slaughterhouses)
Opportunities	Threats

<ul style="list-style-type: none"> - The development of distribution chains will promote the consolidation of commercial farms - Consolidation of the meat processing industry will create more demand for local meat - Overall demand for beef is expected to increase in parallel with revenue growth 	<ul style="list-style-type: none"> - Low quality imported frozen meat - Infectious animal diseases such as FMD or brucellosis pose a constant threat
--	--

SWOT analysis - broiler meat production

Strengths	Weaknesses
<ul style="list-style-type: none"> - Increased domestic market demand for fresh chicken. - The short period of changing tones and breeding birds with the fastest revenue cycle for the business. - A medium-sized family of members is usually enough to manage a medium-sized farm 	<ul style="list-style-type: none"> - Broiler production is carried out mainly on small farms, thus increasing production costs and reducing competitiveness. - No specific policies for meat production in general and broiler production in particular - No breeding farm or incubation environment - Small-scale poultry slaughterhouses often operate on older premises - Dependence on imported chickens and the high cost of one day chicken imported birds - Manure management infrastructures are not fully developed increasing the risks to animal health - Frozen poultry meat cheaper from other countries - low quality
Opportunities	Threats
<ul style="list-style-type: none"> - Poultry have the best feed conversion ratio and, therefore, is the most cost-effective form of animal protein intake for human consumption compared to other meats. - Construction of a farm for breeding and hatching eggs - Creating a small slaughterhouse for broilers - Increasing demand for more affordable protein sources, in addition to red meat, increases the opportunities for new farms in the market and increases the workload for the old ones. - Campaign to increase consumption of fresh chicken meat 	<ul style="list-style-type: none"> - With the lack of relevant regulations in the market, the import of cheaper and lower quality frozen poultry meat from other countries is large. - Various diseases and market contraction - Environmental issues: manure management - The broiler sector depends on foreign inputs such as breeding stocks and vaccines - Poultry production in Kosovo is highly dependent on the import of food materials for food preparation, thus exposing the sector to market price fluctuations.

SWOT analysis - egg production

Strengths	Weaknesses
<ul style="list-style-type: none"> - One family and a few workers are usually enough to manage a 	<ul style="list-style-type: none"> - The price of eggs is subject to strong fluctuations

<p>medium-sized farm</p> <ul style="list-style-type: none"> - The largest commercial poultry farms for egg production are well managed and competitive. - The feed conversion ratio is good as well as mortality, indicating good overall management. - The most effective businesses are producing concentrates for their needs and for the market - Some egg producers are also raising birds until they become chickens and partially sell them. 	<ul style="list-style-type: none"> - Most medium-sized egg producers are not integrated into the upper system (e.g. have no control over inputs and distribution) - Fertilizer management infrastructures and its quality are not fully developed increasing the risks to animal health - Egg classification is not done; most farms do not have collection and sorting lines for eggs - Poor packaging and marking - There are no egg collection centers - Lack of external egg processing capacities - Failure to implement the vaccination program through licensed veterinarians - Use of foods containing antibiotics without control - Part of the production farm capacity is not used; Smaller manufacturers have been taken off the market due to price fluctuations
Opportunities	Threats
<ul style="list-style-type: none"> - Increasing egg consumption will require increased production - Supply of manure for fertilizer/biogas production will increase farm revenues - The development of organic farming will create value-added products - Investments in the renewable energy - Export marketing with a focus on quality products 	<ul style="list-style-type: none"> - Egg production in Kosovo relies heavily on the import of food materials for the preparation of nutrients exposing this sector to market price fluctuations. - The poultry sector depends on foreign inputs such as (daily bird stocks and vaccines) - Animal welfare norms are not harmonized; harmonization would lead to the need for large investments or replace all laying hens cages.

SWOT analysis - Meat processing

Strengths	Weaknesses
<ul style="list-style-type: none"> - Large companies use modern meat processing equipment and have high processing capacities - Great demand shown sellers for meat; - Processing capacities are above the level of local meat production 	<ul style="list-style-type: none"> - Unregistered slaughter, high slaughter outside the licensed slaughterhouse - Lack of trust and mutual cooperation between producers and processors - High costs, especially for domestic meat production - General poor conditions at slaughter - Insufficient controls for imported products
Opportunities	Threats
<ul style="list-style-type: none"> - Better access to regional 	<ul style="list-style-type: none"> - More direct competition from

<p>market and open market in EU</p> <ul style="list-style-type: none"> - Increasing domestic demand through import substitution - Raising consumer awareness of the consumption of local meat products - Increase parity control for imported meat that goes for processing 	<p>imported meat products</p> <ul style="list-style-type: none"> - Domestic competition and price pressure - Higher costs for food safety controls
--	--

SWOT analysis for cereals, fodder crops and potatoes - farmers

Strengths	Weaknesses
<ul style="list-style-type: none"> - High mechanization is possible if the plots are the right size (30 ha and more/needed for the plot) - Demand from processors (mills and potato mills), but low price - High on-farm demand for bread and fodder for livestock 	<ul style="list-style-type: none"> - Yields are relatively low due to lack of technical and managerial skills, but also due to conservative investments in terms of risk; at the same time a yield of 4,000 kg/ha brings only 108 Euros Gross Margin and many farmers do not reach this level - Old farm technologies; old tractors, old combine harvesters, etc. - The cereals market is relatively weak as mills use imported cereals due to lower prices and standardized qualities. - It is often cultivated for on-farm consumption and not for the market - Limited need for labor, so it does not have much effect on employment - Farmers do not keep records of expenditures
Opportunities	Threats
<ul style="list-style-type: none"> - Increased demand for green corn (silage), although mainly for farm purposes - Improving the availability of services with machinery; indirectly, access to new technologies (which farmers do not need to purchase) - Contract work for cereals between farmers and mills; there are more than 99 mills in Kosovo - Improving the availability of public agricultural infrastructure (e.g. silos) that can be rented by farmers - There is enough arable land (even 	<ul style="list-style-type: none"> - In general, the small size of farms makes grain production uncompetitive - Poor seed quality as the products are usually sold in bulk and therefore strict labeling is not applied; also, quality is lacking - Limited seed production in the country - Weather and climate change; there will more often be dry winters with limited rainfall - Organic farms are not properly supported and attract "abusers" - Misinterpretation of wheat as a

for rent) that is not suitable for other crops - Overall plan for 270,000 ha with irrigation for the next 30 years; would serve forage crops like alfalfa - Increasing the size of farms by improving the land market	strategic commodity - Lack of cooperation with industrial harvest processors
---	---

SWOT analysis for vegetables - farmers

Strengths	Weaknesses
<ul style="list-style-type: none"> - Enough work for family - Sufficient land available for greenhouses and vegetable production in the open field - The farmer has the opportunity to sell vegetables in the fruit-vegetable market - Farmers have the opportunity to sell to processors, if they plan well in advance (production on a contract basis) 	<ul style="list-style-type: none"> - Very small plots; very small farms - Production disabilities; soil management can be improved - Limited and old mechanization, tractors, plows, sprinklers, trailers - There are very limited irrigation schemes - Limited access to finance (also due to lack of title deeds); the creation of orchards is characterized by several years without production - There are limitations to professional storage facilities, as they are costly - Marketing is not well developed <ul style="list-style-type: none"> - especially for small owners; selling in fruit or vegetable markets or wholesale ones takes a lot of time - Lack of modern nurseries for the production of vegetable seedlings in greenhouses
Opportunities	Threats
<ul style="list-style-type: none"> - The national market can absorb more; self-sufficiency has not yet been achieved. There is potential to replace imports of fresh and processed products with domestic production - There is strong demand from processors, but at a low price - Formation of farmers' groups, starting from organization and marketing; joint marketing in fresh product markets; can be expanded to machinery services; e.g. sprinklers with joint ownership - Willingness to review MAFRD 	<ul style="list-style-type: none"> - Expensive and unreliable agricultural inputs; questionable quality of inputs sold, due to lack of inspections - MAFRD and municipal advisory systems are weak; "certified" advisors have failed; even the "tendered" training course has failed - Lack of (seasonal) labor force in the future - Subsidies for vegetables are lower than for fruits - Vegetable imports are not sufficiently controlled in relation to residues - Imports are often declared at

<ul style="list-style-type: none"> - support schemes - High diaspora demand for local peppers: "somborka", "kurtovska kapija"; gherkins "kyrbia" and late cabbage - MAFRD support for agricultural insurance subsidies - with a strong partner from the private sector - Innovative new technologies for vegetable cultivation; Organic and integrated production presented by donors such as USAID, Helvetas, Care, IADK, etc. 	<p>lower prices to reduce customs duties</p>
---	--

SWOT analysis for vegetables - processors

Strengths	Weaknesses
<ul style="list-style-type: none"> - Sufficient processing capacity - at least for "traditional" products - Internal knowledge available to farmers - The main processors are well organized at PePeKo (covering 60% of the market with about 25 F&P members) - The raw materials offered comply with the requirements of processors, such as pepper seeds; some processors such as Pineapple Impex and Etlinger have seeds of pepper varieties 	<ul style="list-style-type: none"> - Large capacities, but mainly not used due to lack of raw material - The raw materials offered often do not meet the requirements of the processors - Problems with financial liquidity related to limited access to financ - Competition with collection centers - In general, processors have no collection centers and, consequently, have limited direct contact with farmers.
Opportunities	Threats
<ul style="list-style-type: none"> - The national market can absorb more vegetables; self-sufficiency has not yet been achieved. - Formation of farmers' groups, starting from organization and marketing; joint marketing in fresh product markets; later on the processors too - New processing facilities (spaces, buildings) should be created only if there are no others nearby; the western part of Kosovo may need one more environment - Review of MAFRD support schemes - Access to credit and willingness to use them; ability to purchase new technologies, processing lines, etc. - even without support - Export marketing focusing on product quality 	<ul style="list-style-type: none"> - Imported vegetables - but also domestic production - Not sufficiently controlled for residues - High imports of processed products from regional and European processors to meet domestic demand - with good brands - Lack of database - by ADA - for registration of all areas and vegetable production

<ul style="list-style-type: none"> - Renewable energy installations on the roofs of companies, separate from other investments - Establishment of the Economic Catalog for Agricultural Products (Production cost / gross margins) - Missing database for registration of all areas and vegetable products 	
---	--

SWOT Analysis for fruit production

Strengths	Weaknesses
<ul style="list-style-type: none"> - Enough work for family - Sufficient land available for soft fruits - The farmer has the opportunity to sell the trees in the green markets. - Farmers have the opportunity to sell to processors, if they plan well in advance (contracts) 	<ul style="list-style-type: none"> - Very small plots; very small farms - Production disabilities; soil management can be improved - Orchards are often old, so they yield less - The varieties do not meet the market requirements of fresh produce or processors - Limited and old mechanization, tractors, plows, sprinklers, trailers - There are very limited irrigation schemes - Limited access to finance (also due to lack of title deeds); the creation of orchards is characterized by several years without production - There are limitations to professional storage facilities, as they are costly - Marketing is not well developed - especially for small owners; selling in fruit or vegetable markets or wholesale ones takes a lot of time - Lack of (seasonal) labor force in the future
Opportunities	Threats
<ul style="list-style-type: none"> - The national market can absorb more; self-sufficiency has not yet been achieved. - Production for the processing industry instead of concentrating only on the market of fresh products; higher volumes for lower but stable prices; operating costs would be reduced - Formation of farmers' groups, starting from organization and marketing; joint marketing in fresh product markets; can be expanded to machinery services; e.g. sprinklers with joint ownership - Review of MAFRD support schemes 	<ul style="list-style-type: none"> - Lack of (seasonal) labor force in the future - The public counseling system needs to be improved; "certified" advisors have failed; even the "tendered" training course has failed - Expensive and unreliable agricultural inputs; questionable quality of inputs sold, due to lack of inspections - The public extension service is poor; public advisory service tenders are not functional - Imports are often declared at lower prices to reduce customs duties

<ul style="list-style-type: none"> - The public counseling system needs to be improved; "certified" advisors have failed; even the "tendered" training course has failed 	<ul style="list-style-type: none"> - Fruit imports are not sufficiently controlled in relation to residues - MAFRD advisory service is not efficient enough
---	---

SWOT Analysis for fruit processing

Strengths	Weaknesses
<ul style="list-style-type: none"> - Sufficient processing capacity - The main processors are well organized at PePeKo (covering 60% of the market with about 25 F&P members) 	<ul style="list-style-type: none"> - Large capacities, but mainly not used due to lack of raw material; poor investment planning, in part because it is donor-led; lack market connections - The raw materials offered often do not meet the requirements of processors (except Pineapple Impex and Etlinger with some hybrid variants of the species) - Processors (generally) do not have collection centers and, consequently, do not have such good contacts with farmers - Competition with collection centers - Lack of information about market opportunities, especially international, and access to promising international markets - Problems with financial liquidity related to limited access to finance - Poor hygiene conditions and lack of certification with food safety standards
Opportunities	Threats
<ul style="list-style-type: none"> - The national market can absorb more fruit; self-sufficiency has not yet been achieved. - Formation of farmers' groups, starting from organization and marketing; joint marketing in fresh product markets; later on the processors too - New processing facilities should be created only if there are no others nearby; the western part of Kosovo 	<ul style="list-style-type: none"> - Fruit imports are not sufficiently controlled in relation to residues - High imports of processed products from regional and European processors to meet domestic demand - with good brands - Lack of database for registration of all areas and fruit production.

<ul style="list-style-type: none"> - may need one more environment - Review of MAFRD support schemes by finally evaluating mandatory business plans - Export marketing focusing on quality products - Renewable energy installations on the roofs of companies, separate from other investments 	
---	--

SWOT Analysis for grapes farmers

Strengths	Weaknesses
<ul style="list-style-type: none"> - Enough work for family - Good opportunities to sell table grapes in fruit and vegetable markets - There is demand from processors, but at a low price - The potential to make wine yourself and put it in bottles - New lifting systems "T" and "Y" in the vineyards with table grapes 	<ul style="list-style-type: none"> - Too small plots and too small farms lead to high production costs - Vineyards often consist of old plants (grape vines), therefore they have lower yields; also some vineyards are not producing at all and worsening statistics - Limited production capacity related to pruning, fertilization, spraying, soil management - Limited and old mechanization, tractors, plows, sprinklers, trailers. Machinery service providers are missing - There are very limited irrigation schemes; one of the main reasons for low yield (except old plants) - There is no cold storage for table grapes, as it is costly - Marketing is not well developed - especially for small owners; selling grapes for winemaking to wineries is not attractive as there is oligopoly - Restricted access to finance; the establishment of modern vineyards is characterized by several years without profit - Lack of storage capacity of table grapes and extension of the trading period (the needs of the country have not been met with grapes for consumption). - Weak and not very good advisory services
Opportunities	Threats
<ul style="list-style-type: none"> - The local market demands good quality country wine - There are only a few dozen wineries; there is room for much more as most grape growers do not make wine themselves yet 	<ul style="list-style-type: none"> - The public extension service is poor; public advisory service tenders are not functional - There is a lot of support for existing vineyards; 1,000 Euro/ha plus a few pennies per liter

<p>(mainly due to lack of support)</p> <ul style="list-style-type: none"> - Formation of cultivator groups, starting from organization and marketing; joint marketing in fresh product markets; can be expanded to machinery services; e.g. sprinklers with joint ownership - Review of MAFRD support schemes - The public counseling system needs to be improved; "certified" advisors have failed; even the "tendered" training course has failed 	<ul style="list-style-type: none"> - There is a lack of seedling production and certified planting materials in the country; needs for quantity, quality and variety are not met - Lack of indigenous varieties - Outdated age of existing vineyards and poor conditions - Lack of vocational schools for viticulture and oenology - Lack of identity of Kosovar wine in the foreign market
--	--

SWOT analysis for grapes - wine producers

Strengths	Weaknesses
<ul style="list-style-type: none"> - Sufficient processing skills, at least in large wineries - In-house knowledge of wineries available to better advise farmers 	<ul style="list-style-type: none"> - Large capacities, but which are mostly not used due to the lack of raw materials; - Lack of investments to improve the quality of wine production; - Lack of investments in the bottled wine production line; - The grapes offered often do not comply with the requirements of wineries/wineries;
Opportunities	Threats
<ul style="list-style-type: none"> - Very low local wine consumption - Investment for mechanization, hail nets, insurance, etc. - Diaspora can absorb more quality wine - Export marketing focusing on quality products - Renewable energy installations on the roofs of companies, separate from other investments - Establishment of a database for the declaration of the area and the production of grapes for the table and for wine 	<ul style="list-style-type: none"> - Much emphasis on exporting barrel wine at lower prices; e.g. there is no added value - Variable quotas for wine export, approved by SAA

SWOT ANALYSIS FOR THE FORESTRY SECTOR

Strengths	Weaknesses
<ul style="list-style-type: none"> - About 45% of the territory of Kosovo is covered with forests; which have potential for multi-purpose use, - Existence of forests of natural origin with rich diversity. - Existence of management structures established according to the legal basis; - Existence of executive unit of forest and forest land management; - Functional forestry inspectorate; - Existence of international cooperation for forestry education - Existence of capacities (bare spaces) for afforestation and reforestation (National Plan for afforestation and reforestation 2018-2027) - There is a legal basis for this sector - There is a training program for capacity building in forestry - There is a faculty of forestry - Forests rich in NWFPs 	<ul style="list-style-type: none"> - High level of irregular deforestation - Lack of state investment in forestry; - Failure to include in the planning of multi-purpose use of forests - Poor forest infrastructure - Lack of foreign investment - Lack of silvicultural measures, in the cultivation and care of forests, as well as in forest health; - Uncoordinated management structure and insufficient efficiency; - Low level of revenue collection; - Lack of professional technical capacity - Mismatched use of forest production potential - Failure to support the forestry sector with direct payments and grants - Lack of a system for information management in forestry, namely the Forestry Information System in Kosovo, as well as other information technologies; - Lack of a Forestry Institute, and dysfunction of the forestry laboratory; - Lack of forest register; - Lack of advisory services for private forest owners in forestry; - Lack of coordination with MESP for forest management in National Parks;
Opportunities	Threats
<ul style="list-style-type: none"> - Favorable climatic and soil conditions for tree growth and NWFPs; - Increasing the economic, social and environmental value in the case of highly functional forest management - Creation of new jobs in rural areas through sustainable, highly functional use - Improving the situation in degraded forests through reforestation - Improving the management of private and public forests - Inter-institutional coordination for activities in forests and forest lands - Preservation of natural, cultural and historical heritage values of forests. 	<ul style="list-style-type: none"> - Illegal logging; - Negligence of the judicial and prosecutorial system in convictions for illegal actions, and low penalties; - Lack of forestry experts (forestry engineers and technicians), - Damage from fires, biotic and abiotic factors in forest health; - Problems in forest management in the municipalities of Leposavic, Z. Potok and Zvecan; - Occupations of forest lands and illegal constructions; - Ineffective monitoring system; - Introduction of invasive species and loss of genetic basis - Pollution of forest ecosystems by various wastes. - Climate change - Endangering of habitat

<ul style="list-style-type: none"> - Creating the link between forest planning and the wood processing industry; - Institutional support of the forestry sector through Programs/projects, in accordance with the practices of countries in the region and in the EU; - Development/strengthening of public-private partnership; - Organizing legal markets for wood and its products; - Diversification of the rural economy, development of eco-tourism and creation of new jobs; - Utilization of wood biomass as a source of renewable energy; 	
--	--

SWOT analysis for Forestry

4.2 Environment and land management

Strengths	Weakness
<ul style="list-style-type: none"> - Low level of emissions (due to reduced livestock); - Long tradition in extensive pasture management; - Well-adapted local breeds; - Low nitrate levels in surface waters; - Potential areas for the Natura 2000 Network have been identified; - Very rich biodiversity and beautiful mountain landscapes; - High percentage of traditional low-input agriculture, especially due to small-scale agriculture; - Limited efforts to convert to organic farming; - Outline of mountainous areas. 	<ul style="list-style-type: none"> - More than half of the soils are exposed to soil erosion (with at least a moderate intensity); - There is a methodology for land classification and use of various data, such as from the Corine Land Cover inventory, but there are no reliable data maps/including GIS, as soil tests are outdated and insufficient; - There are no international conventions and protocols applicable to Kosovo; - Small areas covered by protected areas where management plans are lacking; - Land abandonment in mountainous areas is reducing pasture bio-diversity; - Poor management of manure and chemicals; - Combustion is reducing organic matter in the soil; - Unidentified (although clearly
Land <ul style="list-style-type: none"> - Legal basis for the protection of agricultural land - Legal basis for the regulation of agricultural land? - Legal basis for irrigation of 	

<p>agricultural lands</p> <ul style="list-style-type: none"> - The basis of the law on spatial planning. - High quality fertile land, of which 83% of arable agricultural land is in the land category 1-4. - A portion of agricultural land under irrigation, irrigation systems and land consolidation? - Master plan for irrigation - Natural resources and good climatic conditions for agriculture - There are municipal development plans. - Legal framework for land, environment and water in line with EU legislation. 	<ul style="list-style-type: none"> - existing) agricultural land of high natural value; - Water pollution caused by agri-food industry; - Poor implementation and enforcement of environmental policy; - Lack of various basic indicators; - Low level of environmental protection awareness and measures to mitigate and adapt to climate change; - Poor waste management. <hr/> <p>Land</p> <ul style="list-style-type: none"> - Illegal construction on agricultural land - Lack of a clear land protection policy - Fragmented plots? - Problem with ownership - non-transfer of inheritance (create problems in long-term rent and lease as well as bank mortgages) - Pollution of agricultural lands (improper use of PPPs, chemical fertilizers, wastewater and waste. - Use of aggregates from river beds and on agricultural lands - Poor river management and destruction of river beds, - Soil erosion. - Discharge of polluted water into water bodies without prior treatment - Insufficient implementation of policies and legislation - Lack of sufficient knowledge of farmers about good irrigation practices and environmental issues. - Lack of interest in environmental issues. - Lack of training and specialized advisory service on environmental issues - Abandonment of agricultural activities - Poor pasture reclamation and unprotected biodiversity - Uncontrolled collection of wild trees and medicinal plants - Construction activities on agricultural land (including illegal construction)
--	---

	- Lack of GIS data
Opportunities	Threats
<ul style="list-style-type: none"> - The signing of international conventions and protocols will lead to a more protected nature; - High export demand for organic products; - Benefit from opportunity costs to compensate for extensive agricultural practices as defined by EU guidelines. 	<ul style="list-style-type: none"> - Climate change can affect the biodiversity and increase the land erosion; - Intensification of lowland agriculture without the adoption of good practices can lead to biodiversity loss and water pollution due to inappropriate use of pesticides and fertilizers; - Conservation measures for protected areas may impose agricultural restrictions without establishing appropriate compensation payment schemes.
<ul style="list-style-type: none"> - <u>Lands</u> 	<ul style="list-style-type: none"> - <u>Lands</u>
<ul style="list-style-type: none"> - Design and implementation of agri-environmental measures and organic agriculture - Maintenance of pastures with high natural values - Increase of areas under certification of organic agriculture - Protection of local breeds - Groundwater and surface water protection due to convenient fertilizer storage facilities - Development of eco and rural tourism and green economy. - Raising awareness and sensitivity for environmental protection among the rural population - Export of certified organic products and medicinal plants - Implementation of the spatial plan 	<ul style="list-style-type: none"> - Poor implementation of laws - Insufficient training for farmers, - Loss of land from uncontrolled construction - Loss of soil quality due to intensive production - Water pollution - Further soil erosion - Climate change, drought, floods - Insufficiently used pastures - Inadequate implementation of organic system certification and control - Poor local breed registration system - Conversion of meadows to arable land or non-agricultural land - Lack of landfill management

4.3 Rural economy and quality of life

SWOT analysis for non-wood forest products (NWFPs) and aromatic medicinal plants

Strengths	Weaknesses
<ul style="list-style-type: none"> - The availability of clean and unpolluted soil provides a good basis for the extension of organically grown products, cultivated areas (MAPs). - The lower cost of cultivation in terms of chemicals (pesticides and fertilizers) makes it easier to include in primary production, especially for women and young people in rural areas, who are generally economically weaker. - Sufficient raw material availability (NWFPs), as only 10% of production capacity has been collected. - High quality products (NWFPs and MAPs). - The level of experience created by leading manufacturers, collectors/processors and processors/exporters can allow the expansion of areas with mitigated NWFPs and MAPs. - Good trade links developed by processors/exporters, collectors/processors and manufacturers/harvesters - Significant sectoral contribution to national employment (approximately 20,000 harvesters, 100 collectors/processors and 41 processors/exporters) and to the economy (€ 8.15 million in 2020). 	<ul style="list-style-type: none"> - Mechanization, tractors, plows and harvesting machinery due to budgetary limitations. - The installed irrigation system is limited. - Limited storage facilities (dryers and freezers), reduce the quality of products, increase workload and production costs - Information and limited knowledge from harvesters about what represents a consistent level of harvest of NWFPs and MAPs. - Limited level of achieved national and EU standards for quality and safety
Opportunities	Threats
<ul style="list-style-type: none"> - Positive demand trend for NWFP and MAP (domestic and international level). - Easy market access with an increase of 28% in 2019 compared to 2018 and 10% in 2018 compared to 2017. - Forming farmer groups, starting with organization and marketing; joint machinery services; e.g. joint-owned dryer or freezer - Processors/exporters interested in reviewing the MAFRD support scheme for NWFPs and MAPs 	<ul style="list-style-type: none"> - Costly and unsafe agroinputs; questionable quality of inputs sold due to lack of inspections. - Extension system of MAFRD and municipalities in poor condition; failure of "certified" advisors; as well as the failure of the "tendered" training course. - High interest rates limit receiving loans for necessary investments - Internal and external migration from mountainous areas can reduce the number of harvesters and thus cause a shortage of raw materials for

<ul style="list-style-type: none"> - Law enforcement will limit overexploitation of rare NWFPs and MAPs - Innovative new production technologies e.g. high-yielding varieties, primary processing technologies, nursery growing techniques, proper use of MAP storage in various industries, etc. - Strengthen marketing strategy and increase local consumer awareness. 	<p>NWFP and MAP processors.</p> <ul style="list-style-type: none"> - Weather conditions, forest fires jeopardize the cultivation and harvesting process of NWFPs and MAPs. - Imports often stating unrealistic prices to minimize import duties.
---	--

SWOT analysis - honey production

Strengths	Weaknesses
<ul style="list-style-type: none"> - Natural environments suitable with gardens, forest areas, orchards, meadows and other areas with nectar and pollen plants (over 164 species). - Reasonable investments in technology that enable the achievement of a higher yield with better quality and lower costs. - Good and direct network with customers, - High prices. 	<ul style="list-style-type: none"> - Low yields. - High price/high production costs - Infection of bees by parasites (varroa) and other diseases as a result of extremely mild winters. - Limited information and knowledge about the local circulation of nectar, which enables beekeepers to maximize the strength of the colonies, taking advantage of the circulation of nectar. - Limited level of achieved national and EU standards for quality and safety - Beekeepers with small structure - High price of honey compared to imported - Domestic honey production has undergone significant contractions - Generally poor health conditions of bee colonies.
Opportunities	Threats
<ul style="list-style-type: none"> - Increased consumption of honey as a result of increasing consumer awareness of the nutritional values of the product. - Opportunity to diversify products e.g. bee pollen, breed queen, propolis - Formalization of the domestic honey market. - Support schemes offered by domestic and international programs offer great investment opportunities. 	<ul style="list-style-type: none"> - Costly and unreliable inputs; questionable quality of inputs sold, due to lack of inspections. - The extension system of MAFRD and municipalities is in poor condition; failure of "certified" advisors; as well as the failure of the "tendered" training course. - Climate change with negative impact on honey production - Increased emigration may reduce the interest of the younger generation to engage in beekeeping

--	--

SWOT Analysis - Aquaculture

Strengths	Weaknesses
<ul style="list-style-type: none"> - Favorable environmental conditions and water quality - Active entrepreneurs investing in new technologies and technical improvements in fish farming. - Product freshness and food production with a high nutritional value. - Ability to ensure a permanent market supply through constant quantity and quality of the product. - Market opportunity at good market price for farm fish. - Continuous growth of fish production and consumption (average annual growth rate of 8.5% since 2010). - Sales in owned restaurants. - Contribution to employment with good salaries. - Connection with rural tourism 	<ul style="list-style-type: none"> - High water fees and permits for a very short period - Poor regulation of agriculture, processing and trade - Restriction of investments in modern breeding tubs. - Old technology of agriculture and processing - Insufficient cooperation with science and lack of necessary scientific and research projects - Low consumption and insufficient consumer information. - Processing and marketing limitations. - Insufficient health control - Limited training for farmers/fish workers - Difficulties in applying for grants
Opportunities	Threats
<ul style="list-style-type: none"> - Financial support: Grants and subsidies (EU funds, joint funds EU-government) - Increased demand and consumption of fish - Establishment of recycling aquaculture systems (RAS) - Demand for new products and development of new technologies. - Development of rural areas through diversification of activities on farms (rural tourism, fishing, etc.) - Growing market demand 	<ul style="list-style-type: none"> - Rising costs due to liabilities to water prices, electricity, nature and environment protection, hygiene and food safety. - Rising cost of production due to rising food price. - Lack of regulation on the possibility of export. - Increasing imports of processed fish products. - Transmission of fish diseases. - Market volatility due to pandemics.

SWOT Analysis - Rural Tourism

Strengths	Weaknesses
<ul style="list-style-type: none"> - Stunning nature and landscape in the most important tourism destinations in Kosovo. - The general population is hospitable and friendly open to the development of tourism. - Very reasonable and competitive prices for services (not cheap, but reasonable). - Increasing number of attractions for active tourism, mountaineering, via ferrata, Skardi i Epërm trail, Katun trail. - Increasing number of renovated and restored cultural sites and facilities, used for tourism purposes. - Some well-developed specialties and good traditional cooking. 	<ul style="list-style-type: none"> - Poor waste management. - The menus contain more meat than they should. - Limited accommodation in remote mountainous areas for hiking/hiking tourists. - Short stays of visitors (average 1.6 nights). - Limited cooperation with tour operators. - Poor digitization of service, information and marketing. - Poor management of visitor centers in major tourism hotspots. - Poor quality of accommodation of on-farm tourism businesses.
Opportunities	Threats
<ul style="list-style-type: none"> - Diaspora - an important target group and promoter of tourism in Kosovo. - Short distance from Central Europe. - Growing demand for active holidays in mountainous areas. - Political stability in the region and stabilization of international relations. - Growing demand for weekend holidays from urban centers. - The growing demand for eco and cultural tourism is growing. - Internet marketing becomes more important in the Covid 19 pandemic. 	<ul style="list-style-type: none"> - High competition from other countries in the region. - Image communication still "negative" at the international level. - Limited institutional cooperation for the development of the sector. - Poor implementation of laws and regulations. - Unfavorable climate of doing business in the country.

SWOT analysis- processing and marketing of small scale products (on the farm)

Strengths	Weaknesses
<ul style="list-style-type: none"> - Agricultural land owned by the family with available family labor. - Experience in processing traditional and local products. - High quality of products. - Higher market prices using direct marketing channels. - Good connection with local private 	<ul style="list-style-type: none"> - Mechanization, tractors, plows and harvesting machines are scarce and outdated due to budget constraints. - Limited space, processing equipment and storage facilities. - Official marketing channels have been avoided; limited access to

<ul style="list-style-type: none"> customers. - Significant contribution to the employment of household members on farms. - Increase business productivity, every year 15-20%. - Sufficient demand for direct sales through informal market channels. 	<ul style="list-style-type: none"> wholesalers/supermarkets. - Limited level of national and EU standards for quality and safety. - Limited financial capital and lack of experience in finding other sources of financing, such as through development projects. - No contracts or only short-term contracts.
Opportunities	Threats
<ul style="list-style-type: none"> - The perceived health benefits of on-farm food processing versus conventional food will increase the opportunity to diversify and bring new products to market. - Expanding the availability of local agricultural products. - Changing product availability based on product season, weather, etc. - Destination of products for tourists and food enthusiasts. - Increasing consumer demand for local and handicraft products. 	<ul style="list-style-type: none"> - Advisory system of MAFRD and municipalities in poor condition; "certified" advisors have failed; the "tendered" training course also failed. - High interest rates limit receiving loans for necessary investments. - Remote areas face greater difficulties in accessing the market. - Price reduction due to increased competition.

SWOT analysis under the small-scale poultry farm sector

Strengths	Weaknesses
<ul style="list-style-type: none"> - Low labor cost. - Low cost investments. - Reasonable amount of pastures and other resources. - Quality products. 	<ul style="list-style-type: none"> - Lack of qualified and trained farmers to work professionally. - Awareness of farmers' production methods is weak. - Non-compliance with "standards" and "regulations" is common. - Technologies for efficient animal-friendly production methods are lacking.
Opportunities	Threats
<ul style="list-style-type: none"> - Growing demand and consumer awareness of animal-friendly and "natural" production methods. - The image of "Village" products is very positive, without prejudices. - New technologies available, 	<ul style="list-style-type: none"> - Unfair competition due to lack of advertising regulations and quality standards for poultry in Kosovo. - Unfair competition from imports. - Scandals over poor quality products, which claim to be

which can be easily produced in Kosovo.	"Village", but are not.
---	-------------------------

SWOT analysis for businesses Subsector of crafts and handicraft products

Strengths	Weaknesses
<ul style="list-style-type: none"> - The range of craft activities is still wide - Low labor costs lead to reasonable prices. - Small family businesses are extremely flexible. 	<ul style="list-style-type: none"> - Outdated technologies. - Lack of own investment resources. - Bad reputation of craft activities. - Lack of new ideas for the use of craft activities in modern society. - There are no formal practical training programs available. - Weak links with the tourism sector as intermediaries for the sale of craft activities.
Opportunities	Threats
<ul style="list-style-type: none"> - Increased demand from increasing number of tourists. - Design and new ways of presenting craft activities. - Internet marketing enables sales without intermediation. 	<ul style="list-style-type: none"> - Cheap imports of low quality souvenirs. - Lack of public support.

4.4 Preparation and implementation of Local Development Strategies - Leader

Strengths	Weaknesses
<ul style="list-style-type: none"> - The LAGs are established - There is institutional experience in LEADER management - There is experience in preparing LDS - There is a LAG Network 	<ul style="list-style-type: none"> - Lack of financial resources for the proper functioning of the LAG; - Lack of expertise in LAG management; - Lack of awareness of the importance of Local Government and LEADER access actions; - The current support measures are not in line with the EU's LEADER idea for project implementation; - Lack of definition of the legal status of existing LAGs; - Lack of definition of operating/administrative expenses; - Weak human capacity to implement the LEADER approach to ADA - Lack of procedures for

	implementing the LEADER approach; - Lack of deadlines (open deadline) for requesting payments for operating expenses;
Opportunities	Threats
- EU - continues to support the LEADER approach; - Strong interest of local authorities to prepare and implement LDS; - Easier opportunities for using foreign funds; - Interest in establishing new LAGs; - Interest in activating the existing LAG	- Unstable budget; - Delays in budget allocation for LAGs; - Delays in payments for LDS preparation and operating expenses; - Risk of not providing funds for co-financing of public projects; - Delayed payments;

5.MAIN RESULTS FROM PREVIOUS INTERVENTIONS

5.1Main results of previous national interventions; disbursed amounts, summary of assessments, lessons learned.

Measure 101 "Investments in physical assets in agricultural economies"								
Year	2014	2015	2016	2017	2018	2019	2020/21	2022
Budget EUR	7,768,193	12,527,536	15,234,339	12,650,139	16,897,515	12,677,492	7,138,627.38	20,182,394.46

Source: ADA processed by DRDP

Description of investments: In this measure, investments in the food processing industry were supported in four sub-sectors: milk processing, meat processing, fruit and vegetable processing and wine production.

- Improving food standards and quality, as well as increasing public health safety;
- Increasing the overall performance in the processing and marketing of primary agricultural products;
- Diversification and variety of raw agricultural products;
- The use of new technologies and the increase of the processing capacities of the agro-food industry such as meat, milk, fruits, vegetables and grapes.
- Improvement of waste management and investments in the use of renewable energy for the needs of the agro-food industry

Measure 103 " Investments in physical assets for processing and marketing of agricultural and fishery products								
Year	2014	2015	2016	2017	2018	2019	2020/21	2022
Budget EUR	4,155,220	5,041,659	4,661,782	961,023	4,844,043	1,362,336	3,689,237	20,182,394.46

Source: ADA processed by DRDP

Description of investments: In this measure, investments in the food processing industry were supported in four sub-sectors: milk processing, meat processing, fruit and vegetable processing and wine production.

- Improving food standards and quality, as well as increasing public health safety;
- Increasing the overall performance in the processing and marketing of primary agricultural products;
- Diversification and variety of raw agricultural products;
- The use of new technologies and the increase of the processing capacities of the agro-food industry such as meat, milk, fruits, vegetables and grapes.
- Improvement of waste management and investments in the use of renewable energy for the needs of the agro-food industry

Measure 302 "Diversification of farms and development of businesses								
Year	2014	2015	2016	2017	2018	2019	2020/21	2022
Budget EUR	409,886	922,238	1,581,320	1,632,995	2,259,156	2,299,524	1,639,935.07	798,418

Source: ADA processed by DRDP

Measure 302. Diversification of farms and development of businesses, aims at investments that create opportunities for the creation of new jobs, supporting the diversification of agricultural activities, such as: the processing of local food products that are traditional, "niche" products, as well as stimulating initiatives within small businesses, in order to increase the level of economic activity in rural and mountainous areas. Also, this measure is aimed at improving service activities in rural economies, including tourism and craft activities such as small workshops, where young entrepreneurs, women and men, can be encouraged.

Masa 303 - "Preparation and implementation of local development strategies - "LEADER Approach								
Viti	2014	2015	2016	2017	2018	2019	2020/2021	2022
Buxheti EUR	28,161	83,520	74,850	-	293,087	240,184	-	59,695.00

Source: ADA processed by DRDP

Description: During this period, 12 LAG strategies have been approved which have continued to be supported by being implemented under measures 303.1 "Acquisition of skills and encouragement/animation of residents of the LAG territory for selected LAGs" and under measures 303.2 "Implementation of local development strategies - the LEADER approach".

The sub-measure "Implementation of local development strategies" had two activities

- a) The first activity "Functionalization of selected GLVs and the R&D of GLVs" supporting operating expenses: opening of offices, engagement of a manager, furnishing of offices, etc.
- b) The second activity is "Implementation of the LDSs of the LAGs" which will promote and implement small projects in accordance with the LDS

Source: ADA processed by DRDP

Description: Investments in this measure are focused more on modern irrigation systems that manage water losses and cover (irrigate) larger areas. Mainly this measure has financed the rehabilitation and expansion of irrigation canals and pipes, the construction of water reservoirs, irrigation dams, the construction of drainage/drainage, irrigation pumps and other follow-up equipment. Projects at the farm level or groups of farmers are mainly supported.

5.2 Main results of EU assistance; disbursed amounts, summary of assessments, lessons learned.

IPA 2014

Project "Agriculture and Rural Development Support Grant Scheme 2014" (grant scheme)

EU budget allocated: EUR 7,000,000

Description: Grant scheme in two lots: lot 1 for farmers and agro-food processing industry, and lot 2 for diversification and rural development (18 contracts signed in 2017)

Project "Support in the development and implementation of Food Safety and Sanitary and Phytosanitary Controls" (technical assistance) EU budget allocated: EUR 2,400,000

Description: The aim of the project has been to address implementation of the EU compliant food safety and health control system at all stages, including import, export, production of food, transport, processing, and retail. The project has also been aimed at regulating livestock breeding sector, reviving livestock breeding center as well as expand milk recording system in Kosovo.

The purposes of this contract have been the following:

- Specific Purpose of Food Safety component of the project: to strengthen the legislative, institutional and administrative capacity related to food and feed safety, implement traceability of food and feed, and contribute to upgrading of establishments that process food of animal origin in Kosovo.
- Specific Purpose of Animal Breeding component of the project: to establish and/or upgrade Livestock Breeding policies and capacities to improve productivity and protect local breeds.

- For the Milk Recording component of the project: to support Association of Milk Producers in implementation of milk recording system with included animal health component and becoming financially self-sustainable.

Project "Support to Kosovo Food and Veterinary Laboratory" (twinning project; partner EU Member State - Germany) EU budget allocated: EUR 700,000

Description: The project has been aimed at supporting Kosovo Food and Veterinary Laboratory in increasing the range, quality and reliability of services provided including development and validation of existing services and introduction of new test method, with particular focus on drugs and residue testing program.

IPA 2015

Project "Agriculture and Rural Development Support Grant Scheme 2015" (grant scheme):

EU budget allocated: 8.8 million Euro (36 contracts signed in 2019)

Description: The project is a grant scheme which addresses important challenges that the agri-rural sector faces and is aimed at helping to turn into real the potential of this sector for increased competitiveness and growth, including through:

- Strengthening farms' economic viability and improving their capacity to supply markets;
- Strengthening the agri-food processors' capacity;
- Supporting development of other rural area operators.

Project "Capacity Building for Kosovo in relation to EU Common Market Organisation and Agriculture Statistics" EU budget allocated: EUR 1,500,000

Description: The project is aimed at supporting Kosovo's alignment to the European Union's standards and practices related to the common organisation of the markets in agricultural products, as well as implementation of a comprehensive and well integrated agricultural information system; it foresees achievement of 4 results namely:

Result 1: National primary and secondary legislation for organization of the market in agricultural products prepared and adopted by Kosovo's relevant stakeholders in line with the EU relevant regulations and practices.

Result 2: Good institutional capacity built for implementation and enforcement of the legislation on organization of the market in agricultural products issued under this contract.

Result 3: A comprehensive, functional and well managed Integrated Agricultural Information System established in Kosovo.

Result 4: Good awareness of the relevant stakeholders and public with regards to the outcomes of this contract, so that effective implementation and enforcement of the new legislation issued becomes possible.

Project "Support to Kosovo Food and Veterinary Agency (KFVA) in developing its capacity to implement an integrated approach to food safety, including through upgrading and functionalizing of its IT system" EU budget allocated: EUR 1,500,000

Description: The overall objective of the project is to support Kosovo in developing capacities and tools for implementation of an integrated food safety and traceability management and control system.

The Project aims to achieve this objective through the implementation of two project components:

- Component 1: Food Control and Traceability Management System (FCMS) established within KVFA services and functional; and
- Component 2: Laboratory Information System (LIMS) for Food Safety and Animal Health Laboratory designed and implemented.

Project "Support to strengthening Kosovo's plant production and protection system and capacities" (twinning KS 15 IPA AG 01 16) EU budget allocated: EUR 1,200,000

Description: The overall objective of this project has been to strengthen the implementation and operational capacity of the institutions responsible for plant health in Kosovo (Phytosanitary sector) in order to ensure the effective control system of the harmful organisms to plant and plant products in accordance with EU Phytosanitary standards. The project purpose is to upgrade and strengthen the capacity (administrative and technical) of the Phytosanitary sector for successful implementation of national and EU legislation in phytosanitary area - plant health, plant protection products, food safety, seed and propagating material, plant variety rights and inspections.

IPA 2017

Project "Support to establishing disease surveillance and control programs and alignment with chapter 12 of the acquis" EU budget allocated: 1,600,000 Euro

Description: The project is aimed at providing safe food to consumers, improving trade and achieving progress in the alignment to the EU standards in the food safety, veterinary and phytosanitary field, through (i) strengthening of the mechanisms for surveillance, control and eradication of animal diseases in Kosovo towards the EU standards, as well as through (ii) preparation of the "roadmap" for approximation of the national legislation with the EU Acquis' Chapter 12 on food safety, veterinary and phytosanitary, and strengthening further the administrative capacities in these areas.

Project "Supply of Hardware for Kosovo Food and Veterinary Agency" EU budget allocated: 400, 000 Euro

Description: The project provides the IT hardware infrastructure and resources to host and operate the two systems being developed by the EU funded project, namely the *Food Control and Traceability Management System (FCMS)* and the *Laboratory Information System (LIMS)* developed under the IPA 2015 technical assistance project "**Support to Kosovo Food and Veterinary Agency (KFVA) in developing its capacity to implement an integrated approach to food safety, including through upgrading and functionalizing of its IT system**" previously mentioned.

Project "Design and supervision of construction of regional offices of the Kosovo Food and Veterinary Agency" EU budget allocated: 206,900 Euro

Description: Design and supervision of the construction of five regional offices of Kosovo Food and Veterinary Agency (KFVA).

Project "Construction works for five regional offices of the Kosovo Food and Veterinary Agency (KFVA)" EU budget allocated: 2,526,056.37 Euro

Description: Purpose of the project is construction of five regional offices of Kosovo Food and Veterinary Agency.

IPA 2019

EU4 Resilience - Kosovo (IPA 2019 Economic Emergency Package to fight the Covid-19): Measure 11 - Increasing the budget for grants and subsidies for the Ministry of Agriculture, Forestry and Rural Development for increasing agricultural production, amounted to five million (€ 5,000,000.00) euros.

Contractual provisions:

1. In regard to this measure, MAFRD will identify the most important damaged and most urgent sub-sectors of agricultural production from the pandemic crisis, and will be supported in order to revive agricultural economic activity.
2. MAFRD will lead this process in a transparent manner and based on the above criteria will be allocated even the financial funds. **(EU budget allocated to agriculture sector: 5,000,000 Euro)**

IPA 2020

Project “Support to strengthening sustainable and multipurpose forest management to improve rural livelihoods and address climate change in Kosovo” EU budget allocated: 1,500,000 Euro

Description: The project contributes to the Programme entitled “Support to strengthening sustainable and multipurpose forest management to improve rural livelihoods and address climate change in Kosovo”. Programme outcome is that Kosovar forests in target regions are managed more efficiently through a multi-purpose, participatory approach, strengthened in accordance with relevant rules on forests and supported with gender-responsive value-chains for poverty alleviation. Programme is structured around three components, each further operationalized into specific outputs and activities. Project will contribute to the three components as follows:

- Under the first component which is dedicated to improving timber legality, trade and law enforcement in forest sector, project will contribute in improving public service capacities to support law enforcement with new equipment to detect and counteract illegal logging, transport and trade, and raise public awareness on the benefits of legal forestry and timber trade.
- Under the second component, aiming at enhancing transparency and strengthening institutional capacity in good governance and implementation of forest policies, strategies and programmes, the project will contribute in training final users on Kosovo Forest Information System when it will reach full operational stage, organize the third Kosovo Forest Sector Think Tank Event to provide feedback on the newly formulated Policy and Strategy Paper on Forestry Sector Development (2020 - 2030), and support Kosovo in implementing its key forest sector programmes, such as the National Afforestation and Reforestation Programme and National Forest Health Programme.
- Under the third component which introduces and implements multi-purpose forest management, the project will contribute to provide on-the-job training for implementing multi-purpose forest management and pre-commercial silvicultural works, strengthens inclusive forest value chains for poverty alleviation of rural women and men, and aims to develop new skills and capacities in forest fire management.

Project “Support for the Improvement and Rehabilitation of Irrigation Systems”

EU budget allocated: 10,000,000 Euro; implemented under indirect management by the World Bank)

- Activity 1 : Investments in the irrigation infrastructure
- 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
- Activity 3: Technical Assistance for investments that improve irrigation water management and/or operational systems

Project “Technical assistance for development of institutional and operational capacities related to vineyards and wineries”

EU budget allocated: 1,000,000 Euro

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

OTHER

- **Project “Expert support to the Ministry of Agriculture, Forestry and Rural Development in preparation of the Strategy and Multi-annual Programme for Agriculture and Rural Development for the financial framework 2021-2027”** (EU budget allocated: 20,000 Euro)
- **TA Support to the Ministry of Agriculture, Forestry and Rural Development (MAFRD) in developing its agriculture policy under the financial framework 2021-2027** (EU budget allocated: 300,000 Euro)
- **TA Support to the Ministry of Agriculture, Forestry and Rural Development (MAFRD) in having performed the Ex-ante Evaluation of ARDP 2021-2027** (EU budget allocated: 130,000 Euro)

5.3 Main results of EU assistance; disbursed amounts, summary of assessments, lessons learned.

Donors who support MAFRD and are currently active in agriculture:

World Bank 2014 -2020 “Agriculture and Rural Development Project”

The Agriculture and Rural Development Project (ARDP) in Kosovo aims to improve productivity and market access by project beneficiaries in the Horticulture and Livestock sub-sectors, as well as Institutional Capacity Building in the Ministry of Agriculture, Forestry and Rural Development (MAFRD).

The project is divided into 4 components as follows:

Component 1: Transfer of knowledge to the rural sector

The component aims to strengthen the knowledge of farmers and agro-processing enterprises to effectively plan investments and use the financial support available from Component 2 of the project, as well as to build the capacity of local advisory staff and municipal advisors to provide instructions and tips for farmers.

- Sub-Component 1 (a): Rural Advisory Service (RAS) Contracts; Under component 1 (b): Regional knowledge exchange; Under component 1 (c): Institutional Strengthening of Rural Advisory Services

Component 2: Increase investment to promote sustainable rural development

Activities under this component aim to encourage private investment in the sector and encourage farmers and small and medium-sized agro-enterprises to adopt modern agricultural technologies towards improved productivity/production and food safety and quality standards.

- Sub-Component 2 (a): Rural Development Grant Program € 8.80 million; -Under component 2 (b) (New Activity): Promoting the Development of the Horticulture Sub-sector (\$ 3.0 million); Under component 2 (c): Institutional Capacity Building (€ 0.78 million).

Component 3: Irrigation Support (New Component)

Given the importance of irrigation to grow and increase the value of agricultural productivity, the project will provide support for the revitalization of irrigation schemes currently in operation, as well as support strategic planning to expand irrigation sectors to be sustainable economically, financially and in accordance with environmental requirements.

In particular the project supports:

- Rehabilitation and modernization of the Radoniqi-Dukagjin irrigation scheme that has fewer resource constraints; and
- Develop a broad-based strategy and investment framework for the irrigation sector to guide future investments and management measures in Kosovo.

Sub-Component 3 (a): Rehabilitation of the Radoniqi Scheme; Under component 3 (b): Irrigation Sector Investment Strategy and Framework;

Component 4: Project management, coordination, monitoring and evaluation

The project is implemented through the Project Implementation Unit (PIU), which was established within the MAFRD for day-to-day management, administration, coordination and public awareness of project activities, in accordance with World Bank requirements, including procurement, financial management and monitoring and evaluation.

For the period 2014-2020, a total of 14.5 million Euros have been invested within the project, of which 10.1 million in the two grant programs.

USAID-2011-2021

New Opportunities in Agriculture (NOA)

The NOA program started in February 2011 until February 2015. Its purpose was to provide support through the grant scheme, technical assistance as well as training for the full value chain including fruit, vegetable growers, processors, traders and collection centers. The main target group were commercial farmers (> 2 ha) as well as processors; the program introduced innovative technologies and new varieties to boost the supply of local fruits and vegetables. Furthermore, it has also supported the establishment of collection, sorting and packaging centers to supply the market with quality products. The total budget available was US \$ 15.9 million (2011-2015), of which US \$ 2.8 million was allocated to grant schemes for farmers, processors and fruit and vegetable trading facilities.

USAID Agricultural Development and Rural Development Program (AGRO) 2015-2021.

The AGRO program focused on increasing agricultural productivity, marketability and market response, and increasing the resilience and competitiveness of Kosovo's target agribusinesses in domestic and export markets.

USAID has provided additional support in the form of grants and subcontracts to expand agribusiness activities related to the market demands of strategic partners. USAID AGRO ended on 28 February 2021.

Project value \$ 12,208,063 or 11,302,468 Mil € + MAFRD - 3Mil €.

Support for the food processing sector is a new USAID project. The project is in the initial stage.

Deutsche Gesellschaft für Internationale Zusammenarbeit GIZ 2010 - 2018

Rural Economic Development Project - (2010 - 2018)

The main objective of the 'Rural Economic Development' project was to strengthen the institutional framework and promote competitiveness in Kosovo. The project promoted training and capacity building in public and private sector institutions and organizations related to decentralized rural capacity development. At the local and regional level, it supports economic development initiatives. Partners in the region have been supported in developing and planning business promotion measures and piloting their implementation.

The project has promoted equal opportunities by offering all groups of the population from all regions the opportunity to participate in the economic life and prosperity of the country. It has also helped to alleviate poverty.

At the national level, support was given in political dialogue and networking of actors for rural areas, thus helping to achieve greater political coherence in rural development. The project is expanded throughout Kosovo. The work was located in two regions, the Sharr region in the south and southeast, which includes the municipalities of Gjilan, Viti and Kamenica.

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Creating Employment through Export Promotion (CETEP) in Kosovo 2018 - 2021

The agricultural sector has been supported by the project "*Creating Employment through Export Promotion (CETEP) in Kosovo*", which as components has also had Agriculture. Project value € 10,680,600 Million, The aim of the project is to provide relevant information to providers and business development companies, through market research on EU market demands. CETEP provides capacity building training for its partners and establishes links between Kosovo and German companies, through export promotion activities such as: B2B, fairs, sales missions, study visits. Furthermore, CETEP establishes cross-sectoral business links with local and international businesses.

CETEP is supporting the value chain, berries, fruits and vegetables and through the distribution of in-kind grants to small-scale farmers. In co-financing with MEI, CETEP is engaged in increasing production capacities dedicated to export and innovation through the "Innovation Fund".

Furthermore, CETEP has supported MAFRD and ADA to absorb IPA III Funds.

CNVP & SIDA - Sustainable Development of Private and Decentralized Forests in Kosovo (SSPDF)

This is a four-year project which started in 2014 in Kosovo implemented by CNVP with the financial support of the Swedish Development Cooperation through Sida. The main objective of the projects is the involvement of KFA municipalities and local community beneficiaries in the joint forest management process (or decentralized forest management). Improving the services provided to private forest owners associations and the national association of private forest owners in increasing membership and sustainable management of private forests and Increasing applications of good practices and innovative approaches to wood biomass production

The incentive package for these production groups in the MAP cultivation, collection, processing of non-timber forest products and beekeeping sector is being implemented.

