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

Minister of the Ministry of Agriculture, Forestry and Rural Development,

Pursuant to Article 8, paragraph 5, Article 15, paragraph 7 of Law No. 08/L-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo, No. 8/29 March 2023), Article 14, paragraph 7 of Law No. 08/L-193 on Budget Appropriations for the Budget of the Republic of Kosovo for 2023, Article 4, paragraph 1, subparagraph 1.11, Annex 1, point 11 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister (16.08.2023) as well as Article 11 paragraph 1, sub paragraph 1.3, of the Law No. 08/L-117 on Government of the Republic of Kosovo (Official Gazette, No.34/18 November 2022.)

issues the following:

ADMINISTRATIVE INSTRUCTION (MAFRD) - NO.14/2023
ON MEASURES AND CRITERIA OF SUPPORT FOR RURAL DEVELOPMENT FOR
2023

CHAPTER I

GENERAL PROVISIONS

Article 1
Purpose

This Administrative Instruction shall specify the principals, conditions, procedures, eligibility criteria and selection criteria for the implementation of measures of the Rural Development Program approved for 2023.

Article 2
Scope

1. The provisions of this Administrative Instruction shall be mandatory to the Ministry of Agriculture, Forestry and Rural Development, applicants and beneficiaries from the Rural Development Measures.
2. This Administrative Instruction shall specify the support for the measures and sub-measures of the Rural Development Program (RDP) 2023.

Article 3 Definitions

1. Terms used in this Administrative Instruction shall have the following meaning:
 - 1.1. **“MAFRD”** - means the Ministry of Agriculture, Forestry and Rural Development;
 - 1.2. **“KBRA”** - means Kosovo Business Registration Agency;
 - 1.3. **“ADA”** - means the Agriculture Development Agency;
 - 1.4. **“RDP 2023”** - means the Rural Development Program for 2023;
 - 1.5. **“Measure 1”** - means the investments in physical assets in households;
 - 1.6. **“Measure 3”** - means the investments in physical assets in processing and trading of agricultural products;
 - 1.7. **“Measure 7”** - means the farm diversification and business development;
 - 1.8. **“Measure 5”** - means the preparation and implementation of local development strategy – LEADER Approach;
 - 1.9. **“Call for application”** - means the public notice for receiving applications;
 - 1.10. **“Applicant”** - means the natural and legal person, who applies to benefit from the project under RDP 2023;
 - 1.11. **“Application”** - means the form completed for the application with all required documents from ADA;
 - 1.12. **“Project”** - means the document provided for the investment planned for support from RDP 2022, submitted by the applicant;
 - 1.13. **“Selection”** - means the selection of projects, according to the points earned;
 - 1.14. **“Selection criteria”** - means criteria that the Managing Authority should specify in order to provide the priorities of financing the best projects that address the identified needs in the SWOT analyses and objectives as specified in RDP 2023;
 - 1.15. **“Beneficiary”** - means a natural and legal person, who has been selected as a beneficiary after assessment of application, signing of contract and funding of the project from the MAFRD;
 - 1.16. **“Level of public support”** - means the contribution from the public budget for the implementation of the project;
 - 1.17. **“Contract”** - means contract signed between the beneficiary and ADA for the implementation of the benefited project;

- 1.18. **“Eligibility expenditures”** - means expenditures that are supported by funds;
- 1.19. **“Fruit tree”** - means apple, pear, plum, sour cherry, nut, walnut, chestnut, cherry, apricot, peach, quince;
- 1.20. **“Soft fruit tree”** - means strawberry, raspberry, blueberry and blackberry;
- 1.21. **“Period of the implementation of the project”** - means the period for the implementation of the term of the project as specified in the administrative instruction and the contract signed between the beneficiary and ADA
- 1.22. **“Request for payment”** - means the submission of request for payment for eligible expenditures with valid invoice for the expenditures of the realization of the project;
- 1.23. **“Ex-post control”** - means the time period from three (3) years after the execution of the last payment, during which the beneficiary should maintain the purpose of the investment and all the conditions under which he was selected as the beneficiary.
- 1.24. **“FIN”** - means the Farm Identification Number;
- 1.25. **“NTFP”** - means non-timber forests products;
- 1.26. **“AMP”** - means aromatic medical plants;
- 1.27. **“FARM”** - means a production unit in the technical and economical aspect which is managed by the farmer in which agricultural activities and rural development activities;
- 1.28. **“EXPANSION”** - means the expansion of the existing facility.
- 1.29. **“ARIR”**-means the Animal Registration and Identification Register
- 1.30. **“LAG”**- means Lokal action grups

Article 4 **Supported measures**

1. Supported measures shall be :
- 1.1. Measure 1 - Investments in physical assets in agricultural households;
- 1.2. Measure 3 - Investments in physical assets in processing and trading of agricultural products;
- 1.3. Measure 7 - Diversification and business development;
- 1.4. Measure 5 - Preparation and implementation of local development strategy – LEADER Approach.

Article 5

Geographical extent

The Rural Development Program 2023 shall cover the whole territory of the Republic of Kosovo.

Article 6

Common measures criteria

1. These criteria shall apply to: Measure 1 - Investments in physical assets in agricultural households, Measure 3 - Investments in physical assets in processing and trading of agricultural products and Measure 7 - Diversification and business development:

1.1 All beneficiaries of rural development projects shall be obliged to maintain their investments in accordance with the approved project during five (5) years after the execution payment date, as long as the monitoring period lasts, and shall cooperate with the officials of MAFRD, the ADA, the auditor, other organizations and institutions at the request of ADA. The funding terms shall be defined in details in the contract between the beneficiary and ADA.

1.2 If the beneficiary does not maintain the investments, he/she shall be obliged to return back the amount of public financial support.

1.3 All beneficiaries of the rural development projects after the finalization of investments shall have the project functional in accordance with the business plan, RDP and the criteria of this Administrative Instruction.

1.4 The request for payment shall be rejected for projects that have not completed any activity for which it was scored during the evaluation process.

1.5 The beneficiary shall not be awarded a new project if the previous projects have not been completed in accordance with the contract signed with ADA;

1.6 The projects funded by Rural Development Program 2023 shall not be also financed by the EU Office in Kosovo or any other local or international public donor;

1.7 If the beneficiary has received support for the same project from another donor, he/she shall not given the support or he/she has received it, then the beneficiary shall be forced to return the received funds, and punitive measures shall be applied against the beneficiary in accordance with the applicable legislation;

1.8 The applicant shall not be awarded a new project if he/she has not completed the previous investment. If the potential beneficiary has previously been the beneficiary of any project from MAFRD in the last five (5) years and is still in the monitoring period, prior to signing a new contract with ADA, he/she shall carry out a control in order to verify the previous project. If the project has not been maintained and/or is not functional, a new contract shall not be concluded;

1.9 All the beneficiaries, who in their business plan have stated that they will generate new jobs and who during the evaluation have received points for this, must generate such jobs and

prove it with the payment of pension contributions and payroll taxes starting at least from the last month before the request for the last payment is made;

1.10 Beneficiaries shall be obliged to keep these job positions occupied with full-time employees, for the duration of the monitoring period;

1.11 Farms or enterprises that have two FINs with the same assets in the farm register shall be rejected. FIN data must be updated;

1.12 The applicant shall not benefit from a project if it is contrary to Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function;

1.13 The project implementation/start of investments shall be done only after signing a contract with ADA. Payment of public support shall be done based on the request for payment and conditions required in the contract;

1.14 The payment for these measures shall be done in two installments, the first part of public support in the amount of 50% is done in the form of an advance payment after signing the contract with the beneficiary, subject to the provision of a bank guarantee, while the remaining amount of 50%, is paid after the verification of the general investment completion;

1.15 The bank guarantee shall be provided only for the advance payment of 50% of the public support;

1.16 The bank guarantee shall be provided for the period of time until the last payment by ADA is made, respectively until the last decision of the Complaints Commission. Any request for an additional term shall be covered by a bank guarantee.

2. Support application requirements

2.1 The following general requirements shall apply, unless otherwise required in the measure description.

2.2 All applicants applying for RDP support shall submit application forms issued by the Agricultural Development Agency for special measures and shall complete the required documents.

2.3 The application shall include acceptable activities and expenses related to the project applying for.

2.4 The applicant can apply to different program measures. However, the applicant can only apply once for a measure/sub-measure within a deadline/call for applications.

2.5 If the application is approved, the applicant shall complete this project prior to applying for the next project.

3. Conditions for implementation of RDP measures

3.1 In case of construction/renovation/expansion activities, the applicants shall submit copies of project drawings and the estimated cost of anticipated works and materials.

3.2 The construction/renovation/expansion activities shall be in compliance with the defined standards of the Municipality in accordance with the urban and spatial plans and/or other applicable standards of the Municipality;

3.3 The applicant shall 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/rent it for at least 10 years. The signed and notarized lease contracts prior the application period shall cover the time period of at least 5 years from the date of approval.

3.4 Forest lands (according to the ownership certificate) shall not be accepted as agricultural land. The lands privatized from PAK, which are presented in the property certificate as "land leased for 99 years" shall be treated as land owned by the privatizer.

3.5 The applicant shall not have outstanding obligations to the state, fiscal obligations, property or income taxes or any other obligation to the state.

CHAPTER II

MEASURE 1

MEASURE 1: INVESTMENT IN PHYSICAL ASSETS IN AGRICULTURAL HOUSEHOLDS

Article 7

Beneficiaries

1. Final beneficiaries:

1.1 The beneficiaries under this measure shall be farmers, as defined in Law No. 08/L-072 on Agriculture and Rural Development.

1.2 All applicants of this measure shall be registered in the Farm Register. The Farm Identification Number (FIN) certificate shall be in the name of the applicant.

1.3 If the applicant has an active business and is registered in KBRA, he/she shall apply as a legal entity and the FIN certificate must be in the name of the company. The company shall have the relevant activity code prior to application.

1.4 All beneficiaries of rural development projects shall be obliged to maintain their investments according to the approved project during 5 years after the execution of the last payment by ADA.

1.5 If he/she does not maintain the investments, the beneficiary shall be obliged to return the funded amount of public support.

1.6 The applicant shall reapply only after the implementation of the current project has been completed.

3. Common eligibility criteria

2.1 If the applicant is a natural person, he/she shall be at least 18 years old, but who has not reached 65 years of age. In the case of enterprises this criterion shall not apply;

- 2.2 The natural person shall have completed at least compulsory elementary education (8 or 9 years);
- 2.3 The applicant shall have at least two (2) years of work experience in the field in which applies. Applicants who do not have two years of work experience should attend training courses with at least 20 teaching hours in the field for which they are applying, which they shall complete prior to requesting the final payment;
- 2.4 In the case of enterprises, the requirement shall apply to the owner, the employee or the authorized person of the enterprise. The employee of the enterprise or the authorized person shall have an employment contract for at least five (5) years after the moment of application;
- 2.5 Applicants shall have their tax liabilities regulated:
- 2.5.1 Natural persons - property tax, etc.;
 - 2.5.2 Enterprises - corporate income tax.
- 2.6 If the land or any other property on which the investment will be made is in joint ownership, the applicant shall submit the consent of the co-owners with the copies of their identity cards;
- 2.7 If the land in the ownership certificate is a mountain or forest land and at the site is agricultural land, the applicant shall first change the destination of the land in the cadaster and then apply;
- 2.8 In case of land leased by KFA or KPA, the forest lands are also accepted, provided that a certificate from KFA or KPA is attached to the application that the land in question is agricultural land;
- 2.9 Beneficiaries who in their business plans are committed to have employees shall be registered in KBRA at least as an Individual Business, L.L.C.
- 2.10 They should have contract on assets presented in the application and all payments shall be made from the business account;
- 2.11 Digitalization should be carried out in the place of investment;
- 2.12 All applicants are obliged to prove the commitment of a student for one (1) year in their business plan.
- 2.13 All beneficiary of projects worth more than €50,000 shall be obliged to engage at least one student who is in the last year of studies or newly graduated from agro-economics of agricultural sciences, for at least 1 calendar year from the day of signing the contract, with the purpose of internship/work practise. The person engaged shall have the same or similar professional training as in the sector engaged, proven through a notarized contract.

4. Economic sustainability

- 3.1 The applicant shall prove the economic sustainability of the farm through a business plan, for the results it aims to achieve by the end of the investment period.

- 3.2 The criteria that will be used by ADA to assess the economic sustainability shall be the cash flow and return on investment, and the financial statement for legal entities, while for natural persons the bank turnover for projects over €50,000.
- 3.3 In cases where the proposed value of the project is over €50,000, the applicant shall bring evidence on his/her financial state. In cases where the applicant is a registered legal entity, he/she shall provide as evidence the comprehensive income statements from the previous year. The financial evidence shall consist of at least 50% of the turnover of the co-funded value by the beneficiary.
- 3.4 In cases where the applicant is a natural person, he/she shall provide evidence of his bank account balance for the last 6 months, at least 25% of the turnover of the co-funded value by the beneficiary.
- 3.5 The mode in which the economic sustainability is proven shall be explained in the Guidelines for Applicants prepared by ADA.
- 3.6 The ADA funds awarded to the beneficiary shall be taken into account when calculating the economic sustainability of the beneficiary.
- 3.7 In cases where the investments are less than or equal to €20,000, a simplified form of a business plan or project proposal shall be accepted, while maintaining the financial/economic sustainability estimates.
- 3.8 The applicant shall submit a project/proposal in accordance with the model that will be published on ADA and MAFRD websites. The project proposal shall include a cash flow and return on investment tables.
- 3.9 For investment projects in which the eligible investments are greater than €20,000, the applicants shall submit a business plan in accordance with the model that will be published on ADA and MAFRD websites.
- 3.10 The business plan shall be the main document for assessing economic sustainability.
- 3.11 The planned investments shall be in line with the production capacities. During the evaluation of applications, based on the business plan, the ADA officers shall be obliged to reject the part of the investments that are contrary to this principle. The economic and financial sustainability shall be assessed based on the project proposal or business plan. The business plan shall show the economic sustainability of the farm/enterprise at the end of investment.

4. National/EU standards

- 4.1 National standards for animal health, animal welfare and environmental protection shall be set out in the Applicant Guidelines;
- 4.2 Such standards shall be met at latest prior the request for the last payment is made and shall be verified during the control carried out by the official person at the place of investment.
- 4.3 In case of investments in new orchards and vineyards, prior to signing the co-funding contract, the grant beneficiary shall bring the chemical and physical analysis of the land with

a positive recommendation for the planned investment suitability. If the recommendation is negative, the grant shall be rejected.

