

IPA 2013 Annual Programme
Agriculture and Food Safety: 08 – 2013 / 02

1 IDENTIFICATION

Project Title	Agriculture and Food Safety
CRIS Decision number	2013 / 024-216
Project no.	08
MIPD Sector Code	8. Agriculture and rural development
ELARG Statistical code	02.11
DAC Sector code	31120
Total cost (VAT excluded) ¹	€ 17.6 million
EU contribution	€ 12.1 million
Management mode	Centralised
EU Delegation in charge	European Union Office in Kosovo *
Implementation management	European Union Office in Kosovo
Implementing modality	Services, Supplies, and grants contracts
Project implementation type	C01
Zone benefiting from the action(s)	Kosovo

¹ The total project cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

2 RATIONALE

2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

Agriculture is an important sector in Kosovo's economy. The sector contributes about 12% to GDP and is the largest employer in Kosovo today, accounting for approximately 35% of total employment. As a result of the transition and conflict of the 1990s, there was a sharp increase in the proportion of the population engaged in agriculture as most of the urban and rural unemployed turned to part-time, subsistence farming to meet their household food security needs. About 90% of the population has land for cultivation, 55% has livestock and 15% grows food primarily for own consumption.

The sector faces several challenges that are reducing competitiveness and preventing it from meeting its production potential. Before the 1990s, Kosovo was largely food self-sufficient with large quantities of agricultural products exported to the region and livestock production contributing about half of total agricultural revenue. However, after the war, this trend was reversed so that traditional markets were lost, livestock numbers plummeted, agricultural land area dropped drastically, availability of previously subsidized inputs (fertilizers and irrigation waters) reduced dramatically. Agricultural imports from Kosovo's trading partners, who receive production and export subsidies, place Kosovo farmers at a disadvantage and Kosovo is now dependent on food imports. Implementation of the Agricultural and Rural Development Plan (ARDP) 2007-2013 and the current agricultural development strategy is a complex and fiscally demanding undertaking. The government has limited institutional and administrative capacity and structures as well as budgetary resources for progressive alignment of the sector with the objectives of the ARDP. The government is undertaking several significant and strategic initiatives in this direction.

In line with the strategic objectives of economic development, the budget for the Agriculture sector has continuously increased during the last four years. Increase in the budget is mainly directed towards direct support for farmers in improving productivity and quality of agriculture products as well as increasing production with the aim of import substitution. Agriculture sector is largely supported also by the International donors, EU being the biggest, followed by the World Bank and USAID.

With increased financial assistance and increasing demand for compliance with EU requirements, the Ministry for Agriculture, Forestry and Rural Development (MAFRD) faces the following major issues which will be addressed by the proposed project fiche:

- 1) Increase the capacity and improve the performance of the paying unit towards ensuring transparent and compliant procedures for the disbursement of subsidies to the farmers, including collection of necessary data which would form basis for future Integrated Administrative Control, hence reducing administrative burden and costs while managing public funds and reduce;
- 2) It is clear that subsidies alone are considered insufficient for the sustainable development of the agriculture, therefore establishment Professional advisory services and

high quality technical services will ensure not only stable development of the sector but will also set preconditions for access to regional and EU market;

3) Massive influence of agriculture in the overall economic development, need for harmonization of Kosovo's legislation with acquired in the area of food safety and quality as well as introduction of market driven quality system in the agri-food processing industry requires enormous investments by the food business operators. Certainly the agri-food industry in Kosovo is not yet in the position to secure funds for such investments whereas interest rate for loans taken from commercial banks in Kosovo is as high as 20%. Therefore targeted support to agri-food processors in the form of grants for improving capacity, quality and quality of the products and processes with co-financing of 25 % by the grant beneficiaries, is considered most appropriate way of support in addressing the above issues.

With regards to food safety and veterinary services, the proposed fiche will be addressing mostly the area of animal health and protection of veterinary public health through establishing of EU compliant system for disposal of animal by-products.

Animal health represents very important component for the economic performance of the livestock sector as well as highly influential in protection of public health from animal/food borne diseases. In Kosovo, the Food and Veterinary Agency (FVA) bears the sole responsibility for design and implementation policies and measures of monitoring, controlling and/ eradicating animal diseases. The FVA's responsibility in the sector covers also the safety and quality of food of animal origin therefore covering the entire food chain, including laboratory testing and disposal of live animals and animal by-products.