FAO

Support in strengthening sustainable forest management by improving living in rural areas and addressing climate change in Kosovo 2019-2023

This Program has supported Kosovo's development agenda as described in the National Development Strategy 2016-2021, and in particular Kosovo's efforts to improve sustainable forest management, as an important resource for the territory. The results and activities of the Program are in line with Kosovo's existing and proposed new rules governing forestry, the European Union Forestry Strategy, the EU Pre-Accession Instrument, the 2010-2020 Strategy and Policy Document (SPD) for the Development of Forest Sector, as well as Kosovo's developing Forest Policies. The total budget is 5, 300 000 US dollars.

The program will address these problems through three different but complementary components.

Component 1: Creating conditions that enable the improvement of legality, trade and law enforcement in the forest sector;

Component 2: Increase transparency and strengthen institutional capacity in good governance and implementation of forest policies, strategies and programs; and

Component 3: Introducing multi-purpose forest management and comprehensive forest value chains to alleviate the poverty of men and women from rural areas

LESSONS LEARNED

This section is prepared from donor reports, in which there is no data from lessons learned during the implementation of their projects.

6 DESCRIPTION OF THE STRATEGY

6.1 Description of the existing national rural development strategy

The Agriculture and Rural Development Strategy is the first strategic document of its kind prepared by the Ministry of Agriculture, Forestry and Rural Development. The preparation of this document is in accordance with the strategic policies of the European Union for the Common Agricultural Policy (CAP).

The National Strategy for Agriculture and Rural Development for the period 2022-28 (ARDPS) reflects the country's priorities for the development of agriculture and rural areas, as well as provides support for the agricultural sector to achieve a sufficient level of competitiveness to face the challenges of the open market and to promote the development of rural areas. The ARDPS 2022-2028 vision is the development of a competitive and innovative agro-rural sector based on knowledge, technology and modern standards, offering high quality products to the local, regional and EU markets, as well as sustainable development of natural resources and the environment , providing economic activity and employment opportunities, social inclusion and quality of life for residents in rural areas.

The National Strategy for Agriculture and Rural Development for the period 2022-2028 reflects the need for the development of the agricultural sector and rural areas, to compete in the European Union and regional markets through measures to increase the efficiency of agricultural production, processing and marketing, and to build appropriate, effective public and private institutions to improve farm incomes; to ensure that consumers have access to safe and healthy food, to optimize the use of scarce land, forest and water resources in an environmentally sustainable manner, and to build sustainable rural communities through sustainable rural development.

The strategic and specific objectives of the Agriculture and Rural Development Strategy are defined through an analysis of problems and their causes.

Strategic Objective 1: Increasing the competitiveness of the agri-food sector and improving the efficiency and sustainability of farm production.

Specific objective 1.1: Support sustainable farm incomes and resilience to increased food security.

Specific objective 1.2: Increase competitiveness and improve market orientation, including a greater focus on research, innovation, technology and digitalisation

Specific objective 1.3: Improving the position of farmers in the value chain

Strategic Objective 2: Sustainable management of natural resources (land, forests and water)

Specific objectives 2.1 Contribution to climate change mitigation and adaptation, as well as renewable energy

Specific Objectives 2.2 Promotion of sustainable and efficient management of land, water and air

Specific objectives 2.3 Biodiversity protection, improved ecosystem services and conservation of habitats and landscapes

Strategic Objective 3: Support businesses in rural areas and increase employment and social infrastructure

Specific objective 3.1: Promotion of employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forest development

Specific objective 3.2: Improve society's requirements for food and health, including safe, nutritious and sustainable food, food waste reduction and animal welfare

Specific objective 3.4: Promotion of gender equality, including women's participation in agriculture and social inclusion of communities and vulnerable groups

Strategic objective 4: Comprehensive institutional and sectoral reforms to create efficient public services

Specific objective 4.1 Reorganization and full functionalization of ADA as IPARD Agency

Specific objective 4.2 achieving trust for budget management and implementation of IPARD III program measures

Specific objective 4.3: Digitization of the sector and knowledge transfer

The strategy focuses on specific national issues to be addressed by CAP-like types of interventions, complementing it with other land and irrigation policy measures. The strategy has been prepared to take into consideration the environmental and climate actions included in the Green Agreement, namely in the commitments of the Western Balkans Green Agenda. The strategy covers a realistic, albeit ambitious, combination of support schemes for farmers and other rural actors and institutional reforms. The interventions are of the type of Pillar I (subsidies), Pillar II (Rural Development Grants) of the CAP, capital or infrastructural projects and institutional reforms aimed at the further functionalization of the Ministry towards a more efficient public administration. All public interventions for 2021 - 2028 must be implemented if included in this document. The Government will implement this Strategy mainly through the National Program of Agriculture and Rural Development, capital projects, IPA III and the contribution of other donors. At the same time, MAFRD will be responsible for the consolidation of public administration through appropriate reforms. By the end of 2028, the agri-food sector, the economy and infrastructure of rural areas and the administrative structure of the Ministry should show sustainable progress, which remains to be monitored and evaluated through a series of performance indicators.

ARDP interventions will support the competitiveness of the agri-food sector, alignment with EU standards for veterinary, phytosanitary, food safety and

environment and their restructuring and modernization, in accordance with the general objectives of the Strategy for Rural and Agricultural Development, based on General SWOT and identified needs, as well as in accordance with the priorities of IPA III. ARDP will also contribute to the development of sustainable land management practices, supporting organic farming and other agri-environmental practices, sustainable forest management and reforestation. ARDP will contribute to sustainable rural development, supporting the diversification of economic activities and strengthening the LEADER approach, as well as the transfer of knowledge by supporting professional skills and providing advisory services to farmers, forest managers and the rural population.

The selection of measures for inclusion in the ARDP is based on the assessment of sectoral needs in the priority sectors of Agriculture and food processing, the assessment of the potential and needs for diversification of the rural economy, the assessment of training needs, the development strategy of advisory services, as well as the analysis of the environmental situation and the forest sector.

Most of the ARDP resources will contribute to the achievement of Strategic Objective 1 aimed at improving the competitiveness of the agri-food sector. The focus of the ARDP budget on Strategic Objective 1 is very important for the strengths, weaknesses, opportunities and threats of the agro-food sector presented in the SWOT analysis and the identified needs.

Agriculture and the food industry are facing major challenges. The process of harmonizing national legislation with the European Acquis and gradual alignment with Community standards in the field of food safety, hygiene, environment and animal welfare requires significant investments in the modernization of facilities and in improving the knowledge and skills of the workforce.

In order to comply with EU standards, the agri-food sector must advance technology, adapt production practices, increase production and productivity and develop food safety systems. In addition, the awareness of the new standards should be increased, the competences for their correct application should be developed and the capacities of human resources should be raised.

Improved environmental performance of the agri-food sector is also important for the preservation of the environment and biodiversity. Therefore, the support for the agri-food sector will also contribute to the development of the rural economy, to the improvement of the environment and the landscape, which is one of the strategic objectives of IPA III.

Interventions within the ARDP framework will support agriculture and the food industry in priority sectors such as: milk, meat, eggs, fruit trees (including table grapes) and vegetables. Determining the priorities of the sectors selected for support is based on their importance for the economic development of the agri-food sector, as well as on maintaining the continuity of the interventions that have already begun within the 2014-2020 RDP.

The dairy sector is the most important sector in terms of income generated by livestock production. Investments have been made in this sector to promote the production of quality milk to supply the processing sector, based on supply agreements between producers and processors. The advancement of the sector is not yet complete and many farmers do not yet produce for the market and high import values of processed milk products

are still given. The sector carries potential for economic development in mountainous areas combined with the management of meadows and pastures, respecting agro-environmental protection. There is also potential for the production of milk from small animals for the processing of traditional local cheese (eg Sharr Mountains Sheep Cheese).

Beef is the most important segment of primary meat production, with good prospects for further growth. Currently, the main source of animals for slaughter is dairy cows, due to the lack of a well-developed segment of livestock for meat. Increased domestic beef/beef production can replace the import of fresh meat for the meat processing industry and supply the market with fresh meat. Poultry consumption shows an increasing trend due to changing nutrition and consumer habits. With the improvement of existing poultry facilities, poultry production can replace imports. Small animal meat production should be planned more carefully, as the local market prospects are not favorable, there is export potential, but there is a need for modernization and quality meat production.

In terms of crop production, the horticulture sub-sector is the most promising in creating jobs and increasing production with high added value. Investments should aim at capturing the current gaps between the sector's development opportunities and the use of favorable natural conditions for fruits and vegetables.

For the cereals sector, investments are needed to make this sector more competitive, accompanying it with measures such as land consolidation by increasing the areas planted with cereals.

In the wine sector, special priority has been given to the planting of new vineyards, which use quality varieties and to promote the cultivation of table grapes, to supply the growing market demand.

In addition to the national budget and IPA/IPARD, support needs are expected to be financed by other donors who support the Agriculture and Rural Development sector.

The allocation of the budget for measures also reflects the needs identified in the Strategy, as grants for the modernization of farms (M1) have the highest budget. A description of how the measures selected in the program reflect the Strategy and the specific national situation is presented below:

- For M1, selection criteria were introduced to address the shortcomings of the sectors - as identified in the sector studies and mentioned in the Strategy, giving priority to the expansion of high value-added sectors (e.g. livestock, orchards, vegetable-growing areas), Producers' organizations and approximation to EU standards, including fertilizer storage, as well as criteria for increasing the area/replanting of orchards, vineyards and greenhouses for vegetable production, thus bringing the growth of agri-food products to market. - potential/demand;
- M2 will reward producer groups in the fruit and vegetable sectors selling together, thus encouraging compliance with the Common Market Organization's standards and promoting local products;
- For M3, priority has been given to aligning with EU standards, in particular on food safety and waste management (water treatment and waste reuse) and to integrating domestic producer production/encouraging short supply chains. The grants aim at the weakness identified in the KVFA control documents ("minutes").

Furthermore, investments in increasing production capacity for processing plants are possible, but not if they are not a simple replacement of existing equipment/production lines and only if they will lead to further integration of domestic production or to diversification of production;

- M4 addresses environmental resources (soil, water and biodiversity) and aims to promote organic agriculture;
- M5 will encourage local development based on Local Development Strategies; - M6 is addressing the needs of construction, modernization and rehabilitation of rural and agricultural infrastructure; -
- For M7, eligibility covers the sectors for medicinal and aromatic plants, beekeeping and aquaculture, focusing on diversifying the local economy through small businesses in agriculture and processing at farm level. At the same time, small investment grants will be awarded to start-ups and other rural non-agricultural businesses, as well as to rural tourism; -
- M8 aims through training sessions to improve the skills of farmers and rural entrepreneurs; -
- M9 is designed to strengthen the administrative capacity to manage and implement IPARD III; -
- M10 will consolidate the national counseling system; -
- M11 will encourage afforestation, thus addressing soil erosion issues and promoting carbon capture; -
- M12 will support investments in agriculture by increasing the number and volume of rural loans and loan guarantees; -
- M13 will stimulate the transfer of knowledge and innovation in agriculture, strengthening cooperation between counseling and universities/research centers.

- Currently, Kosovo is not a beneficiary of the IPARD program, all measures are financed from the national budget until accreditation is achieved for the implementation of IPARD measures.

Measures 1, 3, 5 and 7 will start to be implemented from 2022, while new measures (such as M2, M4, M6, M9, M10, M11, M12 and M13) will be prepared and implemented gradually in the coming years.

Once the national legislative framework will be consolidated, implementation procedures will be prepared and human and institutional capacities must be raised. The national budget will also finance other interventions ("pillar I"), subsidies for production units, for the utilized agricultural area, the milk quality scheme and infrastructure projects for the rehabilitation, modernization and expansion of the irrigation system. Risk management measures in agriculture and restoration of agricultural production potential are identified as a need in this Strategy.

6.2 Needs identification and strategy summary

The SWOT analysis identified several needs to be addressed by the Agriculture and Rural Development Program.

1.Agriculture and food industry - Increasing the competitiveness of the agri-food sector

- 1.1 level of use of technology and agricultural machinery on farms is insufficient for the further increase of productivity in agriculture. Most of the farmers have outdated machinery and technical equipment which do not allow them to apply modern farm management systems for cultivation or raising livestock. In addition, farm facilities such as: (stables, shelters) are not adequately equipped to introduce automated work processes that will make agricultural production more efficient.
- 1.2 The small plot structure of agricultural economies hinders efficient management and quality production of the farm to reach the desired level of chain market demands. In addition, the establishment of adequate infrastructure is necessary; as an irrigation system in accordance with environmental protection standards to intensify, for example: the production of crops with added value.
- 1.3 The food processing sector still needs to modernize the processing lines according to modern technology. In order to replace imports with value-added products, the range of products should be diversified in order to meet market demands for high-quality products.
- 1.4 The agri-food industry faces a great challenge to be successfully restructured, to meet EU standards and to increase productivity and production, which should improve the country's competitive advantages.
- 1.5 The process of harmonizing national legislation with the European Acquis and the gradual approximation of EU standards in the field of food safety, hygiene, environment and animal welfare requires significant investments in the modernization of facilities and in improving the knowledge and skills of the workforce .
- 1.6 Cooperation between farmers is necessary for a stronger position in the market for purchasing inputs and trading agricultural products. It is necessary to create groups of producers that would try the short chain of supply and sale.
- 1.7 Vertical integration of input providers, farmers, processors and traders is necessary to support the commercialization of agricultural products. Supply contracts between producers and processors with defined quality standards, payment and distribution agreements are necessary to improve vertical integration.
- 1.8 Further training and knowledge is needed to follow the progress of modern agriculture and innovations. Insufficient knowledge and the lack of use of new agricultural technologies result in a preference for the use of traditional inputs (seeds, seedlings or animal breeds), as well as the lack of use of veterinary services, fertilizers and pesticides, leading to low production and not efficient. A strong link between education, research, effective knowledge transfer and integration of advisory services is needed;

1.9 To increase competitiveness and innovation in the agricultural sector there is a clear need to improve the knowledge and management skills of farmers in agriculture. The presentation of EU standards and requirements (veterinary and phytosanitary requirements, animal welfare requirements, environmental protection, quality and production hygiene) will be a challenge for farmers. It is more than necessary to increase the number and type of advisory services provided to farmers in order to meet these needs.

2. Environment and forestry - Sustainable management of natural resources (land, forests and water)

2.1 Promotion of best agro-environmental practices and organic farming to stimulate the maintenance of the high natural value of pastures as a resource for livestock production.

2.2 Promotion of the use of renewable energy at the farm level and at the agro-industry level by reducing fuels - the "greenhouse gas" effect.

2.3 There is a great need to transfer knowledge and increase the awareness of the rural population about the protection of the environment and the collection and disposal of waste.

2.4 Forest management in line with environmental standards to preserve biodiversity and support forest production with an environmentally friendly approach.

2.5 Afforestation, reforestation and fire protection are needed as direct carbon sequestration approaches for climate change mitigation.

2.6 Trained advisory services are needed to support farmers and forest owners/managers in the implementation of agri-environmental practices, climate change mitigation and adaptation practices.

3. Rural economy - Supporting businesses in rural areas and increasing employment and social infrastructure

3.1 In order to reduce population migration or poverty in rural areas, employment opportunities should be created by supporting the diversification of agricultural activities such as traditional food processing products and local niche products as well as by encouraging business initiatives to become active in providing of rural services.

3.2 In order to encourage economic development in rural areas, adequate infrastructure (energy, roads, water supply, waste disposal, internet access) must be created and maintained.

3.3 Promotion and integration of the development of rural tourism and traditional foods is needed.

3.4 Consolidation of Aromatic Forest Plant and Non wood forest products collection centers. The needs relate to equipment for processing and storage (including equipment for refrigeration, packaging labelling) and marketing.

3.5 Cooperation and trust between different sectors has increased as a result of activities and support for LEADER-type initiatives. This creates a good basis for the further promotion of local initiatives and partnerships.

4. Comprehensive institutional and sectoral reforms to create efficient public services

- 4.1 Institutional capacities building for alignment with the EU acquis;
4.2 Digitization of services and integration of databases for policy implementation and improvement of inter-institutional cooperation.

Table 31. Identified needs and measures

Need identified	ARDP Programme	IPA	Other donor - multilateral assistance	Other national support
N1.1: The level of use of technology and agricultural machinery on farms is insufficient for the further increase of productivity in agriculture. Most of the farmers have outdated machinery and technical equipment which do not allow them to apply modern farm management systems for cultivation or raising livestock. In addition, farm facilities such as: (stables, shelters) are not adequately equipped to introduce automated work processes that will make agricultural production more efficient.	Measure 1		N/I	
N1.2: The small plot structure of agricultural economies hinders efficient management and quality production of the farm to reach the desired level of chain market demands. In addition, the establishment of adequate infrastructure is necessary; as an irrigation system in accordance with environmental protection standards to intensify, for example: the production of crops with added value.	Measure 1	IPA Irrigation infrastructure projects	N/I	Irrigation infrastructure projects
N1.3: The food processing sector still needs to modernize the processing lines according to modern technology. In order to replace imports with value-	Measure 3		N/I	

added products, the range of products should be diversified in order to meet market demands for high-quality products.					
N1.4: The agro-food industry faces a great challenge to be successfully restructured, to meet EU standards and to increase productivity and production, which should improve the country's competitive advantages.	Measure 3		N/I		
N1.5: The process of harmonizing national legislation with the European Acquis and the gradual approximation of EU standards in the field of food safety, hygiene, environment and animal welfare requires significant investments in the modernization of facilities and in the improvement of knowledge and skills of the workforce.	Measure 1 and Measure 3		N/I		
N1.6: Cooperation between farmers is necessary for a stronger position in the market for purchasing inputs and trading agricultural products. It is necessary to create groups of producers that would try the short chain of supply and sale	Measure 1 and Measure 3		N/I		
N1.7: Vertical integration of input providers, farmers, processors and traders is necessary to support the commercialization of agricultural products. Supply contracts between producers and processors with defined quality standards, payment and distribution agreements are necessary to improve vertical integration.	Measure 1 and Measure 2		N/I		
N1.8: Further training and knowledge is needed to follow the progress of modern agriculture and innovations. Insufficient	Measure 1, M 13		N/I	National grants	

knowledge and the lack of use of new agricultural technologies result in a preference for the use of traditional inputs (seeds, seedlings or animal breeds), as well as the lack of use of veterinary services, fertilizers and pesticides, leading to low production and not efficient. A strong link between education, research, effective knowledge transfer and integration of advisory services is needed;					
N1.9: To increase competitiveness and innovation in the agricultural sector there is a clear need to improve the knowledge and management skills of farmers in agriculture. The presentation of EU standards and requirements (veterinary and phytosanitary requirements, animal welfare requirements, environmental protection, quality and production hygiene) will be a challenge for farmers. It is more than necessary to increase the number and type of advisory services provided to farmers in order to meet these needs.	M1, M3,		N/I	National funds for insurance schemes and for disaster recovery income support	

Environment and forestry - Sustainable management of natural resources (land, forests and water)

N.2.1 Promotion of best agro-environmental and organic farming practices to stimulate the maintenance of the high natural value of pastures as a resource for livestock production	Measure 2		N/I		
N 2.2: Promotion of the use of renewable energy at the farm level and at the agro-industry level by reducing fuels - the "greenhouse gas" effect.	Measure 1 and Measure 3		N/I		

N2.3 There is a great need to transfer knowledge and increase the awareness of the rural population about environmental protection and waste collection and disposal.	Measure 4 and Measure 11		N/I		
N2.4 Forest management in line with environmental standards to preserve biodiversity and to support forest production with an environmentally friendly approach.	M 11		N/I		
N2.5 Afforestation, reforestation and fire protection are needed as direct carbon sequestration approaches for climate change mitigation	Measure 11		N/I		
N2.6 Trained advisory services are needed to support farmers and forest owners/managers in the implementation of agro-environmental practices, climate change mitigation and adaptation practices	Measure 1, M 11		N/I		
Rural economy - Supporting businesses in rural areas and increasing employment and of social infrastructure					
N3.1 In order to reduce population migration or poverty in rural areas, employment opportunities should be created by supporting the diversification of agricultural activities such as traditional food processing products and local niche products as well as by encouraging business initiatives to become active in providing rural services.	Measure 7		N/I		
N3.2 In order to encourage economic development in rural areas, adequate infrastructure (energy, roads, water supply, waste disposal, internet access) must be created and maintained.	M6		N/I	Adoption of GAECs	Miratimi i GAEC-ve
N3.3 It is necessary to promote and integrate the development of rural tourism and traditional	M7, M1 and M3		N/I		

foods.					
N.3.4 Consolidation of Aromatic forests plant and Non wood forest products collection centers. The needs relate to equipment for processing and storage (including equipment for refrigeration, packaging labelling) and marketing.	M7		N/I	Employment Over of personnel extra	Punësimi i personel it shitesë
N.3.5 Cooperation and trust between different sectors has increased as a result of activities and support for LEADER-type initiatives. This creates a good basis for the further promotion of local initiatives and partnerships.	Measure 5		N/I	Approval of GAECs, Irrigation grants	Miratimi i GAEC-ve, Grantet për ujitje
Comprehensive institutional and sectoral reforms to create efficient public services					
N.4.1 Institutional capacities building for alignment with the EU acquis;	Measure 9		X – not yet source identified financial and donor for a technical assistance project		
N.4.2 Digitization of services and integration of databases for policy implementation and improvement of inter-institutional cooperation	Measure 9		X – not yet source identified financier and donor for a technical assistance project		

6.3 Objectives of the program

According to the summarized analyzes; SWOT analysis, sectoral analysis have defined the objectives of ARDP 2023-27, as follows:

1. To increase the competitiveness of the agri-food sector by improving the efficiency and sustainability of on-farm production, attracting young farmers, orienting production to market demands, improving the value chain and focusing on research, innovation, new technology and digitalization.
2. To ensure better response to society's demands for safe, nutritious and sustainable food by contributing with a higher share of local production
3. Protection of natural and environmental resources, which address climate change challenges by achieving sustainable use of natural resources.
4. Improving the quality of life, community development and social inclusion in rural areas and build-up modern public administrations, respecting good governance principles.

Table 32. The relation between the objectives and the measures is presented below:

Objective	Measure
1. 1. To increase the competitiveness of the agri-food sector by improving the efficiency and sustainability of on-farm production, attracting young farmers, orienting production to market demands, improving the value chain and focusing on research, innovation, new technology and digitalization.	Measure 1: Investments in physical assets of agricultural holdings Measure 2: Support for the setting up of producer groups Measure 3: Investments in physical assets concerning processing and marketing of agricultural and fishery products
2. 2. To ensure better response to society's demands for safe, nutritious and sustainable food by contributing with a higher share of local production	Measure 8: Improvement of training Measure 9: Technical assistance Measure 10: Advisory services Measure 12 Financial instruments Measure 13: Innovation and knowledge transfer
3. Environmental protection and sustainable use of natural resources in order to better address climate change.	Measure 4: Agri-environment-climate and organic farming measure Measure 8: Improvement of training Measure 9: Technical assistance Measure 10: Advisory services Measure 11: Establishment and

	protection of forests Measure 13: Innovation and knowledge transfer
4. Improving the quality of life, community development and social inclusion in rural areas and build-up modern public administrations, respecting good governance principles.	Measure 5: Implementation of local development strategies - LEADER approach Measure 6: Investments in rural public infrastructure Measure 7: Farm diversification and business development Measure 8: Improvement of training Measure 9: Technical assistance Measure 10: Advisory services Measure 12 Financial instruments Measure 13: Innovation and knowledge transfer

6.4 Consistency between the proposed interventions of the ARDP 2023-27, the IPA III Programming Framework and the Strategic Response

In accordance with the objectives and documents: IPA III Program Framework and Strategic Responsibilities Window 5 "Territorial and cross-border cooperation"; Window 3 "Sustainable connectivity and the green agenda" as well as Window 4 "Competitiveness and inclusive growth", the proposed ARDP will ensure:

- Strengthening the agricultural sector and increasing its competitiveness to meet social demands for safe, healthy, nutritious food and animal welfare and to improve the position of farmers in the food chain;
- Increasing the competitiveness of the agri-food sector, aligning it with EU standards;
- Improving the efficiency and sustainability of farm production and providing a better response to society's demands for safe, nutritious and sustainable food;
- Creating opportunities for business development, growth and employment in rural areas, improving the position of farmers in the value chain and attracting new farmers;
- Contribute to climate change mitigation and adaptation by promoting sustainable management of natural resources;

The ARDP will provide support for physical investments aimed at aligning the sector with EU standards (environment and animal welfare), improving the economic and environmental performance of agricultural economies and increasing the positions of farmers in the full value chain.

Investments in physical assets are necessary to improve overall productivity, economic sustainability, improvement and harmonization of national level standards with those of the EU. The lack of liquidity at the farm level requires the infusion of public support to spur private investment.

6.5 Approximation of selected measures and selection criteria with the main elements of the EU Green Agreement and the Green Agenda for the Western Balkans

In line with the EU Green Deal, and the Green Agenda for the Western Balkans, the IPARD Programme has introduced mechanisms towards meeting the set targets, as follows:

- Measure 1 is prioritising investments aiming at production of the renewable energy, better manure management (thus reducing the nitrogen losses in air and water), animal welfare standards (known for reducing the use of antimicrobials) and modern equipment for the use of pesticides (that reducing the risk in the use of pesticides),
- Measure 2 is stimulating short-supply chains, thus reducing the carbon footprint of the agri-food products;
- Measure 3 is prioritising investments in waste water treatment, thus reducing the water pollution,
- Measure 4 is addressing the biodiversity of grasslands also promoting the prohibition of the chemical fertilisers and pesticides, as well the increase in the areas with certified organic farming production,
- Measure 6 including investments on sewages systems and water treatment for the rural areas, thus reducing the level of the nitrates from surface and underground waters,
- Measure 7 is stimulating the local food-production, which is generally under a low input system;
- Measure 8, 10 and 13 are including training sessions and advisory services also on environment protection,
- Measure 11 is focusing on carbon sequestration through afforestation.

6.6 Summary of the logic of interventions, showing the measures selected for ARDP 2022-27, quantitative objectives

Table 33. Selected measures for ARDP 2023-27, quantitative objectives

No.	Measures selected for IPARD	Measures targets	Programme targets
1	Grants for investments in physical assets of agricultural holdings (M1)	- The number of farmers participating in the support of producer groups, producer organizations, local markets, the short supply chain and	Number of projects having received IPA

		<ul style="list-style-type: none"> - circulation of quality schemes 0 - Number of collective investments 0 - The number of RDP beneficiaries in investments related to organic manure management 700 - The number of RDP beneficiaries in investments in waste treatment or management 700 - The number of RDP beneficiaries in investments in the production of renewable energy 1,000 - Number of circular economy investment type projects 0 	<p>support in agri-food sector and rural development: 2538</p> <p>Total investment generated via IPA in agri-food sector and rural development 176,502,980.00€ (private – public funding)</p>
2	Support for producers' groups (M2)	<ul style="list-style-type: none"> - The number of new groups of supported producers 8 - The number of farms participating in the supported production groups 50 	
3	Grants for investments in physical assets concerning processing and marketing of agricultural and fishery products (M3)	<ul style="list-style-type: none"> - The number of modernized agro-processing enterprises supported by RDP 145; - Total investment in modernized agro-processing enterprises 37,000,000 € - The number of agro-processing enterprises that receive support from the RDP for investments that progressively meet EU standards for hygiene and animal welfare 120; - Number of jobs created 870; - The number of young farmers who receive RDP support for investments 0; - Number of producer groups/organizations supported 0; - Number of farmers participating in supported producer groups, producer organizations, local market, short supply chain circle and quality schemes 0; - Number of collective investments 0; - Number of RDP beneficiaries in investments related to organic manure management 0; - Number of RDP beneficiaries in investments in expenses or management of findings 145; - The number of RDP 	<p>Number of economic entities performing modernisation projects in agri-food sector 145</p> <p>Number of economic entities progressively upgrading towards EU standards ...120..</p> <p>Number of FTE jobs created 4333 Price per new job</p> <p>Increase as share of total sector GVA, %.... GVA/AWU</p> <p>Number of agricultural holdings/enterprises developing additional</p>

		<p>beneficiaries in renewable or diversified sources of investments in the new income in rural areas year120;865.</p> <ul style="list-style-type: none"> - Number of investment projects of circular economy type 20; - The number of agro-processing enterprises all modernized by RDP 100 	
4	Agricultural-environmental-climatic measure and organic agriculture (M4)	<ul style="list-style-type: none"> - Number of contracts; - Total agricultural land (ha) according to environmental contracts; - The number of supported operation types - The total area in ha for the type of operation. - Organic farming - The number of supported properties - Support for endangered breeds and preservation of local breeds 	
5	Grants for rural local development initiatives (M5)	<ul style="list-style-type: none"> - The number of GLVs operating in rural areas; 20 - Total investment in GLV 1,875,000 - Population covered by GLVs; 10,000-150,000 - Number of jobs created (gross); 30 - Number of paid small projects. 80 	
6	Investments in rural public infrastructure (M6)	<ul style="list-style-type: none"> - Number of projects n/a - Total investment for rural infrastructure 750,000 € - Number of beneficiaries n/a - Number of jobs created (gross); n/a - Total investment in physical capital (EUR) n/a 	
7	Grants for the diversification of the local food systems and short-supply chains and for non-agricultural rural businesses (M7)	<ul style="list-style-type: none"> - Number of farmers supported by RDP 865 - Total investment in the amount of 7 40,000,000 € - Number of jobs created 1,153 - The number of young farmers who receive RDP investment support 500 - Number of producer 	

		<p>groups/organizations supported 0</p> <ul style="list-style-type: none"> - Number of farmers participating in supported producer groups, producer organisations, local market, short supply chain circle and quality schemes 0 - Number of collective investments 0 - The number of RDP beneficiaries in investments related to organic manure management 50 - The number of RDP beneficiaries in investments in waste treatment or management 200 - The number of RDP beneficiaries in investments in the production of renewable energy 500 - The number of projects in investments of the circular economy type 0 	
8	Improvement of training (M8)	<ul style="list-style-type: none"> - Number of participants who attended the training activities n/a - Total investment in M8; 600,000 € - Number of training days provided. n/a - Number of demonstration projects. n/a - Number of participants in demonstration projects. n/a - Number of short-term farm and forest management exchanges/visits. n/a - Number of participants in farm and forest management exchanges/visits. n/a 	
9	Technical assistance (M9)	<ul style="list-style-type: none"> - Number of National Rural Development Networks supported n/a - Total investments in Measure 9; 800,000 € - Number of promotional materials for general information of all interested parties (leaflets, brochures, etc.); n/a - Number of advertising campaigns; n/a - Number of tasks of supported 	

		<ul style="list-style-type: none"> experts; n/a - Number of trainings, workshops, conferences, seminars; n/a - Number of monitoring committee meetings; 10 - The number of studies for the processing and implementation of program measures; 4 - Number of program evaluation reports; 3 - Number of actions of rural networks supported; n/a - Number of potential GLVs supported. 0 - Number of promotional materials for general information of all interested parties (leaflets, brochures, etc.); n/a 	
10	Advisory services for farmers on farming practices, accountancy and marketing with the consideration of the innovation (M10)	<ul style="list-style-type: none"> - Number of beneficiaries of counseling services (individual counseling/group counseling); n/a - Total investments in Measure 10: 800,000 € - Number of devices provided by topics (IPARD, environment, etc.) n/a 	
11	Afforestation (M11)	<ul style="list-style-type: none"> - Agricultural and non-agricultural forested land (ha); n/a - Total investments in Measure 11 600,000€ - The area of established agroforestry systems (ha); n/a - Forest area that has benefited from support to improve the resilience and environmental value of forest ecosystems (ha). n/a - Forest area that has benefited from support for the prevention and restoration of forest damage caused by forest fires (ha). n/a 	
12	Financial instruments – guarantees of rural loans and/or subsidies for the interest of the rural loans	- 1,000 guarantees for rural loans for farms and agri-food processors	

13	AKIS	1 national Agricultural Knowledge and Innovation System set-up and running	
----	------	--	--

7 GENERAL FINANCIAL TABLES

7.1 INDICATIVE BUDGET FOR THE IMPLEMENTATION OF ARDP 2023-27

TABLE 33 THE TOTAL BUDGET OF PBZHR 2023-27

Indicative budget for the implementation of ARDP 2023-27						
Year	2023	2024	2025	2026	2027	2023-2027
Total	24,627,022	24,627,022	24,627,022	26,427,000	26,427,000	126,735,066

7.2. Financial plan according to measures for 2023-2027

Table 34. The allocation of budget indicators for measures between years

Financial plan according to measures 2023-2027	2023	2024	2025	2026	2027	Totali	%
							Public contribution
1. Investments in physical assets of farms households	16,827,000	14,227,000	13,127,000	14,977,000	14,727,000	73,885,000	60%
2. Support the creation of producer groups	-	200,000.00	300,000	400,000	500,000	1,400,000	100%
3. Investments in physical assets for the processing and marketing of processed and fish products	3,500,000	3,500,000	3,500,000	4,000,000	4,000,000	18,500,000	50%
4. Agricultural-environmental-climatic measures and organic agriculture	-	-	200,000	300,000	400,000	900,000	100%
5. Implementation of Local Development	300,000	300,000	300,000	300,000	300,000	1,500,000	80%

Strategies - LEADER approach							
6. Investments in rural public infrastructure	-	-	200,00 0.00	250,0 00.00	300,0 00.00	75 0,000.00	100%
7. Farm diversification and business development	4,000,000	6,000,000	6,000,000	5,000,000	5,000,000	26,000,000	65%
8. Improvement of trainings	-	-	200,00 0.00	200,0 00.00	200,0 00.00	60 0,000.00	100%
9. Technical assistance	-	200,0 00.00	200,00 0.00	200,0 00.00	200,0 00.00	80 0,000.00	100%
10. Extension/advisory services	-	200,0 00.00	200,00 0.00	200,0 00.00	200,0 00.00	80 0,000.00	100%
11. Elevation and protection of forests	-	-	200,00 0.00	200,0 00.00	200,0 00.00	60 0,000.00	100%
12. Financial instrument	-	-	-	200,0 00.00	200,0 00.00	40 0,000.00	100%
13. Innovation and knowledge transfer	-	-	200,00 0.00	200,0 00.00	200,0 00.00	60 0,000.00	100%
Totali	24,627,00	24,627.00	24,627,00	24,627,00	24,627,00	126,735,00	%

Table 35. Indicative allocation of the budget according to measures in Euros (public contribution and private contribution 2023-2027)

7.3 Indicative allocation of the budget by measure in EURO, 2023-2027

	Indicative budget allocation by measure in EURO, 2023-2027	Total public support	Private Contribution	Total Expenses
1.	1.Investments in physical assets on agricultural farms households	73,885,000	49,256,667	123,141,667
2.	2.Support for the creation of producer groups	1,400,000	0	1,400,000
3.	3.Investments in physical assets for processing and marketing of agricultural and fishery products	18,500,000	18,500,000	37,000,000
4.	4.Agricultural-environmental-climatic	900,000	0	900,000

	measures and organic agriculture			
5.	5.Implementation of Local Development Strategies - LEADER approach	1,500,000	375,000	1,875,000
6.	6.Investments in rural public infrastructure	750,000	0	750,000
7.	7.Diversification of farms and business development	26,000,000	14,000,000	40,000,000
8.	8Training improvement	600,000.00	0	600,000
9.	9Technical Assistance	800,000.00	0	800,000
10.	10.Extension /advisory services	800,000.00	0	800,000
11.	11.Establishment and protection of forests	600,000.00	0	600,000
12.	12.Financial instruments	400,000.00	0	400,000
13.	13.Innovation and knowledge transfer	600,000.00	0	600,000
	Total	126,735,000	82,131,667	208,866,667

7.4. Indicative budget within the measures of the 2023-27	2023	2024	2025	2026	2027	2023-2027	EUR / %	
Technical assistance			200,000.00	200,000.00	200,000.00	800,000.00		100
Total			200,000.00	200,000.00	200,000.00	800,000.00		100

7.4. Indicative budget within the measures of the 2023-27 Program for monitoring

8 DESCRIPTION OF SELECTED MEASURES

8.1 Requirements regarding all or some of the measures

The objectives of the Program for Agriculture and Rural Development will be aimed at achieving through the implementation of 13 measures identified according to the SWOT analysis. The implementation of the ARDP will start with the financing of the national budget aiming at the IPARD III program and the contribution of other donors.

Table 36: Timeline for starting the implementation of ARDP measures

	Measures	Progra mming period	Indicative plan for starting the implementation of measures
1.	1.Investments in physical assets on agricultural farms	2023-27	2023-27
2.	2.Support for the creation of producer groups	2023-27	2024 -27
3.	3.Investments in physical assets for processing and marketing of agricultural and fishery products	2023-27	2023-27
4.	4.Agricultural-environmental-climatic measures and organic agriculture	2023-27	2026-27
5.	5.Implementation of Local Development Strategies - LEADER approach	2023-27	2023-27
6.	6.Investments in rural public infrastructure	2023-27	2025-27
7.	7.Diversification of farms and business development	2023-27	2023-27
8.	8.Training improvement	2023-27	2025-27
9.	9.Technical Assistance	2023-27	2024-27
	10. Extension/advisory services	2023-27	2024-27
	11. Establishment and protection of forests	2023-27	2025-27
	12. Financial instruments	2023-27	2026-27
	13. Innovation and knowledge transfer	2023-27	2026-27

Out of the 13 prepared measures, four measures (M1, M3, M5 and M7) will begin to be implemented as early as 2022, the other measures will begin to be implemented gradually according to the indicative calendar depending on the increase in the budget, the preparation of legislation and the raising of capacities for the implementation of these measures.

Measure 12 Financial instruments and measure 13 Innovation and knowledge transfer are new measures that, although included, need to be prepared before they are ready for implementation. The call for these two Measures (12 and 13) is expected to be made no earlier than 2026.

General requirements that apply to all measures unless otherwise written in the specific measure

8.1.1 General requirements that apply to all measures unless otherwise stated in the specific measure

- The degree of support, the minimum and maximum amount of total eligible costs;
- Eligibility rules: eligible applicants, eligible investments/activities, eligible costs;
- Selection Criteria;
- Application procedures, including provisions for administrative and eligibility controls, verification of investment profitability;
- Supporting documents required to prove applicants' eligibility and investment, as well as priorities in the selection system;
- Contracting procedures and provisions for amendment of contracts.
- Obligation not to change the investment for a period of at least 5 years after the completion of the project;
- Publish the names of beneficiaries who have received support
- Explanations of publicity and visibility obligations; and
- Sanction measures in case of non-compliance with the conditions provided before and after the implementation of the project.

The Agricultural Development Agency (ADA), in cooperation with the MA, will develop templates for application forms and business plans and provide guidance on their preparation; standard contracts, farmer guides will also be provided for each measure.

8.1.1 Eligible applicants for support

The groups of eligible applicants under the Rural Development Program are:

- Agricultural economies/ natural and legal persons registered in the Farm Registry in accordance with Law No. 08/L-072 on Agriculture and Rural Development and Law No. 06/L-016 on Commercial Companies;
- Food operators processing and trading agricultural products registered under Law No. 04/L-2020 on Foreign Investments, Law No. 08/L-120 on Food and Law No. 06/L-016 for Commercial Companies;
- Local Action Groups registered in the MPBAP based on the Law on Agriculture and Rural Development and Law No. 06/L-043 on Freedom of Association in Non-Governmental Organizations.
- Producer organizations recognized by the competent body of the Ministry of Agriculture, Forestry and Rural Development according to Law No. 08/L-072 on Agriculture and Rural Development

8.1.2 Requirements for support application

The following general requirements apply, unless otherwise required in the description of the measure. All applicants applying for support from RDP 2023-27 must submit the application forms issued by the Agency for Agricultural Development for special measures and complete the required documents. The application must include eligible activities and expenses related to the project for which it is applied. The applicant can apply in different measures of the Program. However, the applicant can only apply once within the measure/sub-measure within a deadline/call for application. If the application is approved, the applicant must complete this project before applying for the next project.

8.1.3 The following conditions will also be required for the implementation of program measures:

(a) In the case of construction/reconstruction activities, applicants must submit copies of the project drawings and the estimated cost of the works and materials envisaged.

(b) Construction/expansion activities must comply with the standards set by the Municipality in accordance with the urban and spatial plans and/or other applicable standards of the Municipality;

(c) The applicant must prove that he/she is the owner of the land/building where the investment will be made or that he/she has the right to use it for at least 10 years counting from the date when the application was submitted. In the case of investments, which include construction/expansion activities, improving irrigation or planting perennials, the applicant must prove ownership of the land/building in relation to the investment in question or the right to use it for at least 10 years by starting from the year the application was submitted (unless otherwise stated in the specific measure). -

In the case of land leased by the Kosovo Forest Agency, the contracts may be even shorter according to the contract that the applicant has with the Kosovo Forest Agency. Forest lands (according to the certificate of ownership) are not accepted as agricultural land. Land privatized by the KFA, which in the property certificate is presented as "land leased for 99 years" is treated as land owned by the privatizing entity.

(d) The applicant must have no outstanding liabilities to the state; fiscal obligations, property or income taxes or any other obligation to the state.

8.1.4. Payment of installments and advances to support investments

Project implementation/investment start is possible only after signing the contract with ADA. Payment of public assistance will be made based on the request for payment and the conditions required in the contract.

Payment can be made in two installments, the first part of public support in the amount of 50% is made in the form of an advance payment after signing the contract with the beneficiary at his request, providing the bank guarantee, while the remaining 50% is paid after verifying the completion of the total investment. If the beneficiary does not apply for an advance payment then the full payment is made after verifying the completion of the total investment.

The bank guarantee should be provided only for the advance payment of 50% of the public support, respectively until the final decision for payment/acceptance of payment or refusal of payment.

8.1.5 Financial conditions

The investment for which the beneficiary received support must not undergo a substantial change within five years from the date the final payment was received. Substantial changes to an investment are those that result in:

- Interruption or relocation of production activity in a field that is not covered by the program.
- Changes in the ownership structure, which give an entity or public body an undeserved advantage, or

- Substantive change that affects the nature, objectives or conditions of implementation which result in the change of the initial objectives.
- In case of extraordinary situations that may affect investments (eg fire or flood) or force majeure (eg pandemic), the beneficiary must inform ADA within the deadlines according to the co-financing contract.
- Beneficiaries are obliged to keep all the documents for at least 5 years after making the investments, as well as to cooperate and provide any required information to the officials of the Ministry of Education and Culture, the Ministry of Education, the Auditor and other organizations and institutions at the request of the Ministry of Education and Culture .
- The financing conditions will be defined and elaborated in more detail in the contract for the co-financing of the project between the beneficiary and ADA.

In case of violation of the aforementioned provisions, ADA must immediately inform the party of breach of contract and ADA's Legal Office must initiate legal procedures according to the Legislation in force.

8.1.6 Eligible investments for support

(a) construction or renovation of immovable property.

(b) the purchase of new machinery and equipment, including computer software, at market prices.

(c) purchase of perennial plant seedlings.

(d) General expenses related to the expenses referred to in points (a), (b) and

(c) which include expenses for the services of architects and engineers and advisory services, feasibility studies, expenses for obtaining permits and licenses. Total costs may not exceed 10% of the total eligible investment costs. Only expenses incurred after the signing of the contract between the beneficiary and ADA, are considered eligible for co-financing, with the exception of general expenses which are eligible even before the signing of the contract, but only for selected applicants.

Expenses for the fees of architects, engineers, feasibility studies, consultancy for the preparation of the business plan will be acceptable only if they are carried out by professionals and companies specialized in the field. The beneficiary must provide accurate data for the expert and the company that provides the service.

Neither type of investment is accepted to be financed before the full amortization period of that investment has passed (equipment, machinery, buildings, etc.). ADA must keep a list of investments for each farmer and during the evaluation of the application in the current year must be subjected to cross-checking in the previous 10 years for the same investment for the same beneficiary

Only expenses incurred after the signing of the contract between the beneficiary and the AZHB are considered eligible for co-financing, with the exception of general expenses which are also eligible before the signing of the contract, but only for selected applicants;

Expenditure on information and publicity activities at project level is considered eligible for co-financing if they comply with the Publicity and Visibility Rules applicable to the Program.

The beneficiary must provide detailed documentation justifying the veracity and validity of the expenditure with the request for payments presented in ADA. ADA is responsible for checking the authenticity and validity of expenditures. In the farmer guidelines, ADA publishes the selection criteria and the necessary documents to justify the costs by the applicant/beneficiary. A list of eligible costs, specified, will be provided to farms as an annex to the applicant guide.

8.1.7 Ineligible Expenditures under the Program:

- (a) taxes, including VAT; with the exception of non-refundable VAT for natural persons and non-VAT reporting enterprises.
- (b) customs duties and excises
- (c) purchase and lease of existing land and buildings;
- (d) fines, financial penalties and litigation costs;
- (e) operating costs;
- (f) machinery and equipment used;
- (g) bank liabilities, interest, guarantor costs and similar liabilities;
- (h) exchange costs, liabilities and exchange losses, as well as other financial expenses;
- (i) in-kind contributions;
- (j) purchase of agricultural inputs, livestock, annual plants and their planting;
- (k) maintenance and depreciation costs
- (l) staff salary expenditures for management, implementation, monitoring and control activities.

Expenditures under points (c) and (e) except for the purchase of land are eligible under the measure "Implementation of Local Development Strategies - LEADER Approach", "Improved Training" and "Support for the establishment of producer groups".

8.2 Administrative Procedure

The implementation of measures under this Program begins with the calls for application published by ADA.

The application is made through the online web module on the ADA website www.azhb-ks.net where the link "apply online" is located which leads to the online application module.

The project is registered in the web-module and uploaded (upload the necessary documents for the application)

Necessary application documents (including application forms, list of required documents, as well as project proposal and business plan templates, including instructions for completing the forms and other instructions for beneficiaries) are published electronically on the website of Agricultural Development Agency, MAFRD and printed as a manual, as hard copy.

The Agricultural Development Agency processes the received applications for approval in accordance with the internal procedures of the Agricultural Development Agency observing the rules for personal data protection in accordance with the applicable provisions.

8.2.1 Administrative control

Once the application is open, the administrative control is performed first, in which case the fulfillment of the basic eligibility requirements (such as the type of beneficiary and the type of eligible investments) is checked if the application contains all the necessary mandatory supporting documents. In addition to administrative control, compliance with eligibility criteria is verified (such as minimum compliance with national standards, and other general and specific requirements under this measure).

8.2.2 Verification of eligible costs and assessment of economic and financial viability

Completed applications are subject to further assessment of eligible costs and assessment of economic and financial viability. Eligibility of expenditures is checked by comparing with reference prices approved by ADA. The value of eligible costs is further verified if it corresponds to the market value of the relevant items proven through three different offers from suppliers (for goods over € 10,000), compared to the reference values set by the Agriculture Development Agency. The total amount of eligible costs is estimated by comparing the minimum and maximum applicable threshold set for projects under this measure. If the total amount of eligible costs is below the minimum the project is rejected.

Economic - financial viability assessments are made for projects that meet the eligibility requirements and have completed documentation. The assessment is performed according to the methodology of the Agricultural Development Agency for the criteria of economic and financial sustainability.

8.2.3 Field inspections (On spot)

Projects selected for financing are subject to on-site inspections to verify the actual status of investment proposals, whether the investment has started and the expenditures have been made, if the information in the submitted documents corresponds to the real situation and other measures.

8.2.4 Selection criteria and ranking of projects/ scoring

The Managing Authority is responsible for determining the eligibility criteria and the selection criteria.

Selection criteria are conditions that the MA should set to ensure funding priorities for the best projects that address the needs identified in the sector analysis, SWOT analysis, and objectives set out in RDP 2023-27. The selection criteria should be clear, in line with the objectives, and should be applied transparently throughout the programming period and aim to ensure equal treatment of applicants, better use of financial resources and orientation of measures in line with the country's rural development priorities. Selection criteria should be clearly defined before the start of the application process to ensure equal treatment of all potential applicants.

A project/application can only be selected for support if it reaches a minimum threshold of 50 points. The minimum threshold is set to ensure that the projects supported bring sufficient added value to the sector.

Managing Authorities can choose between two approaches:

1) Approach 1 – a full list of selection criteria with proposed point allocation is included in the RBMP under the description of each measure. Any changes can be made with a program amendment.

2) Approach 2 – The Managing Authorities should only provide a general outline or principles of the selection criteria, leaving the detailed list of the selection criteria to the Monitoring Committee, based on the proposal prepared by the Managing Authority, in cooperation with the AZHB, must be prepared before the approval of the PBZHR 2023-27 in the Monitoring Committee.

8.2.5 Project approval and contracting

The approval procedure should not exceed 3 months from the date of submission of the request. If the project or request has been evaluated by the particular service special (relevant field expert. consideration of the project or request has been postponed until the particular services have reached conclusions.

The applicant is notified of his/her proposal approved by the decision approving the request/application issued by the Agricultural Development Agency. Along with the decision, the applicant is invited to sign the contract for co-financing of the project within 5 days after receiving the decision and/or invitation. At least 4 copies of the contract are attached to the invitation to sign the contract.

Application evaluation must begin 7 days after the application deadline.

8.2.6 Rejection of projects

Applicants will be rejected if:

- The documentation is not complete;
- Fail to meet eligibility criteria;
- Expenses cannot be verified as eligible;
- The project is not economically sustainable according to the ADA;
- In case of fraud at any stage of the procedure;
- If the project financed by public support is not functional according to the project/business plan and the contract;
- In case of non-compliance with the terms of the contract for financing the contract;
- Applicants applying for public investment will also be rejected if they fail to complete the procurement process according to the applicable procurement rules.
- The applicant is notified of his/her project being rejected through the rejection decision issued by the Agricultural Development Agency. The rejection decision contains the reasons for the rejection.

The applicant has the right to appeal against the rejection decision issued by the Agricultural Development Agency. The appeal procedure will be explained in the Guide for applicants.

8.2.7 Implementation of the project

The project begins to be implemented after the co-financing contract is signed and may last up to 2 years, depending on the specifics of the investment. ADA can delegate certain powers for the implementation of the program to the delegating bodies through a written contract. Under no circumstances can the process of contracting beneficiaries and executing payments be delegated. ADA remains responsible for monitoring the

implementation of the program by the delegated bodies. ADA should request reports from the delegating body on the progress of program implementation. If there are constructions, I must present the report from the technical supervision

8.2.8 Payment approval

Payment to the final beneficiary will be made on the basis of payment requests, based on cost statements made by the final beneficiary and evidenced by original invoices.

The payment request and accompanying documents are subject to final eligibility checks. The eligibility of the expenses incurred will be checked in accordance with the documents, the provisions of the contract and by means of on-site checks before the payment is approved.

Upon approval, payment will be made in local currency to the final beneficiary or their signatory. No payment will be made to the beneficiaries who are found to have created artificial conditions for receiving the project.

8.2.9 Ex-post inspections

All projects supported by the Rural Development Program are subject to Ex-post control for a period of 5 years. During this period, ADA should conduct checks to verify compliance with the eligibility criteria. During this period, the beneficiary is obliged to maintain the investment and provide access to officials in case of control.

In case of non-compliance with the implementation of the project according to the contract by the beneficiary, ADA is obliged to request from the beneficiary part of the co-financing from the program (public money).

In case of minor discrepancies that can be easily corrected by the beneficiaries, a period of time can be given for improvements. (details should be given in the operational procedure of ex-post inspections of ADA).

8.3 DESCRIPTION BY MEASURES

8.3.1.MEASURE 1 "INVESTMENTS IN PHYSICAL ASSETS IN AGRICULTURAL ECONOMIES"

1. Legal base

- Law no. 08/L-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo/ No. 8/ March 29, 2023,
- Strategy for Agriculture and Rural Development 2022-2028, decision of the Government of the Republic of Kosovo No. 12/50, dated: 23.12.2021 for approval.
- Law No. 03/L-048 on Public Finance Management and Responsibilities (Official Gazette of the Republic of Kosovo No. 27/03 June 2008).

2. Reason

The agricultural sector in Kosovo plays a very important role in providing employment opportunities and income generation. Despite all the

investments made in the agricultural sector during the past period 2014-2020, the unfavorable structure of the farm, small farms, non-competitive producers, weak connections with the market are some of the factors that hinder the development of the sector and prevent the sector from fulfilling its full productive potential.

The analysis of the competitiveness of Kosovo's agriculture shows that currently only a very small part of the farms can compete in the regional, EU and international markets. The main causes of this low competitiveness are the small size of most agricultural businesses, the fragmentation of their land, old buildings and equipment, the lack of financial means for investment and the low level of knowledge regarding modern production technology. In addition, most farms do not meet EU standards for food safety and hygiene, animal welfare and environmental protection.

Considering the fact that most farms are very small, it seems reasonable to encourage horizontal cooperation between farmers in the form of producer cooperation, which can build the basis for subsequent producer organizations, or producer associations, but also for the vertical integration of farmers, for example in market links through supply contracts.

In order to advance work methods and implement quality inputs, young farmers between the ages of 18 and 40, who represent the basis for a contemporary and innovative agricultural sector, will be encouraged.

Based on this review, but also the comparative advantage that Kosovo has in several sectors such as: fruits, vegetables (including potatoes), milk, meat, grapes and eggs. The measures will focus on supporting investments in increasing competitiveness, in new technologies and reaching EU standards.

2.1 Fruit sector

As a result of good cultivation conditions, in many regions of Kosovo fruits are cultivated, fruit production has a long tradition. Fruits make up a significant part of the cultivated area, occupying about 2.4% of it.

Although local production in most crops has increased in recent years, there is still a need for self-sufficiency for fresh consumption and also to meet the needs of the agro-processing industry, which leaves room for expanding areas with intensive fruit production. Trees are often produced on quite small areas and require a lot of work; this fits the current situation of high unemployment.