5. Other eligibility criteria

- 5.1 Beneficiaries of eligible investment projects in the amount over €30,000, or beneficiaries who have declared new employees in their business plans on which they have been scored, prior to signing a contract with ADA, shall register the enterprises as legal entity or individual business and the investments/expenses of project implementation shall be invoiced in the name of their business;
- 5.2 Projects funded by the Rural Development Program 2023 shall not be allowed to be funded by the EU Office in Kosovo or any other local or international public donor. If it is proven that the beneficiary has received support for the same project from another donor, he/she is not given the support or he/she has received it, then the beneficiary shall be forced to return the received funds, and punitive measures shall be applied against the beneficiary in accordance with the applicable legislation;
- 5.3 The applicant shall not be given a new project if he/she has not completed the previous investment;
- 5.4 If the potential beneficiary has previously been the beneficiary of any project from the MAFRD in (5) the last five years and is still in the monitoring period, prior to signing a new contract with ADA, he/she shall carry out a control in order to verify the previous project. If the project has not been maintained and/or is not functional, a new contract shall not be concluded;
- 5.5 All assets related to investment and for which there are relevant sections in the FIN Annex shall be registered in the Farm Register;
- 5.6 All lease contracts shall be notarized or certified by the court, except the lease contracts with the Kosovo Forestry Agency (KFA), Privatization Agency of Kosovo (PAK) and Municipalities, which shall not be notarized;
- 5.7 The lands privatized from PAK, which are presented in the property certificate as "land leased for 99 years" shall be treated as land owned by the privatizer. Even lands purchased by privatizers shall be treated as land owned by the buyer;
- 5.8 The lands with unfinished consolidation shall be accepted with decisions from the competent body, namely, even without the ownership certificate;
- 5.9 The place/land under mortgage, where the investment is made, shall not be acceptable for the investment, either it is owned or rented;
- 5.10 If only part of a parcel is leased, the applicant shall digitalized the leased part prior to applying and shall attach a physical copy of the digitized part to the application file;
- 5.11 In case the parcels are physically adjacent to each other, they shall be accepted as one parcel, even in cases where one is rented and the other owned;

5.12 In the case of projects that envisaging construction, expansion, renovation or only in equipment, together with the application, the applicants shall submit;

- 5.12.1 Ownership certificate - the possession list of the parcel in which the investment will be made;
- 5.12.2 In cases of the land/facility that is rented, the possession list of the land where the land/facility is located should be in the name of the lessor.
- 5.12.3 If the land/facility is rented, a notarized rental contract for at least 10 years shall be requested.
- 5.12.4 If the contract was signed and notarized prior the application date, it shall cover the period of at least 5 years from the date of approval, provided that the contract is related to the previous investment/activity.
- 5.12.5 The notarized contract shall also contain the consent of the owner (lessor), for the investment to be made in his land/facility;
- 5.12.6 If the land/facility in which the investment will be made is co-owned, the applicant shall bring the consent of the co-owners and copies of their identity cards;
- 5.12.7 Copy of the parcel plan where the investment will be made;
- 5.12.8 Copy of sketches of the facility;

5.13 Besides these documents, in case of construction, expansion or renovation of facilities, the following additional documents shall be also required:

- 5.13.1 Bill of quantities for material and work costs;
- 5.13.2 The specific document prepared (not part of the business plan) by the applicant himself/herself or with the assistance of the constructor;
- 5.13.3 Consent of the Municipality, which proves that in case of granting the grant, the applicant can obtain a construction permit for the plot where the investment is planned;
- 5.13.4 Construction permit from the competent body (Municipality) for the plot where the investment is planned. Not required for renovation projects;
- 5.13.5 In case of construction, expansion or renovation of facilities, establishment of orchard, vineyard and/or installation of irrigation system on leased land, the lease contract should be for at least 10 years, counting it from of the application year. Contracts signed and notarized for rental prior to the application period, should cover the period for at least 5 years from the day of approval, provided that the contract is related to the previous investment/activity.
- 5.13.6 The contract must also contain the consent from the owner (lessor) for the investment to be made on his land;

5.13.7 The rental contract is not required only in cases where the owner of the land and the applicant are co-owners, in a marital relationship or in a straight bloodline without limitations (e.g.: great-grandparents, grandparents, parents, children, nephews, nieces pursuant to the applicable law) and this is proven through a marriage certificate or a birth certificate or a death certificate. In addition, the applicant should complete the Declaration under oath whereby he/she proves that he/she is a potential heir of the land;

5.13.8 The beneficiary, when submitting the request for payment to ADA, should also submit the construction permit from the Municipality competent body in case of construction or expansion;

5.13.9 All beneficiaries who have stated in their business plan that they will create new jobs and for this they have received points during the evaluation should create them and prove it with the payment of pension contribution and salary taxes starting at least from the last month prior to the last payment request. Beneficiaries shall be obliged to keep these jobs occupied with full-time employees for the duration of the monitoring period.

5.14 Prior to requesting payment from the Agricultural Development Agency, the beneficiary shall submit:

5.14.1 A construction permit from the competent body (Municipality); for the plot where the investment is planned. Not required for renovation projects;

5.14.2 In case of constructions/expansions with a base area of more than 10m², a construction permit is required;

6. Investments in production of renewable energy

6.1 This investment shall support generation of electricity from renewable sources for “self-consumption” (i.e. electricity generated/stored in the network is on average equal to electricity consumed during the year). This is justified by the fact that, since electricity cannot be stored, if it is not consumed, it can be released in the network; the electricity network can be conceived as a storage site for electricity where it is emitted and withdrawn during the year in similar quantities and at different rates;

6.2 Self-consumption should be controlled at the stage where a project is submitted/assessed. The investment shall be considered acceptable when the (theoretical) energy capacity of the renewable energy plant (“investment”) does not exceed 120% of the 3-year average household consumption.

6.3 In case of new farms or in case of farms that have substantially changed the size of their activity in the last three years, the expected consumption shall be assessed by the ADA.

7. Level of public support

7.1 The minimum value of eligible project costs within this measure shall be €10,000;

7.2 The maximum value of eligible project costs shall be €100,000;

7.3 The maximum public support for the period of implementation of the KARDP (2023 – 2027) for Measure 1 shall be €240,000 per beneficiary;

7.4 The applicant may apply with several projects during the implementation period of the Program, in different years, provided that the previous projects have been successfully completed and the public support does not exceed the amount from subsection 7.3;

7.5 Public support for the project shall be 60%;

7.6 For investments in mountainous areas +5;

7.7 For investments in physical assets of agricultural economies owned by young farmers +5;

7.8 The costs for preparation of the business plan or project proposal may not exceed the value of 3% of the eligible costs, but not more than €1,500. In case of investments that foresee construction of stables or warehouses for storage of fruits and vegetables, the costs for an architect and engineer, various permits and licenses shall be acceptable up to the value of 7% of the eligible expenses, but not more than €3000;

7.9 Each beneficiary of projects worth over €50,000 shall be obliged to engage one student of agricultural management and agro-economics for 1 calendar year. The minimum payment amount for the student's 1-year commitment shall be €2,400 of the public support. The latter shall not be allowed to engage in more than one project and shall be from the relevant or similar sector.

8. Eligible joint costs

8.1 The costs for preparation of the business plan or project proposal may not exceed the value of 3% of the eligible costs, but not more than €1,500.

8.2 In case of investments that foresee construction of stables or warehouses for storage of fruits and vegetables, the costs for an architect and engineer, various permits and licenses shall be acceptable up to the value of 7% of the eligible expenses, but not more than €3000;

8.3 Costs for the fees of architects, engineers, feasibility studies, consultancy for preparation of the business plan may be acceptable only if they are carried out by professionals and specialized companies in this area;

8.4 As an acceptable cost for all sub-measures shall be the engagement of a student who is in the last year of studies or newly graduated in agro-economics of agriculture studies.

8.5 The value of support from the MAFRD will be €2,400 of public support within a calendar year.

8.6 All other acceptable costs are limited to those included in the List of Eligible (acceptable) Investments for Measure 1.

9. Other investments

9.1 Purchase of new vehicles and equipment, including computer software at market prices. The rationale for investments in machinery, IT equipment and software should be well justified in the business plan;

9.2 Investments for purchasing a tractor shall be accepted only in such cases where they have a close correlation with the size/power of the tractor and the workload/farm size/production capacity

resented and well justified in the business plan (see the Guidelines for Farmers, Table: maximum power of tractors by sector and size/capacity);

9.3 A detailed list of eligible costs under this measure shall be presented in the list of eligible costs for Measure 1.

10. Implementation deadline

10.1 The deadline for implementation of projects of this Measure shall be 90 calendar days, except for the projects that foresee construction of a stable or warehouse in which case the implementation deadline is 120 calendar days from the date of signing the contract with ADA, and for the grape sector, for the projects whose implementation deadline is 300 days from the date of signing the contract with ADA, due to the spring grape planting period.

10.2 After the implementation deadline, the beneficiary shall have 15 additional days to prepare the documentation and submit the payment request.

10.3 ADA may extend the implementation period for more than 30 days, if there are compelling reasons for this, such as unfavorable climate conditions, bringing of any specific machinery from another country. The period of the start of implementation is defined by contracts.

CHAPTER III

SUB-MEASURES

III.I. FRUIT SECTOR

Article 8

Eligibility criteria

1. Specific eligibility criteria for the fruit sector - **apples, pears, plums, sour cherries, nuts, chesnut, hazelnuts, cherries, apricots, peaches, quinces, strawberries, raspberries, blackberries, blueberries and aronia.**

1.1 At the time of applying for investments in the fruit sector, applicants must prove that they have owned, inherited or leased agricultural land, at least 1 hectare for fruit trees (apples, pears, plums, sour cherries, nuts, hazelnuts, chesnut, cherries, apricots, peaches, and quince) and/or 0.25 hectares for soft/manor fruits (strawberry, raspberry, blueberry, blackberry and aronia/chokeberry). The minimum parcel area for manor trees should be 0.10 hectares and for fruit trees 0.35 hectares;

1.2 Beneficiaries for planting new orchards, before requesting payment, if they buy seedlings produced in Kosovo, must submit a copy of the phyto-sanitary certificate on the health status of planting material that meets the CAC criterion (Conformitas Agraria Communitatis) and a copy of the license of producers, and those who buy seedlings imported from EU countries, must submit a copy of the phytosanitary certificate on the health status of the planting material that meets at least the CAC criteria issued by the producer, the certificate of origin and the import of the importing enterprise;

1.3 Planted seedlings of fruit trees must have the label of the certifying institution affixed to the body;

1.4 Only for areas of 3 or more hectares of owned, inherited or leased agricultural land with fruit and manor trees, the application for the construction of facilities for post-harvest operations, such as cold storage, sorting, cleaning machines, packaging is allowed;

1.5 Investments for the purchase of a tractor for fruit trees are allowed only for existing areas that are 3 or more hectares at the time of application.

2. Eligible investments in the fruit sector shall be:

2.1 Investments in the establishment of new orchards with a minimum area of 1 hectare for orchards and 0.25 ha for soft fruits;

2.2 Investments in the installation of irrigation systems on the farm, according to efficient irrigation practices;

2.3 Investments in on-farm energy production from all types of renewable sources;

2.4 Investments in the network system for protection against hail and frost;

2.5 Investments in agricultural machinery and equipment for orchards, plant protection, fertilization, harvesting and post-harvest treatment;

2.6 Investments for the purchase of a tractor for fruit trees, only for existing areas that are 3 ha or more at the time of application;

2.7 Only for surfaces of 3 and more hectares, investments in the construction of facilities for post-harvest operations, such as cold storage, machines for classification, cleaning, packaging, are allowed, and application for construction of facilities for placing vehicles, as well as warehouses for plant protection products and artificial fertilizers is allowed.

3. Selection criteria for Measure 1 - Investment in physical assets in agricultural households for the fruit sector are specified in the Annex I, Table 1 of this Administrative Instruction.

III.II. VEGETABLE SECTOR AND GREENHOUSES, INCLUDING POTATOES

Article 9 Eligibility criteria

1. Eligibility criteria for the vegetable sector, greenhouses, seedling greenhouses, including potatoes:

1.1 At the time of application for investments in vegetables warehouses (including potatoes), the applicant shall prove that he/she have at least 3 hectares of agricultural land owned, inherited or leased;

1.2 At the time of application for investments in new permanent greenhouses, the applicant shall prove that he/she has at least 0.10 hectares of arable land registered in the Farm Register.

1.3 The minimum size of an undivided greenhouse shall be 0.10 ha.

2. Eligible investments in the vegetable sector, greenhouses, seedling greenhouses, including potatoes and warehouses:

2.1 Investments in construction of permanent greenhouses for vegetables, manor fruits or seedlings. The minimum area of a greenhouse shall be 0.1 hectare;

2.2 Investments in on-farm energy production from all types of renewable resources;

2.3 Investments in purchase and installation of equipment to achieve controlled climate conditions, including heating equipment in greenhouses;

2.4 Investments in installation or advancing greenhouse irrigation systems according to efficient irrigation practices;

2.5 Farmers who have 3 or more hectares of vegetables/potatoes shall also be allowed to apply for construction of facilities for post-harvest operations, such as cold storage, machinery for classification, cleaning, packaging and special machinery for harvesting potatoes;

2.6 Only for surfaces of 3 or more hectares with vegetables/potatoes, the application for construction of facilities for placing vehicles, as well as warehouses for plant protection products and artificial fertilizers is allowed;

2.7 Investments in purchasing of relevant mechanism for cultivation of vegetables in the open field or in greenhouses - a machine for planting seedlings, a machine for stretching the foil.

3. Selection criteria for Measure 1 Investments in physical assets in agricultural holdings for the vegetable sector greenhouses and greenhouses for seedlings - including potatoes are set out in Annex I Table 1 of this Administrative Instruction.

III.III. MEAT SECTOR

**Article 10
Eligibility criteria**

1. Specific eligibility criteria for the meat sector:

1.1 For investments in the meat sector (calves and pig fattening), applicants shall not be obliged to have calves/pigs at the time of application, however prior to the request for the last payment they should have at least 20 calves or 40 fattening pigs with the matrices of the Republic of Kosovo, registered in the Animal Identification Register or of the EU countries, and these must be proven with relevant documents and with their presence in the stable.

1.2 Applicants who apply for construction of a stable for calves and pigs, in their project should also include the manure storage with sufficient capacity for at least 3 months according to the list of minimum national standards.

1.3 In case of investments in agricultural machinery for land cultivation, at the time of application for calves fattening, the applicants must prove that they have at least 0.20 hectares of agricultural land per calf (the surface of land must be related to the number of calves at the end of investment, including the number of existing and planned calves presented in the business plan) owned, inherited or leased for at least five (5) years.

