

Special Preparatory Programme in MAFRD to prepare for the use of IPARD funding on becoming a candidate country

1. Objectives

General:

The general objective of the Special Preparatory Programme (SPP) is to prepare and develop progressively the necessary candidate country structures within the administration of Kosovo's agri-rural development. This is necessary to provide sound and effective management of IPARD Funds once Kosovo becomes a candidate country, (in preparation for EU accession at a future date). SPP will address short and medium term priorities of the European Partnership and related areas of responsibility that have not been dealt with adequately through earlier donor support.

Specific:

The four specific objectives of SPP are to:

1. develop an appropriate **institutional framework and budgetary procedure** that will enable a smooth transition towards the application of IPARD/Structural Funds principles, including:
 - a. establishment of a Central Coordination Unit (CCU) staffed by MAFRD officials will be responsible for coordinating implementation of the SPP (and CBDP);
 - b. development of the legal and operational framework for the preparation, establishment and implementation of the National Paying Agency;
 - c. implementation of a pilot action for integrated rural/regional development in designated areas using IPARD/Structural Funds principles;
2. prepare an upgrade programme for meeting EU requirements in respect of:
 - a. compliance of agri-food establishments;
 - b. control of livestock and other animals/products of animal origin;
 - c. control of crops and other plants/products of plant origin;
 - d. research and higher education relevant to agri-rural development;
3. assist in the formation of users' associations for:
 - a. agricultural producers;
 - b. water users;
4. support development and implementation of agro-environment policies in MAFRD.

2. Description

The SPP will facilitate implementation of priority performance requirements that will build on existing arrangements. The programme will ensure close coordination and a proper allocation of tasks between SPP and other IPA-financed actions, especially those relating to cross-border development possibilities.

The SPP will benefit from the pilot project implemented in 2009/10 by MAFRD to start learning how to use and administer IPARD/Structural Funds. The design of this KCB-funded pilot project has benefited from experience gained in New Member States that implemented SPP pilot projects prior to start up of their own SAPARD programmes: (for example, in Bulgaria, see http://www.adtprojekt.de/project_114.html).

The programme will consist of 4 main components, (and associated sub-components), as summarised below.

1. **Development an appropriate institutional framework and budgetary procedure that will enable a smooth transition towards the application of IPARD/Structural Funds principles.** This will include:

- a. establishment of a Central Coordination Unit (CCU) staffed by MAFRD officials who will be responsible for coordinating implementation of the SPP (and CBDP) that will:
 - i. coordinate specific training requirements, and the identification of budgetary and administrative procedures;
 - ii. provide the central point of contact with the ECLO; and
 - iii. strengthen the legal framework for, and the organisation of, co-financing;
- b. development of the legal and operational framework for the preparation, establishment and implementation of the National Paying Agency that will:
 - i. verify and approximate the relevant legislation so that IPARD/Structural Funds will be fully operational at the date of candidacy;
 - ii. distribute competences and responsibilities among different departments in MAFRD and local government/municipalities; and
 - iii. establish procedures for the preparation, approval and implementation of projects.
- c. implementation of a pilot action for integrated rural/regional development in designated areas of Kosovo using IPARD/Structural Funds principles that will involve the following steps:
 - i. Prepare for IPARD
 1. Pilot Project under SPP, Year 1
 - a. Establish pilot project **management team**
 - b. Select pilot measure(s) of ARDP 2007-13 e.g. Measure 5
 - c. Select pilot area
 - d. Identify/define/test all systems' requirements with respect to:
 - i. Beneficiary eligibility;
 - ii. How to apply for funds;
 - iii. Criteria for evaluating project submissions
 - iv. How to disburse funds;
 - v. Procedures for sub-project selection and approval;
 - vi. Compatibility of the national and the EU budget concepts;
 - vii. funds for co-financing;
 - viii. Management of financial flows;
 - ix. Independent accounting, monitoring, reporting, control and audit procedures;
 - x. Operating manual, promotional brochures, application forms and related documentation
 - xi. Which officials, beneficiaries, local consultants will be required to participate
 - xii. Which capacity building, recruitment and training activities are required for participants
 - xiii. Technical measure sheet for selected measure(s)
 - e. Advertise for projects
 - f. Evaluate applications, and select those that meet the criteria
 - g. Disburse funds
 - h. Account for the use of funds
 - i. Define M&E indicators and an appropriate monitoring system

- j. Evaluate implementation of Year 1 pilot activities under SPP;
 - k. Propose changes for Year 2 pilot activities under SPP;
 - ii. Legislate in support of IPARD
 - iii. Provide institutional changes in support of IPARD
 - 1. Create MAFRD as the ARDP Managing Authority
 - 2. Establish ARDP Monitoring Committee
 - 3. Identify M&E indicators for ARDP implementation
 - 4. Make ARDP Implementation Unit (ARDPIU) functional
 - 5. Create Agro-environmental Unit
 - 6. Restructure MAFRD
 - 7. Create State Fund for Agriculture
 - 8. Create Loan Guarantee Fund
 - iv. Recruit staff in support of IPARD
 - v. Provide HRD/training in support of IPARD
 - vi. Provide external observation in support of IPARD (funded through TAIEX?)