Mechanization is at low levels due to the small areas of the plots, but also due to the lack of financial means. Tractors, ploughs, trailers are old and only big farmers can afford machines like good sprayers or harvesters. The situation is better in the case of larger farmers with modern orchards of 5 ha and above.

Currently fruit growers face some problems, such as old orchards and poor quality varieties, lack of irrigation opportunities, lack of systems/nets for hail protection, lack of warehouses for storing trees, poor equipment for sorting and packaging for trading trees. The market demands constant and consistent quantities of high quality trees. Thus, this sub-measure mainly aims at intensifying the cultivation of fruits in a wider area and achieving high quality standards of products. Beneficiaries targeted by this sub-measure are economically viable farms with market-oriented production.

The sub-measure will be focused on improving production efficiency, supporting the establishment/rehabilitation of new orchard areas, modernization of cultivation equipment, irrigation systems that save water,

hail protection system and on-farm machinery to improve farm efficiency as well as overall improvement of standards.

On-site storage facilities for fruits are limited and if there are farmers who have such capacity, then it is only large farmers. Small farmers do not have facilities for cold warehouses and refrigerators, as they are too costly for small owners. If there were public-private refrigeration facilities, where farmers could rent "individual refrigerators" for up to several months, then the trading opportunities for farmers would increase tremendously.

Similar to storage facilities, packaging and storage facilities are lacking.

The construction and improvement of facilities will be supported to enable activities post harvest. Further investments in the use of renewable energy will be supported.

2.2Vegetable and greenhouse sector (including potatoes)

Vegetables are a very important and most promising crop in Kosovo, as these crops adapt to the climate and bring income to even the poorest farmers. Given that, in Kosovo most farms have small areas. Although they are promising crops, vegetable production is not at a satisfactory level due to the low level of use of the mechanism and contemporary inputs.

The vegetable sector, with an area of ,8,491 in open fields and 562 ha in greenhouses . The main vegetables produced are: potatoes, pepper, beans, pumpkin, onion, watermelon, cabbage, tomato, cucumber, melon, etc.The vegetable sector has a small number of commercial growers mainly dominated by semi-commercial and subsistence growers.

In total, the cultivation area of all vegetables is similar over the years. Despite the good climatic conditions, vegetable yields, especially in the open fields, remain low, and this is not only a result of the farm structure - small farms with large land fragmentation - but also of outdated production technology.

The sector is dominated by small private farms with an average area of 0.80 hectares, with low productivity and yields as well as inefficient supply chains, with high costs for collection and logistics. The marketing of fresh vegetables is often done without proper packaging and without classification of products.

Greenhouse production: Production in greenhouses: The areas planted with crops in greenhouses have an increase of 15 ha from 2020 to 2021. The crops that dominate cultivation in greenhouses during 2021 are: pepper with 168.13 ha, tomatoes with 171.85 ha and cucumber with 102.03 ha . Pepper, tomato and cucumber are the dominant crops in greenhouse cultivation

Currently, the total area of greenhouses covers 5ha, the important factor of this rapid expansion of greenhouses is the important government intervention. Unfortunately, the distribution of government funds for the construction of greenhouses has not taken into account any geographical criteria.The problem of greenhouse production in Kosovo is the inclusion of a limited number of agricultural crops grown in greenhouses; the main vegetables are tomato and cucumber, while the second comes the green salad. Other good options for peppers, eggplants, squash, melons. In addition, some fruits are neglected (strawberry).

The reason should be sought in the lack of tradition of growing and even consuming them (eggplant, pumpkin, French beans).

Under this sub-measure, support will be provided for the construction of permanent greenhouses for the production of berries and vegetables as well as the construction of storage depots for post-harvest treatment and storage of fruits and vegetables. The need for fresh fruits and vegetables all year round is growing. This shortage in the market can be best filled by indoor/protected production. Greenhouse production is intensive in small areas that requires relatively large manpower (more than cultivating the same produce in the open field). In this way this sub-measure contributes to the increase of jobs. The Kosovar market is supplied with fresh fruits and vegetables throughout the year, mainly imported from different countries. The increase of greenhouse areas also contributes to the replacement of imported products with domestic products, consequently to the improvement of the negative trade balance of the country.

2.3 Meat sector

The meat sub-sector is considered to have good potential, as the demand for meat products is high. A small number of farms are focused on intensive fattening with a low head count. Most of the meat used for processing is imported, and only fresh local meat is sold in butchers. Beef is the most demanded type of meat in Kosovo, followed by poultry and lamb.

Beef has traditionally been considered a by-product of the dairy sector. All calves come from dairy farms, ie. there is no complete and specialized meat supply chain. Fattening sheds are mainly facilities converted from milk production facilities or facilities built by small farmers themselves.

The meat production sector in Kosovo is dominated by existing farms with herds of less than 9 heads. In 2021, local cattle farms supplied 44% of the Kosovo market's need for beef, while the remaining balance of about 56% was imported.

Poultry meat production is currently very low and production has decreased in recent years. The poultry meat marketing chain in Kosovo is not organized. One of the largest producers of chicken meat sells through sales points organized by the producer himself.

With economic growth, the demand for consumption of fresh meat and meat products in Kosovo is expected to increase.

With economic growth, the demand for consumption of fresh meat and meat products in Kosovo is expected to increase. Imports of meat and offal are constantly increasing. The increase in imports in 2021 was 28.7% compared to 2020. The local production of all categories of meat is relatively small compared to the demands of the domestic market.

Beef cattle breeders also need investment in stables and handling facilities. Investments in farm machinery for animal feed production and investments in waste and manure management are also prioritized. There is a need to build new modern stables and farm facilities for breeding meat animals in accordance with existing animal welfare and environmental standards. Farm equipment such as: water supply system, feeding system, stable manure removal, farm machinery are needed, especially for the production, storage, preparation, use and distribution of animal feed.

The importance of the pig sector in Kosovo continues to remain low compared to other livestock sectors, where the category of pigs accounts for only 8% of the total number of animals.

According to the Agricultural Census (2014), in Kosovo there are 6,302 agricultural economies holding 34,188 pigs or an average of 5 heads for

agricultural holdings. In 2021, the number of pigs reaches 47,384 heads. Most of these economies need investment in modern stables and ancillary facilities in order to increase numbers and improve animal health and welfare conditions.

2.4 Dairy sector

Cow's milk is the most important livestock production in Kosovo. In recent years, efforts have been made to shift milk production from household consumption to market production, to improve breeding conditions, to implement good agricultural practices on dairy farms, and to increase farmers' capacity for high quality milk production.

Unsatisfactory quality of fresh milk has pushed the MAFRD to implement the direct payment scheme for milk quality. There is still plenty of room for improvement in physical assets such as better facilities, more modern stable equipment, better and more modern milking systems. The sub-measure aims to support commercial milk producers.

By establishing new milk collection centers and equipping farmers with milk cooling equipment, the efficiency of milk collection has increased and milk quality has improved.

Some of the collection points meet food safety standards, but still need investment to enhance food safety and enforce food safety standards.

In parallel with the intensification of production, the environment must be protected from the negative impact of production. In order to protect groundwater from manure contamination, builders of new stables are also required to build manure depots.

Milk production by small ruminants (sheep, goats) is mainly a closed cycle, from milk production to cheese processing and on-farm marketing. Only a few farms are commercial, while most growers holding small ruminants are small farms with mostly traditional animal breeding practices. Insufficient efforts for farm development and modernization; slow adoption of technology (e.g., use of milking equipment); Inadequate housing of animals, usually low level of well-being. This sector is in great need of investment in the modernization of stables, accompanying infrastructure facilities, the use of milking systems, etc.

2.4Grape sector

The plots of vineyards are mostly small, while the grape production is produced by 3,471 ha of vineyards. The average size is 0.5 ha with an average yield of 7.6 t/ha. Kosovo's vineyards have 938 ha of table grapes, production 7,435 t self-sufficiency 72% and 2,533 ha with production of 19,091/ t grapes per summer. Production costs are high in part due to old vineyards, small plots and old mechanization. Table grapes produced locally face strong competition from imports which are well categorized and packaged. Priority will be given to the production of table grapes, but without neglecting the production of wine grapes. Investments in the restructuring and modernization of grape production and marketing are necessary to compete with imported products.

The grape sector needs specific solutions; for table grapes the right way would be planting new vines and replanting modern seedless varieties, drip

irrigation (when necessary), installation of nets and refrigerators or cold storage for the storage of grapes after harvest. For wine grapes, farmers will have to deal with planting and replanting new vines and then bottle the wine with their own label.

2.5 Egg sector

The egg production sector is relatively well consolidated. The production of eggs in commercial farms is estimated to be around 419.9 million eggs (2021), while within family economies around 131 million eggs are produced resulting in a total production of 419.9 million eggs. The average consumption per capita is calculated to be about 239 eggs/year and we can say that Kosovo meets about 99% of the egg consumption needs. The quality of chicken eggs is good; therefore, the egg sector has the potential for expansion in the foreign market.

Most manufacturers apply the cage holding system to conventional cages. In order to protect the health and welfare of animals and meet European standards, will only be invested in improved cages (according to EU standards) or in floor storage and in a free outdoor keeping system.

To improve the efficiency of medium-sized producers, priority will be given to medium-sized farms with 5,000 to 25,000 laying hens, which can withstand large price fluctuations over the years and compete in the dynamic market.

Support will be provided to improve production efficiency by investing in better stable equipment and stable hygiene (ventilation, water system, egg collection system, etc.). Stable manure and other waste management needs to be improved, as the negative impact of poultry on the environment can be high if not treated properly, while generating additional revenue when properly managed. Extension services in Kosovo need to be improved to provide appropriate training to medium and small producers in animal feed production, operation and maintenance of semi-automatic egg collection and categorization lines.

3. General Objectives

- Increase efficiency, competitiveness and more sustainable agricultural production in the agri- food sector, for example, by progressively aligning with Union standards, strengthening the position of farmers in the food chain and supporting young farmers in creating jobs.
- Improving the response of the agri-food sector to the public demand for high quality, safe, nutritious and durable food, as well as optimal animal welfare.
- Contribute to the mitigation of climate change, as well as to the production of sustainable energy and promote the sustainable management of natural resources, such as water, land and air.

3.1. Specific objectives

3.1.1 Fruit and vegetable sector (including potatoes)

- To increase the production of fruits and vegetables (including potatoes) for commercial purposes;

- Improving quality in order to meet relevant national and EU standards;
- Farm modernization through the use of new equipment, modern mechanization and modern irrigation systems;
- Reduction of post-harvest losses through investments in the farm, in storage technology, in infrastructure and equipment for the post-harvest phase, including capacities for cooling, sorting and packaging;
- Support in creating jobs on the farm;
- Conservation and efficient use of agricultural inputs and equipment on the farm;
- Improving the integration of farmers with buyers of agricultural products.

3.1.2 Dairy and meat sector

- Increased production in specialized farms;
- Improving quality to meet national and EU standards;
- Modernization of farms through the use of new modern equipment and devices for waste management
- To reduce the release of nitrogen oxide and methane through proper treatment of organic manure and non-pollution of surface and underground waters;
- Support in creating jobs on the farm;
- Production of renewable energy;
- Improving the integration of farmers with buyers of their products.

3.1.3 Grape sector

- Increased production of table grapes and wine grapes;
- Quality improvement in order to meet relevant national and EU standards;
- Modernization of farms through the use of qualitative seedlings and modern mechanization;
- Conservation and efficient use of agricultural inputs and equipment on the farm;
- Supporting young farmers in creating jobs;
- Improving the integration of farmers with buyers of their products.

3.1.4 Egg sector

- Improving and expanding existing production capacities;
- Quality improvement in order to meet relevant national and EU standards;
- Modernization of farms through the use of new equipment and modern mechanization;
- Reducing the emission of nitrogen oxides and methane through proper treatment of manure;
- Supporting young farmers in creating jobs;
- Production of renewable energy;
- Improving the integration of farmers with buyers of their products;

4. Linking the measure to other national measures

This measure has interconnections with other measures of ARDP, such as:

Measure 1 "Investments in physical assets of agricultural holdings"

Supporting this measure, farmers producing raw materials, provide raw materials for processors supported under Measure 3 "Investments in physical assets for processing and marketing of agricultural products", business processors of raw materials, provide the market for farmers.

During the implementation of Measure 1, at the same time, some requirements are met that derive from Measure 4 "Measures for agro-environment, climate and organic agriculture"

Farmers with small production area, can sell their products to the beneficiaries of Measure 7 "Farm diversification and business development" and Measure 2 "Support for the establishment of producer groups" will provide many facilities for the farmer: as for sale of products, in their storage, etc.

5. Beneficiaries

- Beneficiaries under this measure are farmers, according to the definition in Law No. 08/L-072 on Agriculture and Rural Development,
- Beneficiaries can also be producers' organizations (such as cooperatives, associations, etc.) which are recognized by the Competent Body of the Ministry according to Law no. 08/L-072 on Agriculture and Rural Development.
- If the applicant is an enterprise, the FIN certificate must also be in the name of the enterprise.
- All beneficiaries of rural development projects are obliged to maintain their investments according to the project approved during 5 years after the execution of the last payment by ADA. If they do not maintain investments, the beneficiary is obliged to return back the public support;
- The applicant can apply again only after the implementation of the current project has been completed

6. Common Criteria of Eligibility

6.1 Type of eligible economies

- If the applicant is a natural person, he must be over 18 years old, but is not yet 65. In the case of enterprises this criterion does not apply;
- The natural person must have completed at least compulsory elementary education (8 or 9 years) and two (2) years of work experience in the field in which he applies. Applicants who do not have two years of work experience must attend training courses with at least 20 hours of instruction in the field for which they are applying, which they will complete before requesting the final payment;
- In the case of enterprises, the above requirement applies to the owner, the employee or the authorized person of the enterprise.

- Applicants must have tax liabilities arranged, namely, natural persons, property tax, and enterprises, corporate income tax;
- If the land or any other property on which the investment will be made is in joint ownership, the applicant must bring the consent of the co-owners.
- If the land or any other property in which the investment will be made is jointly owned, the applicant must bring the consent of the co-owners;
- In case the land in the ownership certificate is a mountain or forest land and the land is agricultural land, the applicant must first change the destination of the land in the cadastre and then apply.
- Eligibility conditions may be detailed in the applicant's instructions.

6.2 Economic sustainability

- The applicant must prove the economic viability of the farm through a business plan that aims to achieve results by the end of the investment period. The criteria to be used by ADA to assess the applicant's future economic viability should be set out in the Program. The detailed formula should be explained in the guide for applicants prepared by ADA. ADA funds provided to the beneficiary should be taken into account when calculating the economic viability of the beneficiary.
- In the case of investments under 20,000 Euros, a simplified form of a business plan or project proposal may be accepted, while maintaining financial/economic viability forecasts.
- The business plan is the main document for assessing economic viability. The business plan is prepared by the applicant according to a model prepared by ADA.

6.3 National Standards - EU Standards

- National standards for animal health, animal welfare and environmental protection are presented in the guide for applicants. They must be fulfilled at the latest before the request for the last payment and are verified during the control of the official person in the place of investment.
- In case of investments in new orchards and vineyards, before signing the contract for co-financing, the beneficiary of the grant must bring the chemical and physical analyzes of the soil with a positive recommendation for the suitability for the planned investment. In case the recommendation is negative, the granting of the grant is rejected

7. Special Requirements of Eligibility

7.1 Fruit sector (apple, pear, plum, sour cherry, nuts, hazelnut, cherry, apricot, peach, quincy)

- At the time of applying for investment in the fruit sector, applicants must prove that they have owned, inherited or rented agricultural land for at least 10 years calculated from the year of application and at least 1 hectare per orchard tree (apple, pear, plum, sour cherry, nuts, hazelnuts, cherry, apricot, peach, and quincy) and/or 0.25 hectares for berry fruits (strawberries, raspberries, blueberries, blackberries, and

- chokeberries). The minimum plot area for berry fruits should be 0.10 hectares and for fruit trees 0.35 hectares; Strategy 0.20 says
- Beneficiaries raising new orchards, before the request for payment, if they buy seedlings produced in Kosovo, must submit a copy of phytosanitary certificate on the health status of planting material to satisfy the CAC (Conformitas Agraria Communitatis) and a copy of the manufacturer's license, whereas those buying imported seedlings from EU countries must submit a copy of the certificate on the health condition of seedling material meeting at least CAC criteria issued by the manufacturer, certificate of origin and importing licence of the importing enterprise.

7.2 Vegetable and greenhouse sector (including potatoes)

At the time of applying for investment in fruit and vegetable warehouses (including potatoes), applicants must prove that they have at least 2 hectares of agricultural land owned, inherited or leased for at least 10 years.

Only for the surfaces of 3 or more hectares with fruit and manor trees, the application for the construction of facilities for post-harvest operations, such as cold storage, machinery for classification, cleaning, packaging, is also allowed;

At the time of application for investments in new permanent greenhouses, the applicant must prove that he has at least 0.10 hectares of arable land registered in the Farm Registry. The minimum size of an undivided greenhouse is 0.10 ha.

7.3 Meat Sector

For investments in the meat sector (fattening of calves and pigs), applicants are not obliged to have calves/pigs at the time of application, but before requesting the final payment must have at least 20 calves, or 40 fattening pigs with matrices of the Republic of Kosovo or of EU countries, and these must be proved with relevant documents and with their presence in the stable. Applicants applying for the construction of a stable for calves and pigs, in their project must include the manure depot with sufficient capacity for at least 3 months (see the list of national minimum standards). In case of investments in agricultural machinery for land cultivation, at the time of application, applicants for calf fattening must prove that they have at least 0.20 hectares of agricultural land per calf, owned, inherited or rented for at least 3 years.

7.4 Dairy Sector

In cases of investments to increase the number of animals, the farmer must prove that at the time of application he has at least 5 animals (proven by the animal registry certificate issued by the AUV and evidence of subsidies received in the year preliminary) of dairy cows.

Farmers who apply only for the increase of the breeding fund, must have built stables according to zoohygienic and zootechnical criteria and have sufficient capacity for breeding the obtained animals.

If the same applicant in his business plan also foresees the construction of stables or other capital investments, then he must prove that at the time of closing the investment, he must have at least 15 dairy cows.

Applicants for investments in the milk production sector, at the time of application, are obliged to have at least 130 sheep or 130 goats, registered in the Farm Register and in the Register for Registration and Identification of Animals (RRIK) in AUV). This provision does not apply to collection points.

Milk collection farms/collection points must have long-term contracts (at least one year) with at least 5 farmers who together breed at least 30 dairy cows.

Applicants who apply for the construction of a stable for dairy cows must also include in their project the manure storage with sufficient capacity for at least 3 months. Manure storage is not mandatory for sheep and goat breeders, but investments to avoid urine leakage from winter stables and equipment for transport and application of composted organic manure should be acceptable.

7.5. Grape Sector

At the time of application, applicants for investments in the grape sector must prove that they have owned, inherited or leased agricultural land for at least 10 years, and at least 0.50 hectares. The minimum area of the plot must be 0.1 hectare.

In the case of investments in mechanization and equipment for cultivation and harvest and post-harvest treatment warehouse, applicants must demonstrate that they have at least 3 hectares of vineyards, owned or leased for at least 10 years, registered in the Registry of Vineyards and Registry of Farms.

7.6. Eggs Sector

Applicants for investment in sector of eggs, must prove possession of at least 5,000 egg laying hens in active production.

Applicants applying for the construction of a chicken farm, in their project must include the manure depot with sufficient capacity for at least 3 months (see the list of national minimum standards).

Applicants in the egg sector, when applying must indicate in the business plan when they will make the change of the process and how long the break without production will last. The applicant must also submit the last chicken supply invoice. In case of diseases which harm a large number of chickens, the certification of the area veterinarian must be provided.

7. 7 Investments in renewable energy production

As part of this supportive investment, the sale of electricity to the grid is allowed as long as the "self-consumption" limit is respected (i.e. electricity sold to the grid is equal to the average electricity consumed during the year). This is justified by the fact that, since electricity cannot be stored, if it is not consumed, it must be released to the grid; the electricity grid can be conceived as a storage site for electricity where it is introduced and withdrawn during the year in similar quantities and at different rhythms. The concept of "self-consumption" should be checked at the stage at which a project is presented/evaluated. The investment is considered eligible

when the (theoretical) energy capacity of the renewable energy plant ("investment") does not exceed 120% of the average 3-year farm consumption. In the case of new farms or in the case of farms that have substantially changed the size of their activity in the last three years, the expected consumption should be estimated by ADA. The same concern regarding expected energy consumption increases due to new investments that will be made as part of the same application by the potential beneficiary.

8 Eligible Investments:

- Eligible expenses are limited to those included in the List of Eligible Investments for Measure 1.

8.1. Indicative investments eligible for the sector

In case of benefit from "Collective Investments", the increased aid, intensity, list of acceptable investments and other criteria will be added to the annual Program for Rural Development after the recognition of the Production Groups by the Competent Body of the Ministry according to Law no. 08/ I-072 for Agriculture and Rural Development

Investments in the sector of fruits

- Investments in the establishment of new orchards with a minimum area of 1 hectare and 0.25 ha for manor trees;
- Investments in setting up irrigation systems on the farm, according to efficient irrigation practices;
- Investments in farm energy production from all types of renewable sources;
- Investments in the network system for hail protection;
- Investments in agricultural machinery and equipment for orchards, for plant protection, for fertilization, for harvesting and post-harvest treatment;
- Investments for the purchase of a tractor for wood-fruit trees, only for existing surfaces that are 3 or more hectares at the time of application;
- Only for areas of 3 or more hectares with fruit and manor trees, the application for the construction of facilities for post-harvest operations, such as cold storage, machines for classification, cleaning, packaging, is also allowed;
- Investments for the purchase of post-harvest equipment: classification, packaging and labeling;
- Investments in the construction and improvement of facilities for post-harvest activities;
- Facilities for placing cars, as well as warehouses for placing agricultural inputs.

Vegetable and greenhouse sector investment (including potatoes) and for storage

- Investments in the construction of permanent greenhouses for vegetables, manor trees or seedlings. The minimum area of a greenhouse is 0.10 hectares;
- Investments in farm energy production from all types of renewable sources;
- Purchase and installation of equipment for achieving controlled climatic conditions, including equipment for heating in greenhouses;
- Investments in establishing or advancing greenhouse irrigation systems according to efficient irrigation practices;
- Construction of facilities for post-harvest treatment (classification, packaging, labeling) and production storage, as well as warehouses for plant protection products and artificial fertilizers. Those who have more than 3 hectares of vegetables/potatoes are also allowed to apply for the construction of facilities for post-harvest operations, such as cold storage, machinery for classification, cleaning, packaging;
- Purchase of the relevant mechanism for cultivating vegetables in the open field or in greenhouses (machine for planting seedlings, machine for stretching the foil.)

Investments in the meat sector

- Construction/renovation/expansion of the stable building, ancillary facilities (manure storages, voluminous food barns, warehouses of silage) and farm infrastructure (e.g. Water supply at farm level)
- Investments in energy production in farm from all types of renewable sources;
- Investments in the modernization of the food and water supply;
- Investments in agricultural machinery and equipment for the cultivation of fodder and grains, plant protection, fertilization and harvesting;
- Investments for purchase of tractor;
- Investments for cleaning / removal of manure (liquid and solid) and its storage;
- Investments for food production of concentrated food, from the total capacity of which at least 50% will be used for farm needs;

Investments in the sector of milk

- Buying dairy cows of the breed. The number of cows for which it applies must not be less than 5 heads but not more than 20 heads.
- Construction/renovation/expansion of stables, conveyance facilities as well as milk collection center facilities (manure dumps, bulky feed hangars, silage depots, milking parlors) and farm infrastructure (eg. water installation, current);
- Investments in the modernization of milking and cooling equipment, such as milking equipment, milk storage, including milk storage rooms, lactofreezes;
- Investments in farm energy production from all types of renewable sources;
- Equipment and machinery for removing organic manure, cleaning the floor, for avoiding the flow of urine (liquid manure), for facilitating the transport of solid and liquid organic manure to the storage facility,
- Equipment and machinery for manure removal and manure distribution in the field;

- Investments in the modernization of the food and water supply system;
- Investments in agricultural machinery and equipment for cultivation of fodder plants and cereals, plant protection, fertilization and harvesting;
- Investments for the cleaning/removal of organic manure (liquid and solid) and its disposal;
- Investments for the production of concentrated food, from the total capacity of which, at least 50% will be used for the needs of the farm.

Investments in the sector of grapes

- Investments in the establishment/modernization of vineyard plantations (conversion, replacement) for table grapes and wine grapes with a minimum size of 0.5 hectares;
- Investments in establishing farm irrigation systems, according to efficient irrigation practices;
- Investments in the installation of plastic layer for table grapes; Investments in energy production in farm from all types of renewable sources;
- Investments in setting the systems of hail protection nets;
- Investment in holding systems for grapes and fences;
- Investments in agricultural machinery and equipment for vineyards, machinery for plant protection, fertilizing, harvesting and post-harvest treatment;
- Investments for purchase of tractor;
- Those who have more than 3 hectares of vineyards are allowed an application for construction of facilities for post-harvest operations such as cooling warehouses, machinery for sorting, cleaning, packing;

Investments in the sector of eggs

- Construction/renovation/expansion of stables and egg storage rooms;
- Internal infrastructure investment (feeding system, water collectors and equipment to regulate the micro-climate, equipment for manure removal, grading eggs)
- Investment in cages, just according to EU standards;
- Construction and renovation of storages for storing food, including equipment for preparation of food, treatment, packaging and preservation of eggs
- Investments in energy equipment or energy production in farm from all types of renewable sources;
- Investments for cleaning/removal of manure and its storage.
- Investments for food production of concentrated food, from the total capacity of which at least 50% will be used for farm needs;

Other investments

Purchase of new cars and equipment, including digitization equipment and computer software;

- Investments for the purchase of a tractor will be accepted only in those cases where they have a close correlation with the size/power of the tractor and the workload/farm size/production capacity (presented and well justified in the business plan)

A detailed list of eligible expenses for this measure will be part of the guide for applicants.

- Eligible expenses must be those included in List e

- Eligible Investments for Measure 1.

9. Selection Criteria

9.1. Selection criteria for plant production

No .	Type of criteria	Criteria / Category				Point s
1.	Investments in increasing competitiveness and productivity	Fruit trees	berries / grapes	greenhouses		
2.	New applicant	Applicant under the age of 40				
3.	Applicant gender	Female applicant				
4.	Investments in mountainous areas -	This criterion does not apply to greenhouses				
5.	Investments aimed at mitigating the effects of climate change	This criterion does not apply when the investment is made on surfaces covered by the irrigation system and the applicant receives the points				
6.	The investment includes the creation of new jobs based on the business plan					
TOTAL:						

9.2 Selection criteria for animal production

Nr	Type of criteria	Criteria / Category				Point s
1	Investments in increasing	cow or calf	Pigs	Shep as/g oats	Chic hken	

	competitiveness and productivity					
2	Type of investment	<i>Construction / expansion / renovation</i>				
		<i>Purchase of machinery/infrastructure improvement</i>				
		<i>Buying dairy cows</i>				
3	Investments aimed at mitigating the effects of climate change	<i>Investments in renewable energy production technologies</i>				
4	Investments in mountainous areas	<i>According to the definition of this program</i>				
5	Investimi përfshin krijimin e vendeve të reja të punës në bazë të planit të biznesit					
6	Young farmer applicant	<i>Applicant under the age of 40</i>				
7	Gender of the farmer	<i>Gender of the farmer</i>				
GJITHSEJ						

The beneficiary who has planned investments in the use of renewable energy and earns points for this purpose, is obliged to use this investment and keep it active for the purposes he has foreseen in the business plan. If during each control by the AZHB officials (before signing the contract, ad-hoc or ex-post) it is found that the investments in renewable energy are not being used as foreseen in the business plan, then Article 54 will be applied. to Law No. 08/I-072 on Agriculture and Rural Development.

10. Intensity of public support

Public support for this measure is 60% of eligible investment costs, this increases to:

- 65% for investments in the mountainous area,
- 70% for investments in physical assets of the economy of young farmers;
- The minimum value of acceptable expenses for the project within this amount is 15,000 €, the project of the grape and manor fruit sector projects, where the minimum value of the project is 5,000 €.
- The maximum value of acceptable expenses for the project within this measure is €100,000.

- The maximum support for the seven (7) year programming period (2021-27) for Measure 1 cannot exceed three projects and cannot exceed the amount of 240,000 € for profits.
- The applicant of the application of the last several years of various programs, provided that their projects of the completion of success and the support of many other people of the above-mentioned project.
- The expenses for the preparation of the business plan or project proposal cannot exceed the value of 3% of the eligible expenses, but not more than 1,500 euros. In the case of investments that foresee the construction of stables or warehouses for the storage of fruits and vegetables, the expenses for an architect and engineer, various permits and licenses are acceptable.
- Each beneficiary of projects worth more than 30,000 euros, has the obligation to engage a university student of agricultural management and food technology, for 1 calendar year. The minimum payment value for the student's 1-year commitment is 2,400 euros. The same person is not allowed to engage in more than one project and must belong to the respective sector.

11 Indicative budget

Measure 1

Year	Public contribution		Private contribution		The cost of the general investment
	EUR	60%	EUR	40%	EUR
2021		60%		40%	
2022		60%		40%	
2023	16,827,000	60%	11,218,000	40%	28,045,000
2024	14,227,000	60%	9,484,667	40%	23,711,667
2025	13,127,000	60%	8,751,333	40%	21,878,333
2026	14,977,000	60%	9,984,667	40%	24,961,667
2027	14,727,000	60%	9,818,000	40%	24,545,000
Total	73,885,000	60%	49,256,667	40%	123,141,667

12 Program indicators and goals

Indicators	Goals 2023 - 2027
The number of farmers supported by the RDP	1498
Total investment in the primary production sector	123,141,667 €
The number of farms that receive support for investments in ARDP, in hygiene and animal welfare	749

The number of places created	2,568
The number of young farmers who receive support from ARDP	800
Number of production groups	2
The number of farmers participating in the support of producer groups, producer organizations, local markets, short supply chain and circulation of quality schemes	0
Number of collective investments	0
The number of RDP beneficiaries in investments related to organic manure management	700
Number of RDP beneficiaries in investments in waste treatment or management	700
Number of RDP beneficiaries in investments in renewable energy production	1,000
The number of circular economy investment type projects	0

13. Administrative Procedure

This measure shall be implemented by the Agriculture Development Agency (ADA). Administrative procedures in detail will be presented in the Administrative Instruction which is approved by the Minister of Agriculture, Forestry and Rural Development.

The evaluation includes the verification of the submitted documentation (to be complete), the eligibility checks (including the project proposal/business plan) and the scoring of the projects. Evaluation reports will be published. All applicants will have the opportunity to file an appeal. The evaluation procedure will be part of the Administrative Instruction, approved by the MAFRD.

14. Geographic scope of the measure

This measure is applied in the entire territory of Republic of Kosovo.

8.3.1 MEASURE 2 GROUPS OF PRODUCERS

1. Legal Grounds

- Law no. 08/L-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo/ No. 8/ March 29, 2023,
- Strategy for Agriculture and Rural Development 2022-2028, decision of the Government of the Republic of Kosovo No. 12/50, dated: 23.12.2021 for approval.
- Law No. 03/L-048 on Public Finance Management and Responsibilities (Official Gazette of the Republic of Kosovo no. 27 / June 3, 2008)

1. Rationality

Production Groups is a new measure - **Measure 2**, foreseen in the Strategy for Agriculture and Rural Development 2022-28 and is planned to be implemented under RDP2023-27.

Producer groups help farmers meet market challenges, strengthen their negotiating position in the face of networks of markets and agricultural traders. Therefore, this measure supports the establishment of producer groups and their operation in the first years³³ of operation when additional operating costs arise.

Kosovar agriculture is characterized by small farms which due to the small amount of production are not able to enter into contractual relations with market networks or traders of agricultural products. Even when supplied with raw materials, fertilizers or pesticides they are in an unfavorable position due to the small quantities they order. Organizing in groups of producers helps them in securing the best prices in the case of supply of raw materials and a more favorable position in concluding contracts for the supply of networks of markets or traders of agricultural products.

³³ Agriculture and Rural Development Strategy 202-2028

According to DG AGRI, a producer organization is "a legally established group of farmers and growers". Producer organizations help distribute and market products. They also support higher quality products and encourage their members to implement good environmental practices.

Producer groups reduce transaction costs and help them cooperate in the processing and marketing of their products. Producer organizations strengthen the bargaining power of farmers mainly by doing:

- Supply concentration;
- Marketing improvement;
- Providing technical and logistical assistance to their members;
- Help in quality management and
- Knowledge transfer.

The most common form of OP is the cooperative. Farmers may have different reasons for creating cooperatives, but the common denominator is the need for access to the market. As individuals, small farmers have little weight in the market, it costs a lot to gather market information and they are vulnerable to the opportunistic behavior of trading partners.

The limited studies on Producer Organizations focus mainly on the joint sale of agricultural products. From the point of view of the value chain, producer organizations should be positioned close to farmers, focusing on collection and purchase, while cooperatives are often vertically integrated in food processing. What is important is that farmers create a legal business entity with capital enough therefore, farmers can even use their land as collateral.

The important thing is that there are several different forms of cooperation, and Kosovo should focus on the bottom-up approach. It would almost be enough for the MAFRD to provide a suitable environment so that farmers show interest in creating their own commercial structures such as: production organizations, agricultural cooperatives, commercial societies and others.

This measure will require farmers to work together, which is a difficult process, given the past and also the high informality of the agricultural sector. Therefore, preparatory actions for the launch of this measure will include an awareness campaign / close discussions with farmers and farmers' representatives.

3. General Objectives

The overall objective of this measure is to increase the economic viability and competitiveness of producers and processors of agricultural products as well as their progress towards compliance with local standards and approximation to EU standards.

3.1. Specific objectives

- To promote the formation of groups of producers and the promotion of their cooperation;
- Increasing the knowledge of the members of the producer groups about the market requirements;
- Put products together in the market, including preparation for sale and centralization of sales;
- Fulfillment of local standards and alignment with EU standards;
- Establishing common rules of information between members, in particular in terms of collection and sale;
- Ensuring production according to certain standards in all nodes of the value chain;
- Development of business skills, marketing, organization and facilitation of innovation processes.

At the request of the producer groups, the Ministry will recognize the producer groups on the basis of the business plan, which must include details of the planned activities of the Group in relation to at least three of the following: (with the third point is mandatory) :

- Adapting the production of GP members to market requirements;
- Joint sale of agricultural products in the market, preparations for sale, centralized sale and wholesale supply;
- Adaptation of products in order to approach local and EU standards;
- Standardization of all steps in the distribution of products in the food chain;
- Development of business and marketing skills of the organization as well as facilitation of innovation processes.

4. Linked to the other measures

This measure is closely related to measure 1 "Investments in physical assets in agricultural economies" and measure 3 "Investments in physical assets in the processing and marketing of agricultural products" measure 13, "Technical Assistance" this new measure, which also Production Groups, this is also included in the Strategy for Agriculture and Rural Development 2022-28.

These measures mutually affect the modernization of farms, making the agricultural sector more competitive and meeting local standards and aligning with those of the EU. Support for producer groups can contribute to the implementation of measure 7 "Diversification of farms and business development"

5.Beneficiary

Support with this measure can only be given to those groups of producers that are officially accepted by the Competent Authority of MAFRD on the basis of the business plan.

Producer groups must be created for one of the following sectors: trees, small trees, vegetables, meat, fish, broilers, eggs and milk.

Professional and/or inter-professional organizations representing one or more sectors do not qualify as producer groups.

The legal and organizational form for producer groups can be a company, or cooperative or NGO, but respecting the conditions of a small or medium enterprise. Regardless of the legal form, the business plan must apply to all members. Also, all members must have rights and obligations.

The rules and procedure for recognizing the status of the production group will be presented in a separate document compiled by the the Competent Authority . Only the Production Groups recognized by the MAFRD the Competent Authority can apply for funds.

6.Common eligibility criteria

Applicants must meet the following criteria:

- The group of producers must have been established for the first time and have been accepted as such by the Managing Authority of MAFRD;
- The applicant must fulfill these minimum conditions:
- Members of the producer group can only be those farmers who have signed a contract with the producer group for the production and sale of their products. Becoming part of the group of producers must fully accept the business plan, along with its obligations and rights;
- The production group must be formed in order to coordinate the production and the joint placement of the production of its members in the market, including the preparation of the production for sale, the centralization of the sale and the establishment of common rules of information, especially regarding harvesting and sale
- The minimum number of members of the production group is 5 (five);
- The minimum value of the production sold in the first year must be €50,000, estimated according to the business plan;
- Producers of these products have the right to apply: fruits, vegetables, beef, pork, chicken, fish, eggs, cow's, sheep's or goat's milk;
- The group of producers must keep a register of members and economic activities and respect the rules of fair competition.

7.Specific eligibility criteria by sector

The entire sector must meet the same eligibility criteria. To be recognized by the competent body as a Producers' Organization.

8.Eligible expenses

All activities in accordance with the business plan can be covered provided that the producer group is recognized by the competent national authority. The merger of already existing producer groups is not acceptable.

9.Selection criteria

At the time of announcing the call for applications, if deemed necessary, funds may be prioritized for certain sectors (in case more projects are submitted than the available budget for the call), with the approval of the Monitoring Committee. Priority sectors will be included, as approved, in the Applicant Guide.

9.1 Intensity of support

Public support is 100%

9.2 Amount of assistance

The assistance will be provided as a fixed aid in annual installments for the first five years after the date on which the producer group is recognized. It will be calculated on the basis of the group's annual market output. In the first year we can refer to the average annual value of traded output of group members during the previous three years (agriculture) or five years (forestry), excluding the highest and lowest value in the case of forestry. Support is limited to 10% of marketed production during the first five years after recognition and may not exceed EUR 100,000 per year. The last installment is conditioned by the state verification of the correct implementation of the business plan.

9.3 Estimated budget

MEASURE 2

Year	Public contribution		Private contribution		The cost of the general investment
	EUR	100%	EUR		EUR
2021			.		
2022					
2023					
2024	200,000	100%			200,000
2025	300,000	100%			300,000
2026	400,000	100%			400,000
2027	500,000	100%			500,000
Total	1,400,000	100%			1,400,000

9.4 Indicators and targets to be set in the program

Indicators of Measure 2 "PRODUCER GROUPS"	
INDICATORS	TARGETS
Number of new groups of the producers supported	2
Number of farms participating in supported producer groups	50

9.5 Administrative Procedure

In the first phase, provisions for the creation and recognition of producer groups will be introduced within the national legislative framework. Further, before announcing the call for applications, the MAFRD will prepare and announce the call for the submission of documentation (including the business plan) for the recognition of producer groups. Once at least 2 groups of producers have been recognized, a call for applications can be

opened, in order to finance the groups of producers, under the conditions of this measure. Once producer groups are selected, based on invoices and bookkeeping references, producer groups can submit requests for annual payments. The details will be determined after the approval of the legal basis for the formation and recognition of Producer Groups

9.6. Recognition of Producer Groups

Producer groups will be recognized by a legal act issued by the Law on Agriculture and Rural Development.

This measure will be implemented by the Agency for the Development of Agriculture (ADA). The detailed administrative procedures will be presented in the Administrative Instruction which is approved by the Minister of Agriculture, Forestry and Rural Development.

9.7. Geographical extent of the measure

This measure is applied throughout the territory of the Republic of Kosovo

8.3.2 MEASURE 3: INVESTMENTS IN PHYSICAL ASSETS FOR PROCESSING AND MARKETING OF AGRICULTURAL AND FISHERY PRODUCTS

1. Legal Grounds

- Law no. 08/L-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo/ No. 8/ March 29, 2023,
- Strategy for Agriculture and Rural Development 2022-2028, Decision of the Government of the Republic of Kosovo No. 12/50, dated: 23.12.2021 for approval.
- Law No. 03/L-048 on Public Finance Management and Responsibilities (Official Gazette of the Republic of Kosovo No. 27/03 June 2008).

2. Rationale

The food processing industry is defined as the transformation of livestock and agricultural products into products for intermediate or final consumption. Investing in agro-industry not only increases farmers' incomes, but also creates new employment opportunities in rural areas.

For market competition, it is necessary to improve food quality by implementing food quality and safety standards. This measure will increase the competitiveness of the agri-food sector, improve production efficiency and sustainability, including safe, nutritious and sustainable food production, by investing in physical infrastructure in line with relevant EU standards.

The food processing and packaging industry in Kosovo is divided into the following sub-sectors: processing of milk and dairy products, processing of meat and meat products, processing of fruits and vegetables, grains as well as wine production. Despite the investments that have been made in the

food processing sector, they still do not meet the need of local demand for quality food products.

Imported products still dominate the Kosovo market. Imported products dominate the Kosovo market, as a result 70% of the market is dominated by imported products. To compete successfully in an increasingly open market, the food industry still needs to modernize technologies and improve safety management systems. Food industry is obliged to create safe collection, transport and deposit of raw materials, to reduce waste and to guarantee food safety.

This measure will give priority to investment for the implementation of food safety standards which have special importance for supplying the local market with safe products and for successful competition with the importing suppliers. To encourage industry adoption of environmental standards, priority was given to investments aimed at waste treatment, water purification and efficient utilization of production waste. Investments based on Measure 3 will contribute to improving the situation of primary agricultural production.

The potential for the development of the food processing industry is great, but so are the major challenges facing this sector: insufficient and unsustainable raw materials, weak structures of primary agricultural production, ownership of fragmented land limits the ability of processors and traders to provide business opportunities sufficient quantities of primary agricultural products with uniform quality standards, lack of implementation of new technologies, lack of food processing technologists, poor infrastructure, lack of connectivity between producers of raw materials and processors, the contractual relationship between processors and farmers is underdeveloped, unfair competition from imports, are some of the obstacles and challenges that food processors are facing and will face in their daily activities.

The increase of consumption per capita for these products presents potential and continuous opportunities for the development of these businesses by reducing the increase of imports of these products.

2.1 Milk processing sector

The dairy industry has been a top priority in national support schemes and EU grants in recent years. Nevertheless, the support received has not yet covered the needs of investment in enterprises for milk processing in the aspect of approximation with the EU standards in the areas of food safety, environmental protection and development in renewable energy.

Dairy processors need a regular and larger supply of high quality inputs (milk) to improve the quality of their products and ensure sustainable production.

Milk production in Kosovo faces many challenges, such as the large number of small dairy farms and the reduction of the number of livestock, namely dairy cows.

The population of Kosovo consumes about 276,730 t/liter of milk from the total consumption, 64% of the milk produced in Kosovo is consumed on the farm or goes to unregulated local markets (green markets). 36% goes through commercial channels to processors and domestic markets. Imports account for 29% of dairy products.

To offset this balance, a significant amount of processed dairy products is imported from countries in the region as well as from other European countries. The population of Kosovo consumes about 276,730 t/liter of milk from the total consumption, 64% of the milk produced in Kosovo is

consumed on the farm or goes to unregulated local markets. 36% goes through commercial channels to processors and domestic markets. Imports account for 29% of dairy products.

According to the Food and Veterinary Agency (FVA), in Kosovo there are 44 processing companies which collect milk from farmers and process it into value-added products such as cheese, sour cream, yogurt, ayran, sterilized milk, etc. Some processors are supplied directly by farmers who produce large quantities of milk, while others collect it at milk collection centers where small-capacity farmers send the milk to a collection point.

Dairy processors do not have enough quantity and quality of raw milk, so they do not operate at full capacity.

Processing capacity is currently 774.29 liters per day while processing only about 220,000 liters per day or using about 49% of total capacity³⁵. However, there continues to be a need for further allocation of public funds to milk processors, including increasing production capacity, as there is a need for further integration of local production and service areas not covered by existing processing plants, for diversification of production and introducing new products to the market.

Food business operators put into circulation products of animal origin produced in Kosovo, only if they are prepared and treated exclusively in enterprises which meet the relevant requirements of Regulation No. 11/2011, on Food Hygiene and other relevant criteria of the Law on food; and that the Competent Authority has registered or approved upon request.

Based on the degree of food safety risk, milk processing and packaging enterprises are categorized into 4 categories.

Enterprises are categorized as follows:

- Category "A" = low degree of risk
- Category "B" = medium degree of risk
- Category "C" = high degree of risk
- Category "D" = very high degree of risk

Processors must work on improving and standardizing their processing practices to improve the quality and consistency of finished products, increase production efficiency and consistently meet international quality standards.

Sheep milk is a seasonal product and in most cases farmers in the lactation period keep sheep in pastures in the mountains. This makes it impossible for processors to collect milk and for this reason farmers process milk on the farm. Although in unsuitable conditions where the infrastructure of the facility and equipment is lacking, thanks to the tradition and experience in milk processing, farmers manage to produce mainly cheese (Sharri Cheese) which they place directly on the market for consumers.

The small amount of milk and the seasonal production of sheep and goat milk have oriented milk processors not to express interest in the processing of sheep and goat milk.

³⁴ Agriculture Survey, 2019 evaluated by the expert,

2.2 Meat processing sector

The meat sector must be consolidated as a sustainable economic activity, competitive in the market with the necessary guarantees for the safety and quality of their products.

The processing industry needs to improve processing capacities, sustainability of the raw material supply network, implement food safety systems and promote new products. Support for supply chain development should be addressed primarily to existing processing enterprises to increase their compliance with food safety and quality control requirements, to expand the variety of their products in line with environmental norms.

Beef and poultry are the main sources of meat consumption in the country. Poultry is the main category consumed in Kosovo with about 47%, followed by beef with about 46%, while the rest of the meat consumed in the country comes from goats, sheep and pork. Kosovo has 61 licensed beef slaughterhouses, 16 of which process beef and 7 poultry slaughterhouses. Currently, meat processors are mainly producing products such as: minced meat for preparation of kebab, beef tenderloin and chicken and beef dyner as well as heat-treated meat products such as dried meat, sausage and other beef, chicken and pork sausages as well as sausages from chicken. As a result of insufficient supply of primary products from Kosovo farmers, local meat processors import about 80% of the raw material to meet their production needs. In the last five years the percentage of meat imports has increased steadily, Kosovo continues to import live weight of livestock and also carcasses/frozen meat to meet market demands. Support should primarily aim to improve compliance with food safety and quality control requirements and expand the variety of products offered in the market.

Beef is one of the most important segments in the supply chain. The meat processing industry in Kosovo is increasingly making the use of local meat as a raw material³⁶.

The supply balance of sheep and goat meat is positive. Compared to beef, sheep and goat meat is consumed much less, mainly on certain holidays.

Sheep meat production refers mainly to lamb, while meat production in other categories of sheep is relatively low. The production of lamb meat in Kosovo has many problems that are reflected in the general business of sheep farmers due to problems in the export of lamb meat.

Slaughterhouses in Kosovo are also unorganized and far from meeting EU standards. The big challenge for the authorities is the regulation of this system in all its links which starts from the farm and includes animal identification, the health status of the animal and the livestock property as a whole, the veterinary service and the use of substances for the treatment of animals, the preparation and animal feed safety, the movement of animals from farms to markets and from markets to slaughterhouses as well as human capacities such as the small number of veterinary inspectors and national laboratory capacities to test and verify this system. The slaughtering equipment is old and most of the slaughtering process is

manual. Sanitary procedures during the slaughter process are also lacking, having a direct negative impact on the quality of the meat being processed. Animal waste from slaughter is not treated properly, causing an adverse impact on the environment.

In total, in Kosovo there are 8 (eight) facilities approved for slaughtering poultry, of which 6 (six) are active and only 1 (one) is not active. Total slaughtering capacity is 15,000 pieces/day. The highest slaughtering capacity is 6,000 pieces/day, the average capacity is 1,500 pieces/day. The meat processing industry in Kosovo is highly dependent on raw meat imports. Local production of chicken meat currently manages to cover about 6.9% of consumption needs, the rest is imported as baked or frozen meat.

The meat processing industry in Kosovo is highly dependent on raw meat imports. Local production of chicken meat currently manages to cover about 6% of consumption needs.

In Kosovo, 48(forty-eight) cold storages are also registered/approved, all of them are active. Which are mainly used for the storage of products, in some the products are also repackaged. These coolers are categorized into categories A, B, C and D.

Facilities for fish processing; 2 approved, 2 active.

High processing capacity: 1,500 kg/day, medium processing capacity: none, low processing capacity: none, total processing capacity: 3,000 kg/day. Egg processing facilities are; 2 approved, 2 active

³⁶ Green report 2020

2.3 Industry of fruit and vegetable processing

Fruit and vegetable processing industries have a lot in common, they are analyzed together, usually these industries carry out fruit and vegetable processing.

The difficulties of this sector mainly come as a result of the influence of various factors such as the organization of the supply chain, i.e. the provision of raw materials. Farmers produce fruits and vegetables mainly for the fresh market, where local products find enough buyers, often not many second- and third-class fruits remain for the processing industry, hence the fruit processing industry faces a supply limited raw materials for processing.

Fruit and vegetable processing companies are mainly supplied with fruits and vegetables by local producers through various supply channels. Processing companies, depending on the type of crops they harvest for processing, use two main supply channels: directly from farmers and indirectly from fruit and vegetable collection and storage centers.

In general, 30% of locally grown fruits and vegetables are processed by industry in Kosovo. In the absence of fruits and vegetables, the raw material is imported from Northern Macedonia, Serbia and Turkey.

In addition to the difficulties with the supply of raw materials, at this industry it is interesting to look closely at the costs for processing fruits: raw material 12%, electricity 23%, water 5%, fuel 7%, salary 0.4% and others 14%. It is extraordinary that energy costs are 2-3 times higher than

costs for raw materials. It is worthwhile to invest in the installation of renewable energy - supported by MAFRD.

The fruit and vegetable production and processing value chain lacks quality standards and as a result lacks product homogeneity as products are largely not classified according to quality classes. This also influences wholesalers to buy imported products.

Kosovo has a long tradition in the processing of vegetables, as an integral part of the food chain to every family. It is estimated that a considerable amount of processed vegetables are being produced at home and for own consumption. Capacity of processing in Kosovo, at least in the aspect of processing capacity, largely exceeds the production capacity. Although the sector is fragmented in general, some of the key participants cover a significant part of the market.

In recent years, fruit and vegetable processors have started to produce products such as fruit jam, various salads, pickles, juices, canned vegetables, jam, ajvar (pepper spread), etc. Drying capacity is limited, while this system is being used mainly for medicinal and aromatic plants.

The main purpose of this measure is that all enterprises processing fruits and vegetables to focus on improving the quality and safety of food and reduce losses in the process of processing.

Food safety systems are applied in a limited number of enterprises. Involvement of food safety systems requires investments in technology improvement and improvement of conditions in production facilities, as well as investments in quality control equipment and IT systems. The need for classification, categorization and packaging lines is evident, to increase the quality of the final product and to improve the competitiveness of the sector towards imports. Required facilities post harvesting and the cooling chain are of key importance for the quality of vegetables value chain. Demand and need for storage buildings with cooling systems are growing, but still very limited and concentrated in certain areas and the level of achievement of quality standards needs improvement.

According to the register of FVA operators that process fruits and vegetables are 162, Kosovo's fruit and vegetable processing industry is growing and its processing technology is improving. Based on processing capacities, there are three categories of processors.

- Industrial processors
- Medium processors
- Small Processors (Association of Women and Individuals with a Small Capacity and Home-Made Cooking Recipes.
- According to estimates, fruit and vegetable processors cover about 30% of the needs of the local market³⁷.

2.4 Wine production sector

In general, existing and new wine producers, need support if they produce quality wine, marketed in bottles, it is clear that the export of low quality wholesale wine does not offer a prosperous future and only quality bottled wine can add value to the sector.

Support on improving the quality of wine would greatly improve the wine production sector.

MAFRD has licensed 29 companies producing wine and other grape and wine products. Three larger wineries are the largest which represent

approximately 90 % of total production capacity in the sector, while other wineries belong to small producers, some of them with good potential for export. There are also home made producers for wine and other strong alcoholic beverages, who in the absence of material capacities for equipment, tanks, infrastructure and hygiene - sanitary conditions have not been licensed by the MAFRD.

37 Source FVA

Wine sub-sector needs support in order to improve the implementation of best practice technology. Current orientation of companies is the market of the European Union, which is challenging and requires increase of quality of produced wine. In the current export, trade of wine in bulk prevails (open), which does not create a high profitability of companies producing wine.

3. General Objectives

- Increase the competitiveness of the agri-food sector, ensuring a better response of the food sector to societal demands for healthy food, including safe, nutritious and sustainable food, investing in physical infrastructure in line with national and relevant EU standards.
- Addressing the challenge of climate change by promoting renewable energy and the circular economy.
- Addressing the strengthening of farmers' position in the food chain, encouraging them to cooperate in short supply chains and produce value-added products.

3.1 Specific Objective

3.1.1 Milk processing

- Improving efficiency and productivity by introducing new technologies to increase competitiveness and product diversity in the market;
- Integration of farmers/raw material producers with the agro-processing industry;
- Improving product quality control by implementing quality management systems and food safety standards, in order to ensure high product quality and hygiene requirements;
- Improving environmental protection by investing in treatment facilities, waste disposal and management, including water treatment according to environmental standards;
- Improvement of packaging, marketing and promotional activities;
- The improvement of existing capacities and the expansion of existing new production capacities, aiming at the stronger integration of local production, diversification of products/introduction of new products to the market;
- Gradual harmonization with EU standards, in terms of environmental protection, public health, animal welfare and safety at work;
- Contribution to the reduction of climate change by supporting the production of renewable energy.

3.1.2 Meat processing

- Improving efficiency and productivity by introducing new technologies to increase competitiveness and product diversity in the market;
- Integration of farmers/raw material producers with the agro-processing industry;
- Improving product quality control by implementing quality management systems and food safety standards, in order to ensure high product quality and hygiene requirements;
- Improving environmental protection in treatment facilities, in terms of waste disposal and management, including water treatment according to environmental standards;
- Improvement of packaging, marketing and promotional activities;
- Improvement of existing capacities and construction of new capacities.
- Gradual harmonization with EU standards, in terms of environmental protection, public health, animal welfare and safety at work;
- Contribution to the reduction of climate change by supporting the production of renewable energy.