2. Eligibility investments:

2.1. Construction/renovation/expansion of stables, and associated facilities-manure dumps, bulky feed hangars, silage depots and farm infrastructure such as farm-level water supply;

2.2. Investments in energy production and on the farm from all types of renewable sources;

2.3. Investments in modernization of food and water supply system;

2.4. Investments in agricultural machinery and equipment for cultivation of fodder crops and cereal grains, plant protection, fertilization and harvesting;

2.5. Investments for cleaning / removal of organic fertilizer (liquid and solid) and its disposal;

2.6. Investments for production of concentrated feed, of whose total capacity, at least 50% will be used for the needs of the farm.

3. Selection criteria for Measure 1: Investments in physical assets in agricultural holdings for the meat sector are defined in Annex I, Table 2 of this Administrative Instruction.

III.IV. DAIRY SECTOR

Article 11

Eligibility criteria

1. Specific eligibility criteria:

1.1 The applicant must have at least 5 dairy cows/ heifers before signing the contract. Farmers who do not own any cows or own less than 5 cows shall have the right to apply, provided that they have at least 5 cows prior the first inspection/date of signing the contract (to be verified with the list from the Animal Registration and Identification Register/ARIR).

1.2 The possession of these cows must be proven through animal registration (document issued by FVA), while applicants who at the time of application own 5 or more cows, must also prove it with the evidence of subsidies received in the previous year (document issued by ADA).

1.3 If the applicant owns the stable, he/she must meet zootechnical and zoohygienic conditions and prove it with photos and with table of assets in the Project. The stable must be accepted by the inspectorate during the first inspection, prior to signing the contract.

1.4 The maximum number of cows (dairy cows/heifers) that the applicant/farmer can benefit from may be twice the number of cows he/she owns, but not more than 20 cows.

1.5 Accepted breeds:

1.5.1 Holstein (black and white and red and white). This breed is not supported for mountainous areas above 700 m above sea level.

1.5.2 Simmental

1.5.3 Montbeliarde

1.5.4 Brown Swiss

1.5.5 Tarentaise.

1.6. The age of the heifer/cow bought through the project should not be younger than 2 years and not older than 4 years.

1.7. The applicants for investments in small dairy production sector should have at least 130 sheep or 130 goats, registered in the Farm Register and in the Animal Registration and Identification Register (ARIR) in FVA. This provision does not apply to collection points.

1.8. Collection points must have long-term contracts (for the duration of the inspection period or longer) with at least 5 farmers who jointly breed at least 30 dairy cows.

1.9. The applicants who apply for construction of a stable for dairy cows, in their project should also include a manure storage facility with sufficient capacity for at least 3 months (see the list of minimum national standards). Manure storage is not mandatory for sheep and goat breeders.

1.10. In case of investments in agricultural machinery for land cultivation, the applicants should prove that they have at least 0.5 hectares of agricultural land for each cow, respectively 0.05 hectares of agricultural land for each sheep/goat, (land surfaces must be related to the number of sheep/goats at the end of investment, including the number of existing and planned sheep/goats presented in the business plan) owned, inherited or rented for at least five (5) years.

2. Eligible Investments:

2.1 Purchase of bred heifers/breeder cows (matriculated and with pedigree);

2.2 The number of cows for which it is applied should not be less than 5 cows, and not more than 20 cows;

2.3 Construction/ renovation/ expansion of stables, and associated facilities as well as facilities of milk collection centers (manure dumps, bulky feed hangars, silage depots, milking parlors) and farm infrastructure (e.g. water, electricity installation);

2.4 Investments in modernization of milking and refrigeration equipment, such as milking equipment, milk storage, including milk storage rooms, lactofreezers;

2.5 Investments in on-farm energy production from all types of renewable source;

2.6 Equipment and machinery for organic manure removal, floor cleaning, avoiding the urine flow (liquid manure), facilitating the solid and liquid organic manure transport to the storage facility;

2.7 Investments in modernization of food and water supply system;

2.8 Investments in agricultural machinery and equipment for cultivation of fodder plants and cereal grains, plant protection, fertilization and harvesting;

2.9 Investments for cleaning/removal of organic manure (liquid and solid) and its disposal;

2.10 Investments for production of concentrated feed, of which at least 50% of the total capacity will be used for farm needs.

3. Selection Criteria for Measure 1 0 Investments in physical assets in agricultural holdings for the dairy sector are defined in Annex I, Table 2 of this Administrative Instruction.

III.V. GRAPE SECTOR

Article 12

Eligibility criteria

1. Specific eligibility criteria:

1.1 At the time of application, the applicants for investments in the grape sector should prove that they have owned, inherited or leased agricultural land for at least 10 years, and at least 0.50 hectares. The minimum parcel area should be 0.10 hectares; the rental contracts signed and notarized prior the application period should cover the period of at least 5 years from the date of approval and registered in the Vineyard Register and the Farm Register.

1.2 In case of investments in mechanization and equipment for cultivation and harvesting, as well as warehouses for post-harvest treatment, the applicants should prove that they have at least 3 hectares of vineyards, owned, inherited or rented for at least 10 years. The rental contracts signed and notarized prior the application period should cover the period of at least 5 years from the date of approval provided that the contract is related to the prior investment/activity and registered in the Vineyards Register and in the Farms Register.

2. Eligible investments:

2.1 Investments in the establishment/modernization of vineyard plantations (conversion, replacement) for table grapes and wine grapes with a minimum size of 0.50 hectares;

2.2 Investments in installation of irrigation systems, according to efficient irrigation practices;

2.3 Investments in plasma placement for table grapes;

2.4 Investments in on-farm energy production from all types of renewable sources;

2.5 Investments in network system for hail protection;

2.6 Investments in vine holding systems and fences;

2.7 Investments in agricultural machinery and equipment for vineyards, plant protection machinery, fertilization, harvesting and post-harvest treatment;

2.8 Those who have over 3 hectares of vineyards are allowed to apply for construction of facilities for post-harvest operations, such as refrigeration warehouses, classification machinery, cleaning, packaging.

3. Selection criteria for Measure 1 - Investments in physical assets in agricultural holdings for the grape sector are defined in Annex I, Table 1 of this Administrative Instruction.

III.VI. EGGS SECTOR

Article 13

Eligibility criteria

1. Specific eligibility criteria:

1.1 Applicants for investments in the egg sector must prove possession of at least 5,000 laying hens in active production;

1.2 Applicants applying for construction of a poultry farm, in their project must also include the manure depot with sufficient capacity for at least 3 months (see the list of minimum national standards);

1.3 Applicants in the egg sector, when applying, must indicate in the business plan when they will make the turnus change and how long the break without production will last;

1.4 The applicant must also submit the last chicken supply invoice. In case of diseases which harm a large numbers of chickens, the FVA certification must be provided.

2. Eligible investments shall be:

2.1 Construction/renovation/expansion of stables and egg storage rooms;

2.2 Investments in internal infrastructure (feeding system, water-drinkers and equipment for microclimate regulation, equipment for manure removal, egg classification);

2.3 Investments in cages, only according to EU standards;

2.4 Construction and renovation of food storage depots, including equipment for food preparation, handling, packaging and storage of eggs;

2.5. Investments in energy equipment or on-farm energy production from all types of renewable sources;

2.6. Investments for cleaning / removal of manure and its disposal;

2.7. Investments for production of concentrated feed, of whose total capacity, at least 50% will be used for the needs of the farm.

3. Selection criteria for Measure 1 - Investments in physical assets in agricultural holdings for the egg sector are defined in Annex I, Table 1 of this Administrative Instruction.

CHAPTER IV
MEASURE 3
INVESTMENTS IN PHYSICAL ASSETS IN PROCESSING AND TRADING OF
AGRICULTURAL PRODUCTS

Article 14
Beneficiaries

1. Final beneficiaries:

1.1 The beneficiaries may be agricultural products processing enterprises registered at the Kosovo Business Registration Agency *in the relevant sub-sector*, and approved/registered by the FVA prior the application date.

1.2 The applicant in the wine sector should also be registered in the Kosovo Wine Producers Register.

2. Common eligibility criteria

2.1. Types of enterprises supported:

2.1.1 All applicants of this measure must be registered in the Farm Register and KBRA.

2.1.2 This measure supports small and medium enterprises, defined in accordance with Law No. 04/L-220 on Foreign Investment (Official Gazette No. 1/09 January 2014).

2.2. Economic sustainability of the enterprise

2.2.1 The economic sustainability of an applicant should be demonstrated by means of a business plan; All applicants should submit a business plan, in accordance with the model required by the Agricultural Development Agency; The applicant should demonstrate in the business plan the economic viability of the enterprise at the end of the project; The enterprise should demonstrate that it can settle up its obligations and debts regularly, without compromising the normal functioning of the enterprise;

2.2.2 The business plan should contain a detailed description of investments and planned activities, in accordance with the requirements of the FVA for improvement of standards; In addition, the business plan should show how the project implementation will lead to the improvement of the overall performance of the agrifood enterprise by presenting the perspective of financial/economic sustainability;

2.2.3 The assessment of financial/economic sustainability and the prospect of continued investment is assessed by ADA, to ensure the selection of highest quality projects in terms of financial/economic sustainability. The business plan template is prepared by ADA and will be published on the Agency and MAFRD websites.

2.3 National Standards/EU Standards

2.3.1 The company should clearly demonstrate the investment plan in the business, plans that will affect the implementation of food safety standards and the reduction of risk according to categorizations. Prior to submitting the payment request to ADA, the FVA should evaluate each project if the minimum main national standards according to the applicable laws have been met.

2.3.2 The beneficiaries, together with the payment request and other documents, should provide a Report attached to the Checklists from the FVA confirming that the investment are in accordance with the minimum national standards. All the beneficiary enterprise at the end of the implementation must meet the national standards according to the laws in force.

2.3.3 The applicants should have the Report/minutes (not older than six months) issued by the FVA for existing condition of the operator and which standards must be met. According to the FVA requirements for improvement of standards, the business plan should contain a detailed description of planned investments and activities.

2.3.4 Prior to the final payment request to ADA, the supported investment should meet the relevant national standards in force related to environmental protection, public health, animal welfare and occupational safety.

2.4. Other eligibility criteria

2.4.1 In case of projects that involve construction, expansion, renovation or only equipment, the applicants should submit:

2.4.1.1 Ownership certificate (possession list) of the parcel in which the investment will be made; (in cases of the land/facility that is leased, the notarized lease of the land where the land/facility is located should be in the name of the lessor).

2.4.1.2 If the land or facility is rented, the notarized rental contract for at least 10 years, counting from the year of application. The signed and notarized lease contracts prior the application period must cover the period of at least 5 years from the day of approval, provided that the contract is related to the previous investment/activity.

2.4.1.3 The contract should also contain the consent of the owner (lessor), for the investment to be made in his land/facility;

2.4.1.4 If the land or any other property in which the investment will be made is co-owned, the applicant should bring the consent of the co-owners and copies of their identity cards.

2.4.1.5 Copy of the parcel plan where the investment will be made.

2.4.1.6 Copy of sketches of the facility.

2.4.1.7 All applicants in the value of the project over 50,000 euros are obliged to prove the commitment of a student for one (1) year in their business plan.

2.4.1.8 All beneficiary of projects worth over 50,000 euro shall be obliged to engage for at least 1 calendar year from the day of signing of the contract of at least one recently graduated student or students who are in the last year of their studies in food technology or animal culture/zootechnics, with the purpose of doing internship/work practice. The person

engaged shall have the same or similar professional training as in the sector where he/she will be assigned, as evidenced by a notarized contract.

2.4.1.9 Besides these documents, in case of construction, expansion or renovation of facilities, the following additional documents shall also be required:

2.4.1.9.1 The applicant applying for investments in waste management and wastewater management, in the case of application shall bring a conceptual project design with bill of quantities;

2.4.1.9.2 Estimates of material costs and foreseen works;

2.4.1.9.3 Consent from the competent body (Municipality) for a construction permit, in the case of construction / expansion projects, for the plot where the investment will be made, but not in the case of renovation projects;

2.4.1.9.4 In case of construction/renovation/expansion, applicants must also submit the technical project of the construction/renovation/expansion plan;

2.4.1.9.5 All applicants must have paid or adjusted tax liabilities, income taxes and other applicable taxes;

2.4.1.9.6 The land/object where the investments will be made, respectively where the purchased equipment according to the project will be placed, are eligible for investment even if they are under mortgage (either owned or leased), except for investments for construction/expansion of D category facilities and for collection points/warehouses where the construction on land under mortgage is not eligible.

2.4.1.10 Prior to requesting payment from the Agricultural Development Agency, the beneficiary shall submit:

2.4.1.10.1 A construction permit from the competent body (Municipality); for the plot where the investment is planned. Not required for renovation projects;

2.4.1.10.2 In case of constructions/expansions with a base area of more than 10m², a construction permit is required;

2.4.1.10.3 Environmental impact assessment, if envisaged by law;

3. Common eligibility investments

3.1 Eligible investments shall be limited to those included in the Investment List for Measure 3:

3.1.1 Construction/renovation of facilities. Construction shall be acceptable only for "D" category, while investments in equipment shall be acceptable for all categories ("A", "B", "C" and "D");

3.1.2 Purchase of new machinery and equipment, including computer programs/software necessary for the operation of production lines or other primary functions that are related to the main activities of the enterprise;

3.1.3 Investments in processing of milk, meat, fruits and vegetables, as well as wine production, including marketing investments for their promotion;

3.1.4 Eligible marketing expenses for all sub-measures of Measure 3 are preparation and printing of catalogs, leaflets, brochures, posters, etc., for the promotion of products, but not for their distribution. Also, eligible marketing expenses are the production of promotional audio and video spots, but not their media distribution;

3.1.5 The maximum value of eligible costs for marketing shall be limited to 5% of the total eligible costs, but not more than €10,000;

3.1.6 Other costs related to the project, such as: costs for an architect, for an engineer and costs for preliminary studies, as well as the issuance of relevant documents and permits are acceptable up to 7% of the eligible costs but not more than €15,000, while costs for preparation of business plan are acceptable up to 3% of the eligible costs for the project, but not more than €5,000;

3.1.7 Administrative costs, although incurred prior to the signing of the contract, are eligible only if the project has been selected and contracted by the Agricultural Development Agency.

4.5. Investment in renewable energy production

4.1 This investment shall support generation of electricity from renewable sources for “self-consumption” (i.e. the capacity of energy borrowed/stored in the network is on average equal to the electricity consumed during the year). This is justified by the fact that, since electricity cannot be stored, if not consumed, it can be released into the network; The electricity network can be conceived as a storage site for electricity where it is kept/stored and withdrawn/used during the year in similar quantities and at different rates.