The animal health situation in Kosovo is monitored through regular sero-surveillance programmes, annual vaccination schemes and passive surveillance systems whereby veterinarians and farmers report occurring disease to the Animal Health Department of the Food and Veterinary Agency.

While much effort is given in strengthening the capacities of the Animal Health Department in disease identification and control or/and eradication, much remains to be done in order to improve long term planning and putting in place eradication programmes for diseases which are endemic in Kosovo and which causes economic losses and risks for human health.

This situation is further hampered by the inability of the Veterinary Laboratory to undertake confirmatory tests for most of the diseases present in Kosovo due to lack of technical capacities and laboratory equipment needed to perform such tests. Most of the confirmatory tests are carried out in the accredited laboratories in the region or elsewhere in Europe which implies increased costs and time delays in managing the diseases outbreaks and implementing control programs.

Another major issue to be tackled is the safe disposal of animal by-products (ABPs) and organic waste. Presently Kosovo does not have a processing system for animal by-products, fallen stock, catering waste and other products of animal origin in place. At present all ABPs generated in Kosovo are buried or dumped on landfills. Fallen stock and other dead animals are buried randomly in the agriculture land or in the forest,

posing permanent risk of contamination of people and animals as well as underground water. Waste generated from meat processing establishments and slaughterhouses is generally dumped in the municipal dumpsites, together with household waste or otherwise just dumped on the nearest field or fallow land. System of collection of ABPs is inexistent. This type of waste is either transported by regular trucks/vans from the establishments to the dump sites or as stated above it is transported with carts to nearest fields for burial.

The proposed projects covered by this fiche will address the following problems identified by the beneficiary:

With regards to animal health, the project will help Food and Veterinary Agency in designing a comprehensive disease monitoring system, in line with EU legislation and animal health requirements established by the World Organisation for animal Health (O.i.E.) Furthermore, it is envisaged that the project will help in implementing disease control/eradication plans for the diseases prioritized by the FVA, including but not limited to Brucellosis and Clostridia diseases.

Brucellosis is one of the world's major zoonosis responsible for enormous economic losses and human morbidity. In Kosovo this disease is endemic and occurs often in the forms of outbreaks causing massive economic losses and affecting human health through transmission of disease to humans. The study design on determination/estimation of sero-prevalence of brucellosis in ruminants in Kosovo, conducted by Jackson et al (2004), have found a prevalence of 6.3% in sheep, 7.3% in goats and 0.6% in cattle. Estimated number of 100 suspected human cases for infection with Brucellosis are reported annually. From 2003-2007, the FVA with the support of the EU and other international support implemented a vaccination campaign against brucellosis in sheep and goats on hot spots where the prevalence and risk of brucellosis was higher. Based on the data from the Animal Health Department, a sero-survey of brucellosis prevalence in the whole country is as follows: sheep prevalence 8.1%; goats 22.3% and cattle 0.4%. Based on the epidemiological situation of brucellosis a 5-year mass vaccination strategy of small ruminants (sheep and goats) begun on 2010.

Clostridia diseases

Diseases such as Enterotoxemia, Blackleg, Black disease and Necrotic hepatitis (in sheep also called as Black disease) are one of the major cause for animal mortality in Kosovo. The data collected by the FVA Animal Health Department during last two years revealed that more than 1000 animals died due to Clostridia infection in all territory of Kosovo, only 15 - 20% of the susceptible animals are presently vaccinated, reportedly due to lack of awareness and economical constraints of the farmers. These observations are based on clinical reports by farmers and private veterinary practitioners (PVTs). These losses are a heavy drain on commercial farming constraining future developments.

Laboratory

Under the current setup, the food and veterinary laboratory is the main part of the Food and Veterinary Agency. Among other, Food and Veterinary Laboratory is diagnosing animal diseases as well as analysing microorganisms of food of animal origin and of other food sources, for the entire territory of Kosovo. As far as infrastructure is

concerned the food and veterinary laboratory is situated in new building designed according to relevant safety requirements. However in order for this laboratory to perform at full capacity and providing reliable results, recognized also by sister organizations in the region and in the EU, this laboratory needs to be supplied with the laboratory equipment, increase the range of tests carried out in particular confirmatory tests, increase technical capacities of staff working in the laboratory and implement internationally recognized quality management systems such as ISO 17025.

Therefore the proposed project will address key elements related to the problems identified above, namely provision of laboratory equipment and technical assistance in establishing required test methods, capacity building of the staff and preparation for introduction of ISO 17025.