3.1.3 Processing of fruits and vegetables and wine production

- Improving efficiency and productivity by introducing new technologies to increase competitiveness and product diversity in the market;
- Integration of farmers/raw material producers with the agro-processing industry;
- Improving product quality control by implementing quality management systems and food safety standards, in order to ensure high product quality and hygiene requirements;
- Improving environmental protection in treatment facilities, in terms of waste disposal and management, including water treatment;
- Improvement of packaging, marketing and promotional activities;
- Improvement of existing capacities and construction of new capacities.
- Gradual harmonization with EU standards, in terms of environmental protection, public health, and safety at work;
- Contribution to the reduction of climate change by supporting the production of renewable energy.

4. Link to other national program measures

In particular, this measure is related to measure 1 "Investments in physical assets in the agricultural economy", since the quantity and quality of primary agricultural products have a positive effect on the operational capacity of the processing industry and its rational and efficient use. While with the measure "Diversification of farms and business development" support will be given for investments in the processing of agricultural and alternative products. This measure can be facilitated by the transfer of knowledge from the measures "Improving training" and "Innovations and transfer/transfer of knowledge".

5. Beneficiaries

Beneficiaries can be agricultural products processing enterprises registered at the Kosovo Business Registration Agency in the relevant sub-sector and

approved/registered by the AUV before the application date. An enterprise may consist of one or more working units.

Beneficiaries can also be producers' organizations (such as cooperatives, associations, etc.) which have been recognized by the Competent Body of the Ministry according to Law no. 08/L-072 on Agriculture and Rural Development. The eligibility and selection criteria for OP will be specified in the annual program for Rural Development

6. Common Criteria of Eligibility

6.1 Types of processing enterprises to be supported

All applicants of this measure must be registered in the Farm Registry and ARBK. This measure supports small and medium-sized enterprises, defined on the basis of Law No. 04/L-220 For Foreign Investments, (Official Gazette No. 1/09 January 2014).

6.2 Economic sustainability

The economic viability of the application must be demonstrated through a business plan. All applicants must submit a business plan, in accordance with the model required by the Agricultural Development Agency. The applicant must demonstrate in the business plan the economic viability of the enterprise at the end of the project implementation. The enterprise must demonstrate that it can meet its obligations and debts regularly, without jeopardizing the normal functioning of the enterprise.

The business plan will contain a detailed description of the planned investments and activities, in accordance with the requirements of the FVA for the improvement of standards. Also, the business plan will show how the implementation of the project will lead to the improvement of the overall performance of the agri-food enterprise by presenting the perspective of financial/economic sustainability. The evaluation of the financial / economic sustainability and the perspective of the continuity of the investments is evaluated by the ADA, to ensure the selection of projects with the highest quality in terms of financial / economic sustainability. In case of construction/renovation/expansion, the applicants must also submit the technical project of the plan. The model for the business plan is prepared by the ADA Agency and will be published on the web-sites of the Agency and the MAFRD

6.3 National Standards / EU Standards

The enterprise must clearly demonstrate the investment plan in the business plan, which will affect the implementation of food safety standards and the reduction of risk according to categorizations.

Applicants must have the Report/record (not older than six months) issued by the AUV on the existing condition of the operator and which standards must be met. According to the requirements of the AUV for the improvement of standards, the business plan must contain a detailed description of the planned investments and activities.

Before submitting the request for payment to the AZHB, each project must be evaluated by the AUV if the main national standards have been met according to the laws in force. Beneficiaries, together with the request for payment and other documents, must provide the Report attached to the Checklists from the AUV confirming that the investment is in accordance with national standards. All the beneficiary enterprise at the end of the implementation of the project must meet the national standards according to the laws in force.

The supported investment must meet relevant national standards in force relating to environmental protection, public health, animal welfare and occupational safety. The condition that states that "investments must contribute to the improvement of the situation of the basic agricultural production sector in question" can be translated into the selection criteria by giving greater priority to projects that have a high percentage of raw materials obtained through contracts directly related to farmers.

The selection of eligible sectors to be supported under this measure should be based on a sectoral analysis that includes external expertise. The identification of the type of beneficiaries and specific necessary/acceptable investments for each sector should follow the same approach and should prioritize the development of the weakest links identified in the agricultural production chain from the analysis of the respective sector.

6.4 Other eligibility criteria

The condition that "investments must contribute to the improvement of the situation of the basic production sector can be translated into the selection criteria by giving greater priority to projects that have a high percentage of raw materials obtained through directly connected contracts with farmers.

The selection of acceptable sectors that will be supported according to this measure is based on the sectoral analysis that was done by an external expert. The identification of the type of beneficiaries and the specific necessary/acceptable investments for each sector are according to the same approach and priority should be given to the development of the weakest links identified in the chain of agricultural production from the analysis of the respective sector.

Tobacco processing is not acceptable.

7. Special Requirements of Eligibility

7.1 Milk and meat processing sector

All applicants must be registered with the Business Registration Agency of Kosovo (ARBK) with the relevant activity at least 5 years before the date of application, and approved by the AUV at least 5 years before the date of application. Enterprises must be categorized as follows:

Enterprises should be categorized as follows:

- Category "A" = low degree of risk
- Category "B" = medium degree of risk

- Category "C" = high degree of risk
- Category "D" = very high degree of risk

Category "A", "B" and "C" applicants are not admissible in case of construction of a new facility, while they are admissible in case of renovation/expansion/modernization of the existing facility and investments in equipment.

Category "D" applicants are eligible only in case of construction of a new facility and closure of an existing facility. Investments in equipment/processing lines for this category are acceptable if in the business plan priority is given to the new construction of the facility.

FVA should prepare the national plan for reaching EU standards. To make all enterprises of the meat and dairy sector compliant with the relevant EU standards. After the preparation of this plan, support will be given only to the enterprises identified in the aforementioned national plan and for the type of investments foreseen by it.

7.2 Sub-sectors of fruit and vegetables processing

All applicants must be registered with the Kosovo Business Registration Agency (KBRA) with the relevant activity at least 5 years before the application date, and registered by the FVA at least 5 years before the application date.

In case of investment in collection and packaging warehouse minimum capacity of storage should be at least 1000 m³ of production. In case of expansion of the existing facility, this facility must have a minimum capacity of 500 m³, while the expanded facility must reach a minimum capacity of 1000 m³.

7.3 Wine production sub-sector

Eligible to apply are companies registered in the Register of Wine Producers and the Kosovo Business Registration Agency and have experience of at least 5 years before the date of application, wine producers must have at least 50% of the raw material (grapes) provide from other manufacturers (not own production). This criterion does not apply to wine producers who own over 50 hectares of vineyards. Applicants must prove that they have declared their annual wine production and remaining stocks.

7.4 Investments in renewable energy production

According to this investment support, the sale of electricity to the grid is allowed as long as the "self-consumption" limit is respected (i.e. electricity sold to the grid is equal to the average electricity consumed during the year).

is justified by the fact that, since electricity cannot be stored, it must, unless consumed, be sold on the grid; the electricity grid can be conceived as a storage site for electricity where it is introduced and withdrawn during the year in similar quantities and at a different rate.

Investments in renewable energy, first of all, must be justified for the own consumption of the processing facility, since the sale of electricity through the national grid is a costly and sophisticated type of investment.

The concept of "self-consumption" should be checked at the stage at which a project is presented/evaluated. The investment is considered eligible when the (theoretical) energy capacity of the renewable energy plant ("investment") does not exceed 120% of the average 3-year consumption (self-consumption) of the applicant.

8. Eligible Investments

8.1 ESTIMATED INVESTMENTS ACCEPTABLE FOR THE SECTOR

In case of benefit from "Collective Investments", the increased aid, intensity, list of acceptable investments and other criteria will be added to the annual Program for Rural Development after the recognition of the Production Groups by the Competent Body of the Ministry according to Law no. 08/ I-072 for Agriculture and Rural Development.

8.1.1 Eligible investments for sub-measure for milk processing

- Investments in construction / renovation / expansion of dairies;
- Investments in the construction of new dairies which at the time of application are in category "D";
- Investments in equipment to improve hygiene, as well as product quality and safety (especially to meet HACCP and/or ISO 22000 standards);
- *HACCP certification and/or ISO 22000 is not funded*
- Investments in equipment to improve environmental protection, especially waste management and wastewater treatment;
- Investments in specialized means of transport;
- Investments in equipment for new products and contemporary packaging;
- IT equipment, hardware and software for monitoring, control and management;
- Investments in technology for the production of renewable energy;
- Investments in cooling equipment;
- Marketing investments.

8.1.2 Eligible investments for sub-measure for meat processing

- Investment in renovation/expansion of existing facilities - including refrigerated warehouses with accessories;
- Investments in the construction of new processing facilities for enterprises which at the time of application are in category "D";
- Investments in meat processing equipment;
- Investments in equipment to improve hygiene, as well as product quality and safety (especially to meet HACCP and/or ISO 22000 standards);
- **(whether or how it is provided in the FVA report)**
- **HACCP certification and/or ISO 22000 is not funded**
- Investments in equipment to improve environmental protection, especially waste management and wastewater treatment;
- Investment on equipment for quality control, including respective laboratories;
- Investment in equipment for cooling and freezing rooms for preservation of ready made products;
- Special vehicles for transport of raw materials and finished products;
- Investments in technology for the production of renewable energy;
- Marketing investments.

8.1.3 Eligible investments for the sub-measure of processing of fruits and vegetables

- Investments in expansion/renovation of processing facilities;
- Investments in lines for canning / pasteurization of fruits and vegetables;
- Investments in equipment to improve hygiene, as well as product quality and safety;
- Investments in facilities and equipment for post-harvest treatment, drying, sorting and storage;
- Investment on equipment for packaging, labeling, including filling lines, wrappers and other specialized equipment;
- Investment on equipment for cooling chain, including warehouse for cooling and refrigeration, freezing tunnels, refrigerated transport and other equipment necessary to ensure continuity in the cold chain;
- Investments in equipment to improve environmental protection, especially waste management and wastewater treatment;
- Investment on equipment for quality control, including respective laboratories;
- Special vehicles for transport of raw materials and finished products, with cooling and for cooling;
- IT equipment, hardware and software for monitoring, control and management;
- Investments in technology for the production of renewable energy;
- Marketing investments.

8.1.4 Eligible investments for sub-measure for wine production

- Renovation / expansion of facilities for wine production and processing;
- Investments in equipment for wine processing;
- Investments in equipment to improve hygiene, as well as product quality and safety;
- Investment on equipment for packaging, labeling, including filling lines, wrappers and other specialized equipment;
- Investments in technology for the production of renewable energy;
- Investments in equipment and apparatus for wine quality control, including relevant laboratories;
- IT equipment, hardware and software for monitoring, control and management of wine production;
- Marketing investments.

8.2 Ineligible costs

- taxes, including value added taxes;
- the purchase, rental, or leasing of existing land and buildings, whether or not the lease results in the transfer of ownership to the lessee,
- fines, financial penalties and litigation costs;
- operating costs, except as duly justified by the nature of the measure in the event of force majeure or exceptional circumstances;
- second-hand machinery and equipment;
- bank fees, guarantee costs and similar charges;
- conversion costs, fees and exchange losses in euros, as well as other merely financial expenses;

- in-kind contributions;
- purchase of agricultural production rights, animals, annual plants and their planting;
- any maintenance, depreciation and rental costs, unless duly justified by the nature of the measure or in the event of force majeure or exceptional circumstances;
- any costs incurred and any payments made by the public administration in the management and implementation of assistance, including those of the management and operating structure and, in particular, overheads, rents and salaries of staff employed in the management, implementation, monitoring activities and control, unless duly justified by the nature of the measure.

The detailed list of eligible expenses for this measure will be part of the guide for applicants

9. Selection criteria for all sub-sectors

	No.	Selection criteria	No.
1.	1	Investments in achieving national food safety standards (in the wine sector, quality improvement)	
2.	2	Investments in more efficient technology and equipment leading to diversification of production Introduction of at least two new products (or two different types of wines)	
3.	3	Investments in projects to improve the position of farmers in the value chain	
4.	4	Investments in renewable energy production Technologies	.
5.	5	Investments related to waste treatment, water purification and/or utilization of waste products - circular economy	
6.	6	Creation of jobs	
		Total	100

The beneficiary who has planned investments in the use of renewable energy and earns points for this purpose, is obliged to use this investment and keep it active for the purposes he has foreseen in the business plan. If during each control by the AZHB officials (before signing the contract, ad-hoc or ex-post) it is found that the investments in renewable energy are not being used as foreseen in the business plan, then Article 54 will be applied. to Law No. 08/I-072 on Agriculture and Rural Development.

10. Intensity and degree of public support

The aid intensity (public aid) is 50% of the total amount of eligible expenses for the projects.

- The maximum value of the project within this measure is €400,000;

- The minimum value of acceptable expenses for the project within this measure is €50,000;
- The maximum public support for the seven (7) year programming period (2021-27) for Measure 3 cannot be increased for a long time from €600,000
- The application applicant with several projects during the program design period in different years, provided that their projects of completion of success and the whole public are not high.

11. Indicative budget

MEASURE 4

Year	Public contribution		Private contribution		The cost of the general investment
	EUR	50%	EUR	50%	EUR
2021					
2022					
2023	3,500,000	50%	3,500,000	50%	7,000,000.
2024	3,500,000	50%	3,500,000	50%	7,000,000
2025	3,500,000	50%	3,500,000	50%	7,000,000
2026	4,000,000	50%	4,000,000	50%	8,000,000
2027	4,000,000	50%	4,000,000	50%	8,000,000
Total	18,500,000	50%	18,500,000	50%	37,000,000

12. Indicators

M 3: Investments in physical assets in the processing and marketing of agricultural products	Target until 2027
The number of agro-processing enterprises supported by the modernized RDP	145
Total investment in modernized agro-processing enterprises	37,000,000
The number of agro-processing enterprises that receive RDP support for investments that progressively meet EU standards for hygiene and animal welfare	120
Number of jobs created	870
Number of young farmers receiving RDP investment support	0
Number of producer groups/organizations supported	0
Number of farmers participating in supported producer groups, producer organisations, local market, short supply chain circle and quality schemes	0
Number of collective investments	0
Number of RDP beneficiaries in investments related to organic manure management	0

Number of RDP beneficiaries in investments in waste treatment or management	145
Number of RDP beneficiaries in investments in renewable energy production	120
The number of projects in investments of the circular economy type	20
The number of agro-processing enterprises supported by the modernized RDP	100

13. Administrative procedure.

This measure will be implemented by the Agriculture Development Agency (ADA). The detailed administrative procedures will be presented in the Administrative Instruction which is approved by the Minister of Agriculture, Forestry and Rural Development.

The evaluation includes the verification of the submitted documentation (to be complete), the eligibility checks (including the project proposal/business plan) and the scoring of the projects. Evaluation reports will be published. All applicants will have the opportunity to file an appeal. The assessment procedure will be part of the Administrative Instruction, approved by the MAFRD.

14. Geographical extent of the measure

This measure is applied throughout the territory of the Republic of Kosovo.

8.3.4 AGRO-ENVIRONMENT-CLIMATE AND ORGANIC AGRICULTURE MEASURE 4

1. Legal Grounds

- Law no. 08/I-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo/ No. 8/ March 29, 2023,
- Strategy for Agriculture and Rural Development 2022-2028, decision of the Government of the Republic of Kosovo No. 12/50, dated: 23.12.2021 for approval.
- Law No. 03/L-048 on Public Finance Management and Responsibilities (Official Gazette of the Republic of Kosovo No. 27/03 June 2008).

2. Rationale

Environmental support is a key element in European rural development policy. It is one of the main tools for integrating environmental issues into agricultural policy. Environmental payments contribute to sustainable rural

development by promoting and supporting ecological farming practices and systems.

Environmental support is a key element in Europe's CAP (Common Agricultural Policy). Agro-environment is one of the main tools for integrating environmental protection issues into agricultural policy. Agri-environmental payments contribute to sustainable rural development through the promotion and support of ecological farming practices and systems.

Agriculture and the environment in Kosovo are closely related to the natural resources, traditional landscapes and biodiversity of rural areas.

Agricultural and forest resources are still managed in a traditional way in some parts of Kosovo, while in other regions the intensification of agriculture is exceeding traditional management systems. Effective implementation of the environmental program can reduce and halt the degradation of Kosovo's biodiversity and natural assets caused by the intensification or abandonment of good agricultural practices.

MAFRD plans to implement measures for sustainable management of lands, forests and development of organic agriculture such as:

- (a) designing a comprehensive package of schemes that will address key environmental problems; AND
- (b) test pilot for the implementation of mechanisms for monitoring and control related to EU requirements for environmental protection.

3. General objectives

- The measure aims to contribute to the management of the sustainability of natural resources, adaptation and mitigation of climate change with the application and methods of their adaptation by creating and natural resources, natural resources, natural resources, biodiversity rights, landscape and their features . his, as well as genetic diversity, going beyond the associated mandatory standards.
- The development of organic agriculture through their development.

3.1 Specific objectives

- Support for agricultural practices that have a positive impact on the environment and mitigate the negative impacts of agriculture and in particular the preservation of biodiversity, ecosystems and valuable habitats;
- Preservation of biodiversity, soil and water quality through support for the introduction and maintenance of organic agricultural production methods;
- Supporting traditional and sustainable grazing systems as well as methods that contribute to the preservation of biodiversity and genetic diversity of local breeds;
- Capacity building to achieve practical experiences for the implementation, monitoring and control of agro-environmental payments in the state administration, agricultural advisers as well as farmers and farmers' associations.

4. Connection with other program measures and national measures

This measure is related to Measure (1) - Investments in physical assets of agricultural farms, Measure (3) Investments in physical assets related to the processing and marketing of agricultural products and fisheries and Measure (7) - Diversification in farms and business development, to achieve higher standards in production, mainly considering the environment.

The measure will support agricultural holdings that go a step further in agricultural management methods and practices and willingly take on additional obligations when it comes to standard production and preservation of the environment and biodiversity.

5. Beneficiaries

- Eligible beneficiaries are farmers, natural and legal persons who must be registered in the farm register;

6. Common eligibility criteria

Minimum size of agricultural operations

Eligibility conditions are linked to the beneficiaries and the minimum size of farm operations (land management or a number of animals).

- *Minimum size of agricultural plots*

Minimum plot size: 0.1 ha for perennial crops and 0.3 ha for annual crops;

Minimum farm size: 1 ha;

The specific requirements for each of the environmental schemes are presented in the specific eligibility criteria for the sub-measure.

- *Basic requirements for all environmental beneficiaries*

Beneficiaries must comply with each of the following requirements:

- *The duration of the environmental commitment*

The beneficiary through the contract (bound to a set of commitments included in the payment request for direct payments) undertakes to implement environmental activities for a period of at least five years.

The beneficiary through the contract undertakes to implement the environmental activities for a period of at least five years.

- *Preparation of the environmental plan for the farm*

The beneficiary must develop the environmental plan for his/her farm. The environmental plan will identify all the commitments applied by the beneficiary as well as describe in detail all the activities to be undertaken in each year of the commitment.

- *Keeping the farm diary*

The beneficiary must keep a farm diary describing every activity carried out on the farm that is relevant to the undertaking, including e.g. mowing, plowing, fertilizing, etc.

- *Compliance with minimum mandatory standards*

The Beneficiary shall comply with the mandatory minimum standards as determined by the national legislation referring to the specific environmental scheme. (This will be developed in collaboration with MESPI)

7. Specific eligibility criteria for the sub-measure (commitments)

Scheme 1: Scheme of Organic Farming (OF)

Rationale	<ul style="list-style-type: none"> - Organic farming improves the natural balance of plant nutrients through crop rotation and the integration of crop and livestock production. Due to the limited use of fertilizers and pesticides, organic farming improves soil and water quality, plays a positive role in biodiversity conservation and contributes to the sustainable management of soil, vegetation and livestock. - Pilot implementation of the OF scheme will contribute to the development of organic farming in Kosovo, which is currently very underdeveloped (area under organic conversion is ha, cultivated in the municipality of Istog, mainly medicinal plants. Description of the general situation regarding organic farming
Environmental objectives	<ul style="list-style-type: none"> - Reduce the use of fertilizers and pesticides on agricultural land; - Contribute to sustainable land management; - To increase the area of agricultural land and the number of farms managed according to the standards of organic farming;

Pilot Field	<ul style="list-style-type: none"> - Support will only be provided for vegetables, orchards or vineyards and medicinal plants that are certified as organic or are in conversion.
Specific eligibility requirements	<ul style="list-style-type: none"> - Farmers (natural persons) must have at least 0.1 ha;
Minimum mandatory standards	<ul style="list-style-type: none"> - Owners and users of agricultural land are obliged to manage agriculture in a way that prevents or minimizes erosion. - It is forbidden to burn harvested areas. - Trees, shrubs, forests, living walls and protective belts on agricultural land (outside the Forest Law) will be preserved as important elements of the landscape that reduce wind and water erosion (removal is done upon written permission from the competent municipal body) - It is forbidden to remove humus and topsoil from agricultural land without written permission.
Management requirements	<ul style="list-style-type: none"> - Development of 10-day training on organic farming issues; - Land management in accordance with the Law on Organic Farming; - Contract for control and certification of organic production with the authorized body for control in accordance with the Law on Organic Farming for the area for which they apply
Payment levels	<ul style="list-style-type: none"> - Pre-calculated payment rates: - Organic vegetables – 400 Euro/ha - Organic trees and vineyards – 500 Euro/ha - Organic medicinal plants – 380 Euros/ha
Indicators:	<ul style="list-style-type: none"> - State - 1,050 ha in organic certification according to the green report 2020 - 20 entities with certified organic land - 27 farms with organic certification or conversion - Output (To be finalized when the budget of the measure for MA is known) - n/a ha in organic certification or conversion - n/a farms with organic production or certification

Scheme 2: Soil and nutrient management plans

Rationale	Recent data show that over 56% of arable land in Kosovo is affected by erosion. The presentation of the land and nutrient management plan will stimulate agricultural practices that will prevent environmental degradation of soil and water and increase biological diversity in agricultural land.
Environmental objectives	Support for nutrient management plans (including storage and application of animal manure); Supporting the increased application of crop rotation which is designed according to specific criteria for a)

	control of soil erosion (low to medium) and b) reduction of nutrient losses (especially nitrogen spills); This measure has a dual environmental effect - on the one hand it contributes to the reduction of soil erosion and, on the other hand to the improvement of water quality. In cases where there is no winter cover left, the soil is exposed to the impact of rainfall and water erosion.
Pilot Field	The measure will support arable land in the region of n/a (Municipalities n/a)
Specific eligibility requirements	Farmers (natural persons) must have at least 0.25 ha arable land; Small enterprises must have at least 0.5 ha of arable land
Minimum mandatory standards	Owners and users of agricultural land are obliged to manage agriculture in a way that prevents or minimizes erosion. It is forbidden to burn harvested areas. Trees, shrubs, forests, living walls and protective belts on agricultural land (outside the Forest Law) will be preserved as important elements of the landscape that reduce wind and water erosion (removal is done upon written permission from the competent municipal body) It is forbidden to remove humus and topsoil from agricultural land without written permission. Pesticides and fertilizers that (if used) must be sold by licensed manufacturers/traders and be in their original packages in accordance with the Law on Pesticides
Management requirements	Conducting a 5-day training Soil sampling for N, P, K analysis (with the support of the advisor) Preparation and implementation of a 5-year Nutrition Management Plan (NMP) with the support of a qualified advisor or agronomist Maintenance of at least 50% of the total surface with plant circulation covered with winter crops, in the areas where this measure is applied. The amount of mineral nitrogen used does not exceed 170 kg/ha per year
Payment levels	Pre-calculated payment rates: n/a Euro/ha
Indicators:	Initial condition Output) 150 ha with nutrient management plans 90 farms supported with developed plans

Scheme 3: Summer grazing in mountain pastures

Rationale	- Traditional extensive grazing practices have created many important semi-natural habitats, although many of these are now at risk of abandoning more intensive agricultural practices.
------------------	--

	<p>Continuation of these traditional low-intensity agricultural methods is essential to maintain biodiversity in large areas of the country, in hills and plains, which will also maintain the character of the landscape.</p> <ul style="list-style-type: none"> - The national network of nature protected areas consists of 99 nature protected areas with an area of 124,799 ha of the territory of Kosovo. Kosovo has not yet identified its "Natura 2000" sites, but preparatory work has begun for the "Sustainable Forest Management Project" (SFMP) project for which a report has been compiled to identify potential areas that meet the criteria for the network ecological network NATURA 2000. - The MA pilot measure aims to support grasslands with high biodiversity in areas with proven biodiversity values as protected areas.
Environmental objectives	<ul style="list-style-type: none"> - Prevent further loss of grasslands with high values of nature and related animal species due to abandonment, conversion to arable land and other crops, or overgrazing; - Preserve and maintain grasslands with high natural values and related animal species through maintenance or restoration of traditional semi-natural grassland management practices; - Protect biodiversity and ensure the protection, maintenance and/or restoration of bird habitats and populations in favorable conditions;

Pilot Field	<ul style="list-style-type: none"> - The scheme will apply only to these protected areas: Sharri National Park as defined in the legislation of Kosovo.
Specific eligibility requirements	<ul style="list-style-type: none"> - Farmers (natural persons) or small enterprises must have pasture herds of at least 30 sheep or 5 cows, or a combination of cows and sheep for at least 5 Livestock Units (LU) - Farmers must have an agreement (permit) from the Directorate of National Park "Sharri" which determines the maximum herd in the pasture according to the Park administration 6 sheep/ha. - Farmers must have a certificate from a veterinarian issued in accordance with the Law on Veterinary and administrative instructions.
Minimum mandatory standards	<ul style="list-style-type: none"> - Any cultivation without written permission is prohibited; - Burning grass in pastures is prohibited; - All animals that will graze must have matriculation tag; - If the farmer transports animals more than 50 km must have written permission from the veterinary service
Management requirements	<ul style="list-style-type: none"> - Conducting a 5-day training - Respecting the maximum of the herd in the pasture; - Continuation of the traditional (seasonal) pasture grazing period of about 5 months, from 1 May to 31 October; - Provide rotational grazing on pastures to avoid overgrazing; - The use of artificial fertilizers and plant protection materials (including herbicides) in pastures is prohibited;
Payment levels	Estimated payment levels: 300 Euro/ha, the maximum area that a farmer can use is 7 ha
Indicators:	<p>Initial condition</p> <p>2020 - 10,000 sheep in the pastures of Sharri National Park</p> <p>Output</p> <p>At least 200 hectares of grassland with high biodiversity in protected, supported areas 20-30 farms manage grasslands</p>

8. Eligible costs

End beneficiaries will be compensated for additional costs and lost income (*forgone revenue*) arising from commitments made under selected measures.

A detailed description of the calculation of payments for each scheme will be presented later. This should be a separate document which supports the approval of the measure.

The calculation methodology made for each scheme based on the real elements is presented later.

10	Additional costs	EUR
1	Grazing fee	
1.1	Sheep and goats (per head)	0.50
1.2	Cattle	2.00
2	External breeding expenses	
4	Costs of transporting livestock from farm to pasture and vice versa	100
5	Maintenance of pasture infrastructure (lakes, rivers, trails, etc.)	10
6	Transportation costs (if any)	
7	Veterinary service and control fees	15
8	Losses due to high mortality - 2%	3,000
II	Saved costs	
III	Income foregone	

9. Selection Criteria

N/A

10. Support level

The public contribution will be 100% of the calculated compensation payment. Payments are given to beneficiaries per hectare on an annual basis.

11. Indicative budget:

Year	Public contribution		Private contribution		The cost of the general investment
	EUR	100%	EUR		EUR
2021					
2022					
2023					
2024					
2025	200,000	100%			200,000
2026	300,000	100%			300,000
2027	400,000	100%			400,000
Total	900,000	100%			900,000

12. Indicators

Indicators - M 4	Targets for 2027
------------------	------------------

Number of contracts;	
Total agricultural land (ha) according to environmental contracts;	
The number of supported operation types	
total area per hectare for the type of operation.	
Organic farming	
The number of supported properties	
Support for endangered breeds and conservation of local breeds	

13.Administrative Procedure

The measure shall be implemented by the Agriculture Development Agency

This measure will be implemented by the Agriculture Development Agency (ADA). The detailed administrative procedures will be presented in the Administrative Instruction which is approved by the Minister of Agriculture, Forestry and Rural Development.

14.Geographic scope of the measure

The measure is applied throughout the territory of Kosovo

8.1.5 MEASURE 5 IMPLEMENTATION OF LOCAL DEVELOPMENT STRATEGIES - LEADER APPROACH

1. Legal Basis

- Law no. 08/L-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo/ No. 8/ March 29, 2023,
- Strategy for Agriculture and Rural Development 2022-2028, decision of the Government of the Republic of Kosovo No. 12/50, dated: 23.12.2021 for approval.
- Law No. 03/L-048 on Public Finance Management and Responsibilities (Official Gazette of the Republic of Kosovo No. 27/03 June 2008

2. Rationale

Implementation of Measure 5 Implementation of Local Development Strategies - LEADER will be crucial to provide further support for the existence of LAGs, to improve their capacity in order to play the role of agent/promoter for the development of rural areas according to well-known LEADER access principles.

LEADER is part of the EU rural development policy that helps build capacity and experience in implementing EU rural development policies, it also helps candidate countries prepare for EU membership.

The LEADER approach aims at community development, contributing to the economic, social, cultural and environmental improvements of local areas, engaging a wide range of private and public multi-sectoral partners always taking into account community resources at the local level.

The main purpose of the LAGs is to contribute to the economic development of rural areas, by providing support to the rural community for the preparation and implementation of development strategies in close cooperation with the local community.

In the period 2007-2009, at the initiative of MAFRD, 30 Local Action Groups (LAGs) were established - which have covered the entire rural area of the country - in Kosovo. LAGs in Kosovo have been organized on the basis of municipalities so each municipality corresponds to a LAG. LAGs have been registered as Non-Governmental Organizations (NGOs) in accordance with Kosovo legislation. During the years (2010 -2013) LAGs have implemented various projects for the benefit of their communities with financial support from MAFRD, municipalities and other donor organizations. In order to facilitate the promotion, communication and dissemination of information between LAGs and other rural actors, the Rural Development Network (RDN) has been established. RDN functions as a discussion platform.

During the second half of 2014, the activity "Technical assistance to potential LAGs" was conducted in the form of a call for presentations of Local Development Strategies (LDS). 12 LAGs and RDNs were presented, which have prepared Rural Development Strategies. The selection committee has made an in-depth evaluation of the 12 LDSs submitted. The evaluation is based on the eligibility and selection criteria, identified in advance.

12 LAGs and RDNs of LAGs have approved Rural Development Strategies, and were the approved LAGs.

During the period 2015-2020, the approved LAGs were supported by MAFRD with financial means to carry out their activities. But often with problem due to lack of understanding the LEADER approach . The current administrative capacities of the LAGs are not sufficiently developed, therefore it is not possible at this stage for the measure to be fully in line with the LEADER approach. Moreover, advance payments for administrative expenses must be consistent/continuous and this will ensure payments for the activity of the LAGs, otherwise there is a risk of demobilization of the administrative team of the LAGs.

3. General Objectives

Measure 5 Implementation of Local Development Strategies - LEADER approach as its main objective is to support the capacity building of selected LAGs, LAG members and rural residents, in order to enhance their skills in the field of democracy and local development.

3.1 Specific objectives

- Functionalization of LAGs selected according to the LEADER approach;
- Capacity building of selected LAGs;
- Awareness of the rural population in the activities of the selected LAGs;
- Exchange of experiences between selected LAGs;
- Implementation of LDS (projects);

- Networking with other LAGs and sharing good practices;
- Animating the territory and building the capacities of the local population and local action groups;
- Contributing to the development of the rural economy, improving the quality of social and cultural life of the community, improving public spaces in villages, improving environmental standards in the areas where LAGs operate and the main priorities arising from Local Development Strategies;

4. Relation to other program measures and national measures

Without accreditation, this measure will be financed through the middle of the national budget. In the context of IPARDI, this measure is related to measure 9 "Technical Assistance", "Acquisition of skills and animation of the inhabitants of the territory in order to raise the capacities of the local population", Technical Assistance supports the possible GLVs to be ready to apply for the "LEADER approach" measure. In the absence of the allocated EU budget for the Technical Assistance measure, Local Development Strategies have been prepared from the budget of this measure. The call is made in 2022.

Also, the Networking of GLVs can be supported by the Technical Assistance measure of IPARD.

5. Beneficiaries

Local Action Groups selected and contracted by the IPARD Agency/Agricultural Development Agency. This measure will cover the following activities related to the topics identified as priorities in the Local Development Strategy (LDS);

6. Eligible activities

- Preparation of LDS (Local Development Strategies);
- Acquisition of skills, animating the inhabitants of the territories of the selected "LAGs";
- "Operating expenses" for the operation of selected LAGs;
- "Implementation of small projects"; and
- "Cooperation projects" means inter-territorial (within a country) or transnational (between countries) projects; this activity should be implemented in the last phase of implementation, by the most advanced LAGs, which have gained experience.

The relevant procedure to apply for this activity will be developed later by the Managing Authority and will be described in the program.

a). Preparation of LDS (the call was made during 2022);

b). Acquisition of skills, animating the inhabitants of the territories of the LAGs

- Animation/ promotion, organization of informative and publicity events, including the preparation of promotional materials (seminars, workshops, meetings, etc.);
- Training and education (preparation of business plans, preparation of applications for projects, accounting, etc.);

- Preparation of relevant area studies for further development (socio-economic, regional, marketing, etc.);
- Networking, participation in national and international seminars, workshops, meetings, study visits, including the events of the national and European Network for Rural Development.
- At least 30% of the budget for the implementation of the Local Development Strategy (LDS) is allocated for these activities.

c). Operating costs for the Local Action Group

Operating expenses are related to the operation of the Local Action Group (LAG), such as office equipment, including IT, personnel expenses, office expenses, for external services (such as accounting, IT services, etc.) . LAG's employee salaries are usually a major part of operating costs.

a) Small projects

- Small projects are considered those with public support up to EUR 5,000.
- They are of a collective nature for the benefit of the local community, for example from various associations, eg: cultural, sports organizations, producer organizations or from the municipality. The budget can exceed EUR 5,000 if partners or other donors contribute to the small project.
- Small projects must be related to the priority theme as defined in the Local Development Strategy.
- Each actor from the territory of the GLV must have the opportunity to send a project proposal, based on the announcement made public acceptable for the GLV (eg on the website of the relevant municipality). The selection of small projects should be made by the LAG Management Board based on proposals from the LAG manager or relevant stakeholders (municipality, social organizations, etc.). The conflict of interest must be avoided by the persons responsible for the selection. A summary of the projects planned for a given year should be set out in the Annual Implementation Plan.
- LAGs should be promoters of small projects; even if other organizations are involved in the implementation of a small project, the final bill is always for the LAG

Examples of small projects:

- a). Events (such as village festivals, meetings, participation in fairs and similar activities);
- b). Purchase of materials and equipment (such as computers, various packaging and marketing equipment, various advertising and marketing materials, various information boards for tourism, signs/signage, solar panels, composters, materials for cultural and youth groups, furniture and equipment for community rooms and similar items);
- c). Small-scale renovation of community buildings, improvements to public spaces and tourist trails and small-scale infrastructure (i.e., playgrounds) and similar actions;
- d). Drafting plans for the restoration of historic buildings.

7. Procedure for selection of Local Action Groups

a). The call(s) to select LAGs should be open to all rural areas and ensure competition between local action groups to present Local Development Strategies.

Maximum of LAGs to be selected for the territory of Kosovo (e.g. 20 LAGs)

8. The selection procedure consists of two stages:

a). LAG eligibility check by IPARD Agency, Agricultural Development Agency;

b). Evaluation of eligible LAGs according to the selection criteria by the Evaluation Committee.

c). The Evaluation Committee consists of representatives from the Managing Authority and other relevant rural actors and NGOs dealing with rural development. The members of the Evaluation Committee will be appointed by the Minister or a senior official upon the proposal of the Managing Authority.

9. Eligibility Criteria

a) The eligibility criteria are related to the territory covered by the Local Development Strategy, the composition of the LAG, its legal form and the presentation of the Local Development Strategy.

Territory:

b) Territories from rural areas with sufficient coherence/compactness and with a certain population of 10 000 - 150 000 inhabitants, including settlements with a population of less than 25 000 inhabitants. Deviation from this rule is possible with a proper rationale and that will need to be explained in the program.

c) A municipality/settlement belongs to only one LAG. No overlap is allowed - which means 'a partnership, a strategy, a territory'.

Legal form:

d) LAGs must be officially registered as a legal entity (i.e. association, foundation, NGO) based on relevant legal acts; In accordance with national legislation, it (the LAG) can be registered as an organization whose statute guarantees the satisfactory functioning of the partnership and the ability to manage/administer public funds.

Partnerships:

e) At the decision-making level, economic and social partners, as well as other representatives of civil society, such as farmers, rural women, young people and their associations, should constitute more than 50% of the partnership. Furthermore, a minimum of 20% will be representatives of local authorities. However, public authorities as defined in accordance with national rules shall represent less than 50% of the voting rights;

f) A minimum of 20% women and 20% young people to ensure age diversity and gender equality.

g) Members of the decision-making bodies of the LAG must be local residents or operating in the area covered by the Local Development Strategy;

h) The LAG should propose an integrated Local Development Strategy that includes at least minimum elements and priority topics as specified in the IPARD Program / Agricultural Development Agency.

Local Development Strategy:

- a) The LAG should propose/prepare an integrated Local Development Strategy that includes at least minimum elements and priority topics as specified in the IPARD Program.
- b) These are:

Selection Criteria

The following selection criteria can be used:

- The quality of the partnership, including the participation of young people and women;
 - Coherence of the territory of the LAGs and sufficient quantity in terms of human, financial and economic resources;
 - Quality of Strategy intervention logic (including SWOT analysis, etc.);
 - Coherence of the proposed actions with the SWOT analysis and the priority topics IPARD/ARDP;
 - Involvement of stakeholders in the preparation of the Local Development Strategy;
 - Ability of the LAG to manage the implementation of the LDS;
 - Projects supported by other sources (not the RDP) should be considered as added value, however double funding should be avoided.
- *The scoring system will be detailed in the applicant guide***

9 Aid intensity and level of contribution

Activity 1 "Acquisition of skills and encouragement of the residents of the territory of the LAGs for the selected LAGs" and the selected LAGs, after signing the contract with the ADA, receive 70% of all eligible expenses as an advance.

While after the end of the project, the beneficiary LAG must bring the necessary evidence, such as: invoices, the form of the working days of the manager and experts, as well as the manager's CV, the expert's CV and the selection procedure of the manager or expert, both for the funds received in advance and for 30% of the funds which are paid after the completion of the project. In case of non-fulfillment of this condition, the beneficiary GLV is obliged to return the funds received.

Public assistance from the MAFRD is given in two installments: 70% as an advance and 30% after the completion of the project.

Activity 2 "Implementation of Local Development Strategies - LEADER approach"

2a) "Functionalization of selected LAGs" supporting their operating costs.

The selected LAGs, after signing the contract with ADA, receive 80% of all eligible costs as an advance payment.

After the completion of the project, the beneficiary LAG must provide the necessary evidence, such as: invoices, the working day form of the manager and experts, as well as the CV of the manager, the CV of the expert and the selection procedure of the manager or expert, both for the

funds received in advance and for 20% of the funds which are paid after the completion of the project. In case of non-fulfillment of this condition, the beneficiary LAG is obliged to repay the funds received.

The public support rate will be 100%.

Public assistance from MAFRD is provided in two installments: 70% as an advance payment and 30% after the completion of the project.

2b) "Implementation of the LDSs of selected LAGs" where they promote and implement small projects in accordance with the LDSs.

The level of public support will be 70% from the MAFRD and 30% from other donors or from the members of the selected LAGs. The selection of the project is done by the LAG.

LAGs must apply for payment and advance payment.

- The aid intensity, expressed as the percentage of public support to eligible expenditure, is up to 100%, with the EU contribution rate being 90%.
- Animation/acquisition of skills, operating costs and small LAG projects will be eligible within a limit set by the LAG Managing Authority per year.
- The contracted LAGs may receive an advance payment for the initial activities from national sources, but this is in no way considered as a cost incurred to be reimbursed by the Commission through IPARD. The amount of advance payment should not exceed 70% of the annual allocation of public support in relation to operating costs, animation expenses and small projects. (according to IPARD)

10. Indicative budget

MEASURE 5

Year	Public contribution		Private contribution		The cost of the general investment
	EUR	80%	EUR	20%	EUR
2022					
2023	300,000	80%	75,000	20%	375,000
2024	300,000	80%	75,000	20%	375,000
2025	300,000	80%	75,000	20%	375,000
2026	300,000	80%	75,000	20%	375,000
2027	300,000	80%	75,000	20%	375,000
Total	1,500,000	80%	375,000	20%	1,875,000

11. Indicators

Indicators - M5	TARGETS for 2027
-----------------	------------------

Number of LAGs operating in rural areas;	20
Total investment in GLV	1,875,000
Population covered by LAGs;	10,000-150,000
Number of jobs created (gross);	30
Number of small projects paid.	80

12. Administrative Procedure

- The IPARD Agency/Agricultural Development Agency publishes calls and selects the Local Action Groups based on the administrative eligibility control and the evaluation made by the Evaluation Committee established by the Managing Authority. The contract is signed between the IPARD Agency/Agency for Agricultural Development and the local action groups selected for the implementation of the Local Development Strategy. An advance payment is paid to the LAG. It is very important to anticipate the cash flow for the operation of the LAGs. (Operating costs)
- For each year the Local Action Group must submit an Annual Implementation Plan (detailing the Action Plan by the LDS) to the IPARD Agency/Agricultural Development Agency and the Managing Authority.
- A LAG conducts animation/capacity building and executes small projects in accordance with the Annual Plan. The LAG should also ensure that prices for work performed and equipment purchased are reasonable and that the choice of contractors is fair.
- The LAG must submit a regular (e.g., monthly or quarterly) claim for reimbursement of capacity building costs, running costs (operating costs) and costs of small projects implemented.
- Any payment request must be clearly linked to the Annual Action Plan (based on the Local Development Strategy). The IPARD Agency/Agricultural Development Agency will control the LAG in accordance with the contract commitments (administrative and on-site control, including price justification). IPARD Agency/Agricultural Development Agency makes (regular) payments to LAGs based on approved payment claims.

13. Geographic scope of the measure

The LEADER approach should be implemented in rural areas as defined in the program

8.1.6 MEASURE 6. INVESTMENTS IN RURAL PUBLIC INFRASTRUCTURE

1. Legal basis

Lega Law no. 08/I-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo/ No. 8/ March 29, 2023,

- Strategy for Agriculture and Rural Development 2022-2028, decision of the Government of the Republic of Kosovo No. 12/50, dated: 23.12.2021 for approval.

- Law No. 03/L-048 on Public Finance Management and Responsibilities (Official Gazette of the Republic of Kosovo No. 27/03 June 2008).

2.Rationale

The rural economy has a significant potential for job creation, to contribute to sustainable development and economic growth of rural areas and the economy in general.

Investment/support on rural areas can strengthen the link between rural and urban economies can boost growth and diversify the agricultural and non-agricultural sectors, reduce inequality between rural and urban areas.

Empowered rural economies not only act as promoters of food security but they also add/promote the traditional values of different rural areas by providing different quality services in a very natural environment.

Rural areas have the potential to become centers of innovation to foster activities and diversification of food systems and livelihoods in general.

Creating and promoting jobs in the rural economy is essential to reducing inequality between rural and urban areas.

Policies that encourage investment in rural infrastructure, such as: transport networks, telecommunications, energy, healthcare, kindergartens, care for the elderly/people with disabilities, day-to-day services and other activities should be priority areas in way to contribute to improving the quality of life in rural areas.

Well-developed rural infrastructure is a prerequisite for economic growth. Investments in rural public infrastructure will have a positive impact on economic development, will contribute to improving the quality of life and preventing the migration of the population from rural areas.

The development of local rural infrastructure is one of the key elements for the further sustainable development of rural areas.

Rural settlements are also affected by climate change. Lack of investment in flood management (e.g. maintenance of river beds) at the local level, as well as protection of rural areas affected by landslides or prone to landslides pose a threat to the population living and working there.

Lack of rural infrastructure hinders the development of agriculture and forestry, as a result of lack of roads access to agricultural and forest plots is difficult.

Providing access to water, wastewater treatment, electricity in rural areas is essential to prevent population migration from these areas.

Rural areas in Kosovo face various problems such as: low level of development, unemployment, poor rural infrastructure, migration problems, low population density in remote mountainous areas, scattered settlements, etc. Support for rural infrastructure development is essential for the development of these areas.

Solving these problems is possible through the close cooperation of actors living in rural areas and government authorities.

There are different methods and approaches to problem solving in rural areas. The basic principle of the EU is the implementation of approaches that will manage to ensure sustainable long-term development of rural communities.

One of them is the adoption of measures in the rural development program that will help reduce economic disparities between rural and urban areas.

3. Overall objective

The overall objective is balanced economic, social and territorial development by supporting sustainable and inclusive development by supporting infrastructure in rural areas.

Facilitate business and community development, economic growth and employment in rural areas.

3.1 Specific Objective

- Contribute to the provision of the necessary infrastructure for the development of rural areas;
- Contribute to improving the standard of living for the rural population;
- Support the public investments needed to achieve sustainable development;
- Increase attractiveness and easier access to rural areas for domestic and foreign investors.

4. Linked to other program measures

This measure is related to Measure (1) "Investments in physical assets of agricultural holdings", (3) "Investments in physical assets in the processing and marketing of agricultural products", (4) "Agro-environment-climate and the measure of organic farming", (5) "Implementation of local development strategies - LEADER approach" and (7) "Farm diversification and business development". This measure will enable the promotion of investments in the construction and reconstruction of private infrastructure, including inland roads, electricity, water supply and waste treatment related to the development of economic activities of agricultural farms, processing plants or rural enterprises, which will aim to improve living conditions in rural areas.

5. Beneficiaries

Potential beneficiaries will be public administrations in rural areas (municipalities, public enterprises, local communities, etc.)

6. Common Criteria of Eligibility

6.1 General support requirements

The project is required to justify the need for infrastructure in the rural area such as: (roads in rural areas, roads to access forests, roads to access agricultural fields, water supply, water treatment, waste collection, energy security, remediation of river beds, etc.).

- The applicant must submit an Application Form supported by a set of required documents;
- Construction plans (basic) and technical drawings must be submitted together with the application form, including the invoice for the quantities prepared in accordance with the Law on Construction and other local construction standards officially determined by the Municipality;

- Applicants - municipalities must submit the decision taken by the municipal assembly on the priority of the municipal development project and in accordance with local development plans as appropriate;
- Applicants - public enterprises must submit the decision taken by the board of directors on the compliance of the project with the annual plans approved by the Government;
- Applicants - municipalities intending to invest in settlements to which the Law on Culture (cultural heritage, etc.) applies must submit the approval received from the MCYS;
- Applicants - municipalities intending to invest in settlement areas to which the Law on Environmental Protection applies (nature reserves, etc.) must submit the approval received from the MEI;
- Project maintenance must be provided by the final recipient up to at least five years after the final payment of the project. However, maintenance costs are not eligible for EU co-financing;
- All projects must be procured in accordance with the Commission's external assistance rules contained in the Financial Regulation. For this purpose, the PRAG application can be adapted to the specifics of the beneficiary country. However, public procurement may be conducted on behalf of the recipient by a centralized competent public authority;

6.2 National Standards and EU Standards

Each project must comply with the minimum national standards for environmental protection, construction, energy and cultural heritage, before submitting the final application for payment to the Agricultural Development Agency.

6.3 Investment continuity perspective

The applicant must demonstrate the prospect of continued investment in terms of the applicant's ability to maintain the investment for at least five years after the completion of the investment, i.e. after receiving the final payment

6.4 Other eligibility criteria

- Investments must be made in public property (state or municipal property);
- In case of investment projects, which are carried out in private property that is not owned by the applicant, the Law on Expropriation or Concession must be respected before applying for support;
- For projects related to agricultural land, comply with the Law on Agricultural Land;
- For projects related to forest land, respect the Law on Forestry.

7. Specific eligibility criteria

- Investment projects for water supply, sewerage and waste disposal should be coordinated by local public enterprises established for the management of public activity.
- Applicants (municipalities and/or settlements) who are qualified to energy requirements are eligible for investments in energy production from renewable energy sources.
- In the case of access roads to forest land, the forest must be classified as high risk for forest fires and confirmed by the MAFRD.

8. Eligible costs

8.1 Type of eligible investments

- The areas of support are presented in detail in the following sub-sections construction and reconstruction of immovable infrastructure
- General expenses related to architect, engineer and feasibility studies expenses will be eligible. The maximum amount acceptable for the expenses of (architect, engineer and feasibility expenses) should not exceed 10% of the general costs.

8.2 Eligible Investments

Eligible projects can be:

- Projects for energy supply and efficient use of energy, including:
- Construction, rehabilitation and equipping of renewable energy plants as well as installations of public distribution of energy from various renewable sources;
- Construction, rehabilitation of renewable energy installations for the supply of municipal owned buildings and/or buildings used for the provision of community services (as well as education and health);
- Improving local public distribution networks for energy/heat supply in municipal settlements and/or agricultural areas;
- Investments to improve energy efficiency in municipal and other buildings used to provide community services (as well as education and health);
- Water management projects, including:
- Construction/reconstruction/rehabilitation of water supply system, related installations and facilities (e.g. cleaning, filtration, etc.);
- Construction/reconstruction/rehabilitation of wastewater system, related installations and facilities (e.g. wastewater treatment, etc.);
- Support for investments in wastewater collection and treatment for settlements > 10 000.

Waste management projects, including:

- Construction/reconstruction of small waste management infrastructure (e.g. landfills and/or waste collection points, etc. according to environmental standards);
- Purchase and installation of waste collection equipment (e.g. containers, transport trailers and vehicles);

Village renovation projects, including:

- Construction and reconstruction of public green spaces - parks and gardens, playgrounds for children and related facilities;
- Construction and reconstruction of road network, road path, squares, pedestrian areas, promenades;
- Reconstruction and renovation of municipal buildings of local cultural, traditional or natural importance and/or improvement of areas of local cultural, traditional or natural importance and external facilities, including landscaping and necessary equipment;
- Renovation of facades of public buildings, external facilities, including leveling and landscaping of external objects (if they are integrated in a spatial plan of the settlement and/or according to official municipal standards for architecture and construction style at the municipal or residential level);
- Investments in the construction of river beds for flood control and management within settlement areas, including landslide protection infrastructure
- Road projects, including:
- Construction/rehabilitation of existing municipal roads and bridges (e.g. roads connecting settlements with main roads, connections between settlements, public access roads to businesses, farms, tourist facilities, facilities of local cultural, traditional or natural importance, agricultural land, forests, etc.) including flattening and surrounding landscape;
- Construction/rehabilitation of agricultural and forest road network (including fire prevention crossings);
- Community service projects, including:
- Construction and reconstruction of local market infrastructure - farmers market, handicraft markets, etc.;
- Establishment of new centers or improvement of existing cultural service centers (such as cultural centers, theaters, cinemas, libraries);
- Establishment or improvement of centers for recreation, leisure and sports (including sports centers, youth centers, etc.)
- Establishment or improvement of social service centers - child care (nurseries, kindergartens), care for the elderly and people with disabilities (such as day care centers) including specialized transport.

8.3 Eligible costs will be limited to:

Tangible Investments

- Purchase of construction materials and elements for the construction or reconstruction of buildings and infrastructure
- Purchase of machinery and equipment.
- Purchase of perennial plants

(b) Intangible investments (related to expenditures under point a)

- Computer software including software license
- Installation of equipment (except repairmen)
- Construction/reconstruction services (including technical supervision)
- Planting services, landscaping

(c) Total costs related to expenditure under points (a) and (b)

- Preparation of technical documentation, construction plans and supporting studies

- Business plan preparation: cost calculations, analysis, market analysis, marketing analysis
- Preparation of environmental assessment
- Project management

(d) Costs for specific information and publicity activities at project level, which are the responsibility of the final beneficiaries

- Billboards
- Poster
- Stickers etc.
- Eligible costs will be specified and detailed in the List of Eligible Costs;

9. Selection Criteria

Selection Criteria		Points
1.	Village border area	
2.	Village - mountain area (over 700)	
3.	Municipalities a) with the number of inhabitants	A)Municipalities up to 10 000 inhabitants according to the last official population census
	b)	B)Municipalities up to 20,000 inhabitants according to the latest official population census
	c)	C)Municipalities over 20,000 inhabitants according to the latest official population census
	d)	D)Public enterprises
7.	Investments in waste management	
8.	Investment in wastewater treatment	
9.	Investments for water supply	
10.	Investment for road construction	
	Total	100

10.Intensity of aid

- 100% eligible expenses for investments that do not generate significant income;
- 50% eligible expenses for investments that generate income;

In order to receive support under this measure, the total minimum acceptable expenditure proposed for the investment project is 10,000 euros.

The maximum total acceptable expenses per investment project will be 1 million euros for municipal projects and 750,000 euros for public enterprise projects.

Beneficiaries can submit a maximum of 2 projects under this measure during the Program implementation period, provided that the previous projects have been successfully finalized, i.e. the final payment is received.

11. Indicative budget

Year	Public contribution		Private contribution		The cost of the general investment
	EUR	100%	EUR		EUR
2022					
2023					
2024					
2025	200,000	100%			200,000
2026	250,000	100%			250,000
2027	300,000	100%			300,000
Total	750,000	100%			750,000

12. Indicators

Indicators - M6	Targets for 2027
Number of projects:	n/a
Total investment for rural infrastructure	750,000
Number of beneficiaries	n/a
Number of jobs created (gross);	n/a
Total investment in physical capital (EUR).	n/a

11. Administrative procedure

This measure will be implemented by the Agriculture Development Agency (ADHB). The detailed administrative procedures will be presented in the Administrative Instruction which is approved by the Minister of Agriculture, Forestry and Rural Development.