4.2 The concept of “self-consumption” should be checked at the stage where 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 5-year consumption of the enterprise.

5. Level of public support

5.1 The support intensity (public support) is 50% of the total amount of eligible costs for the project.

5.2 The minimum value of eligible project costs within this measure shall be €50,000;

5.3 The maximum value of eligible project costs within this measure shall be €400,000;

5.4 As an acceptable cost for all sub-measures shall be the engagement of a student in the last year of studies or newly graduated in the field of food technology or animal culture/zootechnics. The value of support from the MAFRD shall be €2,400 of public support within a calendar year, proven by a notarized contract.

5.5 The maximum public assistance for the period of implementation of the program (2023-27) for Measure 3 shall not exceed the amount of €600,000 per beneficiary.

5.6 The applicant may 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.

6. Deadline of implementation

6.1 The deadline for implementation of projects of this measure shall be 10 months from the day of signing the contract with ADA.

6.2 After this period, the beneficiary has an additional 15 days to prepare the documentation and submit the request for payment.

6.3 ADA may extend the implementation period for a maximum of 2 months, if there are valid reasons for this, such as unfavourable climate conditions, the bringing of any specific machinery from another country. The period of the start of implementation is defined by contracts.

CHAPTER V

SUB-MEASURE

V.I. SECTOR OF DAIRY AND MEAT PROCESSING AND SLAUGHTERHOUSE

Article 15

Eligibility criteria

1. Specific eligibility criteria:

1.1 All applicants must be registered in Kosovo Business Registration Agency (KBRA) with the relevant activity and approved by FVA prior to the application date;

1.2 Applicants of "A", "B" and "C" category are not eligible in case of construction of a new facility, while they are eligible in case of renovation of the existing facility and investments in equipment;

1.3 Category "D" applicants are only eligible in case of construction of a new facility and closure of the existing facility. Investments in equipment/processing lines for this category are eligible if in the business plan priority is given to the construction of the facility.

2. Eligible investments

2.1 Investments in construction/renovation of dairies. Investments in construction of new dairies acceptable/eligible only to applicants which at the time of application are in category "D";

- 2.2 Investments in equipment to improve the hygiene, quality and safety of products; (especially to achieve HACCP and/or ISO 22000 standards) HACCP and/or ISO 22000 certification is not funded;
- 2.3 Investments in equipment to improve environmental protection, especially for waste management and wastewater management;
- 2.4 Investments in specialized means of transporting milk from farmers to the facility and of milk products from the facility to the market (including means for specialized cold transportation);
- 2.5 Investments in equipment for new products and modern packaging;
- 2.6 IT equipment, digitalization, hardware and software for monitoring, control and management;
- 2.7 Laboratories and equipment for quality control;
- 2.8 Investments in technology for production of renewable energy;
- 2.9 Investments in refrigerating equipment.
- 2.10 Investments in marketing.
- 2.11 Eligible investments for sub measure of meat processing and slaughterhouse**
 - 2.11.1 Investments in construction/renovation of existing facilities, including refrigeration warehouses with the equipment. Investments in new constructions, acceptable only to applicants who at the time of application are in category “D”;
 - 2.11.2 Investments in meat processing equipment and slaughterhouses;
 - 2.11.3 Investments in equipment to improve hygiene, as well as the quality and safety of products (especially to meet HACCP and/or ISO 22000 standards) *HACCP and/or ISO 22000 certification shall not funded*;
 - 2.11.4 Investments in equipment to improve environmental protection, especially for waste management and wastewater management;
 - 2.11.5 Investments for quality control equipment, including relevant laboratories;
 - 2.11.6 Investments in refrigeration and freezing equipment for storage of finished/final products;
 - 2.11.7 IT equipment, digitalization, hardware and software for monitoring, control and management;
 - 2.11.8 Specialized vehicles for transporting raw materials and finished products;
 - 2.11.9 Investments in technology for production of renewable energy;
 - 2.11.10 Investments in marketing.

V.II. FRUIT AND VEGETABLE PROCESSING SECTOR

Article 16

Eligibility criteria

1. Specific eligibility criteria for sub-measure of fruit processing, including potato, vegetables, and collection points/storage of agricultural products

1.1 All applicants should be registered in the Kosovo Business Registration Agency (ARBK) with the relevant activity and registered by the FVA prior the date of application.

1.2 In case of investment in existing collection points/warehouses, the minimum storage capacity must be at least 1000 m³. In case of expansion of existing facility, this facility must have a minimum capacity of 500 m³, while the expanded facility must reach a minimum capacity of 1000 m³.

2. Eligible investments:

2.1 Investments in renovation of processing facilities;

2.2 Investments in collection points/warehouses of agricultural products, construction/expansion/renovation and investments in equipment are allowed;

2.3 Investments in lines for canning/pasteurization of fruits and vegetables;

2.4 Investments in equipment to improve hygiene, as well as product quality and safety (especially to meet HACCP and/or ISO 22000 standards); *HACCP and/or ISO 22000 certification shall not funded*;

2.5 Investments in facilities and equipment for post-harvest treatment, drying, sorting and storage;

2.6 Investments in packaging, labeling equipment, including filling lines, wrappers and other specialized equipment;

2.7 Investments in refrigeration chain equipment, including refrigeration and freezing warehouses, freezing tunnels, refrigerated transport vehicles and other equipment necessary to ensure continuity in the refrigeration chain;

2.8 Investments in equipment to improve environmental protection, especially for waste management and wastewater management;

2.9 Investments in quality control equipment, including relevant laboratories;

2.10 Specialized vehicles for transport of raw materials and finished products, with and without refrigeration;

2.11 IT equipment, digitalization, hardware and software for monitoring, control and management;

2.12 Investments in technology for production of renewable energy;

2.13 Investments in marketing.

V.III. WINE PRODUCTION SECTOR

Article 17

Eligibility criteria

1. Special eligibility criteria for wine production:

1.1 Companies registered in the Register of Wine Producers and the Kosovo Business Registration Agency prior the application date are eligible to apply, wine producers must have at least 50% of the raw grape from other producers (not own production).

1.2 This criterion shall not apply to wine producers who own over 50 ha of vineyards. Applicants must prove that they have declared their annual wine production and the remaining stocks.

2. Eligible investments for wine production

2.1 Investments in renovation of facilities for wine production and processing;

2.2 Investments in wine processing equipment;

2.3 Investments in equipment to improve hygiene, as well as product quality and safety (especially to meet HACCP and/or ISO 22000 standards) *HACCP and/or ISO 22000 certification shall not funded;*

2.4 Investments in packaging, labeling equipment, including filling lines, packaging and other specialized equipment;

2.5 Investments in technology for production of renewable energy;

2.6 Investments in equipment and apparatus for wine quality control, including relevant laboratories;

2.7 IT equipment, digitalization, hardware and software for monitoring, control and management of wine production;

2.8 Investments in marketing.

3. The selection criteria for all sub-measures under Measure 3 - Investments in physical assets in the processing and marketing of agricultural products are defined in Annex II, Table 3 of this Administrative Instruction.

CHAPTER VI

MEASURE 7

FARM DIVERSIFICATION AND BUSINESS DEVELOPMENT

Article 18

Beneficiaries

1. Final beneficiaries:

1.1 The final beneficiaries of this measure shall be farmers, as defined by Law No. 08/L-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo/ No. 8/ 29 March

2023), and other enterprises in accordance with Law No. 04/L-220 on Foreign Investments, (Official Gazette No. 1/09 January 2014);

1.2 In case of enterprises, the beneficiaries may be; micro enterprises and small enterprises - these enterprises can be beneficiaries regardless of where they are established in rural or urban areas, but which operate in rural areas;

1.3 In case of legal entities, they must be registered with the relevant activity for which it applies - businesses in the list of activity codes must also have registered the activity for which they apply;

1.4 LAGs can be beneficiaries (only if they are accredited by MAFRD).

2. Common eligibility criteria:

2.1 All applicants must be registered in the Farm Register;

2.2 If the applicant is a 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 entity this criterion does not apply;

2.3 Applicants must submit the application with all the necessary documents in the list of required documents and presented in the Applicant Guide;

2.4 The investment should be made in rural areas (according to the definition of the Program for Agriculture and Rural Development 2014-20 for mountainous areas);

2.5 The natural person must have completed the compulsory elementary education (8 or 9 years old) (In case of a legal entity this applies to the owner or authorized person);

2.6 All applicants must submit a certificate of ownership/ possession list and a copy of the plan (for the place of investment);

2.7 All applicants must have paid or adjusted tax liabilities, income taxes and other applicable taxes;

2.8 Applicants should not have financial obligations to MAFRD;

2.9 All beneficiaries of rural development projects are obliged to maintain their investments, according to the approved project during the three years after the implementation of the project, as long as the monitoring period lasts. If it does not maintain the investment, the beneficiary is obliged to return the funded amount of public support;

2.10 For investment projects in which the eligible investments are less than or equal to € 20.000, applicants must submit a project proposal, according to the ADA model. The project proposal for the sub-measure of rural tourism shall be special;

2.11 The project proposal should include a cash flow and return on investment table;

2.12 For investment projects in which the eligible investments are greater than € 20.000, applicants must submit a business plan according to the ADA model; The business plan for the sub-measure of rural tourism shall be special;

2.13 Beneficiaries who in the business plan are committed to have employees must be registered with KBRA at least as an Individual Business and all payments must be made from the business account;

- 2.14 Business plan proposal templates shall be published on the website of the Agricultural Development Agency (ADA) and MAFRD and shall be available to all applicants;
- 2.15 All beneficiaries, who in their business plan have stated that they will create new jobs and therefore have earned points during the evaluation, must create them and prove by paying the pension contribution and payroll tax starting at least from the last month before the last payment request. Beneficiaries are required to hold these vacancies filled with full-time employees for 3 years, as long as the monitoring period lasts; Beneficiaries shall be required to hold these vacancies filled with full-time employees for three (5) years, for the duration of the monitoring period;
- 2.16 Beneficiaries who in the business plan are committed to have employees must be registered with KBRA at least as an Individual Business and all payments must be made from the business account;
- 2.17 Projects funded by the Rural Development Program shall not be allowed to be funded by the EU Office in Kosovo or any other local or international public donor. If it is proven that the beneficiary has received support for the same project from another donor, he/she shall not be supported or if he/she has received such support, he/she shall be forced to return the funds received, and sand punitive measures shall be imposed in accordance with the law;
- 2.18 A new project may not be granted to the beneficiary unless the previous project has been completed in accordance with the contract signed with ADA;
- 2.19 The applicant can only apply with one project per year;
- 2.20 The maximum public assistance for the period of implementation of the Agriculture and Rural Development Program for the five-year period for Measure 7 shall €180,000 per beneficiary;
- 2.21 If the land or any other property where the investment will be made is in joint ownership, the applicant must bring the consent of the co-owners and copies of the ID card;
- 2.22 The lease contract shall not only be required in cases where the landowner and the applicant are in a marital relationship or in a direct line of blood without boundaries (e.g.: grandparents, grandfathers, parents, children, nephew, nieces, and so on) and this is evidenced by the marriage certificate or birth certificate and/or death certificate;
- 2.23 The applicant must complete a declaration under oath, which proves that the land he/she is applying for and for which he/she is a potential heir, is not used by other potential heirs. Beneficiaries of projects with an acceptable investment value of more than €30,000, or beneficiaries who have declared new workers in the business plan and for whom they have been scored, before signing the contract with AZHB, must register the enterprises as a legal entity or individual business and the investments/expenses of project implementation must be invoiced in the name of the business;
- 2.24 In the case of projects involving construction, expansion, renovation or investments in equipment, applicants must submit**
- 1.24.1 The ownership certificate (possession list) of the plot in which the investment will be made; (In cases where the land/building is rented, the possession list of the land where the land/building is located must be in the name of the lessor);

1.24.2 In case the land or object is leased, a notarised lease contract for at least ten (10) years counting from the year of application; Lease contracts signed and notarised before the application period must cover the time period of at least 5 years from the day of approval, provided that the contract is related to the prior investment/activity.

1.24.3 The contract must also contain the consent of the owner (landlord), for the investment that will be made in his/her land/building;

1.24.4 If the land or any other property in which the investment will be made is in joint ownership, the applicant must submit the consent of the co-owners and copies of the ID card;

1.24.5 Copy of the plan of the parcel where the investment will be made;

1.24.6 Copy of building sketches

1.24.7 In addition to these documents, in case of construction/ expansion/ renovation of buildings, the following additional documents shall also be needed:

1.24.7.1 Bill of quantities for materials and works;

1.24.7.2 Mortgage land is not eligible for investment whether owned or leased;

1.24.7.3 The plot where the investment is to be made should be digitalised;

1.24.7.4 In case of construction/expansion in the spaces of national parks, MESPI consent shall also be required;

1.24.7.5 For the sub-measure “Honey production”, those who apply only for equipment and other tools, and do not apply for facility construction, must document by pictures the existence of the facility at the time of application;

1.24.7.6 For the sub-measure “Processing of agricultural products in the household”, those who apply only for equipment and other tools, and do not apply for facility construction, must document by pictures the existence of the facility at the time of application;

1.24.7.7 For the sub-measure “Non-agricultural activities in rural areas”, those who apply only for equipment and other tools, and do not apply for facility construction, must document by pictures the existence of the facility at the time of application;

1.24.7.8 For sub-measure “Development of rural tourism”, before signing the contract with the Agriculture Development Agency, potential beneficiaries who plan to invest in facilities that are on the Cultural Heritage List, must obtain the consent of the Ministry of Culture/Department of Cultural Heritage;

1.24.7.9 Under sub-measure “Development of rural tourism”, the term “expansion” means the expansion of the existing facility, if the rural tourism activity takes place in the bungalow/camp lodges, then new construction is allowed (bungalows/other camp lodges

as existing capacity expansion) on the plot or in the space where the existing rural tourism business is already operational within the same settlement;

1.24.7.10 Investments must comply with the relevant national minimum standards set out in the Guide for Applicants, which must be met at the latest prior to the final payment request and verified during an inspection by officials at the place of investment;

1.24.7.11 The plot where the investment is to be made should be digitalised;

1.24.7.12 The applicant applying for investments for waste management and management of discharged water, in the case of application, must submit a feasibility project with dimensions and the bill of quantities;

1.24.7.13 Bill of quantities of material expenses and anticipated works; Consent from the competent body (Municipality) for a construction permit, in case of construction/expansion projects, but not in the case of renovation projects;

1.24.7.14 All applicants must have paid or adjusted tax liabilities, income taxes and other applicable taxes;

1.24.7.15 Before requesting payment from the Agricultural Development Agency, the beneficiary must submit:

1.24.7.15.1 A construction permit from the competent body (Municipality) is not required for renovation projects;

1.24.7.15.2 In the case of constructions/expansions with a base area of more than 10 m², a construction permit is required;

1.24.7.15.3 For sub-measure “Fish farming”, the license for aquaculture/fish farming activities must be submitted with the request for payment;

1.24.7.15.4 Beneficiaries for grape processing must, before requesting payment, be registered with the “Kosovo Wine Registry”.