Rendering Plant

As indicated above, the situation with disposal of animal by-products including live animals and organic waste in Kosovo is not regulated.

Most of the ABPs are disposed together with the household garbage at one of the garbage dumps/landfills in Kosovo. Another way for disposal of ABPs in Kosovo is to bury them. Some slaughterhouses compost and bury their ABPs in the grounds around the plant and send their waste water in the closest river. Several communities have established specific bunkers for disposal of ABPs including fallen stock with the ABPs brought to them by specific vehicles. The competent authorities in Kosovo are aware of the problem of dispersion of pathogenic agents through ABPs however size of investments needed to did not allow up to now to implements disposal system as recommended by EU Regulation (EC) No 1069/2009 and SANCO/7066/2010.

The proposed project here is the third and last phase of EU investment in building an EU compliant rendering plant. This project is financed over three financing years: IPA 2010 – designing phase of the rendering plant; IPA 2012-building of the infrastructure and facilities and supervision, IPA 2013 will support the provision of equipment for the rendering plant. With this last phase it is expected that the rendering plant will be fully functional, including provision of specialized vehicles for transport of ABPs and dead animals.

2.2 LINK WITH MIPD AND SECTOR STRATEGIES

The MIPD 2011-2013 clearly states that in agriculture and food safety, the EU will continue to help Kosovo meet EU standards and therefore develop its export potential / import substitution potential whilst also helping Kosovo's rural economy. Measures that can be envisaged are continued support for strengthening the administrative capacity of the Ministry of Agriculture, Forestry and Rural Development, supporting agricultural establishments, planning and building Kosovo's first rendering plant (a measure that will help Kosovo meet EU standards in both food safety and environment), equipping Kosovo's food safety laboratory, helping develop its organic agriculture inspectorate and certification, registry of agri-food establishments and the IT system for Kosovo's animal registration and movement system.

The EU will also continue to fund projects that help improve Kosovo's environment (particularly water, waste and air quality) to compensate for the extremely low funding this sector receives from the Kosovo budget.

Furthermore the proposed projects are in line with the government strategy described in the medium-term and integrated Agriculture and Rural Development Plan for 2007-2013 developed by the Ministry for Agriculture, Forestry and Rural Development.

Referring to the overall objective of the IPA assistance as identified in the MIPD (2011-2013) , one of the key indicators to measure developments towards these objectives includes meeting of selected EU standards in agriculture and food safety which help develop Kosovo's export / import substitution potential;

2.3 LINK WITH ACCESSION PARTNERSHIP (AP) / EUROPEAN PARTNERSHIP (EP) / STABILISATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT

The project responds to the priorities defined in the European Partnership, especially those concerning the need to meet European Union standards. It responds particularly to one of the key priorities defined in the European Partnership, namely to 'Strengthen the administrative and technical capacity in order to implement agricultural and rural development policy'.

Furthermore the project proposals are linked with European Partnership Action Plan (EPAP-July 2011) sector of environment protection and protection of public health.

The EPAP also underlines the need for enhancement of civil service capacities with the aim to effectively lead the Kosovo's process of European Integration.

The 2011 progress report for Kosovo advises the Ministry and the Kosovo Food and Veterinary Agency to assume new tasks related to direct payments and to transfer inspection powers from municipalities to the Agency.

Furthermore, the progress report for Kosovo 2009, 2010 and 2011 emphasize the need for establishing a rendering plant in line with requirements of relevant EU directives. The project will contribute to the fulfilment of the government plans foreseen for the period 2011 – 2014 and fulfil the EU criteria with regard to the Sectors of Public Health and Environmental Protection namely EU Regulation (EC) No 1069/2009 and 7066/2010 which sets out the rules on collection, storage, handling, processing and use and disposal of animal by-products.