- The administrative procedure for the implementation of this measure will include the following stages:
- Administrative control and suitability of the application;
- Fund allocation;
- Implementation activities;
- Accounting and support payments.

- Detailed administrative procedures will be presented in the relevant guide to be prepared by the Agricultural Development Agency.

14. Geographic scope of the measure

This measure will be applied throughout the territory of Kosovo (rural area) (some countries say the whole territory)

8.1.7 MEASURE 7 DIVERSIFICATION OF FARMS AND BUSINESS DEVELOPMENT

1. Legal Grounds

Law no. 08/I-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo/ No. 8/ March 29, 2023, Strategy for Agriculture and Rural Development 2022-2028, decision of the Government of the Republic of Kosovo No. 12/50, dated: 23.12.2021 for approval.

Law No. 03/L-048 on Public Finance Management and Responsibilities (Official Gazette of the Republic of Kosovo No. 27/03 June 2008).

2. Rationale

Rural areas have a great importance for the overall development of the country and represent a potential for diversification of economic activities, creating jobs and generating additional revenue. These areas are large and are rich in natural, cultural and historical resources.

Living conditions in rural areas are more difficult, therefore migration to urban areas is obvious. Unemployment in these areas is more pronounced, especially among women and young people

Investments in rural areas are seen as opportunities to strengthen the link between rural and urban economies.

Residents of rural areas should see the diversification of their activities as opportunities for the development of their areas where they live.

The problems faced by the inhabitants of rural areas are many, but the main ones are:

- Lack of jobs;
- High dependence on employment in agriculture;
- Poor quality of life, lack of necessary services and infrastructure; and
- Depopulation and demographic aging.

Measure 7 "Farm diversification and business development" will support a range of agricultural and non-agricultural activities that will help improve the quality of life of the population in rural areas.

As part of the measure, priority will be given to projects implemented in mountainous areas, proposed by women entrepreneurs, young farmers and projects that will create new jobs in rural areas.

In line with the conclusions of the sectoral analysis for rural economic diversification in Kosovo, the diversification of economic activities in rural areas as listed below is seen as a long-term perspective for rural economic development.

Additional priority will be given to projects recommended by the Local Action Groups (LAG).

2.1 Collection and processing of non-timber forest products including medicinal and aromatic plants

Non-wood Forest Products (NWFP) and Medicinal and Aromatic Plants (MAP) are important products that grow both wild and cultivated. More than 300 species of NWFPs and MAPs are collected and a considerable number of species are cultivated (Organika, 2020). At least 67 species have a commercial value and contribute to the income generation and economic well-being of families living in rural areas.

Our country is estimated to have around 20,000 pickers, mostly women and often entire families, whose incomes range from 12-15 EUR per day. Farmers cultivating NWFPs and MAPs are the ones who mainly respond to the requests of the enterprises that export these products. It is estimated that there are around 100 collectors/processors of NWFP and MAP, while about 41 processors/exporters operate in the country, who have processing and packaging lines that meet the demand of the international market in terms of quality and safety standards. Approximately 95% of the total NWFPs and MAPs are exported to the EU market. In 2019, the total amount of exports of NWFPs and MAPs was 8.15 million EUR, where the majority (83%) of exports was NWFPs, while sales in 2020 were 12.5 million EUR, of which 11.85 million EUR are exports and EUR 0.71 million or 94%; In export sales, NWFP takes the lead; in 2020, 87% of total sales were from NWFP, 11% MAP and only 2% of sales came from seeds - this shows the importance of NWFPs and the main reasons for this is the availability of NWFPs in the Kosovo Mountains, the tradition of collectors in rural areas, as well as good exporters' links with buyers in export countries.

2.2 Development of rural tourism and agro-tourism

Tourism in Kosovo is one of the sectors with potential for development. Developments in tourism have had positive trends until 2019. The pandemic had a negative impact on this sector in 2020 and is still ongoing. Based on the advantages and opportunities that the Republic of Kosovo has, there is a great potential for the development of rural tourism and agro-tourism. Seeing this potential, the Government of the Republic of Kosovo in the Government Program 2021-2025, treats the development of the tourism sector as one of its priorities, which is underlined as one of the priority areas for sustainable economic development. The main focus of the Government of the Republic of Kosovo is foreseen to be the development of cultural tourism and natural tourism (mountain and rural), through the expansion of the tourist offer, the improvement of the infrastructure, the digitalization and the drafting of cross-sectoral plans. Rural tourism is one of the tourism sectors that can contribute in many ways to make Kosovo more attractive as a destination. Especially mountain tourism based on farm stay, nature walks, cycling as well as various offers with traditional food. Kosovo has much to offer. Wine tasting, ajvar (pepper spread), apple juice, brandy, Sharr cheese and plenty of local dishes. "Sharr Mountains" National Park with 53,272 hectares and "Bjeshkët e Nemuna" National Park with 63,028 hectares are very attractive tourist areas. Renovated cultural heritage sites present potential for rural tourism.

2.3 Processing of agricultural products in households

Processors in the household are mainly engaged in home processing of vegetables, fruits, milk, preparation of cakes, pastries, etc. Some beneficiaries of processing in the household, show that there has been an annual increase in processing and sales of about 20-25% of the processed quantity. The average amount processed in 2020 was 5.5 tons/farm. On-

farm processing contributes about 2% to the fruit and vegetable processing industry, and about 10% to total employment in the fruit and vegetable processing industry.

Processed products in the household do not have a problem with the supply, the problem with them is the processing capacity and the quantity offered in the market.

Increased demand for better quality household products - from the local urban population as well as the diaspora - opens up opportunities for on-farm processors to generate additional income for family needs and to be self-employed in the place where they live, especially unemployed women at a lower level of education.

2.4 *Honey production*

The geographical position of Kosovo offers a suitable environment for orchards, forests, meadows and other areas with nectarine plants and pollen (over 164 species) for beekeeping development. Despite the favorable conditions, the average amount of honey produced per hives is still small, about 10 kg, which is much lower compared to countries in the region or European countries (22 kg/hive).

In 2021, over 100% of the total honey production was sold in the sale of products. Almost all quantities of honey are sold through informal channels in the market. Honey import in 2021 was 289 tons. The price of 1 kg / farm gate honey was 11.50 EUR, which is the high price compared to other countries of the region and the EU.

2.5 *Non-agricultural activities in rural areas*

Creating and promoting jobs in the rural economy is essential to preventing the displacement of the population from rural areas.

Investment/support on rural areas can strengthen the link between rural and urban economies can boost growth and diversify the agricultural and non-agricultural sectors, reduce inequality between rural and urban areas.

With the development of rural tourism there will be more and more need for diversification of non-agricultural activities and the possibility of providing various services in order to improve the quality of life in rural areas.

Like other economic activities in rural areas. The development of businesses in the provision of social services in rural areas, such as care for the elderly, care for children, kindergartens, etc. should be considered. In particular, the situation of the elderly in rural areas is deplorable, as the younger generation has left the city or emigrated abroad.

2.6 *Growing poultry for eggs and meat (village)*

Demand for so-called "village" products is growing, taking into account the growing awareness of consumers for better quality and healthier products. There has been an increased demand for eggs from "village" chickens and poultry meat from small farms that keep poultry free in the open. The price of eggs and meat from small farm poultry is twice or even higher than those from conventional keeping. This market demand can benefit households in rural areas which have enough space near the house which can provide additional income from these activities.

2.7 *Cultivation of fish in freshwater*

Freshwater fish farming is not a very developed sub-sector in Kosovo, but with a potential for development.

In recent years, there has been an increase in the number of small family farms that cultivate freshwater fish. (most of them have the fish farming for restaurants). 17 out of 35 fishing farms combine fish production with restaurant or with any other tourism service (e.g. gastronomy). Part of the product is sold directly to customers in restaurants.

As an economic activity, fish farming has a significant socio-economic contribution to employment. As freshwater fish farms are located mainly in rural areas, it provides employment opportunity for inhabitants and development of these areas.

3. General Objectives

Aim to contribute to:

- Economic growth, farm diversification and business development;-
- Support sustainable development of rural areas and employment;
- Balanced development in the economic and social aspect of rural areas

3.1 Specific Objectives are:

- Collection and processing of non-wood forest products including medicinal and aromatic plants;
- Development of rural tourism and agro-tourism;
- Processing of agricultural products in households;
- Honey production;
- Non-agricultural activities in rural areas;
- Growing poultry for eggs and meat (village)
- Cultivation of fish in freshwater.

4. The linked with the other measures of ARDP

"Farm diversification and business development" complements the implementation of the measures "Investments in physical assets of agricultural holdings" and "Processing and marketing of agricultural products".

Furthermore, this measure is suitable for an implementation even through the measure 5 "Implementation of LAG Strategies" LEADER approach. LAGs prepare local development strategies by identifying activities that are acceptable in measure 7 "Farm diversification and business development" such as small projects for their specific areas covered by the LEADER approach

5. Potential beneficiaries

Beneficiaries of this measure may be:

- farmers - / natural persons /
- micro and small enterprises. (Micro, small enterprises can be beneficiaries regardless of where they are established (rural or urban

- areas) and carry out their activities in rural areas.-
- Beneficiaries can also be producers' organizations (such as cooperatives, associations, etc.) which are recognized by the Competent Body of the Ministry according to Law no. 08/I-072 on Agriculture and Rural Development.

6. Common Criteria of Eligibility

- Must be registered in the Farm Registry;
- If the applicant is a natural/natural person, he must be over 18 years old, but not older than 65 years old by the day of application. In the case of a legal person, this criterion is not applied;
- The investment must be carried out in rural areas;
- The natural person must have completed compulsory elementary schooling (8 or 9 years old) (in the case of a legal person, this applies to the owner / authorized person);
- All applicants must submit the property certificate/possession sheet and a copy of the plan (for the place of investment);
- All applicants must be registered as legal entities before signing the contract with ADA;
- Applicants must have their tax obligations settled or settled, and for natural persons, property tax, and for companies, income tax and other applicable taxes;
- Applicants must not have financial obligations to the MAFRD;
- The applicant can only apply with one project within the year and must first finalize the project before applying for the new project;
- All beneficiaries of rural development projects are obliged to maintain their investments according to the approved project during 5 years after the realization of the project as long as the monitoring period lasts. If the investments are not maintained, the beneficiary is obliged to return the financed amount of public support;
- All the beneficiaries who in their business plan have declared that they have created jobs and for this have earned points during the evaluation must create and prove them with payments of pension contribution and salary tax starting at least from the month the last one before the request for payment;
- The sustainability of the investment must be documented in the business plan or in the project proposal, which is up to the value of 20,000 euros. The form of the business plan and the project proposal will be available in the Guide for Applicants.

6.1 *National Standards / EU Standards*

Investments must comply with the relevant national minimum standards, no later than the time of final payment of support funds.

7.Special Criteria of Eligibility

7.2 *Collection and processing of non-wood forest products including medicinal and aromatic plants*

- Legal entity or individual business registered with KBRA;
- The applicant must be licensed to collect NWFPs and MAPs (from the Forestry Department);
- ***For MAP growers - farmer with NIF (proposal of GP / Organika Association to allow support in cultivation)***

7.2 Development of rural tourism and agro-tourism

- Natural persons/agricultural farms (maximum up to 8 rooms or maximum 16 states) (must be registered as a business, before requesting payment as a provider of "hotel" services
- For legal entities (the maximum number of existing and invested rooms/beds should not be more than 15 rooms/30 beds);
- Natural persons/agricultural farms (offering food/restaurant services to a maximum of existing seats and with investments not exceeding 30 seats) all beneficiaries must be registered as a business before signing the contract with AZhB as a service provider "hotel";
- For legal entities (that offer food/restaurant services to a maximum of existing seats and with investments not more than 60 seats;
- To prove that the object to be renovated/expanded must exist and be registered as an asset of that owner in the NIF;
- In case of investments in the construction of pedestrian and bicycle paths around rural tourism facilities and when these paths pass through private property, the application must bring the notarized consent of the owners of the properties through which this path passes.

7.3.Processing of agricultural products in households;

- For persons/individuals;
- For legal entities;

Eligible sectors for processing within this sub-measure are the sectors of primary agricultural products:

- livestock product processing sector;
- crop processing sector and mushrooms;
- wine and brandy processing sector (various types)
- dough processing sector (doughs of various types, cakes, etc.)

Beneficiaries of support: in the above mentioned sectors should at the time of request for final payment be registered in the central register of facilities registered or approved in the FVA (depending on the size of production) as facilities for production, processing and distribution of food by FVA.

7.4.Honey production

- Natural/legal persons to have a minimum of 50 hives

7.5 Non-agricultural activities in rural areas

- Natural persons / to be finally registered as a business (non-agricultural activity)
- Legal entities (in the business register at least 2 years of non-agricultural activity in rural areas)

7.6. Growth of chicken for meat and eggs, (village)

- Natural persons to be finally registered as a business.
- Legal entities (in the business register at least 2 years of activity in the production of eggs and chicken meat)
- Applicants, at the time of application, must prove that they have at least 5 m of land/head
- chicken or duck or 15 m² land/head of turkey or duck or **goose.**
(Bird age comment by ADA)
- Upon completion of the investment applicants must have at least:
 - 300 chickens, but not more than 3000 heads or
 - 300 quails, but not more than 3000 heads or
 - 300 ducks, but not more than 3000 heads or
 - 100 geese, but not more than 1000 heads or
 - 100 turkeys, but not more than 1000 heads or
- In case of combined keeping one goose or one duck is equal to 3 chickens or three ducks and the number equivalent to the above values must be achieved

7.7 Cultivation of fish in freshwater

- Individuals to eventually register as a business (and be licensed for fish farming by MAFRD)
- Legal entities (in the business register at least 2 years of activity in the production and cultivation of freshwater fish (finally must be licensed for fish farming by MAFRD)
- The applicant who applies for the construction/renovation/expansion of the incubator for the reproduction of the fish, eligible to apply are only those who in the previous year have sold more than 30 tons of fresh fish.
(Comment of WG experience is require

7. Eligible investments for all sub-measures

In case of benefit from "Collective Investments", the increased aid, intensity, list of acceptable investments and other criteria will be added to the annual Program for Rural Development after the recognition of the Production Groups by the Competent Body of the Ministry according to Law no. 08/ I-072 for Agriculture and Rural Development.

Eligible investments in this measure are limited to:

- Construction, reconstruction, expansion and renovation of real estate;
- Purchase of new machinery and equipment, including computer equipment and software.
- Construction, reconstruction, renovation and expansion of internal roads for access to the property/facility;
- General expenses related to expenses such as; architects, engineers and other advising fees, feasibility studies, will be eligible up to a maximum of 10% of the investment costs.
- Investments in a rental property will be eligible. Lease period should not be shorter than 5 years from the date of final payment
- Investments in renewable energy production
- As part of this supportive investment, the sale of electricity to the grid is

allowed as long as the "self-consumption" limit is respected (i.e. electricity sold to the grid is equal to the average electricity consumed during the year). This is justified by the fact that, since electricity cannot be stored, if it is not consumed, it must be released to the grid; the electricity grid can be conceived as a storage site for electricity where it is introduced and withdrawn during the year in similar quantities and at different rhythms.

- The concept of "self-consumption" should be checked at the stage at which a project is presented/evaluated. The investment is considered eligible when the (theoretical) energy capacity of the renewable energy plant ("investment") does not exceed 120% of the average 3-year farm consumption.
- In the case of new farms or in the case of farms that have substantially changed the size of their activity in the last three years, the expected consumption should be estimated by ADA. The same concern regarding expected energy consumption increases due to new investments that will be made as part of the same application by the potential beneficiary.

8.1 Estimated investment lists according to sub-measures

8.1.1 Collection and processing of non-wood mountain products including medicinal and aromatic plants; (if support in MAPs cultivation is allowed, some eligible investments should be allowed)

- Construction/reconstruction/renovation of the facility;
- ***Purchase of agricultural machinery (not tractors) and equipment for cultivation of MAPs; (if MAPs cultivation is allowed)***
- Purchase of equipment for processing, storage, packaging of products of the sector in question;
- Purchase of equipment for washing, cleaning, storage, sorting and labeling;
- Purchase of equipment for drying, cooling, deep freezing, etc.;
- Purchase of shelves for drying;
- Purchase and installation of equipment for renewable energy source;
- Purchase of equipment for waste and water waste treatment.

8.2.2 Development of rural tourism and agro-tourism

- Renovation, reconstruction and expansion the existing hospitality facility for the provision of accommodation services, food and beverage preparation facilities;
- Purchase of equipment and furniture for interior decoration of the building;
- Adjustment of tourist infrastructure (theme parks or amusement parks, tennis courts, swimming pools, recreational trails or roads - fitness trails, views, panoramic trails, cycling and hiking trails) and related recreational activities (horseback riding, fishing);
- Purchase and installation of equipment for renewable energy source;

- Purchase of equipment for waste and water waste treatment.

8.2.3 Processing of agricultural products in households

- Construction, reconstruction and expansion of facilities for the processing, storage, packaging of agricultural products at the farm level;
- Purchase of necessary equipment for carrying out processing activities;
- Purchase and installation of equipment for the renewable energy source;
- Construction/modernization/expansion or purchase and installation of waste and waste water treatment equipment

8.2.4 Honey production

- Construction / renovation / expansion of the building
- Improving and modernizing the technical conditions for the production of honey and other bee products;
- Improvement and modernization of technical conditions for honey production, storage and equipment for filling and labeling other bee products;
- Trailer for beehives;
- Investments to improve the quality of honey production
- Investments to improve the quality assurance of honey
- The design and brand of honey, as well as the support and marketing of honey

8.2.5 Non-agricultural activities in rural areas

- Construction / renovation / expansion
- Purchase of tools and equipment for facilities for carrying out non-agricultural activities;
- Purchase and installation of equipment for renewable energy source;
- Purchase and installation of equipment for waste and water waste treatment.

8.2.6 Growing poultry for eggs and meat (village)

- Construction / expansion / renovation of the stable for the chicken
- Purchase of equipment necessary for carrying out breeding activities/growing chicken for the production of eggs and chicken meat;
- Small incubators complying for production capacity;
- Purchase and installation of equipment for renewable energy source;
- Purchase and installation of equipment for waste and water waste treatment.

8.2.7 Cultivation of fish in freshwater

- Construction / expansion / renovation of fish farming basins;
- Construction / expansion / renovation of the incubator for fish reproduction;
- Purchase of equipment necessary for carrying out activities for the sector of cultivation and treatment of freshwater fish;
- Purchase and installation of equipment for renewable energy source;
- Purchase and installation of equipment for waste and water waste treatment.

- A comprehensive list of investments/expenditures will be included in the Guide for Applicants.

9. Ineligible costs

9.1 Selection Criteria for sub - measure

“Collection and processing of non-wood mountain products including medicinal and aromatic plants

	Categories		Points
1.	The applicant (enterprise) is proven to have been active for at least 3 years (Collection, processing of NWFP and MAP)		
2.	The applicant (enterprise) is proven to have been active for at least 1 year (Collection, processing of NWFP and MAP)		
3.	Place of investment	Investing in mountainous areas	
		Investing in rural areas	
5.	The investment involves the generation of new jobs based on the business plan		
6.	Investments in renewable energy and waste treatment and water treatment		
7.	The applicant is 40 years of age or younger		
8.	Organic production / Certified for organic production		
	TOTAL		100

9.2 Selection Criteria for the sub-measure “Development of rural tourism / agro-tourism”

	Categories		Ponits
1.	Applicant's experience in providing tourism services		
2.	Place of investment	Investing in mountainous areas	
		Investing in rural areas	
4.	The investment involves the generation of new jobs based on the business plan		
5.	Investments in renewable energy and waste treatment and water treatment		
6.	The applicant is 40 years of age or younger		
7.	Application female		
	TOTAL		100

9.3 Selection Criteria for the sub-measure "Processing of agricultural products in the household"

	Categories		Points
1.	Experience of applicant in processing activity		
3.	Applicant is female		
4.	Place of investment	Investing in mountainous areas	
		Investing in rural areas	
6.	The investment involves the generation of new jobs based on the business plan		
7.	Investments in renewable energy and waste treatment and water treatment		
8.	The applicant is 40 years of age or younger		
	TOTAL		100

9.4 Selection criteria for the sub-measure "Honey production"

5.4 Selection criteria for the sub-measure "Honey production"				
	Categories			
1.	Size of the farm at the time of application	Number of hives		
4.	The applicant is registered as a business (beekeeping code)			
5.	Address/residence of the applicant	Investing in mountainous areas		
		Investing in rural areas		
7.	The investment involves the generation of new jobs based on the business plan			
8.	Investments in renewable energy and waste treatment and water treatment			
9.	The applicant is 40 years of age or younger			
10.	Organic production / Certified for organic production			
	TOTAL			100

9.5. Selection criteria for the sub-measure "Non-agricultural activities in rural areas"

	Categories		Points
1.	The applicant is younger than 40 years old		
2.	he applicant's experience in the field for which he is applying or the appropriate school		
3.	Place of investment	Investing in mountainous areas	
		Investing in rural areas	
5.	The investment involves the generation of new jobs based on the business plan		
6.	Investments in renewable energy and waste treatment and water treatment		
7.	Applicant is female		
	TOTAL		100

9.6. Selection criteria for the sub-measure "Egg and poultry meat production"

	Categories		Points
1.	Applicant experience prior to application		
2.	Applicant is female		
3.	The applicant is younger than 40 years old		
4.	Place of investment	Investing is in a mountainouss area	
		Investing in rural areas	
5.	The investment involves the generation of new jobs based on the business plan		
6.	Investments in renewable energy and waste treatment and water treatment		
	TOTAL		100

9.7 Selection criteria for the sub-measure "Aquaculture/fish cultivation"

	Categories		Poin ts
1.	Production capacity For starters capacity after investment. (in business plan)		
4.	Applicant experience in aquaculture	The applicant is licensed by MAFRD	
		The applicant has received direct payments for aquaculture in the previous year, but is not licensed	

		The applicant is beginner	
7.	The applicant is younger than 40 years old		
8.	Applicant is female (business/property was registered in female name 3 years earlier)		
9.	Place of investment	Investing is in a mountainous area	
		Investing in rural areas	
11.	The investment involves the generation of new jobs based on the business plan		
12.	Investments in renewable energy and waste treatment and water treatment		
	TOTAL		100

The benefit of investments in cash that has become renewable and earns points for this purpose, is obliged to use this investment and keep it active for the purposes that it has foreseen in the business plan. If during each control of AZHB officials (before signing the contracts, ad-hoc or ex-post) it is found that investments in renewable energy are not being made as foreseen in the business plan, then Article 54 will be applied. to Law No. 08/I-072 on Agriculture and Rural Development.

10 Aid/support intensity

Public support for this measure is 60% of eligible investment costs.

Public support increases in:

- 65% for investments in mountainous areas,
- -70% for investments in physical assets of agricultural economies made by young farmers;
- The minimum value of acceptable expenses per project within this measure is €10,000,
- The maximum value of acceptable expenses per project within this measure is 150,000€.
- The maximum public support for the seven (7) year programming period (2021-27) for Measure 7 cannot exceed the amount of €450,000 per beneficiary.
- The applicant can apply with several projects during the implementation period of this program in different years, provided that the previous projects have been successfully completed and the public support does not exceed the above-mentioned amount.
- The applicant can apply with several projects during the implementation period of this program in different years, provided that the previous projects have been successfully completed and the public support does not exceed the aforementioned amount

11.Estimated/planned budge

Year	Public contribution		Private contribution		The cost of the general investment
	EUR	65%	EUR	35%	EUR
2021					
2022					
2023	4,000,000	65%	2,153,846	35%	6,153,846

2024	6,000,000	65%	3,230,769	35%	9,230,769
2025	6,000,000	65%	3,230,769	35%	9,230,769
2026	5,000,000	65%	2,692,308	35%	7,692,308
2027	5,000,000	65%	2,692,308	35%	7,692,308
Total	26,000,000	65%	14,000,000	35%	40,000,000

12. Indicators

Treguesit - Masa 7	Caku i synuar deri në vitin 2027
Number of farmers supported by RDP	865
Total investment in measure 7	40,000,000
Number of jobs created	1,153
Number of young farmers receiving RDP investment support	500
Number of producer groups/organizations supported	0
Number of farmers participating in supported producer groups, producer organisations, local market, short supply chain circle and quality schemes	0
Number of collective investments	0
Number of RDP beneficiaries in investments related to organic manure management	50
Number of RDP beneficiaries in investments in waste treatment or management	200
Number of RDP beneficiaries in investments in renewable energy production	500
The number of projects in investments of the circular economy type	0

13. Administrative Procedure

This measure will be implemented by the Agency for the Development of Agriculture (ADA). The detailed administrative procedures will be presented in the Administrative Instruction which is approved by the Minister of Agriculture, Forestry and Rural Development.

Guidelines for applicants will be published on the ADA website, together with all its necessary annexes for farmers to prepare the application.

The evaluation includes the verification of the submitted documentation (to be complete), the eligibility checks (including the project proposal/business plan) and the scoring of the projects. Evaluation reports will be published. All applicants will have the opportunity to file an appeal. The evaluation procedure will be part of the Administrative Instruction, approved by the MAFRD.

14. Geographic coverage of the measure

This measure is applied in all rural areas of Republic of Kosovo.

8.3.8 MEASURE 8: IMPROVING SKILLS AND COMPETENCES - IMPROVING TRAININGS

1. Legal Grounds

- Law no. 08/L-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo/ No. 8/ March 29, 2023,
- Strategy for Agriculture and Rural Development 2022-2028, decision of the Government of the Republic of Kosovo No. 12/50, dated: 23.12.2021 for approval.
- Law No. 03/L-048 on Public Finance Management and Responsibilities (Official Gazette of the Republic of Kosovo No. 27/03 June 2008).

2. Reasoning

The rural economy in Kosovo is dominated by small enterprises which have limited resources with which to finance their development and modernization. Most of these businesses are created by people with little experience and limited capital. Entrepreneurs in rural areas are at risk due to lack of markets and capital, as well as insufficient access to extension services and training that would help business development.

Although Kosovo has a well-developed system of agricultural secondary vocational schools and university education, opportunities for vocational training of persons engaged in agriculture (for managers and workers) and lifelong learning are limited, especially for the rural population. Lack of innovative agricultural production systems in Kosovo, and low farm productivity and profitability are problems that will be addressed through this measure.

Currently trainings for agriculture and rural development in Kosovo are provided through:

Public sector, namely MAFRD/DETS and Municipal Information and Advising Centers (IACs); and

The private sector, including private advisors, input suppliers, veterinarians, farmers' associations, agri-food processors, agricultural collection centers and cooperatives, as well as NGOs and international advisors.

The Department of Extension and Technical Services within the MAFRD/DETS has created a database that contains the register of information for agricultural advisors and who are available at any time to respond to the requests of farmers with advice and trainings for agriculture and rural development. Advisors are categorized according to the specialized services they provide.

Institutions that provide training:

Department of Extension and Technical Services, MAFRD

DETS Role Manage and coordinate the provision of extension service and training based on the work program for MIAC advisors.

Municipal Information and Advising Centers (MIACs):

Each MIAC is staffed with at least one agricultural advisor to meet farmers' requirements. MIACs are being used to provide consultation, advice and training to farmers and members of the rural community.

Private training providers

Private extension services for agriculture and rural development include: private advisors, input suppliers, NGOs, veterinary stations, farmers' associations, agro-processors, etc. Private providers provide services to farmers directly and indirectly.

Faculty of Agriculture - University of Prishtina

The links between teaching, research and extension services are essential. The Faculty of Agriculture plays an important role in the education of advisors. This institution should also consider including extension knowledge in its curriculum.

Connection of Extension with Agricultural Research Institutes

Research is an important resource for agriculture and rural development. In Kosovo, links between farmers, advisors and researchers are poorly developed and need to be strengthened. The extension service should apply research best practices based on research, field demonstrations and new techniques. Evolution and specialization of modern agriculture, rural development and forestry and requires an appropriate level of technical and economic training, including expertise in new information technologies, as well as proper awareness of product quality, research results, sustainable management of natural resources, implementation of production practices in accordance with the maintenance and improvement of the landscape and protection of the environment. These activities are essential to promote economic growth and development in rural areas and to improve the sustainability, competitiveness, resource efficiency and environmental performance of agricultural and forestry farms.

Through the implementation of this measure, the professional and technical potential of people engaged in the sectors of agriculture, food and forestry, land managers and rural economies/micro-enterprises operating in rural areas increases. The actions taken in this measure are related to short-term training courses, workshops, mentoring/advising, demonstration activities, visit schemes and exchanges of experiences/practices).

3. General Objectives

- This measure has two main objectives:
- Contribute to the improvement of professional skills and competencies of persons engaged in the sectors of agriculture, agri-food and forestry and other economic actors operating in the fields covered by ARDP.
- Support the training needed to acquire the skills needed to successfully implement the measures in ARDP and EU funds.

3.1 Specific objective:

- Improve the competencies (skills) of persons involved in agriculture, forestry and rural diversification to adapt to new market developments and increase their ability to compete in national and international markets.
- Improve the competencies of persons involved in agriculture to improve animal and plant health and animal welfare, and their ability to achieve compliance with national and EU standards.

- Improve the competencies of farmers and forestry operators in environmental management, sustainable intensification and use of renewable energy.
- Improve farmers' knowledge and skills in organic farming (conversion and conservation).
- Develop professional training in the sectors of agriculture, processing and marketing of agri-food and forestry by transferring valuable research information and results, and innovative practices.
- Introduce modern techniques, field demonstrations, formal and informal training and farm visits, in order to benefit the largest number of farmers and communities.
- To promote the benefits of being part of production organizations;
- To introduce good agricultural practices in order to prevent and reduce water pollution by improving the efficient use of inputs;
- To support the beneficiaries of agro-environmental measures in the implementation of minimum standards and agro-environmental commitments.

4. Linking the measure to other national measures

This measure is horizontal and closely related to other ARDP measures, - in particular, the measure "Investments in physical assets of agricultural property", "Investments in physical assets related to the processing and marketing of agricultural products", "Agro environment and organic farming", "Farm diversification and business development" and "Forest creation and protection".

The measure is complemented by the "Extension services" measure which aims to develop and improve extension services and provide quality advice to farmers and rural economies.

While this measure mainly focuses on training of persons engaged in agriculture, forestry and rural diversification, the training element within the measure "Extension Services" is for extension service providers.

The assistance provided under this measure does not overlap with the scope of support within the "Extension Services" for group advising. The exact determination is made based on: a) the size of the group (e.g. according to this measure the minimum group is 10 people, while the advice in small groups according to the Extension Services is 3-10 people), and b) topics that are covered, i.e. "Training Improvement" covers knowledge of general agricultural systems and innovation transfer, while small group advice is targeted at project preparation and implementation in relation to ARDP-funded measures, the Agricultural Development Agency should establish the relevant verification and control mechanism to avoid overlapping and, thus, avoid overlap of funding, prior to the start of implementation of the measure.

Both the “Improvement of Training” and “Extension Services” measures together will improve professional expertise and knowledge in the respective sectors.

5. Beneficiaries

Beneficiaries of support funds under this measure are entities that will provide eligible activities for the benefit of persons engaged in the sectors of agriculture, agri-food and forestry, land managers, economic stakeholders (micro-enterprises operating in rural areas).

Training providers can be private, public or NGO.

Entities managing visits organized by demonstration farms and exchanges on farms and forests are also qualified beneficiaries.

Training will be provided free of charge to farmers, representative rural economies / micro enterprises and Local communities / LAGs and 20% (1-4) of the participants must be local officials (e.g. municipal officials, FVA and MAFRD).

5.1 Participants

Participants in the activities envisaged in this measure should be persons engaged in the sectors of agriculture, agri-food and forestry and other economic stakeholders (micro-enterprises operating in rural areas).

Support under this measure cannot be paid directly to participants. Costs incurred by participants who participate in activities must be paid by the respective service provider (beneficiary).

There is no restriction on the size of the farm, agri-food and forestry that may participate in the activities promoted under this measure. .

6. Common Criteria of Eligibility

Activities established in the Republic of Kosovo are acceptable for this measure. The provider of training/information activities should have experience in the field of agriculture, agri-food, forestry and/or rural diversification.

Support under this training measure will not include guidance or training courses, which form part of regular education programs or systems at intermediate or higher levels. Individual trainers should be nominated in the application by only one potential beneficiary. In case the same individual trainer is proposed by more than one potential beneficiary, the applications will be disqualified. Each training course/information activity should include a minimum of 10 participants per training class. The topics covered during the training courses/information sessions should be relevant to the objectives of the ARDP. End beneficiaries should not outsource training/information actions.

7. Specific eligibility criteria

The Managing Authority should specify in the ARDP as well as in the call for tender the determination of the appropriate capacities of the institutions that provide knowledge transfer and demonstration activities in order to be acceptable according to the measure. Beneficiaries must be capable and responsible for carrying out eligible activities according to the measure. The beneficiary must provide evidence of their staff qualifications and technical

capacity in providing relevant eligible activities. Relevant eligible activity should highlight the transfer of specific skills and competencies identified in the country's training strategy;

Eligible activity should be in line with the specific objectives of the measures and areas of training; Any eligible activity should be organized only for a minimum number of participants to be determined by the beneficiary country.

Specific eligibility criteria must be met at the time the project application is submitted.

8. Eligible activity and expenses

Eligible costs relate to eligible activities as well as the target audience.

9.Type of Eligible Activity

Vocational training and skills-related training

- Licensed training courses, workshops and services: specific sessions to achieve concrete training objectives for the target groups.
- Workshops consisting of thematic meetings or forums to address specific issues.
- Personalized service to respond to specific needs.
- E-learning training courses.
- Beneficiaries will be required to organize an evaluation of each course given and issue certificates to participants who have completed the course. Instructional or training courses, which are part of normal programs or systems of secondary or higher education, are excluded from the measure.

Demonstration projects

- Practical sessions to illustrate a new technology.
- Use of new or more modern machines.
- New crop protection method or a new specific production technique.
- The activity can take place on a farm or in other places such as research centers, exhibition buildings, etc.

Short-term exchanges of managerial experiences and visits to farms and forests

- Experience exchange scheme, to allow farmers and forest managers to stay on another farm in order to learn personally and practically from another farmer.
- Prioritization for training should be given to women, young farmers and beneficiaries of ARDP measures.
- The goal is to improve the exchange of knowledge and good practices and discover other ways to do things. The content and objectives of the exchange should be defined in the ARDP and should focus, in particular, on sustainable agriculture and forestry methods and/or technologies, farm diversification, farms participating in the short supply chain, development of opportunities new business and new technologies, and improving forest sustainability.
- The duration as well as the content of the exchanges is determined by each country.
- Visit a farm or forest property in order to learn about a specific issue (e.g. learn how to use a specific machine, convert to organic farming, etc.). The content of the visits can be the same as the exchanges, the main changes, visits should be shorter and follow mainly a teaching

- method to learn good practices (one farmer knows a technique and others want to learn it).
- The duration as well as the content of the exchanges is determined by each country.

10. Eligible costs

1). Cost of organizing and providing the transfer of skills and competencies or demonstration action - costs incurred in implementing the operation (e.g. staff salaries, cost of staff travel, training material, cost associated with the training facilities, food, soft drinks, publicity expenses, etc.).

2). Cost of participants, including:

Travel.

Accommodation.

Perdiem.

Cost of farmer substitution. It means, any person suitable for replacing the farmer

(head of property) when attending training.

3). Event evaluation; examination; issuance of certificates:

Training providers are required to organize the evaluation of each training/information activity course offered, and to issue certificates to participants who have completed the course/participated in the information sessions. All costs will be reimbursed to the beneficiary (service provider), including costs incurred by participants. The country may limit eligible costs. For example, it may be decided not to pay travel expenses or the cost of replacing the farmer. Simplified cost options can be used if the measure is not implemented through;

11. Selection Criteria

N/A

12. Degree of public support

The amount of public assistance is up to 100% of the total eligible cost.

13. Estimated budget

Year	Public contribution		Private contribution		The cost of the general investment
	EUR	100%	EUR		EUR
2022					
2023					
2024					
2025	200,000	100%			200,000
2026	200,000	100%			200,000
2027	200,000	100%			200,000

Total	600,000	100%			600,000
--------------	----------------	------	--	--	----------------

14. Indicators and targets

Indicators - Measure 8	Targets for 2027
Number of participants who participated in training activities	n/a
Total investment in measure 8	600,000
Number of training days provided.	n/a
Number of demonstration projects.	n/a
Number of participants in demonstration projects.	n/a
Number of short-term farm and forest management exchanges/visits.	n/a
Number of participants in farm and forest management exchanges/visits.	n/a

15. Administrative Procedure

For the selection of the beneficiaries, the MA implements PRAG procedures. In case of public tenders, it will be open to all institutions that can provide the relevant services according to the requirements of the measure.

The presented projects will be evaluated and selected by an Evaluation Commission, composed

of the members of the Managing Authority, ADA and independent experts of the fields covered by the relevant activities according to the measure. The selection must be made accordingly

with PRAG rules for service contracts and according to the following assessment criteria:

- Importance and quality of the curriculum for the call for proposals, eg training courses;
- Professional experience of the proposed trainers;
- Adequacy of training facilities and equipment;
- Financial aspects of the offer;
- Approach to informing potential trainees about the proposed training;
- Access to the selection of trainees.

Information about the activities provided by the approved projects will be published through various information channels, including the websites of the Managing Authority and ADA.

Participants will choose the acceptable activity according to their interests and needs, then will send an application to participate directly to the responsible organizations.

16. Geographical scope of the measure

In the entire territory of the Republic of Kosovo.

8.3.7 MEASURE 9 TECHNICAL ASSISTANCE

1. Legal Grounds

- Law no. 08/L-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo/ No. 8/ March 29, 2023,
- Strategy for Agriculture and Rural Development 2022-2028, decision of the Government of the Republic of Kosovo No. 12/50, dated: 23.12.2021 for approval.
- Law No. 03/L-048 on Public Finance Management and Responsibilities (Official Gazette of the Republic of Kosovo No. 27/03 June 2008).

2. Rationale

Support under this measure is necessary to ensure regular and effective monitoring and evaluation of the Program, preparation for the implementation of new measures which have not been implemented in previous programs, thus contributing to the smooth and effective implementation of the Program.

In the coming period, the use of Measure 9 can overcome some of these problems and provide timely and systematic support to key institutions engaged in ARDP management, namely the Managing Authority (MA), the Agricultural Development Agency and the Monitoring Committee (MC). In general, the Kosovo authorities need to gradually move towards decentralized management of ARDP measures during the programming period. Implementing the measure on a joint management basis with the EU Office in Kosovo will provide valuable experience and prepare the MAFRD for decentralized management of long-term assistance. Using this approach, the country will avoid the mistake of other countries that have applied/candidates, which initially tended to implement the TA, but consequently failed to accredit the implementation structure on a decentralized basis. Until now, the Managing Authority has covered the needs of technical assistance with the support of the European EC (e.g. for sectoral analyzes for the preparation of the ARDP or the national budget (e.g. for the preparation of Local Development Strategies, as a call for applications, or for the campaign for awareness and publicity through tenders from the budget of the MAFRD not included in the RBFR). It is expected that some urgent needs for the proper management, monitoring and implementation of the RBFR will continue to be covered by the national and international budget, but the process is often not sure leading to delays in the implementation of the technical assistance measure, which would properly cover the ARDP.

3. General Objectives

Establish a modern public administration for agriculture and rural development in these countries, respecting the principles of good governance and improving community and social capital development in rural areas.

3.1 Specific Objective

- The purpose of this measure is to assist in the implementation and monitoring of the ARDP program and its possible subsequent modifications. In support of this goal, the objectives include
- providing support for program monitoring and evaluation;
- ensuring an adequate circulation of information and publicity of the ARDP program;
- supporting studies, trainings, visits and seminars to improve the capacity of ARDP administration and beneficiaries;
- providing support for external expertise
- providing support for the establishment and implementation of a national rural network;
- providing support for improving the capacity of national extension services to the extent that it strengthens the implementation of the ARDP program;
- improving the skills of local units implementing the ARDP program;
- strengthening local administrations that administer the ARDP program.

4. Relation to other ARDP program measures and national measures

This measure will provide coverage for technical assistance needs for all program measures.

5. Beneficiaries

The beneficiary under this measure is the Managing Authority. Other entities related to the implementation of the ARDP (operational structures, management structures, extension services, technical bodies, potential local action groups (LAGs) and national rural networks (development) can benefit from Technical Assistance activities through the Managing Authority.

6. Common Criteria of Eligibility

All projects must be procured in accordance with the Commission's external aid rules contained in the Financial Regulation. For this purpose, the implementation of PRAG can be adapted to the specifics of the beneficiary state. The implementation of Technical Assistance activities must be consistent with public procurement.

Technical assistance supported the establishment of the control and management system before the commitment of the budget for the implementation of the new measures.

7. Specific eligibility criteria

N/A

8. Eligible costs

Under this measure, the following actions are eligible provided they are covered by the annual indicative technical assistance plan:

a) Expenses for the meetings of the monitoring committee, including the costs of all experts and other participants, when their presence is considered necessary to ensure the effective work of the committee.

b) Other expenses necessary to fulfill the responsibilities of the monitoring committee, which fall into the following categories:

- expert assistance to consider and review program basics and indicators;
- expert assistance or advice to the monitoring committee regarding the implementation and functioning of monitoring agreements;
- expenses related to meetings and support tasks of the working groups;
- seminars.

c) Costs for information and advertising campaigns, including printing and distribution costs.

d) The cost of translation and interpretation according to the requirements of the Commission, not including those required under the implementation of the framework, sectoral and financing agreements.

e) Costs related to trainings, visits and seminars for administration officials. Supported seminars will require the submission of a timely written report to the monitoring committee.

f) Expenditures related to "acquisition of skills" to prepare possible LAGs for the implementation of the measure "Preparation and implementation of local rural development strategies - LEADER approach".

g) Costs related to the preparation, reduction of the administrative burden for the beneficiaries or the regulation of the implementation of the measures in the program to ensure their effectiveness, including those measures where the trust/implementation is foreseen at a later stage. h) Costs for program evaluations.

i) Expenditures related to the establishment and operation of a national network that supports the coordination of activities that prepare and implement local rural development strategies. It may also cover the costs associated with establishing a national rural development network in accordance with EU rules for member states, as well as the costs associated with participating in the European Rural Development Network.

j) Expenditures related to the purchase of IT equipment and software licenses (up to 1% of the TA budget) for the purpose of implementing the ARDP.

k) Expenditures related to the implementation of a sustainable human resources policy in the ARDP III entities. The introduction of this cost may be made only after the prior approval of the Commission and may be limited in time.

l) Expenditures related to capacity building of national extension services to perform the tasks related to the implementation of the ARDP.
Eligible costs will be further detailed in the 'list of eligible costs'.

9. Selection criteria

N / A

10. Aid intensity and level of EU contribution

The aid intensity, expressed as the share of public support to eligible expenditure, is up to 100%, with the EU contribution rate being 100%.

11. Indicative budget

MEASURE 10

Year	Public contribution		Private contribution		The cost of the general investment
	EUR	100%	EUR		EUR
2022					
2023					
2024	200,000	100%			200,000
2025	200,000	100%			200,000
2026	200,000	100%			200,000
2027	200,000	100%			200,000
Total	800,000	100%			800,000

12. Indicators and objectives to be used in the program

Indicators - Measure 9	Targets for 2027
Number of National Rural Development Networks supported	n/a
Total investments in Measure 9	800,000
Number of promotional materials for general information of	n/a

all interested parties (leaflets, brochures, etc.);	
Number of advertising campaigns;	n/a
Number of expert tasks supported;	n/a
Number of trainings, workshops, conferences, seminars;	n/a
The number of monitoring committee meetings;	10
The number of studies for the elaboration and implementation of program measures;	4
Number of program evaluation reports;	3
Number of actions of rural networks supported;	n/a
Number of potential GLVs supported.	0
Number of promotional materials for general information of all interested parties (leaflets, brochures, etc.);	n/a

13. Administrative Procedure

The Managing Authority will draft each year an interim action plan for the operations envisaged in the Technical Assistance measure which is then submitted to the ARDP monitoring committee for agreement. Each action plan will be the subject of a consultation before being submitted to the ARDP monitoring committee. The outline of the action plan is as follows:

Type of expenses	The title of the action and its brief description including quantification (who will benefit, what actions, what subjects), quantification (number of activities, interns, etc.)	Estimated budget	Indicative schedule for implementation

All contracts must be awarded following proper public procurement external assistance procedures and thus the main principles of the Treaty must be respected, such as: transparency, proportionality, equal treatment, non-discrimination, and must ensure a sound financial management (value for money).

On-site verifications can be performed by alternative means, such as photographs, videos, etc.

Regarding the beneficiary funds of an ARDP Agency, the division of tasks in the approval of the project will be ensured.

14. Geographic scope of the measure

N / A

15. Transitional agreements

Technical assistance actions based on the 2023-2027 programming period relate to the previous and subsequent programming periods. Therefore, the technical assistance assigned for the programming period 2023-2027 can be used to facilitate, e.g. closing pre-programming periods, especially in relation to ex-post program evaluations 2014-2020 or preparing for the post-2027 programming period.

8.3.19 MEASURE 10. EXTENSION SERVICES

1. Legal Grounds

- Law no. 08/L-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo/ No. 8/ March 29, 2023,
- Strategy for Agriculture and Rural Development 2022-2028, decision of the Government of the Republic of Kosovo No. 12/50, dated: 23.12.2021 for approval.
- Law No. 03/L-048 on Public Finance Management and Responsibilities (Official Gazette of the Republic of Kosovo No. 27/03 June 2008).

2. Rationale

The rural economy in Kosovo is dominated by small enterprises which have limited resources with which to finance their development and modernization. Most of these businesses are created by people with little experience and limited capital. Entrepreneurs in rural areas are at risk due to lack of markets and capital, as well as insufficient access to extension services that would help business development.

As a result of these limitations, farmers face difficulties in being competitive, for many reasons, one of them is the lack of general knowledge of farmers and advisors regarding modern production techniques, management of farm businesses and marketing, being thus limited to the application of new technologies and skills;

Extension services for agriculture and rural development in Kosovo are currently provided through:

1. Public sector i.e. MAFRD/DETS and Municipal Information and Advising Centers (IACs); and

2. The private sector, including private advisors, input suppliers, veterinarians, farmers' associations, agri-food processors, agricultural collection centers and cooperatives, as well as NGOs and advisors, the Department of Extension and Technical Services within the MAFRD/DETS has created a database that contains the register of information for agricultural advisors and who are available at any time to respond to the requests of farmers with advice and trainings for agriculture and rural development. Advisors are categorized according to the specialized services they provide.

The measure will encourage the exchange of knowledge and innovations and promote social and economic integration by supporting small farmers and small enterprises in rural areas in particular and promote the sustainable transition to a climate-adaptive food economy, with many innovative choices or collective efforts.

3. General Objectives

This measure will strengthen advisory services and contribute to the overall objectives of IPARD, and in particular:

- to increase the competitiveness of the agri-food sector, to progressively align it with EU standards and to improve the efficiency and sustainability of on-farm production, which will provide a better response to societal demands for safe food, with nutritious and sufficient values;

- to facilitate business development, growth and employment in rural areas, to improve the position of farmers in the producer organization and value chain, and to attract new farmers;
- to contribute to climate change mitigation and promote the sustainable management of natural resources.

3.1 Specific objective:

Assist farmers in gaining access to the ARDP and facilitate the efficient use of financial assistance from EU and other donor programs.

- Provide advisory support to farmers and micro-businesses in rural, agribusiness areas to improve their production performance and business results, achieving compliance with relevant national and EU minimum standards.
- Provide advisory support for the achievement of national and EU standards, animal welfare, environmental protection, quality and hygiene standards; agri-environmental and organic farming development.
- The specific underlying objective of the measure is also to strengthen extension services, and in particular to public organizations, and to involve them in agricultural knowledge and innovation systems (AKIS) as well as strengthening their links with research and users (farmers and rural businesses) of good agricultural practices and technologies within AKIS.

4. Connection with the other measures

This measure is related to the measures "Improvement of skills and competencies" (improvement of trainings), where clear boundaries will be established between them. This measure should be seen as part of the combination of organization and knowledge flows between persons, organizations and institutions that use, produce and share knowledge about agriculture and related fields (AKIS).

The provision of extension services (as a pilot project) can be funded by the Technical Assistance measure. The training of advisors can be implemented under the measure of Technical Assistance.

In the initial phase, the measure will cover only the agricultural sector, with a particular focus on small and medium-sized agricultural economies, with future prospects going beyond agriculture and covering forestry and rural micro-businesses.

5. Beneficiaries

Authorities or entities that can provide advice are public extension services, and in addition to this: sectoral organizations (such as Chambers of Agriculture), Development Agencies, NGOs, municipal advisors, etc. (Private extension services subcontracted by the Ministry as part of the national advisory system may be eligible.

In order to meet the general requirements, potential beneficiaries must meet the following criteria:

- Potential beneficiaries must be licensed under Law no. 04/L-74 on Extension Services for Agriculture and Rural Development.
- Potential beneficiaries must submit a training plan to their advisors proving continuous improvement in their qualifications.
- Managing Authority or ADA will require evidence in relation to points 1 and 2 above.

Advice will be provided free of charge to farmers, Rural economies/micro enterprises and Local communities/LAGs

6. Common Criteria of Eligibility

Authorities or entities, who will provide advice, should have adequate capacity in the form of regularly trained and qualified staff and experience for advising and credibility in the areas where they advise. Advisory staff should be trained regularly. Beneficiary will demonstrate the above evidence to the authorities or entities providing the advice. Candidates constituting conflict of interest will be excluded from the selection procedure. As an example, a conflict of interest occurs when one of the selected entities has participated in determining the terms of reference. Extension service providers - as potential beneficiaries must be registered in the Republic of Kosovo. They must be licensed in the Republic of Kosovo according to Law no. 04/L-074 on Extension Services for Agriculture and Rural Development and operate in the territory of Kosovo.

The beneficiary may not subcontract the training of the advisory staff.

Individual trainers should be nominated in the application only by one potential beneficiary. In case the same individual trainer is proposed by more than one potential beneficiary, the applications will be disqualified.

Advisory support under this measure requires prior assessment by the extension service on the specific situation of farmers and the design of advice according to needs.

The extension service is performed on the basis of the non-disclosure provision that ensures non-disclosure of personal or individual information and data obtained in the advisory activity to persons other than the farmer managing the respective economy, with the exception of any irregularities or violations found which are covered by the obligation contained in national or EU legislation to inform the public authority.

The individual interests of the users must be respected during the group advisory sessions.

Training of advisors -

The training of advisors may cover training in the requirements of ARDP/IPARD measures, national minimum standards and EU standards, business plans, agri-environmental plans and organic farming, from technology to innovation/PPP, project implementation and payment requests from ARDP/IPARD beneficiaries.

7. Specific eligibility criteria

Within this measure, consultations and advice can be provided for the preparation and implementation of projects (including sending the request for payment) for projects up to 50,000 euros for measures 1, 2, 3 and 7, ADA will ensure the implementation and the implementation mechanism to avoid double financing of general expenses (expenses for project preparation).

Advisory services for farmers or micro enterprises should cover the economic, agricultural and environmental performance of agricultural economies, forest economies or rural economies. Special attention will be paid to climate change (including the use of renewable energy, energy efficiency), environment (including waste management), sustainability

(including circular economy, bioeconomy), biodiversity, compliance with national and EU standards of quality, safety/hygiene, animal welfare, environment, producer organizations and technical innovation and digitalization aspects of farms and micro-enterprises.

Advisory services for farmers or micro enterprises should cover the economic, agricultural and environmental performance of agricultural economies, forest economies or rural economies. Special attention will be paid to climate change (including the use of renewable energy, energy efficiency), environment (including waste management), sustainability (including circular economy, bioeconomy), biodiversity, compliance with national and EU standards of quality, safety/hygiene, animal welfare, environment, producer organizations and technical innovation and digitalization aspects of farms and micro-enterprises. The advisory program will define a minimum number of participants in advising groups (3 - 5). A cycle of several group advising sessions should be encouraged to have maximum effect. In each program, a clear demarcation line will be established between group advising and training activities based on the "Improving Skills and Competencies" measure. Group advising will prioritize ARDP-based sectors and the participation of young farmers and producer organizations (e.g. on shared use of production infrastructure, processing, quality products and short value chains).

The farm extension service provider is an entity intended to provide advice to farmers, forest owners and micro enterprises operating in rural areas, the entity providing the advisory services, the provider of farm extension services to distinguish between advice and provision of information to farmers and assess the specific situation of the farmer and not just present general information. It is also important to ensure that there is no double funding for total costs.

8. Eligible costs:

Eligible costs include advisory costs for:

1) Individual advice: face-to-face for the preparation of applications, projects for ARDP, tips for project implementation, such as the preparation of payment applications; (This type of advising is provided by private consulting, contracted directly by the grant applicant/beneficiary.

2) Group advisory services;

3) Advisory services (standard costs) in clearly defined areas, such as: investments to combat climate change (including renewable energy use, energy efficiency), environment (including waste management), sustainability (including circular economy, bioeconomy), biodiversity, compliance with national and EU standards; producers and transfer of innovation and technical aspects of digitalization of farms and micro-enterprises, etc.

4). Training of advisors (under contract)

4.1) Expenditures related to the organization and provision of training courses:

4.2) Participation costs

- Travel, accommodation and per diem expenses (according to commonly accepted national rates)

9. Selection Criteria

Selection criteria will be defined in order to ensure prioritization of support for those beneficiaries who would provide the best service. The selection of beneficiaries will be objective, open, transparent and fair and will be done according to tendering procedures based on procurement rules.