1.24.7.15.5 Environmental impact assessment, if provided for by law;

3. National standards

3.1 Investments must be in accordance with relevant minimum national standards.

3.2 The relevant minimum national standards must be met at the latest before the request for the last payment and verified during the control by the official persons in the place of investment according to the Guide for applicants of this measure.

4. Economic sustainability

4.1 The applicant must prove the economic sustainability of the farm through the business aiming to achieve the results by the end of the investment period.

- 4.2 The way as to how to prove economic sustainability should be explained in the instruction to applicants which is prepared by AAD.
- 4.3 The AAD funds provided to the beneficiary should be taken into account when calculating the economic sustainability of the beneficiary.
- 4.4 In cases when the investment is less than or equal to 20.000 Euro, a simplified form of a business plan or project proposal may be accepted, maintaining financial/economic sustainability projections;
- 4.5. The applicant must submit a project proposal according to the sample published on the AAD and MAFRD websites.
- 4.6 The project proposal should include a cash flow and return on investment table;
- 4.7 For investment projects in which the eligible investments are more than 20.000 Euro, the applicants must submit a business plan according to the sample published on the AAD and MAFRD websites;
- 4.8 The business plan shall be the main document for assessing economic sustainability;
- 4.9 Planned investments must be in line with production capacity.
- 4.10 When evaluating applications, based on the business plan, the AAD officials shall be obliged to reject the part of investments which are contrary to this Administrative Instruction.
- 4.11 Economic and financial sustainability shall be assessed on the basis of a project proposal or business plan;
- 4.12 The business plan should indicate the economic sustainability of the farm/enterprise at the end of the investment.
- 4.13 In cases where the proposed value of the project is over 50,000 euros, then the applicant must bring proof of his financial situation. In cases where the applicant is a registered legal entity, he must provide comprehensive income statements from the previous year as evidence. The financial evidence consists of at least 50% of the turnover of the value of the co-financing by the beneficiary;

5. Joint investments eligible for this measure

- 5.1 Construction, expansion and renovation of immovable property;
- 5.2 The purchase of new machinery and equipment, including computer equipment;
- 5.3 Construction, renovation and expansion of internal roads for access to the property/building;
- 5.4 General expenses related to expenditures such as architects, engineers, and other consulting fees, feasibility studies, shall be acceptable up to a maximum of 10% of the investment costs;
- 5.5 If the land is leased, a notarised lease contract for a minimum of 10 years for the plot or property where construction/expansion/renovation will take place, while for projects that do not

involve construction/ expansion/ renovation on foreign property, a notarised lease contract for 5 years is sufficient. (calculated from the year of application);

5.6 Signed and notarised lease contracts prior to the application period must cover a minimum period of 5 years from the approval date;

5.7 Investments in renewable energy production;

5.8 As part of this supportive investment, the sale of electricity in the network shall be allowed as long as the “self-consumption” limit is complied with (i.e. the electricity sold in the network is roughly equal to the electricity consumed during the year). This is justified by the fact that, since electricity cannot be stored, it can, if not consumed, be emitted into the network; the energy network can be conceived as a storage site for electricity put into and withdrawn during the year in similar quantities and at different;

5.9 The “self-consumption” concept should be checked at the stage at which a project is presented/evaluated. The investment shall be considered eligible when the (theoretical) energy capacity of the renewable energy plant (“investment”) does not exceed 120% of the average 5-year consumption of the farm;

5.10 In the case of new farms or in the case of farms that have substantially changed the size of their business in the last three years, the expected consumption should be assessed by ADA.

6. Level of public support:

6.1 Public support for this measure is 60% of eligible expenditures of Investment;

6.2 Public support increases in:

6.2.1 investments in mountainous areas +5% and

6.2.2 investments in physical assets of agricultural households made by young farmers +5%;

6.3. The minimum value of eligible expenditures for projects within this measure shall be €10,000;

6.4 The maximum value of eligible expenditures for projects within this measure shall be up to €100,000;

6.5 Maximum eligible under sub-measures:

6.5.1 Collection, processing and promotion of non-timber forest products €100,000;

6.5.2 Development and promotion of rural tourism - €100,000;

6.5.3 Processing of agricultural products in the household - €50,000;

6.5.4 Honey production - €30,000;

6.5.5 Non-agricultural activities in rural areas - €50,000;

6.5.5.1 Wool processing - project value - €30,000;

6.5.5.2 Humus production - project value - €30,000;

6.5.6 Growing of village poultry - €30,000;

6.5.7 Fish farming - €100,000.

6.6 The maximum public support for the programming period (2023-27) for Measure 7 cannot exceed the amount of €180,000 per beneficiary;

6.7 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;

6.8 Eligible expenditures shall be limited to those included in the List of Eligible Investments for Measure 7.

7. Deadline for implementation

7.1 The deadline for the implementation of projects of this measure shall be 90 days from the day of signing the contract with ADA, except for the sub-measure of Aquaculture/fish farming - in which the project implementation deadline shall be 10 months (300 days) with the possibility of extension in accordance with applicable law.

7.2 After the period of 90 days, respectively 300 days, the beneficiary shall have an additional 15 days to prepare the documentation and submit the request for payment.

7.3 ADA may extend the implementation period by a maximum of 30 days, if there are constant reasons for this, such as unfavourable climatic conditions, the bringing of any specific machinery from another country. The period of the start of implementation is defined by contracts.

CHAPTER VII

SUB-MEASURES

VII.I. HONEY PRODUCTION

Article 19

Eligibility criteria

1. Specific eligibility criteria

The applicant, whether natural or legal persons, must have a minimum of 50 beehives.

2. Eligible investments for honey production:

2.1 The purchase of beehives shall be supported no more than twice the existing capacity;

2.2 Purchase of machinery and equipment for honey production and processing;

2.3 Specialised trailers for transporting hives, only for applicants with over 100 hives;

- 2.4 Investments in equipment for the extraction of bee products;
- 2.5 Investments in equipment for cultivation of bee parents;
- 2.6 Construction/renovation/expansion of room for honey, maximum cost five thousand (5,000) euro;
- 2.7 Purchase of laboratory equipment for analysis of bee products;
- 2.8 Purchase of technological lines for filling and packaging of honey;
- 2.9 Purchase and installation of equipment for the production of renewable energy;
- 2.10 Investments to improve the quality assurance of honey;
- 2.11 Purchasing IT and digitalisation equipment;
- 2.12 Investing in production waste and wastewater treatment;
- 2.13 Investments in marketing;
- 2.14 The farmer's NIF must be engraved in all honey harvesting equipment;

3. Selection criteria for Measure 7 - Farm Diversification and Business Development for Sub-Measure - Honey production are defined in Annex III, Table 4 of this Administrative Instruction.

SUB-MEASURES

VII.II COLLECTION AND PROCESSING OF NON-TIMBER FOREST PRODUCTS INCLUDING MEDICINAL AND AROMATIC PLANTS (collected or cultivated BMA)

Article 20 Eligibility criteria

1. Specific eligibility criteria

- 1.1 Only legal entities or individual businesses registered with KBRA with the relevant activities have the right to apply;
- 1.2 The applicant must be licensed to collect NTFP and MAP (from the Department of Forestry);

2. Eligible investments

- 2.1 Construction/expansion/renovation of the facility;
- 2.2 Purchase of equipment for processing, storage, packaging of sector products;
- 2.3 Purchase of equipment for washing, cleaning, storage, sorting, labelling;

- 2.4 Purchase of equipment for drying, cooling, deep freezing;
- 2.5 Purchase of drying shelves;
- 2.6 Purchase and installation of equipment for the production of renewable energy;
- 2.7 Purchase of IT equipment and digitalisation;
- 2.8 Investments for waste treatment and water treatment.

3. Selection criteria for Measure 7 - Farm Diversification and Business Development for the Sub-Measure *Collection and processing of non-timber forest products, including medicinal and aromatic plants (collected or cultivated MAPs)* are defined in Annex III, Table 5 of this Administrative Instruction.

VII.II. PROCESSING OF AGRICULTURAL PRODUCTS IN HOUSEHOLDS

Article 21

Eligibility criteria

1. Specific eligibility criteria:

- 1.1 Natural and legal persons shall be entitled to apply;
- 1.2. Eligible activities for processing within this sub-measure shall be:
 - 1.2.1 Processing of livestock products;
 - 1.2.2 Processing of fruits, vegetables and mushrooms;
 - 1.2.3 Grape processing;
 - 1.2.4 Processing of doughs - doughs of different types, cakes;
 - 1.2.5 Beneficiaries of this sub-measure before the request for final payment must be registered in the central register of facilities registered or approved in the FVA (depending on production capacity).
 - 1.2.6 Beneficiaries for grape processing must, before requesting payment, be registered with the "Kosovo Wine Registry".

2. Eligible investments:

- 2.1 Construction/renovation/expansion of facilities for production, storage and processing of products;
- 2.2 Construction/renovation/expansion of facilities with views adapted to the style of the rural area for use as points of sale for local products (to be described in the project proposal);

2.3 Investments in machinery and equipment for processing meat, milk (including mobile milk processing units), processing of fruits and vegetables, for cleaning, sorting, drying, collection, pasteurisation, storage, refrigeration, freezing, ovens for baking of doughs, various dough mixers, equipment for the production of brandy, equipment for filling for brandy and wines, wine products, etc;

2.4 Investments in the purchase of equipment for measurement, packaging and labelling;

2.5 Purchase and installation of equipment for the production of renewable energy;

2.6 Equipment for production waste and wastewater treatment;

2.7 Purchasing IT and digitalisation equipment;

2.8 Investments in specific equipment, in order to improve food safety and quality;

3. Selection criteria for Measure 7: Farm Diversification and Business Development for Sub-Measure Processing of Agricultural Products in Households are defined in Annex III, Table 6 of this Administrative Instruction.

VII. III. NON-AGRICULTURAL ACTIVITIES IN RURAL AREAS

Article 22 Eligibility criteria

1. Specific eligibility criteria

1.1 Natural and legal persons shall be entitled to apply;

1.2 Natural persons must be registered as a business before signing the contract (the non-agricultural activity for which they have applied);

1.3 Legal entities (in the business register in the appropriate non-agricultural activity in rural areas)

1.4 *Eligible non-agricultural activities in rural areas*

1.4.1 Production and processing of leather products;

1.4.2 Production and processing of wool products;

1.4.3 Production and processing of wood products;

1.4.4 Production and processing of metal products;

1.4.5 Production and processing of paper products

1.4.6 Production and processing of plastic products;

1.4.7 Production and processing of ceramics products;

1.4.8 Production and processing of textile product;

1.4.9 Humus production.

2. Eligible investments:

2.1 Construction/expansion/renovation of the facility;

2.2 Purchase of tools and equipment for carrying out non-agricultural activities;

2.3 Purchase and installation of equipment for the production of renewable energy;

2.4 Purchase and installation of equipment for the treatment of production, waste and water.

3. Selection criteria for Measure 7 - Farm Diversification and Business Development for Sub-Measure Development of craft activities is defined in Annex III, Table 7 of this Administrative Instruction.

VII.IV. DEVELOPMENT AND PROMOTION OF RURAL TOURISM AND AGRITOURISM

Article 23 Eligibility criteria

1. Specific eligibility criteria

1.1 Construction of new buildings shall be allowed only for agri-tourism. Applicants shall be obliged to prove that they conduct agricultural activity in rural areas and receive subsidies, proven through the FIN for natural persons, while for legal persons through the activity code in KBRA and must provide evidence from ADA for receiving subsidies from the previous year;

1.2 The existing facility in which it will be invested, at the time of application, must be proven by pictures and should fit the style of the rural area.

1.3 Applicants who plan to invest in facilities that are on the Cultural Heritage List, before signing the contract with the Agricultural Development Agency, must obtain the consent of the Ministry of Culture/Department of Cultural Heritage;

1.4 The applicant must, at the time of application, submit the feasibility project prepared by a graduate architect (certified by a university degree).

1.5 The facility planned to be built/expanded, according to the project, should fit the style of the area;

1.6 If the applicant is a natural person/agricultural farm, before signing the contract with ADA, it must be registered as a legal entity or individual business and as a provider of "hotel/guesthouse" services and the investments/expenses of project implementation must be invoiced in the name of the business.

1.7 At the end of the investment, the maximum number of rooms for natural persons with investment and existing ones should not exceed more than 8 rooms or 16 beds, while for legal persons it should not exceed the limit of 15 rooms or 30 beds;

1.8 Natural persons applying for food/restaurant services, before signing the contract with ADA, must be registered as a legal entity or individual business and as a food/restaurant service provider (the maximum number of seats with investment and existing ones cannot exceed the capacity of 40 seats for natural persons, while for legal persons it should not exceed the limit of 60 seats);

1.9 In the case of investments in the construction of pedestrian and bicycle trails around rural tourism facilities and when these trails pass through private properties, the notarised consent of the owners of the properties through which this trails passes must be submitted with the application.

2. Eligible investments:

2.1 Reconstruction and expansion of the existing facility for offering accommodation services, food and drinks preparation facilities; Construction shall be allowed only for agri-tourism;

2.2 Purchase of equipment and furniture for interior decoration of the building;

2.3 Regulation of tourist infrastructure - theme or amusement parks, tennis courts, swimming pools, recreational trails, fitness trails, panoramic roads, cycling trails;

2.4 Purchase and installation of equipment for the production of renewable energy;

2.5 Purchasing IT and digitalisation equipment;

2.6 Investing in production waste and wastewater treatment;

2.7 Investments in marketing.

3. Selection criteria for Measure 7 - Farm Diversification and Business Development for Sub-Measure Development and promotion of rural tourism is defined in Annex III, Table 8 of this Administrative Instruction.

VII.V. AQUACULTURE/FISH FARMING

Article 24

Eligibility criteria

1. Specific eligibility criteria

1.1 Natural and legal persons shall be entitled to apply;

1.2 All applicants, before requesting the final payment, must be registered as a business and licensed for fish farming by MAFRD;

1.3 Regarding the applicants applying for construction/renovation/expansion of the incubator for fish reproduction, only those who in the previous year have sold more than 30 tons of fresh fish can apply.