2.4 PROBLEM ANALYSIS

Activity 1 - Further support to the Ministry of Agriculture, Forestry and Rural Development to strengthen administrative structure for programming implementation and monitoring of Kosovo's and future EU funds

One of the key problems of agriculture and rural development in Kosovo is small and semi-commercial farms, farms which need to be supported. However, addressing these farm categories represents a great challenge. The Paying Department needs to be more

efficient, to focus on reducing errors and fraud, to increase transparency and to allow MAFRD to set in place better policies. Therefore, one of the main priorities in the near and medium terms is to substantially reduce the administrative burden in managing public funds. This project shall respond to this need. For example, in case of direct payments for winter wheat, currently it is foreseen to check up to 50% of applicants. At EU level, the sample rate for on-the-spot control is foreseen by regulations at a 5% rate, higher only in case of a high level of infringements, but not higher than 25%. Also, at EU level only 50% of farmers' parcels are checked (parcels which are chosen through the IACS based on risk assessment), parcel-level controls being extended only in case of irregularities are found. Lower percentage of controls (in terms of both farmers and parcels) is allowed only by having a strong paying department and by the use of IACS. Cross-checks and risk targeted sampling for on-the-spot controls will allow Paying Department to concentrate its efforts while reducing the number of controls, and therefore the administrative burden.

Also fraud will be limited, mainly because of the security access system and because of the automatic paying authorisation (depending on cross-checks and on-the-spot controls reports) which shall be executed by the IACS. Monitoring and evaluation will be improved, as pre-define reports shall be generated by IACS.

Activity 2 - Assistance in strengthening MAFRD advisory services and improving the quality of technical services provided by the MAFRD laboratories.

The government is trying to strengthen and build the capacity of the Advisory Services for Agriculture and Rural Development to support implementation of the ARDP, as well as to move to compliance with EU requirements. An advisory service was established in 2004, supported by the project "Strengthening Advisory and Support Services (SASS)" and other following projects SASS 2 and RAS (Rural Advisory Services) as well as projects financed by the government with budget means through the project "Development of rural areas through advancement of Advisory Services". These initial services were based at the municipal level, without effective involvement of MAFRD and with a lack of coordination with Kosovo's agricultural and rural development strategy or priorities.

In 2012, MAFRD began restructuring and reorganizing the Advisory Services at the Ministry level and expanding the number of Advisory Services staff in order to be able to provide better technical and professional services. The new law on Agriculture advisory services was adopted and according to the provisions of the law, all agriculture municipal advisers will be reassigned from the municipality management to MAFRD's Advisory Services (though still based at the municipal level). Each municipality will have at least 2-3 experts for Advisory Services and in total there will be 68 advisers. The new Advisory Service's mission will be to promote changes in Agriculture and Rural Development such as: increased productivity, profitability, and product quality; better environmental protection; improved farm management; and the creation of relationships between producers, processors, traders, and input suppliers.

As part of the creation of the Advisory Service, MAFRD has also begun restructuring its agriculture-related institutes and laboratory facilities to align their functions with the new Advisor Services, to expand their abilities to serve agriculture, and move their development in align with EU requirements and standards. The current laboratory services are seriously inadequate – under equipped, understaffed, and without a clear mission to

meet the needs of Kosovo agriculture and food industry. Once these entities have been reoriented to better serve farmers and agribusiness, and their duties and responsibilities more clearly defined, MAFRD will begin investing to expand their capacity and to add critical areas that are missing or under capacity, such as plant pathology.

Activity 3 - Rural Grant Scheme

The agricultural sector faces several challenges that are reducing competitiveness and preventing it from meeting its production potential. Before the 1990s, Kosovo was largely food self-sufficient with large quantities of agricultural products exported to the region and livestock production contributing about half of total agricultural revenue. However, after the war, this trend was reversed so that traditional markets were lost, livestock numbers decreased, agricultural land area dropped drastically and the availability of previously subsidized inputs (fertilizers and irrigation waters) reduced dramatically.

The sector is now characterized by unfavourable farm structures (average land holding of less than 2 ha per family), outdated farm technologies, lack of technical expertise, sub-optimal use of inputs, outmoded farm management practices, weak rural infrastructure, a rudimentary rural advisory system and limited access to credit and investment capital. Also, agricultural imports from Kosovo's trading partners, who receive production and export subsidies, place Kosovo farmers at a disadvantage. Production and export subsidies are used to support agriculture by many of Kosovo's trading partners. Many of these countries allocate between one-third and two-third of their agricultural spending to such subsidies.

Implementation of the ARDP in this area is a complex and fiscally demanding undertaking. The government has limited institutional and administrative capacities and structures as well as budgetary resources for progressive alignment of the sector with the objectives of the ARDP.

Activity 4 -Technical assistance for Animal Health Department of the KVFA and Food and Veterinary Laboratory

Historically, the role of Veterinary Services was set up to control livestock diseases at the farm level. Major emphasize in this regard is prevention and control of the major epizootic diseases of livestock and of diseases that could affect man (zoonotic diseases).