2. **Preparation of an upgrade programme for meeting EU requirements.** This will include:

- a. compliance of **agri-food establishments** by assisting agri-businesses and agro-processors in Kosovo's food industry to:
 - i. comply with EU technical conditions and standards in relation to food safety, particularly the development and application of internal systems of control based on the principles of HACCP;
 - ii. prepare a series of compliance guidelines for industry (e.g. HACCP manuals) that will set out the means by which different industrial sectors can respond to the requirements of legislation, with a strong focus on hygiene and HACCP requirements;
 - iii. undertake training activities in general hygiene, HACCP, EU food legislation, and sector specifics (hazards and control methods) aimed at transferring knowledge regarding the new responsibilities to both Chief Executive Officers and quality/technical managers in the food industry;
 - iv. assist selected agri-businesses/agro-processors to develop and implement HACCP plans, upgrade plant and apply good management practice, as well as select and implement process control technology;
 - v. observe operational conditions in food enterprises that supply to the EU market;
 - vi. support a conference and exhibition in food process control, to be organised and hosted on a commercial basis in Kosovo by a professional event manager, with the objective of bringing suppliers and buyers of control systems together;
 - vii. disseminate information on a Kosovo agri-food website and in newsletters/press releases; and
 - viii. establish a Twinning programme that will ensure Kosovo's food industry adopts best European practice.
- b. control of **livestock and other animals/products of animal origin;**
 - i. comply with EU technical conditions and standards in relation to surveillance, reporting, control and eradication of diseases and other conditions in animals;

- ii. comply with EU technical conditions and standards for the identification and registration of animals and for traceability throughout the food chain;
- iii. comply with EU technical conditions and standards for the hygienic production of food and feed;
- iv. establish and operate a national database of food and feed business operators and for the recording of risk assessments, official controls, sanctions, and other relevant data;
- v. develop and implement a risk-based system of official control audits and inspections of food and feed business operators;
- vi. prepare a set of official control audit and inspection manuals and record forms and train inspectors to use them effectively and consistently;
- vii. evaluate the technical and commercial feasibility of establishing an animal waste rendering and incineration plant in Kosovo;
- c. control of **crops and other plants/products of plant origin (TO BE DETERMINED)**;
- d. **research and higher education** relevant to agri-rural development that will:
 - i. support research technology transfer (rather than technology generation), cooperating with institutes/universities in other countries;
 - ii. use technology that has been tested and adopted by farmers in neighboring countries, or under similar agricultural conditions;
 - iii. base technology selection on assessment of farmer's needs, emphasizing market-oriented production technologies;
 - iv. strengthen KIA's capacity in food quality control, seed testing and certification, agricultural input analysis and control activities, soil analyses, training and dissemination of information;
 - v. undertake technology identification, assessment and diffusion cost-effectively within a regional university/research collaborative framework; and
 - vi. develop incentives to recruit young national scientists, including post-graduate programmes, as well as regional exchange programmes for existing research staff and on-the-job training for field and laboratory technicians

3. Assist in the formation of users' associations.

- a. For **agriculture producers**, this will assist farmers and other rural economic operators in all 30 municipalities to:
 - i. understand the financial advantages of establishing and operating Producers' Associations/Groups and commodity collection centres;
 - ii. establish and operate Producers' Associations/Groups and commodity collection centres, (on a demand driven basis related to local comparative advantage e.g. milk, vegetables, fruit, certified organic produce and timber), that will allow them to improve their organizational, management and legal skills, and take advantage of economies of scale in receiving best practice technical advice and market information, accessing micro-finance/credit, purchasing inputs and marketing outputs, (particularly where the latter are directed at agro-processors on the basis of long-term contracts);
 - iii. build up long-term supply contracts with agro-processors and/or wholesalers/exporters/traders;
 - iv. identify and execute opportunities for the development of small enterprises based around rural diversification e.g. agro-tourism,

- beekeeping, compost and non-wood forest products, such as medicinal plants and mushrooms; and
- v. establish a Twinning programme that will ensure Kosovo's Producers' Associations are linked with similar Groups in the EU.

- b. For **irrigation providers and water users**, this will assist them to;
 - i. operate irrigation facilities on the basis of best practice procedures and financial sustainability;
 - ii. ensure the use and management of irrigation water and irrigated lands reflects the priorities set out in ARDP 2007-13;
 - iii. identify what priority agricultural land needs to be protected from the detrimental effect of water;
 - iv. reduce priority water losses, and improve the efficient use of irrigation and drainage systems;
 - v. identify high value irrigated crops that should be developed by farmers, and advise them how to grow them;
 - vi. identify further rehabilitation investments that will ensure the irrigation network is financially sustainable by the end of 2013; and
 - vii. establish a Twinning programme to ensure that the use and management of irrigation water and irrigated lands, including the reliable and sustainable recovery of water charges, is consistent with best European practice.

4. **Support development and implementation of agro-environment policies in MAFRD.**

This will:

- a. assist farmers and rural households to develop and implement a minimum standard for "Good Farming Practice" for Kosovo that complies with EU requirements;
- b. develop a modern certification scheme for organic farming;
- c. prepare national and local bio-mass strategies for agriculture and forestry;
- d. prepare an eco-tourism strategy, develop a pilot tourism package, and, (based on a feasibility study), start to implement it: (see http://www.ismafrd.org/Balkans_Green_TRAIL.html);
- e. develop consultation procedures between agencies and with municipalities on agri-environment issues;
- f. train agricultural advisors on agri-environment issues;
- g. develop local and cross-border links between agricultural advisors and local agri-environmental NGOs, based around agreed MOUs;
- h. undertake high quality public awareness about the benefits and challenges of agri-environment and forestry; and
- i. develop related educational material for schools.