2. Eligible investments:

- 2.1 Construction/expansion/renovation of fish farming basins;
- 2.2 Construction/expansion/revocation of the incubator for fish reproduction;
- 2.3 Investments in achieving national food safety standards;
- 2.4 Purchase of equipment necessary for the cultivation and treatment of freshwater fish;
- 2.5 Purchase and installation of equipment for the production of renewable energy;
- 2.6 Investments for equipment for the treatment of production, waste and water.

3. Selection criteria for Measure 7 - Farm Diversification and Business Development for Sub-Measure Fish farming are defined in Annex III, Table 9 of this Administrative Instruction.

VII.VI. RAISING OF VILLAGE POULTRY

Article 25

Eligibility criteria

1. Specific eligibility criteria:

- 1.1. Natural and legal persons shall be entitled to apply;
- 1.2. Natural persons must be registered as a business before signing the contract for production of eggs and poultry meat;
- 1.3. Legal persons (in the business register as an activity they must have poultry raising);
- 1.4. Applicants, at the time of application, must prove that they have at least 5 m² of land per chicken or duck head and 15 m² land per head of duck or goose;
- 1.5. At the time of application, they must have at least:
 - 2.1.1 Three hundred (300) chickens, and at the end of the investment they must have no less than eight hundred (800) heads;
 - 2.1.2 Three hundred (300) ducks, and at the end of the investment they must have no less than eight hundred (800) heads;
 - 2.1.3 One hundred (100) geese, and at the end of investment they must have no less than five hundred (500) heads;
 - 2.1.4 Three hundred (100) ducklings, and at the end of the investment they must have no less than eight hundred (500) heads;
 - 2.1.5 In case of combined keeping a goose or a duck is equal to 3 chickens or three ducks and the number equivalent to the values defined above must be achieved.

2. Eligible investments:

- 2.1 Construction of a stable for keeping birds-Maximum allowed density:

- 2.1.1 Six (6) chickens/ducks in 1m² or 2 duckling/geese in 1m², while the maximum number of birds allowed in 1 nest must be seven (7) birds;
- 2.1.2 Investments in the placement of the fence for the surface on which the birds are kept;
- 2.1.3 Purchase of equipment necessary for raising poultry for the production of eggs and meat of chickens, ducks, geese and ducks;
- 2.1.4 Small incubators in line with production capacity;
- 2.1.5 Purchase and installation of equipment for the production of renewable energy;
- 2.1.6 Investments for equipment for the treatment of production, waste and water.

3. Selection criteria for Measure 7 - Farm Diversification and Business Development for Sub-Measure Raising poultry for eggs and meat is defined in Annex III, Table 10 of this Administrative Instruction.

CHAPTER VIII

MEASURE 5 “PREPARATION AND IMPLEMENTATION OF LOCAL DEVELOPMENT STRATEGY – LEADER APPROACH”

Article 26 Beneficiaries

1. Final beneficiaries:

- 1.1 Local Action Groups selected and contracted by the Agricultural Development Agency, excluding LAGs benefiting from RDP 2022
- 1.2. The applicant may not benefit from a project if it is contrary to Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function and Law 03/L-149 on Civil Service of the Republic of Kosovo;
- 1.3. All beneficiaries of rural development projects shall be obliged to maintain their investments according to the approved project during three (3) years after the date of execution of the payment, as long as the monitoring period lasts;
- 1.4. If it does not maintain the investment, the beneficiary shall be obliged to return the funded amount of public support;
- 1.5. All beneficiaries of rural development projects after the finalisation of investments must have a functional project according to the business plan, RDP and the criteria of this Administrative Instruction;
- 1.6. The request for payment shall be rejected for projects that have not finalised any activity for which it was scored during the evaluation process.

1. Implementation of LEADER Approach

- 2.1 The LEADER approach at the program level must contain at least the following elements:
- 2.1.1 Design and implement a strategy based on the interaction between actors and projects of different sectors of the local economy;
 - 2.1.2 Local development strategy based on a well-defined area;
 - 2.1.3 Public-Private Partnership of Local Action Groups;
 - 2.1.4 Bottom-up approach to decision-making for local action groups regarding the implementation of local development strategies;
 - 2.1.5 Networking of local partnerships;
 - 2.1.6 Implementation of innovative approaches.
- 2.2 Local Action Groups (LAGs) shall implement Local Development Strategies (LDSs), which may include one or more of the following six priority topics:

- 2.2.1 Rural economy: development of short supply chains and value-added products, including quality products, crafts and other activities to diversify the rural economy;
- 2.2.2 Rural tourism: development of rural tourism products based on the use of local, natural and cultural resources;
- 2.2.3. Community: encouraging the cultural and social life of the community and supporting local collective organisations, associations and non-governmental organisations;
- 2.2.4 Public spaces: improving public space in villages;
- 2.2.5 Environment: improving environmental standards in LAGs and promoting the use of renewable energy by the local community;
- 2.2.6 Networking: networking of LAGs, exchanging best practices, distributing IPARD programs and learning new approaches to rural development.

2.3 The implementation of the Local Development Strategy shall include animation and capacity-building activities, small projects and running costs for the LAG. Activities should be related to the priority topics selected above. Activities should be related to the priority topics selected above.

2. Local action groups must meet the following conditions

- 3.1. Must propose an integrated local development strategy based on the characteristics of LEADER as defined in paragraph 2, subparagraph 2.2 of this Article;
- 3.2. Must demonstrate the ability to define and implement a Local Development Strategy (LDS) for the area;

3.3 The Local Action Group must have a legal form (e.g. association);

3.4 Ability to manage public funds: The governing body should ensure that LAGs select an administrative, financial manager who will be able to manage public funds and ensure the satisfactory functioning of the partnership.

4. LAG requirements areas to be covered/included by their LDSs

4.1 The LAG area should be coherent and provide sufficient critical mass in terms of human, financial and economic resources to support a sustainable development strategy;

4.2 The population of each area must, as a rule, be not less than 10,000 inhabitants and not more than 150,000 inhabitants, including settlements with a population of fewer than 25,000 inhabitants;

4.3 The same location should not belong to more than one LAG, which means a partnership, a strategy and a territory;

5. Minimum content of the Local Development Strategy (LDS)

5.1 The definition of the LAG Area/territory should be coherent/compact and provide sufficient mass / amount of human, financial and economic resources to support the implementation of the local development strategy.

5.2 Analysis of development needs and potential of the area, including an analysis of strengths, weaknesses, opportunities and threats (SWOT) - LAGs should take into account not only statistics, but also the views of local actors/stakeholders.

5.3 Description of the strategy and its objectives and the LAGs shall define the vision and objectives in accordance with the priority topics RDP 2022-2028.

5.4 Description of the process of community involvement in the preparation of the strategy, the structure of the partnership and the internal rules of decision-making.

5.5 LDS action plan/activities. All proposed actions/activities should be related to the topics selected with priority. The action plan/activities will later be translated into detailed annual plans.

5.6 Financial plan with an indicative/orientation budget for the duration of the LDS divided into operating or operating costs of the LAG, animation/capacity building and small projects.

6. Eligible activity

6.1 Preparation of Local Development Strategy – LDSs

7. List of eligible costs

7.1 Information workshops and events to promote the active participation of the rural population in the local development process;

7.2 Expert services;

- 7.3 Translation of documents and interpretation;
- 7.4 Rent of facilities and equipment;
- 7.5 Event hall rental;
- 7.6 Food supply for participants;
- 7.7 Fees, registration costs;
- 7.8 Purchase of materials;
- 7.9 Travel expenses;
- 7.10. Preparation/processing and distribution of information materials necessary for the preparation, publicity of local development strategies;
- 7.11. Publicity, publications, brochures, leaflets;

8. Procedure for selection of Local Action Groups

Call for LAGs to be elected must be open to all rural areas and ensure competition between local action groups to present Local Development Strategies.

9. The selection procedure consists of two stages:

- 9.1 Eligibility control of LAGs by the Agricultural Development Agency (established LAGs apply for funding for the preparation of their LDS, with the required documents);
- 9.2. Evaluation of LAGs of acceptable LAGs according to the selection criteria by the Evaluation Committee. The Evaluation Committee consists of representatives from the Managing Authority and stakeholders 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.

10. Eligibility criteria for the preparation of LDS

- 10.1 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 fewer than 25,000 inhabitants. Deviation from this rule shall be possible with a proper rationale and which shall have to be explained in the program.
- 10.2 A municipality/settlement shall belong to only one LAG. No overlap shall be allowed - which means 'a partnership, a strategy, a territory.
- 10.3. 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 organisation whose statute guarantees the satisfactory functioning of the partnership and the ability to manage/administer public funds.

10.4 At the decision-making level, economic and social partners, as well as other civil society representatives, such as farmers, rural women, youth and their associations, should account for 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;

10.5 10% participation of women and/or youth to ensure age diversity and gender equality.

10.6 Members of the LAG decision-making bodies must be resident residents or operating in the area covered by the Local Development Strategy;

10.7 The LAG should propose an integrated Local Development Strategy that includes at least minimum elements and priority topics as specified in the Rural Development Program.

11. Eligibility criteria of LDSs

11.1 The quality of the partnership shall be a rule of representation for management and decision-making while avoiding conflicts of interest, including the participation of young people and women;

11.2 Coherence of the territory of the LAGs and sufficient quantity in terms of human, financial and economic resources;

11.3 Quality of Strategy intervention logic (including SWOT analysis, etc.);

11.4 Coherence of proposed actions with SWOT analysis and priority topics of ARDP;

11.5 Involvement of stakeholders in the preparation of the Local Development Strategy;

11.6 Ability of the LAG to manage the implementation of the LDS;

11.7. Projects supported from other sources (not from the RDB Program) should be considered as added value, however double funding should be avoided.

12. Intensity of assistance and level of contribution

12.1 The intensity of support, expressed as part of public support in eligible expenditures, shall be 100% for the preparation of LDSs of LAGs.

12.2 LAGs must make a request for 80% advancement payment and request for 20% payment after submission of the LDS.

13. Deadline for implementation

13.1 The deadline for the implementation of projects of this measure shall be six (6) months from the moment of signing the contract with ADA.

13.2 The Beneficiary/LAGs shall have an additional 15 days to prepare the documentation and submit the request for payment.

13.3 ADA may extend the implementation period by a maximum of 30 days if there are constant reasons for this. The period of the start of implementation is defined by contracts.

CHAPTER IX

PROCEDURES FOR IMPLEMENTATION OF PROJECTS

Article 27 Implementation

1. The procedure for the implementation of RDP 2023 shall be carried out according to Law No. 08/L-072 on and Rural Development (Official Gazette of the Republic of Kosovo No. 8/29 March 2023), Law No. 05/L-031 on General Administrative Procedure (Official Gazette of the Republic of Kosovo No. 20/21 June 2016), Law No. 08/L-193 on Budget Appropriations for the Budget of the Republic of Kosovo for 2023 (Official Gazette No. 38/30 December 2022) according to this Administrative Instruction and the applicable legislation.
2. Measures 1, 3, 7 and 5 shall be implemented by the Agricultural Development Agency.

Article 28 Call for application

The Agricultural Development Agency shall be responsible for drafting, publishing the Call for Application and instructions to applicants, in accordance with the criteria and procedures set out in this Administrative Instruction.

Article 29 Procedure for submitting and reviewing applications

The procedures for submitting and reviewing applications shall be:

- 1.1. The application shall be submitted through the online web module on the ADA website www.azhb-ks.net, under the link located on "online application" which takes the applicant to the online application module. The project shall be registered in the web module and the necessary documents for application shall be uploaded in PDF.
- 1.2. After the completion of the online application process from subparagraph 1.1 of this Article, the administrative review of applications shall begin;
- 1.3. Application evaluation process;
- 1.4. Public announcement of preliminary results of project evaluation;
- 1.5. Informing the farmer of the result of the project evaluation;
- 1.6. Appeal period/Right to appeal;
- 1.7. The first on-site inspection;
- 1.8. Approval/Rejection of projects;
- 1.9. Appeal period;

- 1.10. The signing of the contract between the beneficiary and ADA;
 - 1.11. Time of making investments;
 - 1.12. The payment request by the beneficiary shall be submitted to ADA;
 - 1.13. Administrative control of the payment package request;
 - 1.14. The second on-site inspection;
 - 1.15. Punitive measures in case of irregularities during the implementation of projects;
 - 1.16. Authorisation and execution of payment;
 - 1.17. Post-implementation project control;
 - 1.18. The decision to return the funds;
 - 1.19. The right to appeal.
2. The administrative proceedings shall be completed within a period of 45 days, after the completion of the application process until the evaluation report/publication of the preliminary results on the support, in accordance with Article 98 of Law No. 05/L-031 on General Administrative Procedure.
 3. In cases of complexity of the administrative case, the deadline may be extended pursuant to Article 99 of Law No. 05/L-031 on General Administrative Procedure.

Article 30
Submission of applications

1. The online application must have all the required documents uploaded within the application deadline;
2. The online application must include the project with all the necessary documents for application;
3. The applicant can apply only once within the 2023 Rural Development Program;
4. A new project may not be granted to the applicant unless the previous project has been completed in accordance with the contract signed with ADA;
5. The applicant shall ensure that all information and documents provided are clear and accurate;
6. The applicant shall receive an online notification via e-mail for the submission of the application;
7. In case of technical problems during the receipt of the application, clarification shall be requested from the IT division during the administrative check.

Article 31
Control, evaluation and approval of application in ADA

1. The control and evaluation shall begin after the application deadline;

2. Completed applications shall be subject to further evaluation of eligible costs and assessment of economic and financial viability;
3. If the project or application has been evaluated by the experts in the relevant field, the review of the project or application shall be postponed until the experts in the relevant field provide a recommendation;
4. Expenditure eligibility shall be controlled and approved, comparing them with the reference prices/price lists approved by MAFRD;
5. A project/application can be selected for support only if it reaches the minimum threshold of 50 points up to a maximum threshold of 100 points. The minimum threshold shall be set to ensure that supported projects bring sufficient added value to the sector;
6. After the evaluation and scoring of the projects, the preliminary evaluation list of rural development projects is made public on the official website of MAFRD and ADA;
7. The announcement of the publication of the preliminary list of potential beneficiaries of the evaluation list of applications for rural development projects shall be made on the official MAFRD and ADA website;
8. ADA shall notify all applicants for the publication of the preliminary evaluation list of rural development projects via e-mail and SMS on the same day;
9. Applicants who are considered potential beneficiaries shall have the right to show up at the ADA within eight (8) calendar days, from the day of receiving the notification, to receive the notification letter and the evaluation of their project;
10. The deadline for appeal shall begin to run the next day, after the publication of the preliminary list of potential beneficiaries of rural development projects;
11. On the same day, the List of potential beneficiaries/selected projects shall be sent to the Control Division at ADA for the first on-site control, which should start immediately;
12. Based on the report of the first on-site control and the report of the appeal process, the approval of rural development projects for financing is done and the final list of beneficiaries of rural development projects is approved, which should be published on the MAFRD and ADA websites;
13. All applicants shall be informed of the selection or rejection of their project;
14. After the approval of the projects, the drafting of the final List of beneficiaries of the rural development projects and the notification of the beneficiary applicants, the contract shall be signed between the beneficiary and the ADA;
15. The applicant shall be invited to sign the contract for co-financing of the project within five (5) days after the receipt of the notification letter for the approval of the projects;
16. After signing the contract, the beneficiary shall be obliged to start the implementation of the project according to the contract.