If the required funds are beyond the budget available for the Extension Services measure, then the selection criteria will be applied, i.e. giving priority to advisory service providers supporting young farmers, women farmers, small farmers, selected target areas geographical/municipal (if any) smaller projects by project value, or others that reflect Kosovo priorities. The application of the selection criteria will be approved by the ARDP Monitoring Committee prior to the Call based on the proposal of the Managing Authority.

10. Aid intensity and level of contribution;

The aid intensity, expressed as the percentage of public support to eligible expenditure, is up to 100%.

Fixed payment rates should be provided for each group advisory entity held for ARDP, based on standard unit costs).

The level of payments is determined depending on the size, type of sectors/sizes of the project supported, as appropriate. The level of payments should be adjusted according to the standard unit cost for smaller and/or medium projects.

In the case of project preparation advice, a diverse approach can be introduced by setting higher fees for contracted projects and lower rates - for rejected applications.

The maximum assistance that can be paid to the final beneficiary should not exceed 1,500, (if there is construction up to 7% if there is no construction up to 5% of financial support from the Ministry) for the supported agricultural economy per year.

11. Indicative budget

MEASURE 10

Year	Public contribution		Private contribution		The cost of the general investment
	EUR	100%	EUR		EUR
2022					
2023					
2024	200,000	100%			200,000
2025	200,000	100%			200,000
2026	200,000	100%			200,000
2027	200,000	100%			200,000
Total	800,000	100%			800,000

12. Indicators and targets

Indicators - M10	Targets for 2027
Number of beneficiaries of counseling services (individual counseling/group counseling);	n/a
Total investments in Measure 10	800,000
Number of devices provided by topics (IPARD, environment, etc.)	n/a

13. Administrative Procedure

When the measure is financed 100% from the national budget, its implementation will be based on the provisions of the National Law on Public Procurement. With the start of EU co-financing, this measure will be implemented according to the EU PRAG rules.

Extension services providers will be selected following a (open) public procurement procedure by taking the following steps:

Bidders under this measure will be selected through an open selection procedure for public and private entities. This selection procedure will be objective and will exclude candidates with conflict of interest. The Agency for Agriculture and Rural Development will sign a contract with the specified institutions and entities that provide extension services. Payments will be made regularly, based on payment requests submitted by beneficiaries. To reduce the administrative burden, simplified cost options can be used as much as possible, to avoid checking invoices.

8.3.11 MEASURE 11. ESTABLISHMENT AND PROTECTION OF FORESTS

1. Legal Grounds:

- Law r.08/L-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo/ no. 8/ March 29, 2023,
- Strategy for Agriculture and Rural Development 2022-2028, decision of the Government of the Republic of Kosovo No. 12/50, dated: 23.12.2021 for approval.
- Law No. 03/L-048 on Public Finance Management and Responsibilities (Official Gazette of the Republic of Kosovo no. 27/03 June 2008).
- Law no. 08/L-137 for Forests (Official Gazette of the Republic of Kosovo / no. 9 / April 3, 2023)

2. Rationale

With globalization, rapid economic development, land urbanization, and climate change, the role of forests is changing. The forest is increasingly

seen as a complex ecosystem and a common good that makes a significant contribution to the preservation of planet earth and, improving the quality of life on it.

The Republic of Kosovo is considered a country rich in forests and forest resources. Data from the National Forest Inventory/NFI (2012-2013), show our country is covered with forests, with an area of 481,000 ha or 44.7%, while other forest lands cover 28,200 ha or 2.6% of the territory.

State owned forests cover 295,200 ha or 62%, while private forests cover about 180,800 ha or 38% of the territory. Kosovo forests are dominated by deciduous forests covering 449,400 ha or 93% of forest areas, while 7% of forest areas are covered by coniferous forests, evenly distributed among different classes of age structure.

High (generative) forests are mainly located along the border belt that surrounds the country, while coppice forests dominate in the central part of the country with about 84% of the forest area, being a source of continuous cutting with short rotation in the production of firewood. Also clean deciduous forests dominate with about 84% of the area covered with forest crown. Over 90% of forests are created through natural regeneration dominated mainly by beech and oak.

In addition to uncontrolled logging, quite a threatening factor especially in drought weather, are considered forest fires caused by various biotic and abiotic factors. Based on the forest inventory, it shows data that these fires have seriously affected 2.5% of the forest area.

The National Afforestation and Reforestation Program 2018-2027, has identified suitable areas of about 101,656 ha for afforestation and, 7,448 ha reforestation. This program is mainly based on the use of indigenous species for future afforestation and reforestation. It is envisaged that the first phase of this Program will cover activities in the identified areas with priority one (1) including an area up to 73,853 ha for afforestation and reforestation. During the next ten years, it is expected to afforest and reforest about 29,000 ha of identified forest areas, of which 23,000 ha are areas for afforestation and, 6,000 ha reforestation, the value of which goes up to 44,000,000 €. These investments are expected to be realized or delivered in the form of support grants from MAFRD through the Kosovo Forest Agency/KFA and donors. In recent years, about 250-400 ha per year are afforested in Kosovo, mainly focused on the use of coniferous species for new plantings.

3. General Objectives

Increase forest resources, rural development and increase employment in rural areas through forestry activities, restoration, conservation, improvement of forests and forest ecosystems, fire prevention by addressing the challenge of climate change, providing assistance in the management of integrated forest towards implementation in prevention and rehabilitation measures against negative activities.

3.1 Specific objectives

- Improving the quality of life in rural areas through the creation of forest revenues
- Growing forest areas and managing new forest areas
- Improving the health status of degraded state and privately owned forests
- Improving the structure of forest groups and reducing erosive forest lands
- Improving water quality, reducing the impact of floods through afforestation of barren forest and agricultural lands
- Drafting Management Programs and Plans in private forests

- Support in the development of non-governmental organizations in the forestry sector
- Improvement and development of forest infrastructure

4.Relation to other program measures

This measure is related to the measure for agro-environment and climate of the PBZHR with Measure 1 for the modernization of the farm, taking into account that afforestation affects the improvement of the micro-climate, which makes the plants more resistant to changes climate and drought also with measure 3 assuming that non-timber forest products can be used in the processing industry and with Measure 7 helping to raise the gathering potential of non-timber forest products.

The implementation of the program aims to undertake preventive activities in new forests, which can be treated with pre-commercial thinning measures (clearings, cleaning), by taking care of new forest stands through favoring the growth and quality of future trees. It is also important to take preventive measures in areas of high risk of forest fires by taking measures of pruning, opening of fire belts, removal of dried biomass which can meet the needs for renewable energy production, and at the same time influence the fulfillment of the criteria related to climate change.

Also, it is intended to improve the quality of life of residents in rural areas through the diversification of activities on farms and outside farms, with the aim of creating new jobs and increasing the income of rural residents; - Protection of the environment and natural resources, through investments in waste treatment, as well as in renewable energy, influencing the reduction of carbon emissions, through assistance in the development and favoring of the trees of the future and the removal of drowned trees, dry wood in areas with a high risk of fires that can be used as biomass for the production of new renewable energy, simultaneously reducing the risk of forest fires and developing activities to improve the quality of forests and increase environmental value.

5.Beneficiaries

- Natural and legal persons who are owners or managers of forests and forest lands Legal entities that administer state forests and forest land
- Owners of private forests and forest lands
- Natural and legal persons who manage state and private forests and forest lands (associations, tenants, concessionaires, joint managers, etc.)
- Municipal levels that manage forests
- Professional and forest owners associations
- SMEs (small and medium units) of wood processing

6. Common Criteria of Eligibility

Supported projects must be in line with National Development Programs / Strategies, Forestry Development Strategy, Biodiversity Strategy, Climate Change Strategy, Energy and Climate Action Plan, document on non-wood forest products, National Forestry Program and Reforestation, the Forest Health Program, the National Forest Fire Management Plan, the Forest Management Plans, the Annual Forest Management Plans and other documents related to the forest sector and the environment and the global climate issue.

7. Specific Eligibility Criteria

- All applicants must prove ownership of the land for afforestation or reforestation.
- The minimum areas for the implementation of the support measure is for;
- Private forest owners and associations with a minimum area of 0.5 ha
- Municipal and state public forest land with a minimum area of 2 ha
- Afforestation must comply with the objectives of the measure and the policy and strategy document for forests; Increasing forest resources;
- Maintenance expenses are only eligible for afforestation of private forests and those of associations.
- Short rotation logs and Christmas trees are excluded from aid.
- Agricultural and non-agricultural land will be eligible.
- Tree planting should be adapted to local conditions, in accordance with the environment and increase biodiversity. The selection of species, varieties, ecotypes and lineages, as well as trees, will take into account the need for resilience to climate change and natural disasters, as well as the potential invasive character of the species.
- No new forests can be created in protected natural areas, except in cases where the increase of forest cover is among the desired interventions provided for in the management plans or equivalent instruments established for the management of these natural areas.
- The recipient is obliged to obtain an afforestation permit issued in his name and approved by the forestry authority (afforestation plan approval resolution). The permit will be based on the afforestation plan, which will be made in accordance with the forestry legislation of the Republic of Kosovo. The relevant authorities (nature protection authority, water protection authority) participate in the approval procedure - as required by national legislation.
- Support is possible if additional planting is necessary in the case of self-seeded/spontaneous forested areas (eg on abandoned agricultural land where woody vegetation started to appear); in this case, establishment costs only for the area under additional plantation are eligible. In terms of maintenance costs (including e.g. fencing, etc.) - the entire "forested" area (of natural and artificial origin) can be covered (as the entire area must be treated with early clearing and later according to the needs of the type of new forest trunk), if maintenance activities are carried out regularly.
- Support will not exclude the use of wood or non-wood materials or other forest goods and services for economic reasons (such as truffle inoculation, sustainable harvesting, thinning with materials sold for energy during the maintenance period, etc.) as far as as long as this use does not harm environmental or protective functions. In such cases this should be taken into account when calculating the level of support.

- In areas where the planting of trees is made difficult by severe pedo-climatic conditions (low availability of water, poor soils, etc.) support can be provided for the planting of other perennial woody species, such as shrubs, suitable for local conditions .
- For agroforestry, the recommended ratio of forest land/woodland to agricultural land in the country should be determined by the beneficiary country taking into account local pedo-climatic conditions, forest species (applicable tree and shrub species) and the need to ensure agricultural use of the earth. As a recommendation, more than one forest tree species should be planted in the same agroforestry system, especially multi-purpose wood (both fruit wood and timber), thus contributing to a wider biodiversity. The beneficiary country will determine the maximum and minimum number of trees at maturity. This number should reflect the dual use of the land. In this regard, as a rough average, a maximum of 250 wood per hectare would be recommended.
- In order to restore the damage, a formal recognition by the public authorities that officially acknowledge an occurrence of the natural disaster is necessary. The beneficiary country/region must provide a reference to the Rural Development Program for the method of assessing such damages.

8. Eligible Investments:

8.1 Afforestation Eligible Costs

Eligible actions are in the entire territory of the Republic of Kosovo
Eligible actions include the creation of new forests through afforestation and the creation of mixed forests in order to increase biodiversity using seeds and seedlings of local origin and added value of forests while enabling the inoculation of truffle mycelium.

- Actions will be focused at
- Non-agricultural lands
- Abandoned agricultural lands
- Degraded forest lands
- Forest lands with spontaneous/natural renewal
- Areas endangered by erosion and forest fires
- River banks

8.2 Agro-forestry

- Eligible actions are eligible for the entire territory of R. of Kosovo
- Eligible actions include the establishment of fast-growing fruit forest plantations and fast-growing forest hardwood plantations such as short-rotating coppice/CRSH, using indigenous fast-growing species for biomass production.
- Actions will be focused at:
- Non-agricultural land
- Abandoned agricultural lands
- Forest lands with spontaneous/natural renewal
- Erosive areas of river banks
- Forest areas degraded by natural disasters
- Eligible costs related to afforestation, agroforestry and reforestation will include land preparation, erection and annual maintenance per

hectare including fencing, clearing, regulation (directing) and seedling release for a maximum period of 5 years. To carry out the plantings, priority will be given to the establishment of forests with deciduous species and the creation of mixed forests by type.

8.3 Eligible costs include:

- Construction and maintenance expenses for the period of 7 years in the case of afforestation and 5 years in the case of agro-forestry. Specifically, expenses include:
- Preparation of the project of afforestation, reforestation, agro-forestry (establishment of plantations for fruit trees and fast growth)
- Analyzes of soil composition,
- Preparing the surface for planting,
- Transportation, storage and temporary storage of seeds and/or seedlings,
- Buying seedlings,
- Payment for maintenance (management, removal, cleaning, release) and replanting of trees that have not grown, temporary fences, if required
- Payment of labor force
- Purchase of planting mechanism and (working tools)

8.4 Prevention and design of forest fire damage:

- Eligible for support are the expenses and activities for the establishment and specific expenses for fire prevention;
- Renewal actions are acceptable in the entire territory of the Republic of Kosovo
- Prevention actions are acceptable in areas with high and medium risk from forest fires (level I-III)
- Actions will focus on;
- Creation of the forest protection system
- Improving forest health and increasing resistance to pests and diseases
- Creation of the system for forest fire prevention and protection
- Creating forests for wind protection

8.5 Eligible costs include:

- Operations for the maintenance of protective infrastructure, such as forest paths, tracks, water supply points, fire pits, cleared and cut areas.
- Preventive forestry practices, such as repeated vegetation control, clearing, thinning, pruning and diversification of vegetation structure (eg diversification and creation of vertical and horizontal canopy breaks).
- Communication equipment.

8.6 Restoration of forests damaged by fire

- Eligible for support are;
- Renewal actions are eligible throughout the territory of the Republic of Kosovo
- Restoration actions:
- Clearing forests damaged by fires, winds and other natural disasters,
- Reforestation of damaged forests using local tree species to create mixed forests,

8. 7 Eligible costs include:

- All costs of this measure are related to the costs of afforestation and forest fire prevention, what stands out are;
- Payment of damages for the restoration of forests from natural disasters, payment of expenses for undertaking phytosanitary measures (removal of damaged trees, establishment of forest order after the process of retrieval of timber)
- Payment for re-cultivation of damaged vegetation for the purpose of habitat rehabilitation
- Restoration of damaged objects (protective objects, observation points, various installations, paths

8.8 Improving the resilience and environmental value of forest ecosystems

- Eligible for support are: Renewal actions are eligible throughout the territory of the Republic of Kosovo
- Improvement actions:
- Improving the forest through appropriate silvicultural measures
- Drafting forest management plans (programs) based on value added for private forests
- Improving the structure, composition of forests and conversion of low degraded forests into forests with high trunks (diversification of values)
- Transformation of forest crops (conifers) into mixed forests with foliage and increase of biodiversity values
- Regeneration of degraded forests from irregular logging through planting of pioneer (precursor) species to ensure natural regeneration.

8.9 Eligible costs include:

- Drafting long-term and annual management plans for private forests
- Implementation of silvicultural measures (pre-commercial thinning and commercial thinning), adjustment of structure, composition of species
- Transformation, conversion of coppice forests and removal of invasive species
- Use of seeds, grafts, local seedlings suitable for climatic conditions
- Modernization of technology, machinery and tools for the use of wood as biomass for renewable energy sources

9. Selection Criteria

In afforestation and reforestation, priority will be given to the establishment of forests with autochthonous species, mixed forests resistant to biotic and abiotic factors, as well as areas with risk of erosion and forest fires.

Priority will be given to projects for afforestation and reforestation of private lands suitable to increase their value and quality.

With agro-forestry, priority will be given to the promotion and establishment of fruit tree plantations (non-timber products) on privately abandoned lands as well as the planting of indigenous species with rapid growth for crop production.

In terms of improving the resilience of forests and improving the environmental values of forest ecosystems, priority will be given to taking measures for forest conversion, improving the structure by increasing resilience to various factors of composition and priority will be given to them for afforestation, priority will be given to private landowners.

10. Intensity of aid

The level of support for deforestation will be:

100% for all eligible costs for afforestation projects in rural areas for all beneficiaries:

70% of all eligible costs for project design

The resulting support scales for forest set up costs are as follows (in EUR):

Maintenance costs

Maintenance costs will be payable up to 5 years after the establishment of the new forest including;

- Replacement of failed seedlings after afforestation in cases when the success of afforestation is to the extent of the success of at least 70% of the seedlings for the first, second and third year after planting.
- Maintenance costs for five years in straightening, pruning, cleaning, seedling release
- Eligible costs for each year will be up to 10%/ha of the costs of afforestation (mentioned above).
- Maintained, thinning is applied twice a year within five years after rising with a decrease in the last two years of age as;

	Year 1	Year 2	Year 3	Year 4	Year 5
Treatment	2	2	2	1	1
EUR/ha					
Support per year					

Prevention and design of forest fire damage

For the implementation of this measure, the level of support will be;

100% total eligible costs

Restoration and prevention of activities (including investment) in forests damaged by fire

11.

Indicative budget

Year	Public contribution		Private contribution		The cost of the general investment
	EUR	100%	EUR		EUR
2022					
2023					
2024					

2025	200,000	100%			200,000
2026	200,000	100%			200,000
2027	200,000	100%			200,000
Total	600,000	100%			600,000

12.

13. Administrative Procedure

Administrative procedure - the administrative procedure for the implementation of this measure will include the following stages: checking the completeness and suitability of the application; allocation of funds; implementation of the activity; accounting and support payments. The administrative procedure will comply with the requirements of the IPARD III regulatory framework and will be reflected in the relevant manuals and procedures.

The applicant for afforestation must first prepare the afforestation plan according to national legislation.

States shall ensure that the calculations for assistance provided on the basis of standard costs or additional costs are appropriate and accurate and made in advance on the basis of a fair, equitable and verifiable calculation. Up to this point, a body that is functionally independent of the authorities responsible for the implementation of the program and possesses the relevant expertise will make the calculations or provide the certificate which certifies the appropriateness and accuracy of the calculations. That certificate will be included in the development program.

14 Geographic scope of the measure

This measure will be applied throughout the territory of the Republic of Kosovo

The geographic scope of the afforestation measure can be limited through the national afforestation program or the guidance document, as part of the National Programs for Afforestation and Reforestation 2018-2027.

The geographic scope of the forest fire prevention measure and recovery activities will be limited to areas classified as medium or high fire hazard.

9.NATIONAL RURAL DEVELOPMENT NETWORK

During the period 2022-2027, it is foreseen that the Ministry of Agriculture, Forestry and Rural Development will support the establishment and operation of the national rural network. The legal basis for the National Rural Development Network is EU Regulation No. 1305/2013.

For the purpose of detailing/instructions for the National Rural Development Network. The New Law on Agriculture and Rural Development, namely Article 6 and Article 49, will provide for the preparation of administrative instructions.

Objective of the National Rural Development Network

The overall objective of the Network is to gather the energy of all actors in the processes of rural development and promote the effective flow of information, exchange of ideas and good practices of cooperation with all organizations and institutions that are involved in rural development.

In order to:

- Improves the quality of life and economic development in rural areas;

- Local governance is improved for the design and implementation of local development strategies;
- Agricultural and forestry economy based on modernized farms
- Agriculture, which should favor biodiversity and environmental protection

This flow of information will greatly help increase awareness and build the capacities of all actors, will promote the use of measures and financing within the NRDN.

The establishment and operation of the National Rural Development Network

To achieve the objectives of the network, for its establishment and operation, the following actions will be accepted;

- a) Ensuring and developing human capacities, as well as covering various expenses;
- b) To ensure the logistical requirements that are necessary for the operation of the network; t
- c) To ensure administrative expenses;
- d) Network management;
- e) Other actions related to implementation.

The Rural Development Network will operate based on several principles:

- Horizontal and vertical cooperation within the Network and with other organizations outside the Network and with institutions at the national and European level;
- Network;
- Voluntary partnership;
- Equality;
- Representation and organized partner.

Activities of the National Rural Development Network

The activities and animation method will be determined based on the objective of distribution and acquisition of the rural development strategy and the topics that will be discussed in the meetings that will be organized taking into consideration the objectives of the NRDN.

The main activities of the National Rural Development Network

- promotion of study and analysis activities of ARDP and for the governance of rural development policies;
- supporting the improvement of the efficiency of the PBZHR, taking into consideration the evolution of the context and the thematic/territorial priorities provided for in the ARDP;
- support in the preparation and implementation of the documents provided by the permanent national forum for partnership (regarding the action from point , within the action plan) by addressing specific and thematic issues, thus strengthening the consensus on public policies, with the aim of improving the performance of ARDP;
- provision of training services for raising institutional capacities in order to support the development of the local governance of the LAGs;
- organizing the exchange of experiences between actors of rural development at the national level, also with EU member countries (including facilitating the exchange of expertise and support related to the

implementation and evaluation of the rural development policy, support for LAGs and other potential actors/partnerships in order to implement inter-territorial and trans-national cooperation projects;

- providing guidance on how to identify good practices and innovations, classify and disseminate them;
- importing European and international best practices and innovations through contacts between members of the European Rural Development Network and other National Rural Networks.
- technical assistance for the transfer and implementation of good practices and innovations based on the requirements of rural participants.
- information and communication regarding the rural development program and measures.
- providing information about the development of rural areas in the EU and other countries;
- organization of meetings and seminars at the Community level for actors who are actively involved in rural development;
- promotion actions of specific certified local products (traditional, exhibitions, advertising, etc.);
- actions to promote and encourage the creation and administrative functioning of recognized production groups according to the provisions of the national legislation in force;
- information and promotion of tourist activities and services (tourist guides, leaflets and presentation of tourist objectives, etc.)
- the provision of human resources that will work permanently for the Community Network of Rural Development
- promotion/animation and coordination of the activities of the Regional Network of Rural Development;
- support for physical procedural and financial monitoring;
- coordination of Thematic Working Groups;
- purchase of goods (computer, IT products, furniture and any other goods related to structures of the National Rural Development Network;
- designing the NRDN website (in relation to all the activities in the Action Plan);
- ensuring the costs of participation in the events of the European Rural Network, contacts with partners and other members of the Network for the organization of planned activities; the nearest general expenses etc.
- Taking into account the need for capacity building and for more specific expertise in this field, the NRDN will continuously support the development with the tools provided and this type of expertise, in this way ensuring the distribution and observation of various studies for the beneficiaries of the network.

By benefiting from the services of NRDN as members within the latter, consulting services (public, private), including their representatives in the territory, can work towards increasing the competence of the services provided so that the latter can offer real advice to farmers.

It is essential to ensure that LAWs are prepared to fulfill their role. Consequently, the NRDN will support the formulation and provision of training services for building institutional capacities to support the growth of local governance/GLA. The analysis of the questionnaires addressed to the actors involved in rural development reveals the fact that the most effective means of communication and information are direct meetings and other informative events, the exchange of practices and good ideas (seminars, conferences, symposia, fairs, etc.) at the level local (municipalities, schools, etc.). These are followed by very important indirect

means of communication using informative material (leaflets, brochures, guides, posters, etc.) at the local level, television spots which are used by some local actors such as: farmers, forest owners, commercial farms, small communities from rural areas, ethnic groups and minorities, etc.

10. INFORMATION RELATED TO ARDP 2021-27 INTERACTION WITH MEASURES FINANCED FROM OTHER SOURCES (NATIONAL OR INTERNATIONAL)

10.1 ARDP demarcation criteria with support within the windows of the IPA III Programming Framework

The "Strategic Response" document presents how Kosovo plans to use the IPA III Financial Assistance to contribute to the general and specific objectives described in the IPA III Programming Framework. In particular, the document provides an articulation of the planned actions along the main thematic priorities within the five thematic windows.

In line with the commitment to a merit-based enlargement process, the final selection of actions to be financed takes into account the assessment of the performance of the relevant institutions on the enlargement agenda, their commitment and progress in the implementation of reforms. Only actions that are technically mature enough are considered ready for approval and are presented in this document.

RDP 2022-27 with the IPA III framework is linked through window 3, 4 and 5 (3. Green agenda and sustainable connectivity; 4. Competitiveness and inclusive growth and 5. Cross-border and territorial cooperation based on the following main principles:

Window 3: The Green Agenda and sustainable connectivity

Thematic priority 1 Environment and climate change,

The objectives to be pursued include the reduction of environmental risks caused by air, water and waste pollution and the improvement of water supply. This will be done through infrastructure projects, but also through raising the capacities of the relevant institutions.

Support should also be considered for the Natura 2000 network, the Western Balkan Biodiversity Action Plan 2030 and the Western Balkan Forest Landscape Restoration Plan called for by the Green Agenda for the Western Balkans.

The actions aim to contribute to the gradual transition of the energy sector towards decarbonisation and further energy efficiency, promoting an integrated waste management system and the transition to a circular economy in Kosovo and improving waste water collection and treatment services, in accordance with the European Green Deal and

PBZHR will be linked with D3, PT1 tree investments in the creation and protection of forests (M 11) Investments in the production of renewable energy and management of fertilizers and waste (M1, M3, M7) Agro-environment (M4)

Window 4: Competitiveness and inclusive growth

Thematic priority 3 Agriculture and rural development

The objective is to ensure the diversification and rural development of the rural economy, to ensure equal access of men and women to economic support and development opportunities available for the agricultural sector and further alignment of the legislative and institutional framework with EU rules. Support is envisaged in the form of capacity building and financial support for producers, including affirmative measures for women, to increase production and productivity, as well as to develop a sustainable phytosanitary sector. Support may also be considered in 2023 or 2024 to strengthen the management of land resources in Kosovo, to support environmentally friendly and organic agriculture, to align with the new EU legislative framework for sustainable food systems. set for the implementation of the EU Farm to Fork Strategy and the alignment of agri-food operators and primary production enterprises and farms with EU standards for food safety, plant and animal health and welfare.

The support aims to improve the competitiveness of the agri-rural sector and strengthen the implementation of EU safety and quality standards within the sector, it also includes capacity building and financial support for producers to increase production and productivity, and will support the development of a sustainable phytosanitary sector. This action has two components: 1. Improved regulations for the implementation and performance of Kosovo's agricultural and rural policy; and 2. A sustainable phytosanitary sector gradually aligned with EU organizational, institutional and regulatory standards.

EU support 2023 and 2024

- Support for cultural heritage as a tool for the development and diversification of tourism
- Strengthening the management of land resources in Kosovo
- Support to align with the EU Farm to Fork Strategy
- Support to harmonize EU standards for food safety, plant and animal health and welfare
- Support education, research and innovation towards a healthier and more sustainable food system.

ARDP 2022-27 will be linked with D\$, PT 3 through investments in increasing the competitiveness of the agro-rural sector, through investments in the modernization of farms (eg, infrastructure of orchards, warehouses, irrigation or construction/renovation of stables , towards more efficient production systems and meeting farm standards) (M1). Investments to increase the efficiency and productivity of the processing industry (M3). Investments in achieving national food safety standards (M3). Investments in projects for the integration of farmers with a short supply chain (M1 and M3). Investments in training, advisory services and innovation and research (M8, M10 and M13).

Window 5: Territorial and cross-border cooperation

Within the Instrument for Pre-Accession Assistance 2021-2027 (IPA III), Kosovo will implement cross-border cooperation programs with Albania, North Macedonia and Montenegro, which aim to promote good neighborly relations, promoting integration in the Union and socio-economic promotion through joint local and regional initiatives.

2021-2027 IPA III Cross-Border Cooperation Program Albania - Kosovo

In the program area, there are mainly underutilized potentials for economic development in various sectors, such as the environment, tourism, cultural and natural resources. Regional and local authorities in the eligible area

have limited capacity to address these challenges and better position themselves for future EU funding. Their active participation in the CBC program is an essential opportunity to share resources in addressing common problems and to ensure sustainable socio-economic development of the eligible area. The total contribution of the EU 2021-2027 is 8,400,000 euros.

2021-2027 IPA III Cross-Border Cooperation Program Kosovo - North Macedonia

The program focuses on two of the thematic priorities of the programming framework. First, thematic priority 2 will be targeted, including protecting the environment and promoting climate change adaptation and mitigation. This will contribute to the implementation by Kosovo and North Macedonia of the Green Agenda for the Western Balkans. Actions will focus on the sustainable use of natural resources, resource efficiency and the circular economy, renewable energy sources and the shift to a secure and sustainable low-carbon green economy. Secondly, the thematic priority 8 will be targeted, focusing on increasing competitiveness by improving the business environment in border areas and to help the development of small and medium enterprises, trade and investments through non-financial support. Tourism and agriculture are considered sectors with a high potential and unused capacities to explore and further develop economic growth, social cohesion and well-being under an INC perspective. The total contribution of the EU 2021-2027 is 8,400,000 euros.

IPA III – Window 5 Cross-Border Cooperation Program 2021-2027 Montenegro – Kosovo

The implementation of the program ensures that key needs such as unemployment, lack of skills and capacities as well as lack of cooperation between public authorities will be addressed in each BNK operation. By doing so, the program contributes to the economic, social and territorial development of the cross-border region to the best possible extent. With horizontal inclusion

ARDP 2022-27 will be linked to D4 P through investments in local rural development initiatives (M5) The LEADER approach which aims to develop the community, contributing to the economic, social, cultural and environmental improvements of local areas, engaging a number wide range of multi-sectoral private and public partners always taking into account community resources at the local level and cross-border cooperation (M5). Investments in the diversification of activities in rural areas through the development of rural tourism and activities in the collection and processing of non-wood forest products, including medicinal and aromatic plants (M7).

10.2. Cooperation of the PBZHR 2022-27 with other financial instruments

The Department for European Integration and Donor Coordination is responsible for the coordination and support from bilateral donors, DIEKP will exchange information on planning and program from the ITF and provide representation in the steering committees of the relevant projects and different programs in order to control the overlap of possible between ARDP and support from the ITF.

10.3 Demarcation criteria of the ARDP 2022-27 with the support of windows across the IPA III Programming Framework

There will be a clear division of the measures of the ARDP 2022-27 and other interventions within the windows of the IPA III Programming Framework.

The Managing Authority has clearly pointed out in each measure of the ARDP 2022-27 that it does not need funding for the same measures both within national policies and with the EU and other donors. Law No. 04/L-090 for the amendment and completion of Law No. 03/L-098 on Agriculture and Rural Development, Article 13 Principles on which agricultural policy measures are based, paragraph 4, any overlap between measures must be avoided and no expenditure will be financed in more than one measure.

The Managing Authority is responsible for monitoring relevant national policies in the agriculture and rural development sectors to check their complementarity and avoid overlap at the Program level. Whenever there is possible overlap in the applied measures identified, the Managing Authority informs the institutions and donors to avoid over-financing the measures.

The Agency for the Development of Agriculture is responsible for the implementation of national measures in agriculture and rural development. Thus he will be responsible for cross-checks in their databases aiming to avoid double funding between the program and national support schemes for agriculture and rural development at the project level.

The program should indicate the hierarchy of national/international/IPA objectives. The program should prioritize measures to progressively implement EU standards and improve market efficiency and measures to create new employment opportunities in rural areas.

The program should provide an overview of measures similar to those under the ARDP 2022-27, but financed by other means (national, regional, local budget, international donors, etc.).

11 SUMMARY DESCRIPTION OF MANAGEMENT AND CONTROL STRUCTURES

Define all authorities provided for in IPA legislation and describe their management and control structures.

The Ministry of Agriculture, Forestry and Rural Development is responsible for the development and implementation of policies for agriculture and rural development aimed at achieving a balanced economic development in all agro-rural areas of the country. In accordance with the Law on Agriculture and Rural Development, the MAFRD has created its main pillars for the preparation and implementation of the FRFR, namely the Managing Authority (MA) within the Department of Rural Development Policies and the Agency for Agricultural Development (KS ADA). MAFRD is also responsible for the implementation of the Instrument for Pre-Accession Assistance (IPA/PAFRD) for the period 2021-2027. MAFRD has determined the operational structure of the MADR for the future, consisting of the Managing Authority and the Agency for Agricultural Development. The main pillars of the structure of the PBZHR are formally defined according to the Law of the Ministry of Agriculture, Forestry and Rural Development. The main functions of the MA and ADA have been further developed according to the organizational structure of the MAFRD adapted by the Government.

The Ministry of Agriculture, Forestry and Rural Development with the support of projects financed by the EU has marked progress in the establishment and preparation of operational structures for the

management and control of IPARD funds (MA and AP). The Government of Kosovo in 2017 by Government Decision, dated 07/04/2017, no. 10/141, has created the management structures and operational structures, until the operational structures are functional, the management structures which must be established by the Minister of Finance such as the National Authorization Office (NAO) and the audit authorities are not yet functional.

However, currently IPA funds are still managed by the European Union Office in Kosovo - responsible for agriculture and rural development - according to the system called "direct management".

Identification of all relevant authorities and a summary description of the management and control structure (NIPAC, NAO, MA, ARDP 2022-27 Agency and Audit Authority).

Type of authority	Name of authority/body, department or unit, where appropriate	Head of authority/body (position or post)	Address	Phone number
<i>Coordinator</i>	<i>NIPAK</i>	<i>Florim Canolli Director, Development Cooperation Office,</i>	<i>Office of the Prime Minister, Government of the Republic of Kosovo</i>	<i>++383 38 200 27 028</i>
<i>Management</i>	<i>Managing Authority</i>	<i>Shqipe Dema</i>	<i>Street. 'Ukshin Hoti - Kompleksi Ramiz Sadiku /Prishtinë</i>	<i>++381(0) 38 211 131</i>
<i>Executioner</i>	<i>Agriculture Development Agency</i>	<i>Deputy Ismail Kastrati</i>	<i>Street. 'Ukshin Hoti - Kompleksi Ramiz Sadiku /Prishtinë</i>	<i>Tel: + +381(0) 212- 625</i>

For the implementation of the ARDP 2022-27 program, the beneficiary country will designate the following bodies and authorities:

- a) National Authorization Officer (NAO),
- b) ZKA support office and the National Fund (FK),
- c) Audit authority

12 DESCRIPTION OF OPERATING STRUCTURE, INCLUDING MONITORING AND EVALUATION

12.1 Description of the operating structure (Managing Authority and Agency of ARDP 2021-27) and their main functions

The Rural Development Policy Department of the Ministry of Agriculture, Forestry and Rural Development (MAFRD) has been designated as the Managing Authority (MA) for the day-to-day, effective and fair implementation of the ARDP in Kosovo. The Managing Authority is responsible for the preparation, coordination, management, monitoring and evaluation of the ARDP and its amendments. The Agricultural Development Agency is the Agency for Agricultural Development (ADA) which is an independent public body, operating under the direct responsibility of the Ministry of Agriculture, Forestry and Rural Development. ADA will be responsible for the implementation of the ARDP Program (execution of payment implementation), in accordance with the principles of sound financial management and in accordance with IPA requirements.

The operational structures of PBZHR/IPARD (Managing Authority and Payment Agency) were established by Government Decision No. 10/141 dated 04/07/2017 and Law No. 08/L-072 for Agriculture and Rural Development

Managing Authority

Management functions - program monitoring, evaluation, reporting and coordination

Implementation functions - publicity

Agriculture Development Agency

Implementation functions - selection, publicity

Payment functions - authorization and control of commitments, authorization and control of payments, execution of payments and accounting of commitments and payments

The Department of Rural Development Policy (DRDP) acts as the Managing Authority of the ARDP and is responsible for the development, implementation, monitoring, evaluation and coordination of the National Long-Term Rural and Agricultural Development Program (ARDP) and annual support programs, as well as changes/modifications for compliance with Pillar II of the EU CAP. Therefore, this department consults and engages in dialogue with socio-economic partners, NGOs and other stakeholders in the process of ARDP programming, monitoring and evaluation and develops communication and advertising plans of ARDP. DRDP is responsible for the linkage of legislation in the field of rural development, to develop the National Program for Agro-Environment, to implement pilot agri-environmental schemes as well as to coordinate the support of other donors and the EU in the field of Agriculture and rural development. The DRDP is organized in 5 divisions, the organizational structure of the MA and the division of functions of this department is in accordance with the requirements of the ARDP. MA staff have been trained through the two EU Twinning projects as well as various TAIEX projects and have received support from other donors for their core tasks.

Organizational Structure of the Managing Authority

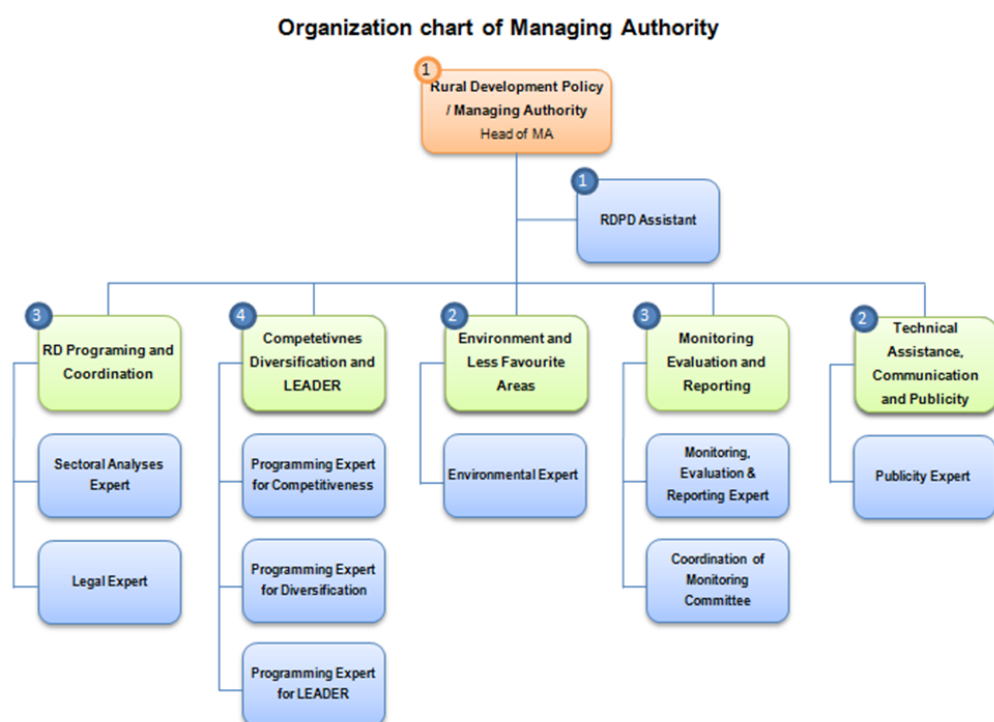


Figure 23: Organizational Structure of MA

General coordination: The Managing Authority acts as a coordinator between the stakeholders of involved in the management and implementation of the Program.

Monitoring: creation of a functional monitoring system, which will enable in-depth monitoring of the effectiveness and quality of the implementation of the Program by a series of relevant physical, environmental and financial indicators.

Evaluation: Establishment of a system for continuous evaluation of the Program. Evaluation should be performed within the timeframe set by independent evaluators. Managing Authority should provide evaluators with the appropriate resources and data required to ensure that assessments can be carried out more effectively. The Managing Authority, together with the Monitoring Committee, evaluates the quality of the evaluation. The evaluation results should be taken into account in the programming and implementation cycle.

Reporting: The Managing Authority prepares annual reports and a final report on the implementation of Program. The reports will cover the calendar year and include cumulative financial and monitoring data for the entire implementation period of the Program. The final reports on the implementation of the Program will cover the entire implementation period.

Financial Management: The Managing Authority is one of the main stakeholders together with the authorities and is the responsibility of the MAFRD (Payments Department, Budget and Finance Division) for the budget planning procedure for payments and commitments, which is important in the case of multi-annual programs (as will be the case in DRDP).

Information and publicity: provides the general public with all information about the Program, especially for the assistance provided. In addition, it informs potential beneficiaries and final beneficiaries of the contribution provided by the Program about the administrative procedures to be considered.

Secretariat of the Monitoring Committee: guides and assists the work of the Monitoring Committee, in particular by providing the necessary documentation to monitor the quality of program implementation.

Handling of documentation (audit trails): adequate audit trail should be provided for the implementation of all procedures in the implementation of the duties of the MA.

Agricultural Development Agency (ADA) -Payment Agency

The Agricultural Development Agency in Kosovo was initially established as a Payment Unit in accordance with Administrative Instruction No. 01/2010. Since 24 July 2012 it was restructured at the level of the Department and the Agency was established by amending the Law on Agriculture and Rural Development no. 03/L-098 and Administrative Instruction no. 01/2012 dated 2012/12/28. The Agency will implement all duties, responsibilities and competencies arising from the Law and Administrative Instructions, but its priority will be the implementation of programs for Agriculture and Rural Development in compliance with the rules of ARDP.

The Agricultural Development Agency is responsible for implementing the ARDP funded by the Kosovo budget, the World Bank and other donors. The staff involved is fully trained in the rules and procedures for implementing national support schemes, including the use of written procedures for the direct payment program and rural development measures.

A regular and ongoing training program has been developed and implemented for existing staff and new employees in central, regional and municipal offices based on training needs assessment. The training program is focused on annual support programs, procedures for the implementation and use of software programs (LPIS and farm register).

The Agricultural Development Agency is being organized in accordance with the requirements and accreditation criteria of the ARDP for sound financial management in order to ensure proper management of the national budget and funds of the World Bank project and to prepare for the management of funds of the ARDP in the future.

The work of the PA is organized based on the following organizational structure:

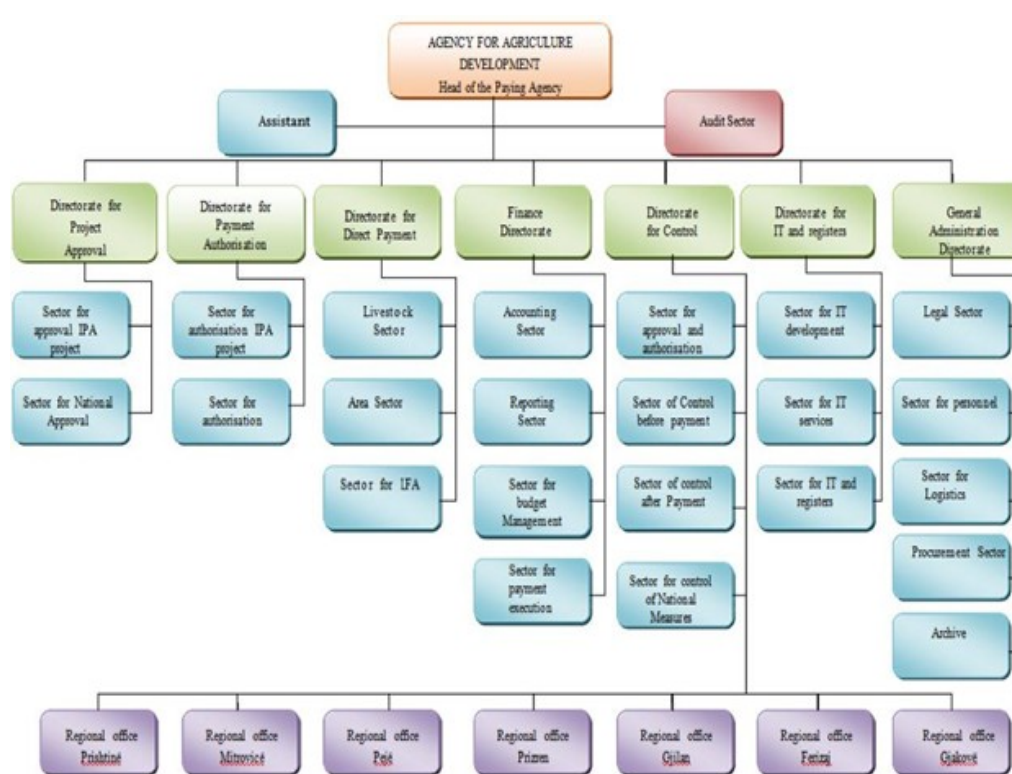


Figure 5: Organizational Structure of PA

The main tasks and responsibilities of the Agricultural Development Agency are as follows:

- It performs executive duties and payments;
- Calls for applications and publication of terms and conditions of eligibility;
- Selects projects, actions and inspections in accordance with applicable criteria and mechanisms required by ARDP programs in accordance with relevant community and national rules;
- Verifies applications for project approval according to eligibility requirements in accordance with possible agreements including applicable public procurement provisions;
- Formulates draft contracts and contractual obligations in writing between the Agency and final beneficiaries, including information on cases of non-compliance with these obligations;

- Implements and executes support schemes for direct payments and payments of projects for agriculture and rural development financed from the Kosovo Budget, EU and/or any other donor; Implements Agriculture and Rural Development policies; Decides on grant schemes and secures contracting; Makes payments to the final beneficiary and returns them from the final beneficiary;
- Prepares annual reports on support measures, number of beneficiaries, number of rejected applicants and notifies the Ministry, Managing Authority and other relevant institutions;
- Registration of farmers, beneficiaries, producers, land users, livestock registration, product registration, Less Favored Areas (LFA) registration, LPIS registration [1] and to ensure the construction and operation of the IACS system [2] ;
- Creates, maintains and updates the database related to the field of activity of the Agricultural Development Agency;
- Implementation of internal control and audit measures; Inspection of farmers and enterprises engaged in agricultural activities that have benefited from ARDP funds;
- ; Drafts and implements administrative procedures and takes payment measures in accordance with the law on administrative procedure Law No. 05/L – 031 on General Administrative Procedure, Law No. 08/L-072 on Agriculture and Rural Development and by – laws issued on the basis of other applicable legislation;
- Regarding the cooperation and relations of the Managing Authority of the Agency for Agricultural Development/PA, there is still no formal agreement, the cooperation is ad hoc according to the will of both parties. There is a memorandum drafted by EU experts which has not yet entered into force.

12.2 Description of monitoring and evaluation systems, including the envisaged composition of the Monitoring Committee

According to article 7 of the Law on Agriculture and Rural Development, it will establish a Monitoring Committee for ARDP.

The ARDP Monitoring Committee (MC) oversees the effectiveness and quality of the implementation of the Program in relation to the objectives of the Program and will therefore review the results of the ARDP, in particular the achievement of objectives set for the various measures and progress in utilization and financial sharing for these measures based on the information provided by the Managing Authority. In particular MC:

- Must be consulted within four months of the decision for approval of the program, about the selection criteria for the funded measures. Selection criteria will be reviewed according to programming needs;
- will periodically review the progress made towards achieving the specific objectives of the program, based on the documents submitted by the Managing Authority;
- review the results of implementation, in particular the achievement of set objectives and ongoing evaluations;
- reviews and approves the Annual Progress Report and the Final Progress Report;

- may propose to the Managing Authority any adjustments or revisions of the Program aimed at achieving the set of objectives or improving its management, including financial management;
- will review the evaluations of the ARDP 2021-27 program;
- review and approve the plan of visibility and communication activities as well as any subsequent updates of the plan; - will be consulted on technical assistance activities under the IPARD II program. It will review and approve annually an indicative annual action plan for the implementation of technical assistance activities including estimated amounts for information purposes; - will review and approve any proposal to change the financial plan of the Program. The MC will be established by a decision of the Government or the Ministry. The MC of this Program will be established no later than three months after the approval of this Program by the Commission (i.e. from the date of issuance of the Decision of the Commission for the approval of this Program).
- The MC includes all key partners in rural development (with the right to vote):
- Economic and social partners representing civil society, non-governmental organizations (including environmental organizations and those responsible for promoting equality).
- Related public structures;
- The European Commission, on its own initiative, may participate in the Committee in an advisory capacity;
- Other relevant bodies

The MC will work according to its rules of procedure to be approved at the constitutive meeting. The MC will meet at least twice a year, ad-hoc meetings can be convened if there are urgent issues to consider. At the spring meeting, the MC will review the progress made in the previous year and approve the Program implementation report for that year. If it is necessary for the MC to decide on any particular issue before the date of the next regular meeting, a written procedure will be organized for this purpose. The Managing Authority will publish all the final results of the ARDP Monitoring Committee meetings on the Program website.

12.3 Approved provision for escorting relevant authorities, bodies and partners

In accordance with the relevant article of the Regulation for the implementation of the IPA III Program, the programming of assistance in agriculture and rural development must be prepared in close consultation with all relevant stakeholders (socio-economic partners). Competent state, regional, local authorities and other public are the appropriate interested parties for the preparation of the Program, (authorities, economic and social partners and any other relevant body representing civil society, non-governmental organizations, including environmental organizations, representatives of groups of minorities, stakeholders and bodies responsible for promoting equality between men and women.

The process of preparing the Program has been carried out under the competence of the Managing Authority in cooperation with the Agricultural Development Agency and in constant consultation with all relevant stakeholders. Kosovo has accumulated considerable experience in the application of the partnership principle during the preparation of various political documents (eg ARDP 2007-2013, ARDP 2014-2020, ARDS 2021-

2027), including civil society and stakeholders of the private sector both at the national and local level.

In programming, the consultation process was carried out in two stages. The first phase was carried out in 2019-2020 and included consultations with all relevant partners to identify the main challenges and opportunities, needs and priorities for agriculture and rural development in Kosovo. In the process of preparing sectoral studies for agriculture and rural development, individual consultations, meetings with focus groups, working groups and wider forums were held.

In this phase, the sectors for support were selected and in-depth studies were carried out or updated, the identification of strengths, weaknesses, opportunities and threats and development needs of the selected sectors. The results of these consultations and in-depth studies were used to draft the measures of the 2023-2027 ARDP.

The second phase includes consultation on program priorities, eligibility criteria and budget allocation. It was realized in the period October 2021 - March/April 2022

12.4 Determination of consulted partners - summary

Presentation of the list of competent regional and local authorities and other public bodies consulted, economic and social partners and any other appropriate body representing civil society, non-governmental organizations, including environmental organizations and bodies responsible for promoting equality and non-discrimination between men and women. The following groups of policy makers have been identified to be involved at various stages in the preparation and implementation of the 2023-2027 ARDP.

Authorities and public bodies, in order to ensure a better coordination inside and outside the ministry.

- Sectoral directorates of the Ministry of Foreign Affairs, veterinary and food safety authorities as well as extension (advisory) services;
- Line Ministries; Ministry of Finance, Ministry of Economic Development, Ministry of Environment, Planning and Infrastructure, Ministry of Culture, Youth and Sports, Ministry of Trade, Industry, Entrepreneurship and Innovation and other Ministries, responsible for the relevant areas of IPA policies.
- Economic, social and environmental partners: Associations and non-governmental organizations in the field of agriculture and rural development, Branches of associations in food processing industry, Tourism Association, Women's Association, etc.
- Farmers and industry representatives;
- Regional and local authorities - Municipalities.