Article 32
Rejection of projects

1. An applicant shall be rejected if:
 - 1.1. The documentation is incomplete;
 - 1.2. Fails to meet eligibility criteria;
 - 1.3. Costs cannot be verified as eligible;
 - 1.4. The project is not economically viable, according to ADA;
 - 1.5. In case of fraud at any stage of the procedure;
 - 1.6. If the project funded by public support is not functional according to the project/business plan and contract;
 - 1.7. In case of non-compliance with the terms of the contract for project financing;
 - 1.8. An applicant who applies for public investment shall also be rejected if he/she fails to carry out the procurement process according to the applicable procurement rules.
 - 1.9. The applicant shall be notified of the project being rejected by a rejection decision issued by the Agricultural Development Agency.
 - 1.10. The rejection decision shall contain the reasons for the rejection in detail.

Article 33
Ineligible costs for the measures

1. Ineligible costs for the measures shall be:
 - 1.1 Taxes, including VAT, with the exception of non-refundable VAT on natural persons and non-VAT reporting enterprises;
 - 1.2 Customs duties and excise;
 - 1.3 Purchase and lease of existing land and buildings;
 - 1.4 Fines, financial penalties and court costs;
 - 1.5 Operating expenses;
 - 1.6 Second-hand machinery and equipment;
 - 1.7 Machinery and equipment without serial number and technical data with the exception of handicraft equipment;
 - 1.8 Exchange costs, liabilities and exchange losses, as well as other financial expenses;
 - 1.9 In-kind contributions;
 - 1.10 Purchase of agricultural inputs, animals, annual plants and their planting;
 - 1.11 Maintenance and depreciation costs;
 - 1.12 Expenses for staff salaries for management, implementation, monitoring and control activities;

1.13 Expenses from paragraphs 1.3 and 1.5, other than the purchase of land, shall be eligible under the measure “Implementation of Local Development Strategies - LEADER Approach”, “Improvement of Training” and “Support for Establishing Producer Groups.

Article 34 **Request for payment**

1. Beneficiaries who have completed the investment under the contract shall submit the payment request for payment to the ADA Regional Offices.
2. The payment request form can be downloaded from the ADA website or provided by the ADA Regional Office.
3. The payment request with the completed documentation shall be personally submitted in a hard copy and a CD or USB with scanned documentation by the beneficiary or by the authorised person, as defined under the Project Financing .
4. If the payment request is not completed with all the documents according to the contract, the ADA’s officer shall not accept the payment request, but shall register it by giving a copy to the beneficiary and asking for the completion of the relevant documentation within five (5) days.
5. If the beneficiary within the period as specified in paragraphs 3 and 4 of this Article does not submit the completed documentation, the payment request shall be rejected.
6. After the administrative control of the payment request, the Directorate of Control in ADA shall conduct the second on-site control to ensure that the investment is done according to the project proposal/approved business plan and approval letter.
7. In case of technical errors in the request for payment package, the applicant must be notified of the correction of technical errors within five (5) days.
8. If the beneficiary within the deadline defined according to paragraph 7 of this Article does not correct the documentation with technical errors, this document shall be rejected.
9. Based on the Assessment of the Report of the on-site control and submitted invoices, with the payment request and ADA price list, ADA shall issue a decision on the payment within 60 days and notify the beneficiary through a Notification Letter.
10. No payment shall be made to beneficiaries who are found to have created artificial conditions for receiving payments.
11. If the payment has not been accepted or public support has been reduced, the beneficiary shall be informed through the Notification Letter.
12. The period of (90) days must not be exceeded from the day of submitting the payment request up to the payment execution unless such a delay is made for objective reasons.
13. Before requesting payment, the beneficiary must place on the investment site the table with the logo of MAFRD/ADA with size 100cmx50cm* defined according to Annexes 1, 2, 3, 4 and 5 of this Administrative Instruction.
14. The payment shall be made within (30) days effectively from the decision on payment.
15. In case of contested decision for payment or decision for refusal of payment, the beneficiary shall have the right to appeal and request reconsideration of the relevant decision.

16. ADA shall establish a special Appeals Commission related to the decision on termination of the contract, the decision on payment, the decision on the refusal and the decision on exclusions for three years.

17. Against the decision of the Commission, the party shall have the right to file a lawsuit for an administrative dispute in the competent court within 30 days.

Article 35 **Level of the on-site controls**

1. ADA shall be obliged to control all projects in the field at the level of 100%. which have been selected as beneficiaries by RDP 2023 and to verify the fulfilment of criteria for funding.

2. After the submission of the payment request, the ADA Control Directorate shall be obliged to verify the implementation of investments through the on-site control. In this case, the beneficiary shall be obliged to be present during the field control no later than 5 days from the notification of ADA.

3. Repeated on-site control is done in certain cases and at the request of the relevant ADA Directorates.

4. The payment authorisation shall be made based on the control report for verifying the request for payment with the attached documentation and reference price, for the implementation of the investment.

5. ADA shall perform ex-post control to verify all selected projects for three (5) years of financing, from the day of execution of the last payment. In this case, the beneficiary shall be obliged to be present during the field control no later than 5 days from the notification of ADA.

6. AAD shall by a special decision appoint the Commission for super control of the project.

Article 36 **Special control**

For special on-site control, in cases of construction investments and investments that require special expertise, AAD may engage experts in relevant area to provide professional assessment.

Article 37 **Required documentation for payment**

1. The payment request shall contain the original copy of the required documents according to the payment request and a CD with scanned documents.

2. Payments over the amount of five hundred Euro (€500.00) shall be made through a bank transfer and shall be verified with the bank's current account statements.

3. For payments under the amount of five hundred Euro (€500.00 €), if the payment is made in cash, the invoice and fiscal coupon shall be provided, and if the payment is made through the bank, the bank transfer payment slip shall be submitted.

Article 38 **Complaints procedure for applicants**

1. Applicants dissatisfied with the evaluation result shall have the right to complain against AAD decisions.
2. The complaint shall be addressed to the Complaints Review Commission.
3. An applicant may file a written complaint within 30 days from the day of publication of the preliminary List of potential beneficiaries of rural development projects.
4. Within 30 days from the day of submitting the appeal, the Complaints Review Commission must give a written response, with full reasoning addressed to the submitter of the appeal.
5. The Complaints Review Commission shall take a decision with the majority of votes of its members, whereby:
 - 5.1. Rejects the complaint against the ADA decision regarding the evaluation of the respective project;
 - 5.2. Approves the complaint and annuls the AAD decision related to the assessment of the relevant project and takes a meritorious decision.
6. During the process of reviewing complaints, the Complaints Review Commission may require the necessary information from AAD, as well as conduct on-site visits and request information directly from the party related to the relevant projects.
7. No appeal shall be allowed against the final decision in the regular administrative procedure, but an administrative dispute can be initiated by a lawsuit before the competent Court.

Article 39 **Complaints Review Commission**

1. The Complaints Review Commission shall be a professional body for reviewing, assessing and deciding on appeals, which is composed by the AAD and MAFRD officials and established by the MAFRD decision.
2. The Complaints Review Commission shall consist of five (5) members, two (2) of whom shall be AAD officials, while three (3) of whom shall be MAFRD officials.
3. Members of the Complaints Review Commission shall be independent in their work and shall take decisions in accordance with the facts and verified situation.
4. Members of the Complaints Review Commission shall be obliged to:
 - 4.1. Implement criteria and procedures as specified in this Administrative Instruction;
 - 4.2. Be impartial;
 - 4.3. Exercise the right to free and uninfluenced vote;Participate in the Commission meetings and sign the working reports and relevant decisions.
5. The Complaints Commission from paragraph 2 of this Article shall be obliged to draft the decisions taken in accordance with the reasoning of the administrative act defined under Articles 48 and 49 of Law No. 05/L-031 on General Administrative Procedure (Official Gazette No. 20/21 June 2016).

6. The Complaints Review Commission shall be obliged to prepare written reports for its work and for actions taken and to inform the highest MAFRD and AAD bodies, as well as the stakeholders, no later than 30 days from the day of the end of the appeal period.

Article 40 **Handling court cases**

Cases which are sent back for reconsideration and retrial according to the judgments of the respective courts shall be handled by preparing decisions by the AAD Legal Office.

Article 41 **Conditions for maintenance of investment**

1. The investment for which the beneficiary has received support shall not undergo any changes within five (5) years from the date when the final payment is accepted.
2. Substantial changes of an investment are those that result in:
 - 2.1. Termination or relocation of the production activity from paragraph 1 of this Article, in a field that is not covered by the Program;
 - 2.2. Change of ownership and place of investment;
 - 2.3. Substantial change that affects the nature, objectives or conditions of implementation which result in the change of initial objectives.
3. In case of emergency situations that may affect the investment from natural disasters, the beneficiary shall inform the AAD within the deadlines, according to the contract signed by both parties.

Article 42 **Field ex-post control and post-project procedures**

1. A beneficiary shall be obliged to return the financial support in part or in full in case of irregularities encountered after the implementation of the contract until the end of the monitoring/ex-post period.
2. In case of identification of irregularities as in paragraph 1 of this Article, ADA shall issue a decision for return of public financial support in part or in full and a decision for exclusion for up to three years in case it does not return the financial amount requested by ADA;
3. A beneficiary shall have the right to appeal against the decision as in paragraph 2 of this Article before the Complaints Review Commission established by the ADA Executive Director in composition of 3/5/7 to decide on the complaint.
4. No appeal shall be allowed against the final decision in the regular administrative procedure, but an administrative dispute can be initiated by a lawsuit before the competent Court.
5. After the completion of the complaint procedure, AAD shall be obliged to resume the procedure of returning the public support through the competent bodies.

Article 43 **Implementation**

The Ministry of Agriculture, Forestry and Rural Development, the Agriculture Development Agency, Applicants and Beneficiaries from Rural Development's Measures shall be obliged to implement this Administrative Instruction.

Article 44
Punitive provisions

1. Failure to implement this Administrative Instruction shall be sanctioned by penalties set forth in Article 53 of Law No. 03/L-072 on Agriculture and Rural Development (Official Gazette of the Republic of Kosovo No. 8/27.03.2023) and applicable law.
2. In case of violation of the above-mentioned provisions, ADA should immediately inform the party of violation of the contract, while ADA should initiate legal proceedings according to the applicable law.

CHAPTER X
FINAL PROVISIONS

Article 45
Land under consolidation

Except for the provisions as specified in this Administrative Instruction, the applicants who have an area of agriculture land under consolidation and do not possess a copy of the plan and possession list, but they have lawful decision on consolidation from the cadastre, shall be allowed to apply for the support under the RDP 2023.

Article 46
Documentation for the municipalities: North Mitrovica, Zvecan, Lepsavic and Zubin Potok

1. Applicants of the municipalities: North Mitrovica, Zvecan, Lepsavic and Zubin Potok, who may not provide possession list and a copy of the plan from their relevant municipalities, should obtain such documents from the Kosovo Cadastral Agency.
2. Applicants of the municipalities: North Mitrovica, Zvecan, Lepsavic and Zubin Potok shall be allowed to apply for public support under RDP 2023 without a property tax certificate.

Article 47

1. The Agriculture Development Agency shall be obliged to prepare guidelines for application as follow:
 - 1.1. Measure 1 - Investments in Physical Assets in Agricultural Holdings;
 - 1.2. Measure 3 - Investments in Physical Assets in the Processing and Trading of Agricultural Products;
 - 1.3. Measure 7 - Farm Diversification and Business Development;
 - 1.4 Measure 5 - Preparation and Implementation of Local Development Strategies - Leader Approach.
2. Applicants shall be obliged to comply with the guidelines for applicants that shall be published on the ADA/MAFRD website.

Article 48
Annexes

1. The following annexes shall be an integral part of this Administrative Instruction:
 - 1.1. Annex No. Measure 1 - Investments in Physical Assets in Agricultural Holdings:
 - 1.1.1. Table 1: Selection criteria for plant production;
 - 1.1.2. Table 2: Selection criteria for livestock production.
 - 1.2. Annex No. II. Measure 3 - Investments in Physical Assets in the Processing and Trading of Agricultural Products:
 - 1.2.1. Table 3: Selection criteria for all sub-measures of this measure.
 - 1.3. Annex No. III. Measure 7 - Farm Diversification and Business Development:
 - 1.3.1. Table 4. Sub-measure of honey production;
 - 1.3.2. Table 5. Collection, processing and promotion of non-wood forest products;
 - 1.3.3. Table 6. Processing of agricultural products in households;
 - 1.3.4. Table 7. Non-agricultural activities in rural areas;
 - 1.3.5. Table 8. Development and promotion of rural tourism;
 - 1.3.6. Table 9. Aquaculture/fish farming;
 - 1.3.7. Table 10. Raising of village poultry.

Article 49
Entry into force

This Administrative Instruction shall enter into force seven (7) days after its publication in the Official Gazette of the Republic of Kosovo.