Bilateral and multilateral donor organizations, such as the World Bank, UNDP, USAID, GIZ, etc.

c) Name of the institution/organization/person

Name of the institution/organization/person	Competence/Expert	Name of contact person
Association of Milk Processors	Livestock	Milazim Berisha
Association of Milk Producers	Livestock	Besim Kuqi
Association of Animal Feed Producers	Livestock	Ibrahim Kamberi
Network of rural development organizations	Rural development	Nita Ferizi
Network of rural development organizations	Rural development	Amir Keqmezi
PePeKo Fruit and vegetable producers of Kosovo	Agriculture	Hartim Gashi
Kosovo Community Initiative IKC	Rural development	Ekrem Bajrami
Association of Milk Processors	Livestock	Gani Durmishi
Broiler producer	Poultry	Gursel Arifi
IADK	Rural development	Hafize Veseli
Network of rural development organizations	Rural development	Tahire Gashi
LAG -Peja	Rural development	Mehdi Mula
LAG-Deçani	Rural development	Bajarm Çeku
LAG - Vitia	Rural development	Fadile Demelezi
Civil society	Rural development	Avni Ramadani
Network of rural development organizations	Rural development	Qëndrim Hoxha
Association of fish farmers	Aquaculture	Sejdi Arifi
Producers of non-wood forest/organic products	Agriculture	Faton Nagavci

Public authorities and institutions

Name of the institution/organization/person	Name of contact person
Food and Veterinary Agency	Flamur Kadriu Acting Director
Planning Institute	Faton Deva, Officer
Municipality of Graçanica	Zdravković Sasha, Officer
Faculty of Agriculture	Arben Musliu, Professor
Faculty of Agriculture	Skender Kaçi, Professor
Municipality of Leposavic	Urosh Miljković, Officer
Municipality of Zubin Potokut	Bojan Bashqareviq, Officer
MINTI	Kastriot Vrella, Officer
Kosovo Forest Agency	Besim Zogu , Officer

Results of consultations - summary

Results of consultations

Subject of consultation	Date of consultation	Time allowed for comments	Names of institutions/bodies/persons	Summary of results
<p>MEASURE 1:</p> <p>INVESTMENTS IN PHYSICAL ASSETS OF AGRICULTURAL HOUSEHOLDS</p> <p>In order to increase the efficiency of fresh milk production, several steps must be followed that prove that the farmer is serious about raising and increasing production capacity, as follows:</p> <ul style="list-style-type: none"> -Strict registration of farmers with existing capacity, - Contracts with milk processors or collection points, <p>Payments for the delivered milk should be made only through banks, because there are cases when payments are also made in cash.</p> <ul style="list-style-type: none"> -The working mechanism of the agricultural land is acceptable except for the new one, even if it is used (imported from the EU countries), but it must be functional and suitable for agricultural work. 	October 2021		Emine Kelmendi	<p>Farmers are registered in the Farm Register (NIF) in municipalities. Farmers are obliged to declare their property/assets during registration, for any change they are obliged to update the data on their property/assets.</p> <p>If farmers want to make direct payments, they need to have contracts with processors or collection points</p>

				<p>Farmers' payments for the delivered milk are made between banks, if the farmers want to make the payments for the milk.</p> <p>Buying old equipment with grants is not allowed.</p>
Support for Existential Strategic Products of National Interest such as Milk and Meat/as a food category necessary for life should be determined. In Kosovo, the producers of these products are left at the mercy of the wild market - importer traders and processors who have no limit in the treatment of theirs. There is no milk or fresh local meat	October 2021		Florim Shabani	The milk and meat sectors in question are being supported and will continue to be supported continuously.
Priority should be given to the production of poultry meat - Broilers	October 2021		Florim Shabani	Broiler meat production is addressed
To increase the capacity of solar equipment or with this current standard to remove it	October 2021		Florim Shabani	In the production of renewable energy,

altogether)				the increase of its production capacity is required because with the current values nothing can work on the farm - increase the capacity.
To remove the gender criterion - Current practices prove that we force farmers to create artificial benefit schemes (conditions) and the beneficiaries do not respond to supervision. Also, the realized project is never led by the Beneficiary but by other Authorized Persons. In 98% of the cases, the female beneficiaries do not even know what the project has applied for, that is, they are completely outside the project implementation scheme.	October 2021		Florim Shabani	The criterion must remain because it is an affirmative criterion
Beneficiaries can be agricultural products processing enterprises registered in the Kosovo Business Registration Agency for at least two (2) years.	October 2021		Working group	It is the approval/recommendation of the sectoral analysis for not building new

				<p>processing capacities.</p> <p>Beneficiaries can be enterprises processing agricultural products registered in the Kosovo Business Registration Agency for at least five (5) years</p>
Applicants of category "A", "B" and "C" are not eligible in the case of the construction of a new facility, while they are eligible in the case of renovation, expansion of the existing facility and investments in equipment	October 2021		Working group	<p>NEW CONSTRUCTION - Yes, I agree that existing entities regardless of category (A,B,C,D) are allowed to build new spaces within the approved activity, if their projects are comprehensive</p> <p>Sectoral analyzes have highlight</p>

				ed that there are sufficient processing capacities, therefore new construction is allowed only in D category enterprises with a high degree of food safety risk.
Investments in equipment to improve hygiene, as well as quality and safety of products (especially to achieve HACCP and/or ISO 22000 standards); HACCP and/or ISO 22000 certification is not funded	October 2021		Blerim Hajdari	Accepting investments from proven entities that offer food safety consultancy, in the form of real education and training of production personnel, in the first order to understand the system and then to create, implement, verify and prove preventive

				<p>measure s in in terms of food safety, it is the most necessar y for our producer s and I think that consulta ncy should be an eligible investme nt.</p> <p>I am against paying for certificat es</p> <p>In MEASUR E 3 Investme nts in equipme nt to improve the hygiene, quality and safety of products; (especial ly to achieve HACCP and/or ISO 22000 standard s) HACCP and/or ISO 22000 certificati on is not funded;</p>
--	--	--	--	---

Renovation / expansion of facilities for the production and processing of wine; (sectoral analysis says that there are sufficient capacities, there is no need for new constructions)	October 2021		Ylber Kuqi	<p>I consider that even new constructions should be part of acceptable investments. For potential investors from the diaspora who are involved in wine production abroad, they can easily be applicants. Not in all cases they have facilities that they can only renovate and adapt to wine production.</p> <p>Therefore, I propose that the construction of buildings that serve for the production of wine should</p>

				<p>also be included in eligible investments.</p> <p>Sectoral analyzes have highlighted that there are sufficient processing capacities.</p>
Beneficiaries, together with the request for payment and other documents, must provide the Report attached to the Checklists from the FVA confirming that the investment is in accordance with national standards	October 2021		Gursel Arifi	<p>The liaison of the FVA in the confirmation of the implementation of the standards to the beneficiary may cause even greater bureaucracy in the acceptance of the project. According to this, two commissions will accept the project, one from ADA and one from FVA.</p> <p>Processing enterprises</p>

				es are also approved by FVA.
"Group of producers" It is discussed about "groups of producers" to remain in the 7-year program 2021-27	October 2021		Bajram Seferaj says that the law for "producer groups" is being worked on	There is no law for this and it is not known how to register, but it is thought that within the 7-year program a law can be made for "groups of producers" and now they can come into operation in any year within the 7-year period.
During the implementation of the LAG Program, they should not be treated as farmers or the treatment of LAGs should not be done together with other measures of the Program, because this is creating difficulties during the implementation of the measure. (taking into account that LAGs perform obligations for the	October 2021		Bajram Ceku	This issue has been raised several times by the DRDP to the ADA to recruit a person who will only deal with LAG applications and the person in

community.				question will be trained to implement measure 5 Leader Approach knowing that this measure has another nature
MF Regulation No. 04/2017 on the Criteria, Standards and Procedures of Public Financing of NGOs. Make a differentiation between LAG - as an NGO and from other NGOs during registration. LAGs have a public-private partnership	October 2021		Sherife Sekiraqa	The LAGs and the NRD are certified by the MAFRD
Administration of eligible expenses Set a certain deadline for the payment of the 20% because they are being delayed a lot After the completion of the project, the beneficiary LAG must bring the necessary evidence, such as: invoices, the form of the working days of the manager and experts, as well as the manager's CV, the expert's CV as well as the selection procedure that the manager or the expert, both for the funds received in advance and for 20%	October 2021		Bajram Ceku	This issue has been raised several times by the DRDP to the ADA to recruit a person who will only deal with LAG applications and the person in question will be trained to implement measure

of the funds which are paid after the end of the project. In case of non-fulfillment of this condition, the beneficiary LAG is obliged to return the funds received. Public assistance from MAFRD is given in two installments: 80% as an advance and 20% after the completion of the project.				5 Leader Approach knowing that this measure has another nature.
The mountain eagle (Aquila chrysaetos, Falco naumanni, Tetrao urogallus, are dangerous species in Kosovo and at the international level.	September 2022		Valmira Gashi (MMPHI)	It is accepted, They are endangered species according to IUNC
Delete the new Law, and add Law No. 03/L/233 for nature protection	September 2021		Valmira Gashi (MMPHI)	It has been accepted
The percentage of protected areas is currently 11.56%	September 2022		Valmira Gashi (MMPHI)	It has been accepted
Mali should be deleted and Sharri national park should be added	September 2022		Valmira Gashi (MMPHI)	It has been accepted
To add the point national park Bjeshket e Nemuna managed by the Park Directorate located in Peja	September 2022		Valmira Gashi (MMPHI)	It has been accepted
To delete the private manager, to add the Gadiems Cave has no administrative body but is managed by the official of AMMK-MMPHI	September 2021		Valmira Gashi (MMPHI)	It has been accepted
Refer to the Report of the State of the Environment 2020	September 2022		Valmira Gashi (MMPHI)	It has been accepted

for more detailed information on Earth's environmental aspects				
Refers to the annual report on the state of the Environment 2020 for Erosion report	September 2022		Valmira Gashi (MMPHI)	It has been accepted

13. RESULTS AND RECOMMENDATIONS OF THE EX-ANTE EVALUATION OF THE PROGRAM (THIS CHAPTER IS COMPLETED AFTER THE EX-ANTE REPORT) ALBANIA IS MISSING

13.1 Description of the process

This report is on the ex-ante evaluation of the Agricultural and Rural Development (ARDP) Programme 2021-2027, Kosovo. Currently the ARDP is solely based on national budget. It is expected that later during its implementation, the programme will be co-financed by the European Union (EU). One of the EU pre-conditions is that an ex ante evaluation of the programme is carried out by independent evaluators. The evaluation follows the guidelines of the ex-ante evaluation of 2014-2020 RDPS and appraises:

- The lessons learned from the implementation of mid-term evaluation the Agricultural and Rural Development Programme for Kosovo.
- The analysis of current rural situation and the definition of rural development needs in Kosovo.
- The relevance priorities and objectives of the Agricultural and Rural Development Programme for 2021– 2027 in Kosovo.
- The extent to which these objectives are consistent with National and EU development objectives.
- The extent to which the proposed measures are relevant to and able to address the development priorities.
- The consistency of the budget allocations with the objectives of the Programme
- The arrangements for monitoring and evaluating the progress and outcomes of the implementation of the Programme.
- The adequacy of the proposed implementation structures and delivery system.
- The adequacy of the promotion of equal opportunities, non-discrimination, gender issues and sustainable development.
- The extent of the involvement of the stakeholders in the preparation, implementation and monitoring of the Programme.

The team made 5 missions to Pristina. The focus of the missions was consultation and discussion with the members of the Programming Team and the Working Groups established by the Managing Authority to support the design of measures. The work done comprised: (i) review of relevant documents/studies, (ii) assessment of the programme-related SWOT analysis, (iii) assessment of expected impacts, (iv) assessment of proposed implementation procedures, including monitoring, evaluation,

and financial management, and (v) preparation of the ex-ante evaluation report.

The ARDP will address the four strategic objectives stated in the strategy for agriculture and rural development: Increasing the competitiveness of the agri-food sector and improving the efficiency and sustainability of farm production; Sustainable management of natural resources (land, forests, and water); Supporting businesses in rural areas and enhancing employment and social infrastructure; Comprehensive institutional and sector reform to establish efficient public services. The evaluators have verified that these priorities are very relevant to the situation in Kosovo.

The evaluators are confirming that the Managing Authority proved being a fully competent body for preparing the ARDP. Consultations were carried-out via Working Groups, which included various stakeholders, social and institutional partners. As result, valuable feedback has been collected, necessary for the preparation for programme objectives, eligibility and prioritisation mechanism.

The evaluators confirm that the implementation of all the selected sub measures and measures will address the prioritised needs and contribute to the achievement of the programmes objectives.

Approach & methodology

The evaluation approach is based on the guidelines provided in the Guidelines for ex-ante evaluations of rural development programmes (June 2014) and also on those provided by the Instrument for Pre-Accession Assistance Rural Development (IPARD III). The evaluation was based on both qualitative and quantitative methods. The document on which the evaluation was done is the Draft ARDP 2021-2027 version I from July 23rd, 2022 and further re-analysed based on February 2023 version. The consultants based their evaluation on other documents and available statistics. Additional information was gathered during meetings with the Managing authority and the payment agency as well as other relevant stakeholders. The relevance of the ex-ante evaluation is achieved through a comparative assessment of (i) the situational analysis in the Kosovo agricultural and food sectors presented in the draft programme chapters 2 to 4; and (ii) the strategy, the selected measures and their design as presented in chapters 6 to 8. The efficiency of the intervention is assessed through the estimation of the expected results and impacts generated by the programme interventions in relation to the resources allocated. The ex-ante evaluation also provides recommendations to the beneficiary regarding possible improvements to the programme text reflecting initiatives to increase relevance, efficiency, and secure the anticipated impact. A draft report was discussed with Managing Authority and feedback as well as revised input to the draft programme from the MA is taken into consideration in this final report.

Key findings

The ARDP is in general well-structured (in respect of the EU Guidelines for the IPARD Programmes) and coherent. Its intervention logic is relying on the

sector studies` findings. Furthermore, the Programme was found aligned with the SARDF 2022-28 needs and proposed interventions.

The quality of the document has been consolidated in cooperation with the Managing Authority staff, during the evaluation period.

The Managing Authority and Paying Agency are set-up and with certain good working experience, but are heavily understaffed, especially the Paying Agency. Managing Authority is in need of extra staff as well, especially for the new measures (M2, M6, M9, M11). Action should be taken to increase the effective and recruit the necessary staff as soon as possible.

Appraisal of the current situation: General context and geographical coverage are well described.

The information about the rural economy and quality of life is appropriate. Rural infrastructure is well described both regarding physical and social infrastructure.

SWOT: The SWOT analysis tables for each sub sector are presented. All the SWOT are a result of the direct discussions / meetings with the working groups. The SWOT analysis is very comprehensive and provides a great number of relevant elements, which were considered at the measures elaborated. While some elements presented in the SWOT analysis and the context analysis presented in chapter three are not always consistent, the SWOT is in general well aligned with the sector studies.

Main results from previous interventions: These sections are not sufficiently developed. They should be drafted on the basis on the annual progress report. However, previous actions and programmes are well described though for each of them the following should be added: i) any summary of the assessments, meaning outcome/impact assessments included in any relevant document (e.g., evaluation reports); ii) lessons learned - what was good, what not and what should be changed (based on existing documents, interviews / discussions with the beneficiaries etc.).

Assessment of the intervention strategy, needs and programme objectives

Chapter 6 presents the existing National Rural Development Strategy and links it to the IPARD program though specifying that, yet Kosovo is not directly a beneficiary. The ARDP falls in line with the strategy of the IPARD programme. Section 6.2 presents the needs identified in the SWOT analysis and the specific strategy to meet them. The overall objectives are all relevant and in line with the Strategy for Agriculture and Rural Development 2022 - 2028. Overall, the objectives of the programme are covering several of the important, generic needs. The selected measures represent a coherent set of interventions with actions targeting these needs. However, to ensure that the all the needs are met and that the relation between the objectives and the measures is clear, it is recommended to build an objectives hierarchy with overall, specific, and operational objectives. This would also highlight the need for adding biodiversity under objective 3. Finally, there is clear overlapping between the overall and the specific objectives, it is therefore recommended to reformulate those specific objectives (i.e. the measures' objectives) and make them more targeted avoiding to repeat the text from the main objectives.

The overall conclusion is that the most important development needs have been adequately defined. The quantification of the baseline situation has been hindered by the absence of census type data. However, the sector reports provide some additional information, and this has been progressively included in the analysis of the current situation and the SWOT tables. The evaluators confirm that the implementation of all the selected sub measures and measures will address the prioritised needs and contribute to the achievement of the programmes' objectives. The changes recommended by the evaluators relate to adjustments that could improve the effectiveness and efficiency of the measures.

Measures

Measures 1 to 11 are sufficiently described and largely comply with the requirements from the EC measure fiches. However, there are still several sections in each measure, where either the text is missing or where it can be improved and be more precise. Measures 12 and 13 will require the identification of relevant stakeholders and data gathering for their drafting which is planned to take place during 2024. Intervention logic for each measure is described in chapter 8 and is correct. Most requirements concerning proposed measures are correct and acceptable. However, the evaluation highlights some points for improvement regarding standards, eligible expenditure, economic viability, advance payments, and deadweight. The maximum limit of public support for the investment measures 1 and 3 will provide funds for sufficiently big projects ensuring the development of the production and processing capacity for Kosovo. There is a high need for investments in all sectors and this is reflected in the choices of measures and their budget it is also recommended to allow for higher advance payment than the 50% foreseen by the EU provisions setting this as the minimum.

Measure 1 Investments in Physical Assets In Agricultural Holdings. The rationale of the measure is detailed described and covers the challenges and needs for the prioritized sub-sectors.

Measure 2: Groups of Producer. The rationale for the measure was consolidated with references on the measure aims, such as concentration of supply, improving marketing, providing technical and logistical assistance to their members, assisting in quality management, knowledge transfer etc. Target indicators are in line with the SARDF targets. Administrative procedure have been detailed. The support is limited to 10% of marketed production during the first five years after recognition and may not exceed EUR 100,000 per year which should be an incentive allowing to reach the target of 10 groups supported.

Measure 3: Investments in Physical Assets for Processing and Marketing of Agricultural and Fishery Products. The rationale should consider the recent increase of the costs with electricity and the need of electricity for cooling storages and processing production lines, thus mentioning the importance of supporting investments for renewable energy. Selection criteria have to be revised, comments have been provided by the experts and administrative procedure should be detailed by adding information on the evaluation process, conditions for signing the contracts and payment approval.

Measure 4 Agro-Environment-Climate and Organic Agriculture. The choice of interventions is appropriate. The rationale should include some data and information about organic farming in Kosovo, describing the public system readiness for promoting organic farming and what is the current status (how many hectares are under organic farming conversions and certification). A reference to the biodiversity should be made in case of the organic farming specific objective, as improving biodiversity is one of the benefits of banning the chemical plant protection products. The proposed specific eligibility conditions for organic farming refer to a minimum area of 0.1ha / beneficiary. The values are far too low, leading an unjustified implementation cost as comparing with the level of payments. Furthermore, the measure should ensure the payments for the conversion period, thus stimulating farmers adopting organic farming practices, but for which there is no reference.

Measure 5: Implementation of local development strategies - LEADER approach: this measure is described with sufficient details; however, it should be added text for clarifying why the measure it is not fully aligned with the IPARD rules e.g. there should be a justification for allowing advance payments beyond the 50% roof set by the EU. Furthermore, it is recommended to clarify maximum value of annual public support per selected LAG and activity- now it is only for small projects. It should be possible that every rural actor from the LAG territory should have the opportunity for submitting a project proposal, based on a public announcement.

Measure 6: Investments in rural infrastructure: With its limited budget Measure 6 will contribute to support at least 5 project improving Kosovo rural infrastructure. The selection of recipients is appropriate and the common eligibility criteria are well defined and appropriate. However, most specific eligibility criteria are poorly defined. In the common meetings between the Ex-ante Team and the Managing Authority staff emerged new proposals for some eligible investments and selection criteria to better align them with the EC rules.

Measure 7: Diversification of farms and business development. The expected law on rural tourism, currently under preparation, is very much necessary. The rationale of the measure is good, but it should be anchored with the strategy. In relation to the description of the measure, a few amendments are needed notably for the provision of licence to pick non wood forest products and for the honey production level. Specific objectives must be reformulated as per the Finally, the measure must include economic viability checks through the business plans and project proposals, as according to the EU IPARD guidelines this is mandatory for measure 1, 3 and 7. Among the criteria one promoting added value in the local value/chain should be added to limit the export or raw primary production.

Measure 8: Improving Skills and Competences - Improving Trainings. The rationale is well describing the needs for advisory; nevertheless, it should better elaborate on the reasons why the current advisory services offered are struggling to reach the rural population in an effective way. Furthermore, it is recommended to clarify the demarcation between the objectives and range of action and targets of this measures and that of

measure 13 – no description is available for measure 13 and M10. The specific objectives are not sufficient to fulfil the needs related to this measure, notably in relation to water pollution and agro-environmental commitments. Linkage to other measures is adequately explained. The common eligibility criteria and eligible expenditure are well defined, but should be complemented with other type of eligible costs, such as administrative costs for organising the meetings, coordination, analysis of the questionnaires and preparation of the reports, fuel and labour for the practical demonstrations. The proposed aid intensity is in accordance with the EC rules while the total budget allocated of 200,000 euro and the target indicated of 177,000 farmers trained are inconsistent as training would amount to only 1,12 Euros/farmer. It is recommended to revise the budget or lower the target.

Measure 9: Technical assistance. The rationale could better define the current situation, explaining how some of the needed TA operations were supported either by EU or by national budget, but this led to some delays and gap. Also, this is the only measure that should have direct reference to IPARD, as is foreseen to start in joint management with EU, subject to EU approval. The common criteria for eligibility should mention PRAG. Targets have been suggested.

Measure 10: Extension service. The rationale is well drafted. The list of potential beneficiaries could be revised to include additional stakeholders e.g. research institutes, universities etc. There is a need for MAFRD to set minimum criteria to be met by the agricultural advisers in regards to their education, experience and skills. Clarifications regarding the consultancy providers are needed especially for those “non-traditional” advisory subjects such as agri-environment, climate, public health, etc. Specifications with regards to the specific Eligibility Criteria are needed in particular the consultancy and advisory for projects preparation and implementation (including for submitting the payment claim) for projects up to 50,000 euro for measures 1, 2, 3 and 7. It needs to be specified that ADA will ensure an implementation mechanism for avoiding double funding of the general costs (project preparation costs). Furthermore, the selection criteria definition is missing. It should be about the service providers, not about the final beneficiaries. At minimum, should include the general and specific relevant experience of the service providers, of their facilities for providing advisory and of their available advisers. The level of payment is missing and should be added.

Measure 11: Establishment and protection of forests. In the SARDF 2022 – 27 is written that the MAFRD is preparing a strategy for afforestation for 2021 – 2030. It should be checked if this Strategy was approved and, if yes, it should be indicated.

Contribution of the selected measures to the objectives of the Kosovo Agriculture and Rural Development Strategy and consistency of the allocation of budgetary resources amongst measures: The majority of the budget (49.26%) is given to Measure 1 focusing on investments in fruit, vegetables, milk, meat, cereal, egg and grape production. The programme will prioritize projects that increase the scale of production, increase commercial orientation, increase the compliance with EU standards, are

proposed by young or female farmers with good education and technical qualifications, will include cooperation among farmers, are located in disadvantaged mountain areas, introduce more efficient energy use and/or a higher proportion of energy needs for renewable sources. This is expected to promote the competitiveness and alignment of the agri-food sector with EU standards by offering financial assistance with investments that will modernise farm and food processing businesses. The 20.88% of the budget is allocated to Measure 3 for boosting investments in fruit, vegetable, milk, and meat processing. Diversification of production will be also prioritized in Measure 7 with the 20.88% of the budget to promote projects focusing on diversification activities of farmers in processing and marketing of novel and traditional agricultural products, small business activities in rural tourism in mountain areas including investment in improving leisure facilities, diversification of services offered to farmers and communes. This measure will furthermore improve compliance with EU food safety systems, environmental protection, increase energy efficiency reducing reliance on fossil fuels. Preference will be given to projects that; create employment, are located in mountain areas, are proposed by young and /or female entrepreneurs, will improve hygiene standards (food processing only) and are in line with a Local Development Strategy. The financial plan reflects a programme out of balance according to the identified needs. Measure 1 and Measure 3 are the main measures under the programme together with measure 7 supporting both diversification of agriculture and development of small businesses in rural areas. These objectives are in coherence with measure 1 and measure 3 on the one hand and are also coherent with measure 5 with its objective of the development of the rural economy through the LEADER measure facilitating local initiatives and empowerment of local human resources.

Measure 6 is supporting the development of rural infrastructure, to some extent will also contribute to the development of the rural economy, nonetheless the limited support under the programme is relatively small and combined with the needs for heavy investments is expected to limit the contribution to the programme. Measure 4 on agri-environment is playing a limited role in the programme with its 0.27% of the budget. Despite its relevance, this measure is lacking the necessary weight for contributing to the overall coherence.

Measures 8, 9 and 10 are focusing on capacity building from institutional level to end-users' level, the three measures will use jointly 1.25% of the whole budget. These measures will directly and indirectly, support the management of the ARDP - by supporting MA in establishing monitoring and evaluation system, communication and publicity activities. It will also support further enhancement of the national rural network, as well as training of the MA and assistance in developing rural development policy. Despite the impression of a discrepancy between the urgency of the needs covered by these measures and the low fraction allocated, this is deemed sufficient in relation to the number of beneficiaries that will be involved in these measures.

high risk of soil erosion. It will also support the restoration of forests damaged by fire and the improvement of fire prevention in forests which are vulnerable.

Expected output, results, and impacts: The programme is expected to support 1000 farms, 10 producers' groups, 60 agri-processors, 7 farmers under agro-climate contracts covering 2,150 ha, 27 LAGs, 5 rural infrastructure projects, and finally 310 diversification and business development projects. 177,000 farmers are expected to be trained and the 25% of the total farmers is expected to receive advisory services while 110 ha of land will be afforested each year. A total of 201 million EUR is allocated in total eligible investments, distributed on 144 million EUR in public support and 57 million EUR in private co-financing.

Implementing structures: The Managing Authority in MAFRD is operating well, has benefitted from the experiences and lessons learnt under the previous programming period and have received support from EU and donor funded projects. External expertise is still needed to support the MA in the finalization of the programme, for example regarding calculation of support rates for different measures. The main challenges for an effective implementation of ARDP are identified in the Paying Agency. The total number of applications processed in 2021 was over 1,000 with a relatively low rejection rate, but because of the staffing situation, the processing period is too long. The average annual number of applications from 2023 is not known, but it will still be a challenge to process the applications in due time within the legally defined deadlines. It is strongly recommended that the implementing structures are strengthened over the coming year to be ready for an effective implementation of the programme.

Recommendations details are included in chapter 6 of this report and shall not be repeated here

13.2 Main recommendations

The following table summarizes the main recommendations from the ex-ante evaluation. Minor items related to the text formatting and typos have not been addressed here but they have been presented to the Managing Authority directly on the document as track-changes.

ARDP Chapters/topic	Recommendations	Relevance	Managing Authority Decision and comments on the recommendations
All/ text and english language	It is recommended to format the programme document and harmonize the headings, font size and type, abbreviation principles. Most importantly is is recommended to proofread the English language and to ensure that the translation	High	Taking into consideration but this is not purpose of ex ante

	done is correct e.g. “manure fruits” instead of berries		
All/ text and english language	It is recommended that in the document the text of the figures is translated to English-keep the acronyms consistent	High	This was discussed and the Managing Authority agreed that it was going to be done.
Chapter 6	In accordance to the template, section 6.1 should present the identification/ prioritization and a summary of the strategy in addition to the rationale on how to meet the needs through the ARDP. This section is lacking. It is recommended to finalize this section in accordance to the text provided in the track changes document by the expert.	Low	Done
Chapter 6	It is recommended to finalize the target indicators of the programme with those in each measure section 6.6	High	Done
Chapter 6	Because of the current economic situation worldwide and the inflation rate it is recommended to revise the quantified targets i.e. increase the maximum support amount and reduce the number of supported applicants.	High	The recommendation related to increase the public support for beneficiaries was accepted
Chapter 6	It is recommended to include a long-term target for measure 13 to register the established AKIS to EIP-Agri network	Medium	Accepted
Chapter 6	In the financial table, the national budget out of the total public support should be 100%	Medium	Done
Chapter 6	The timeline for measures implementation should be clarified i.e. measures M1, M3, M5 and M7 will be implemented first	Low	Done
Chapter 6	It is recommended that the launching of measure 9 and 10 is anticipated to increase consistency with the finding of the SWOT analysis i.e. strong need for increasing knowledge and skills for farmers	High	Accepted
Chapter 6	It is recommended to add a short text for measures 12 and 13 which are in the tables but	Medium	Not accepted

	not in the chapter		
Chapter 6	It is recommended to ensure gender mainstreaming in accordance to the objectives of the strategy	High	Accepted
Chapter 6	It is recommended for the ex-post inspection to use also the selection criteria in addition to the eligibility criteria	Medium	It is not issue of the Rural Development Program
Chapter 8 -all	Legal basis is missing, budget table is missing, target indicators (table) is not filled	High	All done
Chapter 8 M1	The level of production for the egg sector as compared with the consumption needs should be corrected from 99% to 88.5%, as results from the calculations	Medium	Done
Chapter 8 M1	In the rational for the eggs production, it is mentioned that priority should be given for the farms between 5,000 to 25,000 laying hens, but the selection criteria are mentioning 50,000 and more laying hence. This inconsistency should be addressed at the level of the selection criteria.	Medium	Done
Chapter 8 M1	Are not mentioned the most important problems of agriculture (thus justifying the interventions supported through the Programme), such as lack of mechanisation, irrigation systems, post-harvest facilities, farmers skills etc	High	Done
Chapter 8 M1	A sentence mentioning that eligibility may be detailed in the applicant guidelines should be added	Medium	Done
Chapter 8 M1	The EU IPARD guidelines are requiring details for the financial indicators of the business plan. Thus, it should be added that the business plan shall include the cash-flow and calculation of the return of investment indicator	High	Done
Chapter 8 M1	With the purpose of a smooth implementation, ADA must sign institutional agreements / memorandum of understanding with other relevant institutions, such as the institution responsible for food safety and	High	It is accepted. This is issue of ADA.

	animal welfare standards and the agency for environment		
Chapter 8 M1	The eligibility threshold for dairy sector (15 dairy cows) should be met at the end of the investment, not at the moment of submitting the application, thus enlarging the number of potential applicants and stimulating the increase in number of animals	High	Not accepted, it is at the moment of application applicants should have 15 cows
Chapter 8 M1	The thresholds for eligible costs should be increased due the high level of inflation, as follows: The minimum threshold from 10,000 to 15,000 euro (while from grapes and berries, from 3,000 to 5,000 euro) The maximum threshold from 100,000 to 150,000 euro	High	Done
Chapter 8 M1	The details on selection criteria should be eliminated from the ARDP, for being prepared in collaboration with the members of the Monitoring Committee and easily adjusted throughout the Programme implementation	High	Done
Chapter 8 M1	It should be mentioned that demarcation criteria for the projects with the same number of points should be decided in agreement with the Monitoring Committee and included in the applicant guidelines	Medium	Done
Chapter 8 M1	The public intensity rates are not aligned with the provisions for the EU IPARD countries and there is no reason for decreasing the public support rates. Thus, The EU levels of public aid are more advantageous for the farmers and should be used, as stipulated in the EU guidelines: <i>5. Public aid under this measure can amount up to a maximum of 60% of the total eligible cost of the investment. It can be increased up to: i) 65% for investments in mountain areas; ii) 70% for investments in physical assets of agricultural holdings made by young farmers and/or</i>	High	Done

	<p><i>certified organic farmers.</i></p> <p><i>An additional 10% can be given for: i) investments related to effluent and waste management and renewable energy; ii) collective investments provided that cumulative combined support does not exceed 75%.</i></p>		
Chapter 8 M1	It is recommended to revise the allocation of only 20% of the M1 budget for the purchase of tractors. Local conditions require access to better and more modern equipment.	High	This is not issue of Program
Chapter 8 M1	More indicators should be added, especially for result (not only output indicators). A full set of indicators were provided	High	Done
Chapter 8 M1	Administrative procedures should be detailed for including more steps of the procedural flows (on evaluation, selection, appeals etc.)	High	Measures are prepared based on IPARD guidelines
Chapter 8 M2	The rationale of the measure should be consolidated with references on the measure aims, such as concentration of supply, improving marketing, providing technical and logistical assistance to their members, assisting in quality management, knowledge transfer etc;	Medium	Done
Chapter 8 M2	The rationale should recognize the challenge in stimulating farmers to work together, which is a difficult process, considering the communist past and also the high informality of the farming sector and the fact that preparation actions for launching this measure should include an awareness campaign / close discussions with farmers and farmers representatives	High	Done
Chapter 8 M2	It should be mentioned that having a business plan is a condition for beneficiaries of this measure	Medium	Done
Chapter 8 M2	Professional farmers organizations should not be	Medium	Done

	eligible		
Chapter 8 M2	Details on receiving the recognition of the producer group before applying for the support should be included	High	Done
Chapter 8 M2	As part of the common eligibility criteria, must be included that all members of the producer groups should have clear rights and obligations included in the contract with the producer group	High	Done
Chapter 8 M2	Sectors such as berries and meat should also enjoy the support of producer group and should be added as eligible sectors	High	Done
Chapter 8 M2	It should be mentioned that at the time for launching the call of proposals, some sectors may be prioritized (through the selection system), as endorsed by the Monitoring Committee and included in the applicant guideline	High	Done
Chapter 8 M2	The public support is 100%, as a flat rate (the reference to eligible costs should be deleted)	High	Done
Chapter 8 M2	An indicative budget should be allocated	High	Done
Chapter 8 M2	Target indicators should be set in line with the SARDF targets	High	Done
Chapter 8 M2	Administrative procedure should be detailed, including information on the first stage procedural flow - for setting-up and recognition of producer groups and, further on, for the call for applications launch process, evaluation and payment approval (including references on bookkeeping and invoices that the producer groups should keep and submit annually as attached to the payment claim).	High	As MAFRD is responsible for preparing the legal basis for implementation of this Measure
Chapter 8 M3	The rationale should recognize the needs for further allocating public funds for the processing plants, including for increasing the production capacities should be possible, as there is a need for further integration of	Medium	Done

	the local production and serving areas not covered by existing processing plants, for the diversification of the production and for introducing on the market of new products.		
Chapter 8 M3	The rationale should consider the recent increase of the costs with electricity and the need of electricity for cooling storages and processing production lines, thus mentioning the importance of supporting investments for renewable energy	Medium	Done
Chapter 8 M3	The description of the mills sector should be excluded, as the measure is not allocating funds for this sector, not being a priority sector for Kosovo	Medium	Done
Chapter 8 M3	The beneficiaries should include producer organisations or any other beneficiary who applies for a collective investment, as for shared facilities, machines, equipment and other infrastructure for production and processing of agricultural products up to the EU standards or for quality products or for establishing and development of short supply chains and local markets	Medium	Done
Chapter 8 M3	As standards may change and for not being needed to adjust the ARDP due to the adjustments of standards (which must be an annex of the Programme), it should be mentioned that the full list of updated standards shall be part of applicant guidelines	High	Done
Chapter 8 M3	It should be a direct confirmation that the investments are meeting the standards before being submitted the last payment request. Thus, it should be mentioned that ADA will ask this type confirmation directly from FVA, on the applicants behalf, based on a memorandum of understanding (and not requiring the beneficiaries to request	High	Done

	confirmation letters by themselves), thus excluding the administrative burden for the beneficiaries. Currently, the applicants are asked to attach the FVA request, which is good way to go forward, but this is not fully meeting the EU IPARD rules requirements.		
Chapter 8 M3	For the meat and milk processing sector, should be stated that FVA must start preparing a national plan for upgrading to EU standards for investments specifically intended to make the entire establishments compliant with the relevant EU standards. Once this plan prepared, support shall be granted only to enterprises identified in the above mentioned national plan and for its envisage type of investments.	High	Done
Chapter 8 M3	Is not clear what would be the reasons for not supporting small and medium vineyards in investing for processing. Normally, wineries are relying on their own grapes, for controlling their quality. The small wineries may bring on the market very high quality wines. The obligation on having more than 50% of the raw materials from other (grape) producers should be excluded, as the production of wine from vineyards 20 to 50ha should be sufficient for a small winery.	High	Done
Chapter 8 M3	In case of investments for renewable energy, should be mentioned that these investments are, first of all, justified for the own consumption of the processing facilities, while selling electricity through the national grid is a costly and technical challenging type of investment	High	Done
Chapter 8 M3	The eligible costs for marketing should include the design concept and the promotion strategy		
Chapter 8 M3	Under eligible investments for		

	milk and meat, it should be specified that the eligible investments for food safety standards shall be endorsed by FVA		
Chapter 8 M3	The investments should cover equipment for labelling	Medium	Done
Chapter 8 M3	For the milk sector, it must be added that the: Specialized transportation means should be for the transportation of the raw milk from farmers to the facility and of dairies products from the facility to the market (including specialized cold transportation means) The cold storages may also be installed also at farm level, in case the applicant is a producer group / there is the case of a collective application	Medium	Done
	Within the selection criterion " <i>Investments in projects for integration of farmers for promoting short supply chains</i> " must be added that this refers not only for proving that the production is from local farmers, but should also refer to the processor own agricultural production, thus also promoting integrated agriculture	Medium	Done
Chapter 8 M3	The selection criterion " <i>Investments in the achievement of national standards of food safety standards</i> " will exclude wine sector, as wine sector is not about food-safety. It should be added (only for wines) the issue of improving quality	Medium	Done
Chapter 8 M3	The selection criterion " <i>Investments that lead to the diversification of production-Introduction of at least 2 new products</i> " will be easily achieved by all the sectors, except winery sector, as wine will be only product of this	Medium	Done

	sector, therefore, the proposal is to clarify that 2 new wines are representing 2 new products		
Chapter 8 M3	An new indicator should be added, as follows: Number of supported producer groups/organisations/collective investments	High	Done
Chapter 8 M3	Administrative procedure should be detailed by adding information on the evaluation process, conditions for signing the contracts and payment approval	Medium	Done
Chapter 8 M4	The relevant minimum standards should be part of an Annex, either of the ARDP or of the Measure 4	Medium	Done
Chapter 8 M4	A reference to the biodiversity should be made in case of the organic farming specific objective, as improving the biodiversity is one of the benefits of banning the chemical plant protection products	High	Done
Chapter 8 M4	It should be added that the Beneficiaries should be part included in Farm Register	Medium	Done
Chapter 8 M4	Minimum size of the eligible parcels and farms should be added. The proposal is as follows: Minimum size of the parcel: 0.1 ha for the permanent crops and 0.3 ha for the annual crops; Minimum size of the farm: 1 ha.	High	Done
Chapter 8 M4	It should be clarified that the environmental commitments do not necessarily need to be part of a regular contract. The easiest way will be to be as a set of commitments included in the Application form / Payment claim for direct payments	Medium	Done
Chapter 8 M4	There is no environmental value in case of the obligation for maintaining a dairy farm, unless are introduced rules for the livestock grazing density (e.g., between 0.3 and 1 LU/ha)	Medium	Done
Chapter 8 M4	The minimum standards must be elaborated in cooperation with the ministry for	Medium	Done

	environment and approved through administrative instructions. The EU reference is in the Regulation (EU) no. 2115/2021 (as Conditionalities, former Cross-compliance)		
Chapter 8 M4	The rationale for organic farming should include some data and information about organic farming in Kosovo, describing the public system readiness for promoting organic farming and what is the current status (how many hectares are under organic farming conversions and certification)	Medium	Done
Chapter 8 M4	It should be clear that only chemical pesticides are banned for organic farming, while plant-made (organic) pesticides should be allowed, in line with the organic farming regulation	Medium	Done
Chapter 8 M4	The proposed specific eligibility conditions for organic farming refer to a minimum area of 0.1ha / beneficiary. The values are far too low, leading an unjustified implementation costs as comparing with the level of payments. For example, if the level of payments would be 300 euro/ha, a farmer may receive just 30 euro/ha. The administrative costs for processing the payment claim, including for on-the-spot controls may be even beyond the level of payment.	Medium	Done (increase amount of support)
Chapter 8 M4	The minimum mandatory standards are insufficiently developed. Should cover the standards mentioned in the Regulations no. 2115/2021. Minimum standards should cover also water protection and the use of fertilisers and the plant protection products. There is a need of working group with the ministry of environment for designing these standards. As Kosovo never applied minimum standards, the MAFRD will	High	Done

	probably need also expertise from a EU Member State		
Chapter 8 M4	Is not clear (and should be specified) if are accepted certifications for organic farming from inspection and certification bodies accredited in other countries (Kosovo has not yet its own accreditation system)		
Chapter 8 M4	The payments should not be just estimated, but calculated, based on the principle of additional costs and lost incomes. The payment calculation methodology should be validated by a relevant research institute or university. It should be clear that these are compensatory payments, not direct payments	High	Agreed
Chapter 8 M4	There is no reference on conversion period. Normally, organic farming payments for conversion should be calculated and paid separately, as in conversion applies all the organic farming rules, but the farmers may not benefit of higher prices, as the products are not yet certified. This also helps attracting farmers into the scheme. This approach should be followed. Additionally, to the calculated payments should be added payments for covering the inspection and certifications costs.	High	Done
Chapter 8 M4	All the payment calculations should be justified (as the level of compensation should be demonstrated)	High	To be done
Chapter 8 M4	For the soil and nutrient management, the rational must be linked with the intervention. The intervention is related with soil cover (winter crops) for reducing soil erosion, but is also for the nutrient management, which leads to prevention and reduction of water pollution with nutrients. The rational should describe a bit this need.	High	Done

Chapter 8 M4	The environmental objectives should be aligned with the environmental assessment i.e. i) Prevention and reduction of nutrient and water pollution; ii) Prevention and reduction of soil erosion.	High	Done
Chapter 8 M4	It should be clarified that the Nutrient management plans should be based on the soil sample results and crops nutrient consumption for achieving the targeted production (Soil sampling without preparation of a fertilization plan has no value and will not help farmers. The same will be for nutrient management plans without soil analysis)	High	Done
Chapter 8 M4	The EU legislation is imposing this rule of 170 kg of N for organic fertilizers, not mineral/chemical fertilisers	Medium	Done
Chapter 8 M4	The scheme for Summer grazing in mountain pastures should include a limit for maximum livestock density and a condition to prevent under-grazing	High	Done
Chapter 8 M5	It is recommended not to mention lack of understanding but to turn it into a need for competence building.	Low	Done
Chapter 8 M5	It is recommended to clarify maximum value of annual public support per selected LAG and activity- now it is only for small projects.	Medium	Not accepted, because they have yearly budget
Chapter 8 M5	It is recommended not to mention IPARD and IPARD funding	Low	Done
Chapter 8 M5	It is recommended not to mention EU contribution rate	Low	Done
Chapter 8 M7	It is recommended to assess the sustainability of the activities under section 2.1 to avoid potential negative effect on the environment. This should be regulated otherwise will be detrimental for the environment/ there is no mention about the regulation	Medium	Done/all applicants for this measure need to be licensed from Forest Department under MAFRD
Chapter 8 M7	It is recommended to revise the English translation "Nectarine	Low	Done

	plants”		
Chapter 8 M7 and other measures	It is recommended that the beneficiary is registered in the place where the investment will take place	High	If the beneficiary is a business, they can be register anywhere, but the activities has to be developed in rural areas, but if the beneficiary is a natural person he/she has to live in rural areas.
Chapter 8 M7	If depopulation and demographic aging is a clear lock-in it must be reflected in the targets	Medium	Done
Chapter 8 M7	Selection criteria- place of investment, it is recommended to revise it possibly add an hardship level	Medium	Not accepted
Chapter 8 M7	It is recommended not to mention IPARD	Low	Done
Chapter 8 M7	It is recommended for specific sub-measures focusing on light activities to increase the age limit in the selection criteria.	Low	Not accepted
Chapter 8 M8	It is recommended to launch this measure in the first round of calls. The need for capacity building was high on the list of needs from the SWOT	High	Accepted
Chapter 8 M8	It is recommended to elaborate on the reasons why the current advisory services offered are struggling to reach the rural population in an effective way	High	Done
Chapter 8 M8	It is recommended to clarify the demarcation between the objectives and range of action and targets of this measures and that of measure 13 - no description is available for measure 13 and M10	Medium	Done
Chapter 8 M8	It is recommended to specify better this criteria <i>“the beneficiary must provide evidence of their staff qualifications and technical capacity in providing relevant eligible activities”</i> in the list of	Medium	Done

	documents to be provided		
Chapter 8 M8	Selection criteria are missing- Refer to the tender guidelines	High	Done
Chapter 8 M8	Budget and indicators targets are missing	High	Done
Chapter 8 M9	It is recommended to clarify further how this measure will support the advisory service. Connection with other measures is missing- e.g. specify the strong link with M10	Medium	Done
Chapter 8 M10	It is recommended to re- assess the list of potential beneficiaries to include additional stakeholders.	Medium	Done
Chapter 8 M11	It is recommended to use more recent data in the rationale, if available (the forest inventory is usually done every 10 years and there should be an updated one)	Medium	Done
Chapter 8 M11	It is recommended to provide a reference to the data related to afforestation (250-400 ha/year)	Medium	Done Department for forestry
Chapter 8 M11	In the rationale, it is recommended to elaborate the need for acting towards climate mitigation and adaptation. It should be mentioned the role of forests in e.g. soil erosion, phytoremediation, air quality and water management. Also the role of trees in urban areas i.e. urban forestry could be mentioned.	High	Done
Chapter 8 M11	It is recommended to revise the minimum area in the eligibility criteria- 0.5 ha will not contribute to improving the quality of life through the creation of forest revenues.	Medium	Not accepted
Chapter 8 M11	It is recommended to revise the English translation	Medium	Done
Chapter 8 M11	It is recommended to add a timeframe to the abandoned agricultural land e.g. agricultural land abandoned for the past X years. Food security has a high priority and it should be considered.	Medium	Not accepted
Chapter 8 M11	It is recommended to specify that the measure will not	Medium	Done

	support afforestation/reforestation for short term commercial purposes e.g. Nurseries of Christmas trees		
Chapter 9	The revision of the EU and national legal base is necessary	High	Done
Chapter 9	Specific objectives are proposed	High	Done
Chapter 10	The MA is deciding what to be contracted, by preparing the Terms of References and additional environmental actions are necessary	High	Done
Chapter 10	Any needed thematic or ad-hoc meeting should be organized through NRDN	High	Done
Chapter 10	Details on how the information disseminations are proposed	High	Done
Chapter 10	Activities on M&E are added	High	Done
Chapter 10	The LAGs network should not be abandoned, but included in the NRDN	High	Done

14. PUBLICITY, VISIBILITY AND TRANSPARENCY IN ACCORDANCE WITH IPA LEGISLATION

14.1 *The activities envisaged for informing potential beneficiaries, professional organizations, economic, social and environmental partners, bodies involved in the promotion of equality between men and women and NGOs regarding the opportunities offered by the program and the rules for benefiting from funding*

In accordance with the ARDP, the MA managing authority has drawn up the Visibility Plan and Communication activities for the ARDP 2021-2027. The plan will ensure maximum transparency, information, publicity and visibility of support from the implementation of the ARDP for the period 2021-2027. It will also ensure a sufficient number of high-quality applications and transparency in implementation, make visible the results of realized projects by publishing the names of grant beneficiaries and promote the contribution of the Government of Kosovo and the EU to rural development in Kosovo. The institution responsible for the implementation of the plan is the Managing Authority/Technical Assistance Division. The Managing Authority has a general responsibility for the planning, implementation or coordination, monitoring and reporting of the publicity and visibility of the actions. The MA has special responsibilities to inform the public, general target groups and beneficiaries about the objectives of the PBHR program, measures and procedures for application, as well as about the contribution of the EU. The Agriculture Development Agency is responsible for informing the beneficiaries of ARDP and for publishing the list of the last beneficiaries, including the identification number of the farm / NIF, as well as the amount of public funding either from the national budget or the EU, respecting the legal basis national, including the number of evaluated points.

The Visibility and Communication activities plan is prepared by the Managing Authority, and the same is reviewed and approved by the ARDP Monitoring Committee.

The Visibility and Communication Activities Plan is a multi-year strategic document, covering the entire period of implementation of the 2023/27 ARDP, in which all communication, publicity and visibility activities are presented.

Target Groups

Information and publicity for the ARDP 2023-27 and Community input will be provided to the target groups, as follows:

- Potential beneficiaries and ultimate beneficiaries.
- Public support services (MAFRD technical units, advisory services, LAG, private consultants, etc.)
- Stakeholders of the sector (representatives of farmers, trade unions, associations)
- The general public

The tools that will be used to inform the general public will contain more general information about the ARDP Program 2023-27, and about the EU contribution, while the tools for potential beneficiaries / final beneficiaries will provide more information with detailed for each given measure.

Description of Communication tools

Communication tools used: Website, social networks, newspapers, seminars / information sessions, workshops, presentations at fairs, promotional materials (farmers' guides, brochures, leaflets, posters) Advertising in print media, advertising in electronic media (TV, radio, portals, social networks)

Press conference: Based on the Law on Agriculture and Rural Development, events must be organized every year, where the Agriculture and Rural Development Program will be presented, the details about the measures, the timelines for the next period, the publication of the start of the ARDP Program 2022-27, call for applications, preliminary, final results, etc.

Press Releases: Press release is an important form of written communication that should be sent to journalists. The notification serves for the exchange of regular information (eg in the case of a call for applications, announcement of results, etc.), but also in situations where the final beneficiaries must be informed urgently (eg extension of the deadline for calls for applications).

Printed materials: Printed materials such as: Leaflets, brochures, guides, posters, banners, will serve to provide information to the potential beneficiaries of the ARDP 2023-27 as well as to the general public, about the role and contribution of the ARDP/ Government of Kosovo. The printed materials provide basic information about the ARDP 2023-27 in general, or in relation to the call for applications on an annual basis, (selected measures, final beneficiaries, financial support, list of investments and all contacts providing other relevant information).

TV and Radio: Promotion and call for applications for measures of ARDP (2023-27), as well as the annual program. The program on TV and radio will be done through announcements and advertisements. The announcements will also be made through paid advertisements on other television channels, in addition to public television.

Trainings of advisors and support organizations (advisory services): The purpose of these trainings is to inform advisors of the objectives of the ARDP 2023-27 program. Information and publicity materials will be provided to all the above mentioned participants as well as other supporting material for the implementation of the ARDP.

Seminars (information sessions) for potential beneficiaries: Before the call for applications is published, the MA will organize seminars for potential beneficiaries of the ARDP, and provide you with all the necessary information regarding the upcoming call for applications. These seminars will be held in seven regions of Kosovo

Presentations at fairs, events, etc.: Presentation of ARDP 2023-27 measures at fairs (national, regional, and international), events and conferences also represents a very important means of communication. Presentations will be held at the invitation of interested parties (financial institutions, various interest groups, such as farmers' associations, etc.), including events organized by the MAFRD.

Daily, weekly, regional and specialized newspapers for farmers: Information on ARDP 2023-27 will be published on online portals as required by the call for applications. The pre-paid pages, with (the ARDP logo) will be used to promote successful projects financed by the ARDP Program 2023-27 in the Republic of Kosovo, interviews with the employees of the MoA and ADA responsible for the implementation of the Program.

Website: The "ARDP" website is the most efficient tool to achieve the communication and publicity goals of the Agriculture and Rural Development Program. This web page will contain information about application procedures, approvals, payments and control for all measures. ADA must present through the website, the list of expenditures and beneficiaries of ARDP 2023-27, in accordance with the law on agriculture and rural development.

Social networks: For the purposes of promoting the ARDP 2022-27 Program, MA will create profiles on various social media, especially on Facebook, as the most influential public network. Information about the existence of social networks will be presented through other means of communication (website, printed materials.)

Guidelines for beneficiaries: Guidelines for applicants of ARDP 2023-27, are more detailed documents, which more specifically serve to inform the beneficiaries about the application procedures, eligibility criteria, list of documents, list of investments, list of contacts and other information, which serves the farmer to prepare for the application.

15.2 Actions foreseen to inform the beneficiaries about the contribution of the European Union

At the moment that Kosovo is the beneficiary of IPARD funds, the strategy for information and publicity will also be applied to the IPARD program. Until that time, the information and publicity campaign is done for IPA funds only as information for the reason that these funds are currently managed by the ZBE in Kosovo.

16. EQUALITY BETWEEN MEN AND WOMEN AND NON-DISCRIMINATION PROMOTED AT DIFFERENT PROGRAM LEVELS (DESIGN, IMPLEMENTATION, MONITORING AND EVALUATION)

a. Description of how equality between men and women will be promoted during the different phases of the program (design, implementation, monitoring and evaluation)

The Constitution of Kosovo ensures gender equality as a fundamental value for the democratic development of society. The Law on Gender Equality in Kosovo (Law 2004/2) was adopted to achieve equal opportunities between men and women based on the following principles:

- Ensuring equal opportunities for both female and male participants in the political, economic, cultural and social fields of social life.
- Creating conditions and opportunities for gender equality through policies that support overall development with a special focus on improving the status of women.
- Eliminating obstacles in achieving gender equality
- Establishing the main principle of equal treatment and equal opportunities by applying specific measures that must be taken to achieve equal rights.

The law creates conditions and opportunities for gender equality through policies that support overall development, especially for improving the status of women so that they enjoy authority in society and in the family. The government has established offices for gender equality in order to oversee the implementation of the Law on Gender Equality and the related Program on Gender Equality. For this purpose, an inter-ministerial council has been established to coordinate gender issues. In addition, in all ministries, a gender affairs officer is responsible for the implementation of the gender equality strategy in accordance with the Program for Gender Equality.

The Officer for Gender Equality in the MAFRD is responsible for the gender issues of women in rural areas and female farmers, which also includes the collection and monitoring of specific support measures, e.g. tailored trainings, study visits and information provision. Submission of reports related to the promotion of gender issues in the Gender Equality office and the organization of the annual seminar for women in rural areas as awareness raising and information events are additional activities carried out by the gender equality worker at the MAFRD.

The principles of gender equality were taken into consideration during the preparation of the ARDP 2023-27. Chapter III of PBZHR (socio-economic analysis) contains specific information on the situation of women in rural areas in terms of educational level, employment and social status. In relation to the overall consultation process of the program, the wider group of stakeholders (e.g. NGOs Women for Women), representing minorities and gender issues are invited to consult with the strategic approach and measures presented in The new ARDP.

In relation to the measures developed under the ARDP 2023-27, the specific situation of rural women has been taken into consideration, which is more affected by unemployment and with few property rights. As a result, special measures give special emphasis to female applicants to encourage project development and implementation by women to strengthen and empower rural women in their economic and social development such as:

Measure 1: "Investment in physical assets in agricultural economies" places additional points within the proposed system of selection criteria for female applicants.

Measure 5: "Farm diversification and business development".

Measure 7: "Preparation and implementation of the local development approach of strategies-LEADER": it is presented as a suitable criterion for the selection of local development strategies that a minimum of 10% of the members of the LAG must be female to ensure participation and the involvement of rural women in local development activities.

The technical working groups have discussed and agreed to prioritize the requests submitted by women under the measures, "Investment in physical assets in agricultural economies" and "Farm diversification and business development", as well as to set a minimum of to the female members of the GLV according to the suitability criteria for local development strategies within the "LEADER" Measure.

The implementation, monitoring and evaluation of the ARDP 2023-27 will respect the provisions of gender equality with specific monitoring projects submitted and implemented by women. The monitoring and evaluation reports will contain sufficient information for the realization of gender equality issues addressed by the special measures under the ARDP. The composition of the Monitoring Committee will take into consideration the provisions of gender equality.

Publicity and communication of activities within the ARDP will receive special attention for a targeted distribution of information to potential female beneficiaries to encourage them to develop projects. Successful projects managed by women will be specifically promoted as examples of best practices to encourage rural women to become economically active.

The Constitution of the Republic of Kosovo has placed human rights and the rights of communities in the center of attention. In accordance with international and European standards, the Government of Kosovo approved the Anti-Discrimination Law 2004/3 and the related Administrative Directive for its implementation (No. 4/2006). The purpose of the Law is to prevent and fight discrimination, promote effective equality and implement the principle of equal treatment of all citizens of Kosovo. The law is based on the following principles:

equal treatment,

- fair representation,
- interethnic understanding and tolerance.

The preparation and implementation of ARDP 2021-207 respected all the provisions set forth in the Law against discrimination and the principles of equal treatment. There will be no direct or indirect discrimination against the person on the basis of gender, age, marital status, language, mental disability

13 TECHNICAL AND EXTENSION SERVICES

The purpose of the Extension Service is to improve Kosovo's agricultural sector, as well as to increase agricultural productivity, agro-processing and marketing in a sustainable manner.

To support this, the Extension Services for Agriculture and Rural Development was established in 2004, supported by the EU-funded project "Strengthening Extension and Support Services" (SESS). This has been continued by PSHK 2 and by the Rural Extension Services (RES) projects, as well as by projects funded by the Government of Kosovo, e.g. "Development of rural areas through the promotion of extension services."

Purpose of DETS is to organize advisory services in Kosovo as a professional system, which will be effective in meeting farmers' demands for best agricultural practices and technologies.

The extension service assists in building technical capacity at the farm level, in order to:

- achieve a more competitive, market-oriented agricultural sector (for

- both export and import substitutions);
- support farmers to apply for grants and subsidies available through MAFRD and EU/donor programs;
- provides support to the extension service to farmers as well as to rural economies and communities addressing broader socio-economic issues in rural areas; and
- Kosovo's agri-food sector is aligned with that of the EU.

Extension services for agriculture and rural development in Kosovo are currently provided through two main channels:

- public sector i.e. MAFRD/DETS and Municipal Information and Advising Centers (MIACs); and
- The private sector, including private advisors, input suppliers, veterinarians, farmers' associations, agri-food processors, agricultural collection centers and cooperatives, as well as NGOs and international advisors.

The Extension Services within the MAFRD/DETS has created a database that contains the register of information for agricultural advisors and who are available at any time to respond to the requests of farmers with advice and trainings for agriculture and rural development. Advisors are categorized according to the specialized services they provide. Farmers can access this database through the extension service link on the MAFRD website www.mbpzhr-ks.net,

Public Extension Services

Following the reforms in 2013, the public extension service is now coordinated and organized by the Department for Advisory and Technical Services (DETS) of MAFRD. DETS coordinates its activities with IACs, which were established in 2014-15, based on the Law on Extension Services for Agriculture and Rural Development. Law No. 04/L-074. This requires the advisory system to function as a unique and sustainable system, under the coordination of the DETS. The Department is responsible for defining strategic policies and their implementation through IAC advisors, as defined by law and its bylaws.

Private Extension Services

Private advisory services include: NGOs, input suppliers, agri-food processors, collection centers and private individuals/companies for advisory services. These are currently the largest providers of advice to farmers in agriculture and rural development.

Private veterinarians registered with the Kosovo Veterinary Chamber also provide advisory services.

There are approximately 1,400 full-time agricultural experts in Kosovo (public and private) who support farmers. However, their organization is not at the right level and they are not always close to the farmer. They tend to give advice on an ad-hoc basis.

Support for the development of extension services has been implemented through the Kosovo budget. Where international donors have funded projects, their activities tend to stall after the project is completed; they also tend not to be developed with sufficient intensity but also not to be sustainable in the long run.

Extension services in agriculture and rural development have three main strategic objectives. They shall:

- Increase the number of farmers and other stakeholders who have access to and receive advice on agriculture and rural development;
- Adapt the extension service to the needs and requests of farmers and other stakeholders; and
- Promote and implement national development policies, as well as national and international programs in support of agriculture and rural development.

DETS-MAFRD support projects:

- The project "Development of Rural Areas through the Advancement of Extension Services", which is funded by the Kosovo budget;
- The project "Support to farmers for land analysis, training, advice and recommendations for land analysis results", which is funded by the Kosovo budget;
- Project "Providing advice and training for farmers, capacity building for municipal councilors and opening of IACs in municipalities: Leposavic, Zubin Potok, North Mitrovica and Zvečan ", which is financed from the Kosovo budget;
- Project "Training for Certification of Advisors and Improving the Efficiency of Public and Private Advisors"
- Project "Training of potential applicants to apply in the grant program"

As for information:

The information is disseminated through the MIAC, through various brochures, the website of DETS and MAFRD, as well as other electronic means, also the information is disseminated through Companies supported by DATS-MAFRD which provide advice at the level of municipalities and rural areas.

Structure and organization of the SKKBZHR

Organizational structure

The development of the SKKBZHR involves cooperation between different stakeholders that are directly and indirectly involved in agriculture (see chart below), which are:

- DETS, MAFRD;
- Municipal Information and Advising Centers (MIACs) for agriculture and rural development;
- Private extension service providers;
- Agriculture Development Agency (Payment Agency);
- Faculty of Agriculture - University of Prishtina;
- Kosovo Agricultural Institute, Peja;
- Department for Viticulture and Vineyards;
- Kosovo Veterinary and Food Agency;
- Agricultural Vocational Schools;
- Agri-food businesses;
- Rural businesses e.g. input suppliers, collection centers, etc .; and
- Farmers and the rural community, including Local Action Groups.

14 ANNEXES (NUMBER OF PAGES IS NOT LIMITED)

- Definition of small and medium enterprises.
- Description of the methodology for assessing the economic viability of beneficiaries.
- List of mountain areas with the highest aid intensity.
- Methodology for calculating payment levels for agricultural-environmental-climatic measures, organic agriculture and forestry-related actions.
- List of relevant national minimum standards.
- Full ex-ante evaluation report.
- Description of the training strategy if the measure is chosen.
- Indicative plan for the National Rural Network.

Annex 1: Definition of small and medium enterprises

Enterprises qualify as micro, small and medium-sized enterprises based on the number of employees according to Law No. 04/L-220 On Foreign Investments (Official Gazette of the Republic of Kosovo / no. 1 / January 9, 2014) and based on the financial position and net turnover according to Law No. 06/L-032 for Accounting, Financial Reporting and Auditing (Official Gazette of the Republic of Kosovo / no. 3 / April 19, 2018).

Enterprise category	Number of employees	1) Statement of financial position
		2) Net turnover
medium	50-249	1) 20,000,000.00 € 2) 40,000,000.00 €
small	10-49	1) 4,000,000.00 € 2) 8,000,000.00 €
micro	Until 9	1) 350,000.00 € 2) 700,000.00 €

The applicant must prove the economic viability of the farm through a business plan that aims to achieve results by the end of the investment period. The way in which the economic viability is proven should be explained in the guide for applicants which is prepared by ADA.

ADA funds awarded to the beneficiary must be taken into account when calculating the economic viability of the beneficiary.

In cases where the investments are smaller or equal to twenty thousand (20,000) euros, a simplified form of a business plan or project proposal can be accepted, maintaining the sustainability forecasts.

The applicant must submit a project proposal according to the model that will be published on the web-pages of the ADA and the MAFRD.

For the investment projects in which the eligible investments are greater than twenty thousand (20,000) €, the applicants must submit a business plan according to the model that will be published on the websites of the ADA and the MAFRD. The business plan is the main document for assessing economic viability. The planned investments must be in line with the production capacity. During the evaluation of the applications, based on the business plan, the officials of the ADA are obliged to reject the part of the investments that are contrary to this principle. Economic and financial sustainability is assessed based on the project proposal or business plan. The business plan must show the economic viability of the farm/enterprise at the end of the investment.

Annex 2: Description of the methodology for assessing the economic viability of the beneficiaries

The applicant must prove the economic viability of the farm through a business plan that aims to achieve results by the end of the investment period. The way in which the economic viability is proven should be explained in the guide for applicants which is prepared by ADA.

ADA's funds awarded to the beneficiary must be taken into account when calculating the economic viability of the beneficiary.

In cases where the investments are smaller or equal to twenty thousand (20,000) euros, a simplified form of a business plan or project proposal can be accepted, maintaining the sustainability forecasts.

The applicant must submit a project proposal according to the model that will be published on the web-pages of the ADA and the MAFRD.

For the investment projects in which the eligible investments are greater than twenty thousand (20,000) €, the applicants must submit a business plan according to the model that will be published on the websites of the ADA and the MAFRD. The business plan is the main document for assessing economic viability. The planned investments must be in line with the production capacity. During the evaluation of the applications, based on the business plan, the officials of the ADA are obliged to reject the part of the investments that are contrary to this principle. Economic and financial sustainability is assessed based on the project proposal or business plan. The business plan must show the economic viability of the farm/enterprise at the end of the investment.

Annex 3: List of mountain areas with the highest aid intensity

List of settlements (cadastral areas) in mountainous areas ("type A

The list (grouped by municipalities (in brackets) in alphabetical order by settlements) contains the names in Albanian and Serbian of settlements located in cadastral areas with an average altitude above 700m. Since there are cadastral areas without settlements but which have potential beneficiaries, then these are presented in italic font (with the corresponding municipality in brackets)

	Rrenc(Dragash)	Arllat(Gllogoc)
Belle(Deçan)	<i>Sainovac II(Dragash)</i>	Fushticë e
Deçan(Deçan)	Shajnë(Dragash)	Epërme(Gllogoc)
Hulaj(Deçan)	Vranishtë(Dragash)	Gradicë(Gllogoc)
Isniq(Deçan)	Xërxë(Dragash)	Kërzharekë(Gllogoc)
Lëbushë(Deçan)	Zaplluzhë(Dragash)	Negroc(Gllogoc)
Lloqan(Deçan)	Zgatar(Dragash)	Nekoc(Gllogoc)
Pobërxhë(Deçan)	Zlipotok(Dragash)	Sankoc(Gllogoc)
Strellc i Epërm(Deçan)	Zym(Dragash)	Vuçak(Gllogoc)
		Badoc(Graçanicë)

Voksh(Deçan)	Burnnik(Ferizaj)	Dromjak(Hani i Elezit)
Baçkë(Dragash)	Jezerc(Ferizaj)	Kërvenik(Hani i Elezit)
Bellobradë(Dragash)	Manastiricë(Ferizaj)	Neçavc(Hani i Elezit)
Blaç(Dragash)	Nerodime e Epërme(Ferizaj)	Vërtomicë(Hani i Elezit)
Brezne(Dragash)	Pleshinë(Ferizaj)	Cercë(Istog)
Brod(Dragash)	Gërçinë(Gjakovë)	Cërkolez(Istog)
Brodosanë(Dragash)	Goden(Gjakovë)	Istog i Poshtëm(Istog)
Brrut(Dragash)	Koshajë(Gjakovë)	Istog(Istog)
Buçë(Dragash)	Qerret(Gjakovë)	Kaliqan(Istog)
Buzez(Dragash)	Bresalc(Gjilan)	Lubozhdë(Istog)
Dikancë(Dragash)	Burincë(Gjilan)	Mojstir(Istog)
Dragash(Dragash)	<i>Burinicë(Gjilan)</i>	Shushicë(Istog)
Gllloboçicë(Dragash)	Çelik(Gjilan)	Sinajë(Istog)
<i>Glllobošicë II(Dragash)</i>	Dunav(Gjilan)	Studenicë(Istog)
Kapre(Dragash)	Gadish(Gjilan)	Suhogërlle(Istog)
Kërstec(Dragash)	Goden(Gjilan)	Uçë(Istog)
Kosavë(Dragash)	Kishnapolë(Gjilan)	Vrellë(Istog)
Krushevë(Dragash)	Lipovicë(Gjilan)	Zhakovë(Istog)
Kuk(Dragash)	Muçibabë(Gjilan)	Gjocaj(Junik)
Kukjan(Dragash)	Ponesh(Gjilan)	Jasiq(Junik)
Kuklibeg(Dragash)	Shurdhan(Gjilan)	Junik(Junik)
Leshtan(Dragash)	Sllakoc e Epërme(Gjilan)	Biçec(Kaçanik)
Lubovishtë(Dragash)	Sllakoc i Poshtëm(Gjilan)	Drenogllavë(Kaçanik)
Mlikë(Dragash)	Sllubicë(Gjilan)	Gjurgjedell(Kaçanik)
Orqushë(Dragash)	Stançiq(Gjilan)	Gllloboçicë(Kaçanik)
	Vërbicë e Zhegocit(Gjilan)	Ivajë(Kaçanik)
Plavë(Dragash)	Zhegoc(Gjilan)	Korbliq(Kaçanik)
Pllajnik(Dragash)	Rrenc(Dragash)	Kotlinë(Kaçanik)
<i>Pllavë I(Dragash)</i>	<i>Sainovac II(Dragash)</i>	Kovaçec(Kaçanik)
Radesh(Dragash)	Shajnë(Dragash)	Nikoc(Kaçanik)
Rapqë(Dragash)	Vranishtë(Dragash)	
Restelicë(Dragash)	Xërxë(Dragash)	
Runjevë(Kaçanik)	Crven(Leposaviq)	Lipovicë(Lipjan)
Semajë(Kaçanik)	Drenovë(Leposaviq)	Mirenë(Lipjan)
Sllatinë(Kaçanik)	Dubokë(Leposaviq)	Okosnicë(Lipjan)
Vatë(Kaçanik)	Gërkajë(Leposaviq)	Plitkoviq(Lipjan)
Bratilloç(Kamenicë)	Gnezhdanë(Leposaviq)	Resinoc(Lipjan)
Busovatë(Kamenicë)	Graniçan(Leposaviq)	Shalë(Lipjan)
Dazhnicë(Kamenicë)	Guli(Leposaviq)	Shashkoc(Lipjan)
Desivojcë(Kamenicë)	Guvnishtë(Leposaviq)	Shisharkë(Lipjan)
Feriqevë(Kamenicë)	Isevë e Ulët(Leposaviq)	Sillovi(Lipjan)
Gjyrishec(Kamenicë)	Jellakcë(Leposaviq)	Teçe(Lipjan)
Gmicë(Kamenicë)	Kijevçiq(Leposaviq)	Tërbufc(Lipjan)
Gragjenik(Kamenicë)	Koporiq(Leposaviq)	Vogoçicë(Lipjan)
Karaçevë e		
Epërme(Kamenicë)	Kostin Potok(Leposaviq)	Vrellë(Lipjan)
Kostadincë(Kamenicë)	Krushçicë(Leposaviq)	Berishë(Malishevë)
Kranidell(Kamenicë)	Lloznë(Leposaviq)	Lladroc(Malishevë)
Kremenatë I(Kamenicë)	Majdevë(Leposaviq)	Lladroviq(Malishevë)
Kremenatë II(Kamenicë)	Miokoviq(Leposaviq)	Millanoviq(Malishevë)
Krilevë(Kamenicë)	Moshnicë(Leposaviq)	Ngucat(Malishevë)
Lajçiqi(Kamenicë)	Ostraq(Leposaviq)	Senik(Malishevë)
Lisockë(Kamenicë)	Pllakanicë(Leposaviq)	Tërpezë e Poshtme(Malishevë)

Marocë(Kamenicë)	Pllaninicë(Leposaviq)	Tërpezë(Malishevë)
Meshinë(Kamenicë)	Potomilë(Leposaviq)	Bajgorë(Mitrovicë)
Poličkë(Kamenicë)	Qirkoviq(Leposaviq)	Bare(Mitrovicë)
Rahovicë(Kamenicë)	Rikovë(Leposaviq)	Batahir(Mitrovicë)
Sedllar(Kamenicë)	Rodel(Leposaviq)	Broboniq(Mitrovicë)
Shahiq(Kamenicë)	Rucmanc(Leposaviq)	Dedi(Mitrovicë)
Svircë(Kamenicë)	Simiçishte(Leposaviq)	Kaçandoll(Mitrovicë)
Tërstenë(Kamenicë)	Soçanicë(Leposaviq)	Koprivë(Mitrovicë)
Tugjec(Kamenicë)	Trebiqe(Leposaviq)	Kovaçicë(Mitrovicë)
Vaganesh(Kamenicë)	Vraquevë(Leposaviq)	Kutllloc(Mitrovicë)
Velegllavë e Epërme(Kamenicë)	Zabërxhë(Leposaviq)	Lisicë(Mitrovicë)
Velegllavë e Poshtme(Kamenicë)	Zavratë(Leposaviq)	Maxherë(Mitrovicë)
Vriçec(Kamenicë)	Zemanicë(Leposaviq)	Mazhiq(Mitrovicë)
Zajçec(Kamenicë)	Zërnosek(Leposaviq)	Melenicë(Mitrovicë)
Zhujë(Kamenicë)	Akllap(Lipjan)	Ovçar(Mitrovicë)
Barë(Leposaviq)	Baicë(Lipjan)	Rahovë(Mitrovicë)
Bellobradë(Leposaviq)	Brus(Lipjan)	Rashan(Mitrovicë)
Berberishtë(Leposaviq)	Bukovicë(Lipjan)	Rekë(Mitrovicë)
Bërzancë(Leposaviq)	Çellopek(Lipjan)	Rrezhanë(Mitrovicë)
Bistricë Shalës(Leposaviq)	Divlakë(Lipjan)	Selac(Mitrovicë)
Borçan(Leposaviq)	Gadime e Epërme(Lipjan)	Stantërg(Mitrovicë)
Cerajë(Leposaviq)	Hanroc(Lipjan)	Stranë(Mitrovicë)
Cërnotavë(Leposaviq)	Janjevë(Lipjan)	Tërstenë(Mitrovicë)
	Kleçkë(Lipjan)	Tunel i Parë(Mitrovicë)
	Krojmir(Lipjan)	Vidishiq(Mitrovicë)
Vidomiriq(Mitrovicë)	Malaj(Pejë)	Sllatinë(Podujevë)
Vllahi(Mitrovicë)	Novosellë(Pejë)	Surdull(Podujevë)
Zabërxhë(Mitrovicë)	Pejë(Pejë)	Sylevicë(Podujevë)
Zijaqë(Mitrovicë)	Pepiq(Pejë)	Tërnavicë(Podujevë)
Bolec(Novobërdë)	Radac(Pejë)	Turuçicë(Podujevë)
Bostan(Novobërdë)	Rekë e Allagës(Pejë)	Velikarekë(Podujevë)
Bushincë(Novobërdë)	Shkreli(Pejë)	Zhiti(Podujevë)
Carevc(Novobërdë)	Shtupeq i Madh(Pejë)	Novosellë(Pristina)
Dragancë(Novobërdë)	Shtupeq i Vogël(Pejë)	Ballaban(Pristina)
Irnjiq II(Novobërdë)	Stankaj(Pejë)	Busi(Pristina)
Izvor(Novobërdë)	Balloçë(Podujevë)	Dabishec(Pristina)
Jasenovik(Novobërdë)	Barainë(Podujevë)	Dragoc(Pristina)
Klobukar(Novobërdë)	Bërvenik(Podujevë)	Glllogovicë(Pristina)
Kosaç(Novobërdë)	Bllatë(Podujevë)	Grashticë(Pristina)
Kufcë e Epërme(Novobërdë)	Bradash(Podujevë)	Hajkobillë(Pristina)
Llabjan(Novobërdë)	Brainë(Podujevë)	Keçekollë(Pristina)
Makresh i Epërm(Novobërdë)	Brecë(Podujevë)	Koliq(Pristina)
Makresh i Ulët(Novobërdë)	Dobërdol(Podujevë)	Kolovicë(Pristina)
Manishincë(Novobërdë)	Dobratin(Podujevë)	Kukavicë(Pristina)
Miganoc(Novobërdë)	Dumnicë e Epërm(Podujevë)	Llukar(Pristina)
Mozgovë(Novobërdë)	Dvorishtë(Podujevë)	Makoc(Pristina)
Novobërdë(Novobërdë)	Dyz(Podujevë)	Marec(Pristina)
Parallovë(Novobërdë)	Hërticë(Podujevë)	Mramor(Pristina)
Prekoc(Novobërdë)	Kalaticë(Podujevë)	Nishec(Pristina)
Strazhë(Novobërdë)	Kërpimeh(Podujevë)	Prapashticë(Pristina)

Tërniqec(Novobërdë)	Kushevicë(Podujevë)	Radashec(Pristina)
Tirincë(Novobërdë)	Lladoc(Podujevë)	Rimanishtë(Pristina)
Zebincë(Novobërdë)	Lupç i Epërm(Podujevë)	Sharban(Pristina)
Bellopaq(Pejë)	Metehi(Podujevë)	Siqevë(Pristina)
Bellopojë(Pejë)	Metergoc(Podujevë)	Slivovë(Pristina)
Bogë(Pejë)	Muhazob(Podujevë)	Sofali(Pristina)
Breg i Zi(Pejë)	Murgull(Podujevë)	Zllash(Pristina)
Drelaj(Pejë)	Orllan(Podujevë)	Zllatar(Pristina)
Dugaivë(Pejë)	Pakashticë Epërm(Podujevë)	Dojnicë(Prizren)
Haxhaj(Pejë)	Pakashticë Poshtme(Podujevë)	Drajçiq(Prizren)
Jabllanicë Madhë(Pejë)	Përpellac(Podujevë)	Gërncar(Prizren)
Jabllanicë e vogël(Pejë)	Pollatë(Podujevë)	Gornjasellë(Prizren)
Koshutan(Pejë)	Popovë(Podujevë)	Gorozhup(Prizren)
Kuqishtë(Pejë)	Potok(Podujevë)	Jabllanicë(Prizren)
Lëvoshë(Pejë)	Rakinicë(Podujevë)	Jeshkovë(Prizren)
Lipë(Pejë)	Reçicë(Podujevë)	Kabash(Prizren)
Llaz-Bellopaq(Pejë)	Repë(Podujevë)	Karashëngjergj(Prizren)
Lubeniq(Pejë)	Revuq(Podujevë)	Kushnin(Prizren)
	Shajkoc(Podujevë)	Kushtendill(Prizren)
		Leskovec(Prizren)
		Lez(Prizren)
Llokvicë(Prizren)	Devetak(Shtime)	Debelldeh(Viti)
Lubinjë Epërme(Prizren)	Dugë(Shtime)	Goden i Madhë(Viti)
Lubinjë Poshtme(Prizren)	Karaqicë(Shtime)	Letnicë(Viti)
Lubiqevë(Prizren)	Llanishtë(Shtime)	Lubishtë(Viti)
Lubizhdë Hasit(Prizren)	Mollopolc(Shtime)	Mjak(Viti)
Manastiricë(Prizren)	Petrovë(Shtime)	Shashare(Viti)
Milaj(Prizren)	Pjetershticë(Shtime)	Stubëll e Epërme(Viti)
Muradem(Prizren)	Rancë(Shtime)	Stubëll e Poshtme(Viti)
Mushnikovë(Prizren)	Reqak(Shtime)	Vërnakollë(Viti)
Nebregoshtë(Prizren)	Topillë(Shtime)	Vërnez(Viti)
Novosellë(Prizren)	Zborc(Shtime)	Beçuk(Vushtrri)
Pllanejë(Prizren)	<i>Krajicë(Skendaraj)</i>	Boshlan(Vushtrri)
Pllanjan(Prizren)	Bajë(Skendaraj)	Ceceli(Vushtrri)
Pouskë(Prizren)	Bllacë(Suharekë)	Duboc(Vushtrri)
Reçan(Prizren)	Budakovë(Suharekë)	Dumnicë Epërme(Vushtrri)
Skrobishtë(Prizren)	<i>Bukosh II(Suharekë)</i>	Gracë(Vushtrri)
Sredskë(Prizren)	Çadrak(Suharekë)	Gumnishtë(Vushtrri)
Struzhë(Prizren)	Çubrel(Skendaraj)	Karaçë(Vushtrri)
Vërbiquan(Prizren)	Delloç(Suharekë)	Kollë(Vushtrri)
Zhivinjan(Prizren)	Greçec(Suharekë)	Kunovik(Vushtrri)
Zhur(Prizren)	Javor(Suharekë)	Kurillovë(Vushtrri)
Zatriq(Rahovec)	Kotorr(Skendaraj)	Pasomë(Vushtrri)
Bozhec(Ranillug)	Kozhicë(Skendaraj)	Shalë(Vushtrri)
Rajnoc(Ranillug)	Krasaliq(Skendaraj)	Shlivovicë(Vushtrri)
Beroc(Shtërpcë)	Krasmiroc(Skendaraj)	Skoçan(Vushtrri)
<i>Berofc II(Shtërpcë)</i>	Krushicë Epërme(Suharekë)	Skromë(Vushtrri)
Biti e Epërme(Shtërpcë)	<i>Krushicë</i>	Sllakoc(Vushtrri)

	<i>Epërme(Suharekë)</i>	
Biti	e	
Poshtme(Shtërpçë)	Kuçicë(Skenderaj)	Strofc(Vushtrri)
Brezovicë(Shtërpçë)	Lluzhnicë(Suharekë)	Vesekoc(Vushtrri)
Brod(Shtërpçë)	Lubavec(Skenderaj)	Zagorë(Vushtrri)
Drekoc(Shtërpçë)	Maqitevë(Suharekë)	Zhilivodë(Vushtrri)
Firajë(Shtërpçë)	Mushtisht(Suharekë)	Babiq(Zubin Potok)
Gotovushë(Shtërpçë)	Papaz(Suharekë)	Babudovicë(Zubin Potok)
Izhancë(Shtërpçë)	Popolan(Suharekë)	Banjë(Zubin Potok)
Jazhincë(Shtërpçë)	Prellloc(Skenderaj)	Bërnjak(Zubin Potok)
Kashtanevë(Shtërpçë)	Radishevë(Skenderaj)	Bojnoviqe(Zubin Potok)
Sevcë(Shtërpçë)	Runik(Skenderaj)	Breg i Madh(Zubin Potok)
Shtërpçë(Shtërpçë)	Syriganë(Skenderaj)	Bube(Zubin Potok)
Sushicë(Shtërpçë)	Tërnavc(Skenderaj)	Burllatë(Zubin Potok)
Vërbeshticë(Shtërpçë)	Vërshc(Suharekë)	Çabër(Zubin Potok)
Viqë(Shtërpçë)	Vitak(Skenderaj)	Çeçevë(Zubin Potok)
Belincë(Shtime)	Vraniq(Suharekë)	Çeshanoviq(Zubin Potok)
Caralevë(Shtime)	Ballancë(Viti)	Çitlluk(Zubin Potok)
Llokvicë(Prizren)	Buzovik(Viti)	
Crepulë(Zubin Potok)	Prelez(Zubin Potok)	Banovdoll(Zveçan)
Dobroshevinë(Zubin Potok)	Presekë(Zubin Potok)	Grizhan(Zveçan)
Dragalicë(Zubin Potok)	Prevllak(Zubin Potok)	Izvor(Zveçan)
Drainoviq(Zubin Potok)	Pridvoricë(Zubin Potok)	Kamenicë(Zveçan)
Dren(Zubin Potok)	Rançiq(Zubin Potok)	Kullë(Zveçan)
Gazivodë(Zubin Potok)	Rezallë(Zubin Potok)	Lipovicë(Zveçan)
Jabukë(Zubin Potok)	Rujishtë(Zubin Potok)	Llokvë(Zveçan)
Jagnjenicë(Zubin Potok)	Shipovë(Zubin Potok)	Llovac(Zveçan)
Jasenovik	i	
Epërm(Zubin Potok)	Shtuoc(Zubin Potok)	Mekidoll(Zveçan)
Jasenovik	i	
Poshtëm(Zubin Potok)	Stërnac i Epërm(Zubin Potok)	Potok i Jankut(Zveçan)
Junakë(Zubin Potok)	Tushiqë(Zubin Potok)	Rahovicë(Zveçan)
Kalludër e Madhë(Zubin Potok)	Uglar(Zubin Potok)	Rudinë(Zveçan)
Kalludër e Vogël(Zubin Potok)	Varragë e Epërm(Zubin Potok)	Vilishtë(Zveçan)
Kërligatë(Zubin Potok)	Varragë e Poshtme(Zubin Potok)	Zhazhë(Zveçan)
Kijevc(Zubin Potok)	Vërbë(Zubin Potok)	
Kleçkë(Zubin Potok)	Vitakovë(Zubin Potok)	
Kobillogllavë(Zubin Potok)	Vojmisliq(Zubin Potok)	
Kopilloviq(Zubin Potok)	Vukojeviq(Zubin Potok)	
Kovaçë(Zubin Potok)	Zagragjë(Zubin Potok)	
Kozarevë(Zubin Potok)	Zagul(Zubin Potok)	
Lluçkarekë(Zubin Potok)	Zeqeviç(Zubin Potok)	
Megjipotok(Zubin Potok)	Zharevë(Zubin Potok)	
Okllac(Zubin Potok)	Zubin Potok(Zubin Potok)	
Padinë(Zubin Potok)		
Paruc(Zubin Potok)		

List of settlements (cadastral areas) in mountainous areas ("type B")

The list (grouped by municipalities (in brackets) in alphabetical order by settlements) contains the names in Albanian and Serbian of settlements located in cadastral areas with an average altitude above 700m. where at least 20% of the surface has a slope of at least 10%.

Batushë(Gjakov)	Kajkovë(Leposaviq)	Vuçë(Leposaviq)
Ponoshec(Gjakov)	Kalin(Leposaviq)	Billushë(Prizren)
Popoc(Gjakov)	Kërnin i Epërm(Leposaviq)	Korishë(Prizren)
Inatoc(Gjilan)	Krushevë(Leposaviq)	Kabash(Viti)
Pidiq(Gjilan)	Kutnje(Leposaviq)	Novosellë(Viti)
Pustenik(Hani i Elezit)	Leposaviq(Leposaviq)	Bajnjskë(Zvean)
Bob(Kaçanik)	Leshak(Leposaviq)	Boletin(Zvean)
Gajre(Kaçanik)	Mekiniqe(Leposaviq)	Bresnicë(Zvean)
Kaçanik(Kaçanik)	Mihaliq(Leposaviq)	Joshevik(Zvean)
Llanishtë(Kaçanik)	Popoc(Leposaviq)	Lipë(Zvean)
Hajnoc(Kamenicë)	Rëvatskë(Leposaviq)	Rekë e Banjskës(Zvean)
Strezoc(Kamenicë)	Seoc(Leposaviq)	Rudar i Madh(Zvean)
Bistricë(Leposaviq)	Sllatinë(Leposaviq)	Rudar i Vogël(Zvean)
Borovë(Leposaviq)	Trikosë(Leposaviq)	Sërboc(Zvean)
Desetak(Leposaviq)	Tvergjan(Leposaviq)	Suhadoll i Banjës(Zvean)
Dren(Leposaviq)	Ulinje(Leposaviq)	Vuçë(Leposaviq)
Jarinje(Leposaviq)	Vitanoviq(Leposaviq)	Billushë(Prizren)
Jashanicë(Leposaviq)		

Description of the methods used to define mountain areas**Calculation method for determining mountain areas/habitats "type A":**

The analysis and calculations for the determination of mountain areas were made through the geographic information system called ArcGIS 10 (ESRI product) at the geographic level of cadastral areas (polygons). The average height above sea level was calculated for each cadastral area within the process of defining mountain areas of type A (the same values of the average height above sea level were used for mountain areas of type A and type B) based on SRTM raster data. For the entire area of Kosovo, this means 276,036 points. Each point is assigned to a cadastral area using a spatial node. At the end, the average height above sea level of each cadastral area was calculated.

Then, the cadastral areas with an average height above sea level of over 700 m were selected and marked as "cadastral areas of height". All cadastral areas that meet this criterion are defined as mountain areas of type A. (Selection criteria: cadastral area >700m altitude).

After the determination of mountain cadastral areas type A, the selection of settlements was made. (Note: Reference information about settlements is presented only as points (coordinates, not at the level of polygons.) Therefore, the selection is made "by location" in ArcGIS 10, selecting all settlements that lie entirely within the reference layer of the defined areas mountainous, cadastral areas of type A. All settlements that meet the selection criteria are presented and defined as mountainous areas/settlements of type A.

Calculation method for determining mountain areas/habitats "type B":

The analysis and calculations for the determination of mountain areas were made through the geographic information system called ArcGIS 10 (ESRI product) at the geographic level of cadastral areas (polygons). The average height above sea level was calculated for each cadastral area within the process of determining the mountain areas of type A (the same values of the average height above sea level were used for mountain areas of type A and type B).

Then, for each cadastral area, the slope value was calculated based on the raster data of the digital terrain model of Kosovo. The calculation was made through the zonal statistics model in ArcGIS 10. In case the slope of the cadastral area is over 10% in more than 50% of the area of the cadastral area, such cadastral areas are marked as "slope cadastral areas".

Then, the altitude and slope conditions were used together, selecting only the cadastral areas with a height of over 600m and below 700m (since the cadastral areas above 700m are already defined as mountain areas of type A) and at the same time only the cadastral areas with a slope of over 10% are selected. All cadastral areas that meet the criteria defined above are defined as mountain areas of type B.

(Selection criteria: cadastral area with height >600m and cadastral area with height <700m and cadastral area with slope >10%);

After the determination of mountain cadastral areas type B, the selection of settlements was made. (Note: Reference information about settlements is presented only as points (coordinates, not at the level of polygons.) Therefore, the selection is made "by location" in ArcGIS 10, selecting all settlements that lie entirely within the reference layer of the defined areas mountainous, of cadastral areas of type B. All settlements that meet the selection criteria are presented and defined as mountain areas/settlements of type

Annex 4: Methodology for calculating payment levels for the agricultural-environmental-climatic measure, organic agriculture and actions related to forestry

1. Methodology for calculating payment levels for agro-environment

Calculation of forgone income and additional costs

The starting point of the payment calculation is a reference crop rotation for the pilot area. In the non-irrigated area, rainfall determines crop rotation.

Payment calculation is based on forgone income and additional costs. Lost revenue is expressed as gross margin (return minus direct costs) and is calculated by comparing the reference gross margin with the demand gross margin. Additional costs include planting green cover, labor, seeds, etc.

Standard gross margin from 1 ha for non-irrigated arable land (wheat)

A. Incomes	€/ha	1,880		
1. Yield	Kg/ha	4,000		
2. Price of wheat	€/Kg	0,37		
3. Incomes from the wheat	€/ha	1,480		
4. Amount of straw	Kg/ha	4,000		
5. Price of straw	€/Kg	0,10		
6. Incomes from the sale	€/Kg	400		
	Unit	Amount	Price	Total
B. Total costs	€/da		€	
B1. Different costs				
1. Inputs incomes				
1.1. Cost of seed	Kg	160	0,60	96
1.2. The cost of garbage	Kg	250	1.00	250
1.3. The cost of garbage	Kg	200	1.00	200
1.4. Agrochemical costs				70
1.5. Diesel oil costs for urea fertilizer (fertilizer machine)				50
2. Maintenance and labor costs				
2.1.Plowing (heavy plow)	Ha	1.ha	150	150
2.2. Pijatimi		Ha	50	50
2.3. Trenimi		ha	50	50
2.4. Fertilizing and Planting Seedlings		ha	70	70
2.6. Labor costs for pest control				50

3. Harvesting and Marketing				
3.1. Harvesting	Ha	1	120	120
3.2. balirimi	cope	400	100	100
3.3. Transport (to bin and market) (Tractor or truck)				100
4. Other variable expenses				
B.2. Permanent expenses				
1. Rent on the ground				
C. Total incomes	€/ha			1,880
D. Total costs				1,356
E. Net incomes	€/ha			524

CALCULATIONS for PACKAGE 1

Costs per MAIZE (1 ha)

A. Incomes	€/ha	x		
1. Yield	Kg/ha	4,000		
2. Main crop price	€/Kg	0,37		
3. Income from the main crop	€/ha	1,480		
4. amount of by-product	Kg/ha	0		
5. By-product price	€/Kg	0		
6. Income from the by-product	€/Kg	0		
	Unit	Amount	Price	Total
B. Total costs	€/da		€	x
B1. Different costs				
1. Incomes costs				
1.1. Cost of seed	kg	50	1.20	60
1.2. The cost of garbage	kg	300	1	300
		x	x	x
1.4. Agrochemical costs				70

1.5. Diesel oil costs for urea fertilizer (fertilizer machine)				50
1.6. Costs of petroleum oil for disinfection				0
2. Maintenance and labor costs				x
2.1.Plowing (heavy plow)				150
2.2. Pijatimi				70
2.3. Trenimi				70
2.4. Fertilizing and Planting Seedlings				100
3. Harvesting and Marketing				
4. Other variable expenses				
B.2. Permanent costs				
1. Rent on the ground				x
C. Total incomes	€/ha			1,480
D. Total costs				890
E. Net incomes	€/ha			590

Costs per CLOVER (ha)

A. Incomes	€/ha			
1. Yield (Fodder) two harvests	Kg/ha			2,400
2. Main crop price	€/Kg			3
3. Income from the main crop	€/ha			400x3=1,200
4. The amount of by-product	Kg/ha			0
5. By-product price	€/Kg			0
6. Income from the by-product	€/Kg			0
	Unit	Amount	Price	Total
B. Total costs	€/ha		€	x
B1. Variable costs				
1. Input costs				
1.1. Cost of seed	kg	25	5	125
1.2.The cost of garbage	kg	400	1	400
2. Maintenance and labor costs				x
2.1. Plowing (Heavy Plow)	ha	1ha	150	150

2.2. Pijatimi	ha	1	70	70
2.3. Trinimi	ha	1	70	70
2.4. Fertilization and planting	ha	1	80	80
2.5. Seed cost for maintenance		0	0	0
3. Harvesting and Marketing	1	1	250	250
4. Other variable costs				
B.2. Permanent costs				
1. Rent on the ground				
C. Total incomes	€/ha			2,400
D. Total costs				1,145
E. Net incomes	€/ha			1,255

Controllability and verifiability of agro-environmental commitments

This is only an indicative description. Detailed procedures will be developed in the accreditation package and will be subject to a designation decision by the European Commission.

All parcels are covered by the Agricultural Information System (TBS), which is a parcel-based system. Through this system, the data of agricultural land plots can be seen such as plot size, irrigation conditions (irrigated or not), type of agricultural production (field or pasture), slope, yield, other applications of the farmer, etc. .

All commitments are auditable and verifiable as explained below.

Agro-Environmental Measure/ Sub-Measure: Control of soil erosion			
ELIGIBILITY CRITERIA	BASIC (GAEC), if any	Control method (administrative)	Control method (in place)
<i>Size of eligible area</i>	Not applicable	TBS; Agricultural Information System	GPS, ...

<i>Land cadastre ownership or lease proof</i>	Not applicable	TBS; The lease contract submitted by the farmer together with the application	On-site identification
<i>Arable land</i>	Not applicable	TBS	Visual inspection
<i>Land without irrigation</i>	Not applicable	TBS	Visual inspection
<i>The slope</i>	Not applicable	TBS	Visual inspection
COMMITMENT	BASIC (GAEC), if any	Control method (administrative	Control method (in place)
<i>Land under green cover every other year/permanent with fixed planting dates</i>	Not applicable	Not controllable by administrative means	Visual inspection of the state of vegetation at a certain stage of growth Control time is important
<i>Straw left in the field Barren green vegetation plowed on a certain date</i>	Not applicable	Not controllable by administrative means	Visual inspection of the state of vegetation at a certain stage of growth Control time is important
<i>Grazing is not allowed</i>	Not applicable	Not controllable by administrative means	Visual inspection
<i>No mowing</i>	Not applicable	Not controllable by administrative means	Visual inspection
<i>Participation in mandatory training</i>	Not applicable	Training certificate check	

<i>Keeping records of the plot</i>	Not applicable	no	On-site document control
<i>GAEC - Burning of stubble on arable land is prohibited</i>		Not controllable by administrative means	Visual inspection
GAEC - Terraces and other physical structures (wind curtain, terrace, flood bay and containment structures) must not be destroyed		Not controllable by administrative means	Visual inspection

Annex 5: List of relevant minimum national standards

Overview of the National Minimum Standards (NMS) for the measure "Investments in agricultural properties"

The following annex presents the list of minimum national standards for the measures "Investments in agricultural properties" and "Processing and marketing of agricultural products" which is an integral part of the RDP in Kosovo.

1.1 Food safety and quality

Themes (field standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
Milk sector	Registration and approval of establishments	<p>Law No. 03/L-016 for food</p> <p>Regulation No. 10/2011 on official controls undertaken to ensure compliance with the law on food and animal feed and the rules on animal health and welfare</p> <p>Regulation No. 11/2011 on the hygiene of food products</p> <p>Regulation No. 11/2011 on the hygiene of food products</p>	<p>Food Business Operators dealing with food of non-animal origin and small operators supplying consumers directly are obliged to register with the Competent Authority (Food and Veterinary Agency).</p> <p>Food Business Operators dealing with food of animal origin such as slaughterhouses, meat processing plants, dairies and cold storages must be subject to approval procedures.</p>	Food and Veterinary Agency

Themes (field standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Food safety, hygiene and animal nutrition	<p>Regulation No. 11/2011 on food hygiene</p> <p>Regulation No. 12/2011 for determining specific rules on the hygiene of food of animal origin</p> <p>Regulation No. 27/2012 on the microbiological criteria of foodstuffs.</p>	<p>Operators of Food Businesses (OFB) for Humans and Animals, in addition to the Law on Food, must comply with the rules set forth in the aforementioned regulations. There are temporary provisions that give operators time to advance their structures and functionality (eg compliance with HACCP principles by the end of 2013).</p> <p>The official annual control and sampling plan is a risk-based plan that operators must respect the microbiological criteria of products placed on the market and the food safety criteria during the production stages.</p>	Food and Veterinary Agency
	Traceability	Ligji Nr. 03/L-016 për ushqimin	Based on the food law, OBUs are obliged to apply the principle of traceability in all stages of production.	Food and Veterinary Agency
	Labeling of human food and animal feed	<p>Ligji Nr. 04/L-121për mbrojtjen e konsumatorëve</p> <p>U.A. 12/2005 për etiketimin e mallrave ushqimore</p>	Labeling requirements are set out in Administrative Instruction 12/2005 on the labeling of foodstuffs which is based on Directive 2000/13/EC. All products must be labeled according to this A.I. containing important information for the consumer.	Food and Veterinary Agency Ministry of Industry and Trade

Themes (field standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Safe production of milk and meat on the farm	A.I. 20/2006 on fresh milk hygiene criteria Law No. 21/2004 on Veterinary	In addition to the criteria for fresh milk that determine the parameters that must be collected by farmers, the veterinary law determines the rules for primary producers regarding the safety of products in terms of animal diseases in livestock farms.	Food and Veterinary Agency
Meat sector	Meat processing			Food and Veterinary Agency

Themes (field standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Approval as a meat processor	<p>Law No. 03/L-016 on food</p> <p>Regulation No. 10/2011 on official controls undertaken to ensure compliance with the law on food and animal feed and the rules on animal health and welfare</p> <p>Regulation No. 11/2011 on food hygiene</p> <p>A.I. MA 01/2006 on approval of slaughterhouses and facilities for meat processing and their inspection</p>	<p>Based on the declared acts, slaughterhouses and meat processing facilities must be approved for operation.</p> <p>They must fulfill the requirements for hygiene in their facilities, activities and requirements related to the raw material.</p>	Food and Veterinary Agency

Themes (field standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Food quality and safety	<p>Regulation No. 11/2011 on food hygiene</p> <p>Regulation No. 12/2011 on determining specific rules on the hygiene of food of animal origin</p> <p>Regulation No. 13/2011 on determining specific rules on the organization of official controls of products of animal origin for human consumption</p>	<p>This regulation specifies the minimum requirements that meat producers must meet in order to place their products on the market.</p> <p>There are no general and specific provisions for production processes and self-controls, the official controls that must verify compliance are defined in Regulation 13/2011.</p>	
	Presentation and use of HACCP	Regulation No. 11/2011 on food hygiene	This regulation determines that OBUs must work according to HACCP principles until the end of 2013.	Food and Veterinary Agency

Themes (field standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Sanitary control	<p>Regulation No. 12/2011 on determining specific rules on the hygiene of food of animal origin</p> <p>A.I MA 01/2006 on approval of slaughterhouses and facilities for meat processing and their inspection</p> <p>Regulation No. 13/2011 on determining specific rules on the organization of official controls of products of animal origin for human consumption</p>	The minimum criteria for the sanitation of facilities are defined in several regulations. Requirements for sanitation and hygienic conditions are mandatory for OBUs during their approval and registration process at the beginning, as well as in all other stages of production. Verification of compliance is the responsibility of Food and Veterinary Agency inspectors.	
	Management of waste and by-products	<p>Law No. 04/L-060 on Waste</p> <p>Draft regulation on intermediate products</p>	<p>The general rules for waste are defined within this law.</p> <p>Specific rules for livestock intermediate products will be determined based on Regulation (EC) No. 1069/2009 which is in drafting procedures.</p>	<p>Ministry of Environment and Spatial Planning</p> <p>Food and Veterinary Agency</p>

Themes (field standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Equipment for slaughter, food processing and maintenance	<p>Regulation No. 11/2011 on food hygiene</p> <p>Regulation No. 12/2011 on determining specific rules on the hygiene of food of animal origin</p> <p>Regulation No. 13/2011 on determining specific rules on the organization of official controls of products of animal origin for human consumption</p>	<p>Regulation No. 12/2011 defines the specific requirements for OBUs for slaughtering of different types, slaughtering procedures, equipment and the entire food safety chain regarding products of animal origin.</p> <p>Defines the duties of OBUs and responsibilities for information and traceability of the food chain.</p>	Food and Veterinary Agency

Themes (field standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
Plant production sector		<p>Law on Planting Material No. 2004/13. A.I. No.03/2011 on the registration of producers of seedling material of trees, vegetables, vines and decorative plants,</p> <p>A.I.No.04/2011 on registration of importers, traders and exporters of nursery material of trees, vegetables, vines and decorative plants.</p> <p>A.I. No. 27/2005 On packaging and labeling of seedling material.</p> <p>Law on seeds No. 2003/5</p> <p>A.I. No. 08/2009</p>	<p>CONDITIONS FOR PRODUCERS, IMPORTERS, TRADERS AND EXPORTERS OF PLANTING MATERIAL: Request for registration, Business certificate and business information, Registration tax payment slip, Declaration on soil analysis, Diploma for professional training, Declaration on the origin of the propagation material, Minutes from the phytosanitary inspector. Evidence on the evidence of the contracted amounts of planting material.</p> <p>CONDITIONS FOR LICENSING FOR IMPORTERS, PRODUCERS, PROCESSORS AND PACKAGERS OF SEEDS. Business registration certificate, Business information, Diploma of the Faculty of Agriculture, Inspector's minutes for the evaluation of the condition of the warehouse, Proof of the payment of the Licensing tax.</p> <p>CONDITIONS FOR FIELD INSPECTION OF SEED CEREALS: Accurate field location,</p>	

Themes (field standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Registration and licensing as a food operator	Law No. 03/L-042 on plant protection products, LAW No. 2003/10 on Fertilizers, Law No. 2003/5 for Seeds, A/I No. 01/2004 on Criteria for Licensing Operators dealing with Import, storage and transport of Pesticides.	After the official controls carried out by the phytosanitary inspectors of the Food and Veterinary Agency, which controls the hygienic, climatic and other conditions, the Ministry of Agriculture issues the license to the operators. With this license, operators can trade, transport, store: seeds, plant protection products (pesticides), artificial fertilizers and other planting material.	
	Presentation and use of HACCP	Regulation No. 11/2011 on the hygiene of food products	This regulation defines; OBUs must work according to HACCP principles until the end of 2013.	Food and Veterinary Agency

1.1.1 Animal health and welfare

Topic (field of standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Identification and registration	Law No.21/2004 on Veterinary		

Topic (field of standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
Animal health and welfare	of animals (cattle, sheep, goats, ...)	A/I No. 12/2012 Identification and Registration of Animals	The purpose of this administrative instruction is to determine the appropriate place of products of animal origin as well as their movement inside and outside the Republic of Kosovo, the conditions and criteria for cattle, sheep, goats, pigs and horses.	Food and Veterinary Agency
	Protection of animals during transport and slaughter	Law No.21/2004 on Veterinary. Law No. 02/L-10 on Aimal Welfare.		

Topic (field of standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
		<p>A/I No. 17/2005 on the transportation of animals within the Republic of Kosovo.</p> <p>A/I No. 24/2006 on the slaughter of animals by humans.</p>	<p>The current administrative instruction determines the circulation of all categories of live animals within the territory of Kosovo.</p> <p>Through this administrative instruction, the requirements for humane slaughter of animals intended for slaughter, and during stretching, binding (pening), stunning, killing and slaughtering, slaughtering facilities, their supervision and inspection of animals and facilities, as well as slaughtering methods are determined.</p>	Food and Veterinary Agency

Topic (field of standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Conditions for the protection of animals kept for farm purposes	Law No. 02/L-10 on Animal Welfare.	In addition to the law, the draft proposal for keeping and keeping livestock is in the procedure.	
		A/I No. 19/2006 on placing animals in quarantine. Other administrative instructions are going through drafting procedures.	The purpose of this administrative instruction is to regulate issues related to the quarantine of live animals that are imported into the Republic of Kosovo. Awaiting approvals.	Food and Veterinary Agency Cooperation with the Twinning Project-EU.

Topic (field of standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Animal diseases	<p>Law No. 21/2004 on Veterinary Medicine</p> <p>Administrative instructions for the prevention, fight and eradication of communicable diseases:</p> <p>Rabies No. 10/2005; Form No. 14/2005;</p> <p>Bird flu 24/2005; FMD 27/2006;</p> <p>Bluetongue 28/2006; CFS 33/2006; TSE 34/2006; TB, brucellosis leukosis in cattle 26/2007; B. melitensis (sheep, goats and pigs) 07/2008;</p> <p>Anthrax 06/2008; Bee disease 15/2008;</p> <p>Salmonella in poultry 32/2008;</p>	All these administrative instructions are in accordance with the prevention, fight and eradication of communicable diseases in the Republic of Kosovo.	Food and Veterinary Agency

Topic (field of standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Workers' health, hygiene and welfare	Law No. 04/L-161 On safety and health at work	The purpose of this law is to determine the measures for improving the level of safety and health of employees. It also contains the general principles for the prevention of occupational risks, the elimination of risk factors and accidents, information, consultation, balanced participation in improving the level of safety and occupational health.	Labor Inspectorate-MPMS
	Environmental Protection			

1.1.2 Plant protection

Themes (field standards) of		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
Plant protection	Trade and operation of plant protection products (qualifications and skills).	Law No. 03/L-042 on Plant Protection	PPP traders / Operators are qualified persons in the field of Agronomy, they must have completed the faculty in this field, equipped with a permit. To be able to carry out their activity, PPP dealers must, in addition to selling, also give advice on how to use PPPs. PPP retailers compile an annual report for the technical body which must be submitted no later than March of the following year, reporting on the amount of PPP sold and the quantities remaining in the warehouse. Only PPPs are traded which are registered in the MAFRD. DAPT (department of agricultural policies and trade) - granting permits, regional and municipal phytosanitary inspectors of agriculture.

Themes (field standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Storage, handling and use	A/I No. 13/2009 on setting the conditions, facilities and equipment for placing PPPs on the market	PPPs are stored in specialized warehouses that are intended only for PPPs. Warehouses must meet the conditions: they must be ventilated, equipped with ventilation, divided according to categories placed on shelves.	
	Transport		The means of transport of PPPs must fulfill all the technical requirements defined in the law. It is strictly forbidden to transport PPP with vehicles that serve to transport people, food or animals. The packaging materials of the PPPs for transport must be of the original packaging.	
	Waste, surplus, throw away		It is foreseen by a sub-legal act to regulate this field	
	Equipment		Regarding the equipment that will be used for the treatment/spraying with PPP, the users of the PPP must be trained and equipped with special certificates, as well as the equipment they used must be certified, the completion of by-laws in this field is required .	

Themes (field standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Safety at work		Persons using PPP must use protective equipment, protective cape, mask, gloves, boots.	
	Environmental Protection		The use of PPPs by airplane is prohibited	

1.1.3 Environmental Protection

Themes (field of standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
Environmental protection	Protection of surface water	LIGJI Nr. 04/L-147 për ujërat e kosovës	It is forbidden to carry out all works that cause a change in the water condition. The interventions aimed at improving, rehabilitating and maintaining the good condition of the waters are carried out in accordance with the river basin management plans.	Inspection for waters - MMPH
	Soil protection	Law No. 02/L-26 On agricultural land	The owner or user of the agricultural land is obliged to use the agricultural land in a way that suits the natural properties of the land, not reducing its value and using the relevant agrotechnical measures.	Inspection for agriculture - MAFRD

Themes (field of standards)		Legal framework of Kosovo (relevant legislation)	National minimum standards (brief description of requirements and standards)	Technical bodies (responsible for implementation)
	Air defense	Law No. 2004/30 on the protection of air from pollution	Every legal and natural person must preserve the quality of the air, protect it from the pollution caused during the activity carried out in the territory of the Republic of Kosovo.	Kosovo Agency for Environmental Protection – MESP
	Preservation of natural habitats	LAW No. 03/L-233 on the protection of nature	Owners and legal users of natural components are obliged to allow representatives of the bodies for performing administrative and/or professional work in the protection of nature - hereinafter: competent bodies - and persons authorized by them to visit and look at them for the purpose of research, professional data collection, as well as to supervise the implementation of the measures and conditions defined for the protection of nature as well as for the protected values of nature.	MESP

Annex 6: Ex-ante evaluation report

Annex 8: Indicative plan for the National Rural Network

During the period 2022-2027, it is foreseen that the Ministry of Agriculture, Forestry and Rural Development will support the establishment and operation of the national rural network. The legal basis for the National Rural Development Network is EU Regulation No. 1305/2013.

For the purpose of detailing/instructions for the National Rural Development Network. The New Law on Agriculture and Rural Development, namely Article 6 and Article 49, will provide for the preparation of administrative instructions

Tentative plan of the National Rural Network (NRN)

The main objectives of NRN are:

1. Increasing the involvement of stakeholders in the implementation of rural development;
2. Improving the quality of implementation of rural development programs;
3. Encouraging innovation in agriculture, food production, forestry and rural areas.

Objective 1. Increasing the participation of stakeholders in the NRN.

Target Grupa:

Fermer, biznese, OJQ, Gra dhe te rinje

3.Aktivitetet:

	Activity	Description of activity	Responsible
1.	Study visit	In order to obtain good practices related to the creation and operationalization of the National Rural Network.	Managing Authority (MA)
2.	Identification of stakeholders and list of potential members of the NRN	Researching potential members for NRN, creating a list and contacting them.	MA
3.	The mission of the TAIEX Expert	In order to receive information and good practices from the EU countries, the application for the Expert and his mission will be prepared from the TAIEX program. The expert will work closely with the MA staff to identify the best way to create and operationalize the NRN	MA
4.	Preparation of	In order to detail/instructions	MA

	Administrative instruction	of the Law on Agriculture and Rural Development, namely Article 6 and Article 49, the administrative instruction will be prepared.	
5.	Creation of the steering committee for the establishment of NRN	After the identification of the interested parties, the potential members of the NRN, one or more meetings will be organized in which work will be done on the creation of procedures and the functioning of the NRN	MA
6.	Study visit with the TAIEX Steering Committee	In order to see the operation of a NRN in the EU countries soon	MA



Republika e Kosovës

Republika Kosova - Republic of Kosovo

Ministria e Bujqësisë, Pylltarisë dhe Zhvillimit Rural

Ministarstvo Poljoprivrede, Šumarstva i Ruralnog Razvoja

Ministry of Agriculture, Forestry and Rural Development