Faton Peci

Minister of the Ministry of Agriculture, Forestry and Rural
Development



ANNEX I:
MEASURE1: INVESTMENTS IN PHYSICAL ASSETS IN AGRICULTURAL HOLDINGS

Table 1. Selection criteria for crop production

No	Type of criteria	Category					Points
		Tree fruits	soft fruits	grape	Greenhouses /seedling greenhouses	Storage for tree fruits and soft fruits, vegetables (including potatoes) and grape.	
1.	Investments in increasing production, improving the efficiency and sustainability of farm production. Production capacity: the area to be raised. In case of investment in orchard infrastructure, storage, irrigation, hail protection and/or machinery, points shall be calculated depending on the existing area ¹ or that which will be raised, whichever is greater.	≥ 3 ha	≥ 0.5 ha	≥ 1 ha	> 0.20 ha	The cultivated area, including the existing one, greater than 5 ha	55
		1 ha - < 3 ha	0.25 ha - < 0.5 ha	0.5 - 1 ha	0.10 - 0.20 ha	The cultivated area, including the existing one, greater than 5 ha	50
2.	New applicant ²	The applicant is 40 years of age or younger					3
3.	Gender of farmer ³	Female applicant					2
4.	Investments in mountainous areas - this criterion shall not apply to greenhouse applicants.	Investments in mountainous areas					10
5.	Investments aimed at mitigating the effects of climate change (Investments in renewable energy generation) ⁴	Investments in energy generation in the farm from renewable sources (<i>min. 5% of eligible investment</i>). (Points from this criterion shall be taken according to the business plan) (this criterion does not apply to making the vineyards)					10
6.	Investments that include job generation based on a business plan.	Jobs will be evaluated according to the business plan, and if the requirements are not complied with, a sanction of returning the investment shall be imposed. "Every job generated must be registered with TAK and all contributions must be paid for the monitoring period" ⁵ .					20
TOTAL							100

¹ Existing surfaces to be evidenced by receiving direct payment for these areas in the previous year or if no direct payment is received, this shall be evidenced by the certificate of ownership and the FIN.

² The applicant who has not reached 40 years of age until the day of application shall be eligible

³ As to the gender of a farmer, the applicant shall receive the points under this criterion if all the land including the land where the investment is made is in the applicant in the last three years. Creating artificial conditions to obtain points constitutes fraud and will be punished according to the applicable legislation.

⁴ As to investments in renewable energy generation/environmental protection and climate change, if a beneficiary has foreseen investments in the use of renewable energy and earns points for this purpose, he/she shall be obliged to use this investment and keep it active for the purposes as provided for in the business plan. If during each control, the ADA officers (before signing the contract, ad-hoc or ex-post) find that investments in renewable energy are not being used as provided for in the business plan, then they will be sanctioned according to the applicable legislation.

⁵ For each employee, the applicant receives 5 points plus but not more than 20 points, in cases where 4 or more individuals are employed

Table 2. Selection criteria for animal production

No.	Type of criteria	Category					Points
1	Production capacity (number of animals) after the implementation of the project.	Dairy cows ⁶	Calves	Pigs	Sheep/goats	Chickens	
		10 -15 heads	≥ 20 < 30 heads	≥ 40 < 100	≥ 150 < 300	≥ 5000 < 50.000	20
		> 15 heads	≥ 30 heads	≥ 100 heads	≥ 300 heads	≥ 50.000 heads	25
2	Investments in increasing production and improving efficiency. Type of investment: In case of investment from both points a) and point b) and c), the points will be calculated from the investment with the largest part of the budget projected in the business plan.	a) Construction/renovation/expansion of the stable					25
3	Investments aimed at mitigating the effects of climate change ⁷	b) Machinery and/or improvement of external infrastructure manure storage, silage storage, hay storage					20
4	Investments in mountainous areas	c) Purchase of cows					30
5	Investments that include job generation based on a business plan.	Investments in energy generation in the farm from renewable sources (<i>min.</i> 5% of eligible investment) (Points from this criterion shall be taken according to the business plan) Investments in mountainous areas					10
6	New applicant ⁹	Jobs will be evaluated according to the business plan, and if the requirements are not complied with, a sanction of returning the investment shall be imposed. "Every job generated must be registered with TAK and all contributions must be paid for the monitoring period" ⁸ .					20
7	Gender of the farmer	The applicant is 40 years of age or younger					3
	TOTAL	Female applicant					2
							100

⁶ This group also includes start-up farmers, who are obliged to reach the minimum number of 10 heads after the implementation of the project.

⁷ As to investments in renewable energy generation/ environmental protection and climate change, if a beneficiary has foreseen investments in the use of renewable energy and earns points for this purpose, he/she shall be obliged to use this investment and keep it active for the purposes as provided for in the business plan. If during each control, the ADA officers (before signing the contract, ad-hoc or ex-post) find that investments in renewable energy are not being used as provided for in the business plan, then they will be sanctioned according to the applicable legislation.

⁸ For each employee, the applicant receives 5 points plus but not more than 20 points, in cases where 4 or more individuals are employed

⁹ The applicant who has not reached 40 years of age until the day of application shall be eligible

ANNEX II
MEASURE 3: INVESTMENTS IN PHYSICAL ASSETS IN
PROCESSING AND TRADING OF AGRICULTURAL PRODUCTS

Table no. 3. Selection criteria for all subsectors

No.	Selection criteria	Points
1.	Investments in achieving national food safety standards	25
2.	Investments in projects to improve the position of farmers in the value chain (concluding contracts/notarised) ¹⁰	20
3.	Investments in energy generation in the farm from renewable sources (min. 10% of eligible investment) ¹¹	20
4.	Investments related to waste treatment, water purification and / or utilisation of waste products - circular economy	15
5.	Investments leading to innovation and product diversification Introducing at least two new products Introducing at least two new products (or two different types of wines)	10
6.	Applicants had a positive business during the last 2 years (see the document: General status of declarations and other transactions from TAK)	5
7.	Job generation (for each new employee employed by one point but not more than 5 points in total)	5
	Total	100

ANNEX III

MEASURE 7: FARM DIVERSIFICATION AND BUSINESS DEVELOPMENT

Table no. 4. Selection criteria for "Collection and processing of non-timber forest products, including medicinal and aromatic plants (harvested or cultivated MAP)

	Categories	Points	
1	Applicant's experience	The applicant/enterprise has experience of 2 years or more in the collection and processing of NTFP and MAP;	40
		The applicant/enterprise has less than 2 years of experience in the collection and processing of NTFP and MAP;	45
2	Place of investment	Investing in mountainous areas	10

¹⁰ Investments in projects to improve the position of farmers in the value chain (concluding contracts/notarised)

a) at least 80% of the contracted raw milk comes from local production;

b) at least 30% of the contracted raw meat comes from local production;

c) at least 80% of the contracted raw fruits, vegetables and grapes should be from local production;

these must be evidenced through notarised contracts while the own production of the enterprise is evidenced by a business plan)

these must be evidenced through notarised contracts while the own production of the enterprise is evidenced by a business plan)

¹¹ The beneficiary who has foreseen investments in the generation of renewable energy and earns points for this purpose is obliged to use this investment and keep it active for the purposes that he/she has foreseen in the business plan. If during each control, the ADA officers (ad-hoc or ex-post) find that investments in renewable energy are not being used as provided for in the business plan, then they will be sanctioned according to the applicable legislation

3	Export	Export of NTFP and MAP (from the previous year over 500,000 euro)	5
4	Food safety	Investments in achieving national food safety standards	15
5	Generating jobs	The investment includes the generation of new jobs based on the project proposal/business plan	10
6	Environmental protection ¹²	Investments in renewable energy	5
7	New applicant ¹³	The applicant is 40 years of age or younger	5
8	Organic production	Certified for organic production	5
9	Total		100

Table no. 5. Selection criteria for the sub-measure "Development of rurla tourism/agri-tourism"

Categories			Points
1	Applicant's experience a) Applicant's experience in rural tourism (for natural persons, to be proven by FIN) b) For businesses, to be proven by the relevant business activity	The applicant has an experience of 3 years or more in providing tourism services	45
		The applicant has less than 3 years of experience in providing tourism services	40
2.	Place of investment	Investing in mountainous areas	15
3.	New applicant ¹⁴	The applicant is 40 years of age or younger	10
4.	Gender of the farmer	a) Female/natural person at least 2 years owner of the farm where the rural tourism activity takes place, to be proven by FIN; b) Female/legal person at least 3 years owner of rural tourism business	5
5.	Environmental protection ¹⁵	Investments in renewable energy	10
6.	Employment	The investment includes the generation of new jobs based on the project proposal/business plan	5

¹² As to investments in renewable energy generation/environmental protection and climate change, if a beneficiary has foreseen investments in the use of renewable energy and earns points for this purpose, he/she shall be obliged to use this investment and keep it active for the purposes as provided for in the business plan. If during each control, the ADA officers (before signing the contract, ad-hoc or ex-post) find that investments in renewable energy are not being used as provided for in the business plan, then they will be sanctioned according to the applicable legislation.

¹³ The applicant who has not reached 40 years of age until the day of application is eligible

¹⁴ The applicant who has not reached 40 years of age until the day of application is eligible

¹⁵ As to investments in renewable energy generation/environmental protection and climate change, if a beneficiary has foreseen investments in the use of renewable energy and earns points for this purpose, he/she shall be obliged to use this investment and keep it active for the purposes as provided for in the business plan. If during each control, the ADA officers (before signing the contract, ad-hoc or ex-post) find that investments in renewable energy are not being used as provided for in the business plan, then they will be sanctioned according to the applicable legislation.

7.	Cultural heritage	Investments in cultural heritage sites	5
8.	Support from LAG	Investments that are in line with the LDS of the respective LAG	5
	Total		100

Table no. 6. Selection criteria for the sub-measure “Processing of agricultural products in the household”

Categories			Points
1	Farm size	> 1 ha of agricultural land (land in the applicant's name);	45
		≤ 1 ha not less than 0.50 ha of agricultural land (land in the applicant's name);	40
		3 or more dairy cows or 15 sheep or 15 goats (in the household in the applicant's name)	45
		Less than 3 dairy cows or 15 sheep or 15 goats (in the household in the applicant's name)	40
2	Food safety	Investments in achieving national food safety standards	15

3	Environmental protection ¹⁶	Investments in renewable energy	10
4	Generating jobs	The investment includes the generation of new jobs based on the project proposal/business plan	10
5	Place of investment	Investing in mountainous areas	10
6	Gender of the farmer	Female applicant	5
7	New applicant ¹⁷	The applicant is 40 years of age or younger	5
	Total		100

Table no. 7. Selection criteria for the sub-measure “Honey production”

Categories			Points	
1	Size of the farm at the time of application	Number of beehives	50 - 100	50
			101 - 150	45
			>150	40
2	The applicant is registered as a business under a beekeeping code		10	
3	Place of investment	Investing in mountainous areas;	10	
4	Environmental protection ¹⁸	Investments in renewable energy;	10	
5	Generating jobs	The investment includes the generation of new jobs based on the project proposal/business plan;	10	
6	Gender of farmer ¹⁹	a) Female/natural person at least 2 years owner of the farm where the “Honey production” activity takes place, to be proven by FIN; b)Female/legal person at least 2 years owner of r”Honey production” business;	5	
7	New applicant ²⁰	The applicant is 40 years of age or younger;	5	
	Total		100	

Table no. 8. Selection criteria for the sub-measure “Non-agricultural activities in rural areas”

Categories			Points
1	Applicant’s age	The applicant is 40 years of age or younger ²¹ ;	45
		The applicant is over 40 years of age	

¹⁶ As to investments in renewable energy generation/environmental protection and climate change, if a beneficiary has foreseen investments in the use of renewable energy and earns points for this purpose, he/she shall be obliged to use this investment and keep it active for the purposes as provided for in the business plan. If during each control, the ADA officers (before signing the contract, ad-hoc or ex-post) find that investments in renewable energy are not being used as provided for in the business plan, then they will be sanctioned according to the applicable legislation.

¹⁷ The applicant who has not reached 40 years of age until the day of application is eligible

¹⁸ As to investments in renewable energy generation/environmental protection and climate change, if a beneficiary has foreseen investments in the use of renewable energy and earns points for this purpose, he/she shall be obliged to use this investment and keep it active for the purposes as provided for in the business plan. If during each control, the ADA officers (before signing the contract, ad-hoc or ex-post) find that investments in renewable energy are not being used as provided for in the business plan, then they will be sanctioned according to the applicable law

¹⁹ As to the gender of the farmer, the applicant will receive the points under this criterion if the farm (beehives) or business activity (honey production) are owned by her in the last 2 (two) years. Creating artificial conditions to obtain points constitutes fraud and will be punished according to the applicable legislation.

²⁰ The applicant who has not reached 40 years of age until the day of application shall be eligible

²¹ The applicant who has not reached 40 years of age until the day of application is eligible

			35
2	Applicant's experience	The applicant has at least 2 years of experience in the activity for which he/she applies	15
3	Place of investment	Investing in mountainous areas;	15
4	Employment	The investment includes the generation of new jobs based on the project proposal/business plan;	10
5	Environmental protection ²²	Investments in renewable energy;	10
6	Gender of the farmer	Female applicant	5
	Total		100

Table no. 9. Selection criteria for the sub-measure "Raising of village poultry"

Categories			Points
1.	Applicant's experience prior to application	≥ 500 chickens or ducks (or a total of more than 500 heads) ≥ 200 geese or ducks (or a total of more than 200 heads)	50
		< 500 chickens or ducks (or a total of more than 500 heads) < 200 geese or ducks (or a total of more than 200 heads)	45
2.	Gender of the farmer	Female applicant	10
3.	New applicant ²³	The applicant is 40 years of age or younger	20
4.	Place of investment	Investing in mountainous areas;	20
	Total		100

Table no. 10. Selection criteria for the sub-measure "Fish farming"

Categories			Points
1.	Production capacity For start-ups, the capacity after investment in the business plan	≥ 3 t/year - < 10 t/year	45
		≥ 10 t/year - < 30 t/year	40
		≥ 30 t/year	35
2.	Applicant's experience aquaculture	The applicant is licensed by MAFRD;	20
		The applicant has received direct payments for aquaculture in the previous year, but is not licensed;	15
		The applicant is a beginner;	10
3.	New applicant ²⁴	The applicant is 40 years of age or younger;	5
4.	Place of investment	Investing in mountainous areas;	10

²² As to investments in renewable energy generation/environmental protection and climate change, if a beneficiary has foreseen investments in the use of renewable energy and earns points for this purpose, he/she shall be obliged to use this investment and keep it active for the purposes as provided for in the business plan. If during each control, the ADA officers (before signing the contract, ad-hoc or ex-post) find that investments in renewable energy are not being used as provided for in the business plan, then they will be sanctioned according to the applicable law

²³ The applicant who has not reached 40 years of age until the day of application is eligible

²⁴ The applicant who has not reached 40 years of age until the day of application is eligible

5.	Employment	The investment includes the generation of new jobs based on the project proposal/business plan;	10
6.	Environmental protection ²⁵	Investments in renewable energy;	10
	Total		100

²⁵ As to investments in renewable energy generation/environmental protection and climate change, if a beneficiary has foreseen investments in the use of renewable energy and earns points for this purpose, he/she shall be obliged to use this investment and keep it active for the purposes as provided for in the business plan. If during each control, the ADA officers (before signing the contract, ad-hoc or ex-post) find that investments in renewable energy are not being used as provided for in the business plan, then they will be sanctioned according to the applicable law.