In the EU, the animal health policy is concentrated towards meeting 4 main objectives:

1. To ensure a high level of public health and food safety by minimising the incidence of biological and chemical risks to humans.
2. To promote animal health by preventing/reducing the incidence of animal diseases, and in this way to support farming and the rural economy.
3. To improve economic growth/cohesion/competitiveness assuring free circulation of goods and proportionate animal movements.
4. To promote farming practices and animal welfare which prevent animal health related threats and minimise environmental impacts in support of the EU Sustainable Development Strategy.

Kosovo as part of its European agenda will be striving to implement the EU policy on Animal Health and the new Animal Health Strategy for the European Union (2007-2013).

In this effort, major support is needed in designing and implementing appropriate measures to ensure safeguarding of animal health from introduction of so-called exotic diseases, to design and implement control and eradication plans for diseases present in the country, and to prevent risks of spreading the disease in the neighbouring countries and wider.

Key problems that the proposed project will address are:

- a. Weak planning and implementation capacities of the veterinary services in relation to disease surveillance and reporting;
- b. Lack of strategy and action plan for implementation of emergency response measures in case of disease outbreaks;
- c. Low capacities for preparing annual and multiannual animal health plans, including cost-benefit analysis;
- d. Lack of long term programme for eradication of endemic diseases, with particular focus on Brucellosis and Clostridial diseases;
- e. Lack of comprehensive annual animal health reports and poor reporting to the International Organizations concerned (EU, O.I.E. etc.).
- f. Lack of funds to finance animal health programmes and poor financial planning;
- g. Ineffective disease control plans already implemented by the FVA.

Efficiency and sustainability of animal health and food safety control programmes largely depend on the availability and proficiency of the laboratories performing the testing services for the concerned programmes.

As indicated early in the project fiche, food and veterinary laboratory has largely benefited from the investments by the World Bank and Kosovo budget up until 2007. After that technical support has been provided through various projects, mostly EU funded in increasing the capacities of the staff and introduction of new diagnostic techniques required.

However, considering the central role that this laboratory plays in Kosovo, there are number of crucial problems which would require support in order to have fully functional and recognized laboratory.

Key problems that the proposed project will address are:

- a. Low range of screening tests performed with regards to animal health and food safety;
- b. Low or no confirmatory tests on animal health and food safety area;
- c. Lack of test validations and proficiency testing;
- d. Poor system of data collection, management and distribution;
- e. Lack of quality control and document management.

Activity 5 - Supply of equipment for rendering plant

During 2009, an assessment was made of the current state regarding the disposal of ABPs (Animal by Products) in Kosovo.

Most of the ABPs are disposed together with the household waste in municipal dumps/landfills in Kosovo. This provides continuous source of dispersion of pathogenic agents through ABPs.

Another way for disposal of ABPs in Kosovo is to bury them. Some slaughterhouses compost and bury their ABPs in the grounds around the plant and send their waste water to the closest river. Several communities have established specific bunkers for disposal of ABPs including fallen stock with the ABPs brought to them by specific vehicles.

Having in mind the above, it can be concluded, that there are no standards and methods for disposal of ABPs in Kosovo at the moment, and that the current disposal practices represent high animal and public health risk, establishing permanent sources of infections and contamination of ground waters.

Due to concerns that animal by-products represent a risk to human and animal health, in particular in relation to TSEs (Transmissible Spongiform Encephalopathies), dioxin contamination, classical swine fever and foot and mouth disease, the EU introduced legislation (Regulation (EC) No 1774/2002) laying down health rules concerning animal by-products not intended for human consumption. This was replaced by Regulation (EC) No 1069/2009 and SANCO/7066/2010 applicable from March 2011.

In Kosovo, the estimated amount of animal by-products and other organic waste disposed each year reaches the 14, 471 tons. These are mainly fallen stock, slaughtered animals and food seized at the border.

The project foresees to build the processing plant in accordance with design, environment assessment impact and legislation provided by a previous project (first phase).

With regards to laying down the rules and harmonizing them with the abovementioned EU legislation, organizing official controls for collection of ABP's, transport, processing, and use of the final products, makes the FVA the main stakeholder. The Ministry of Environment contributes by setting the parameters for environmental protection; Food Business Operators will implement the rules laid down by regulation. Municipalities contribute by facilitating with property rights for the construction site, farmers and farmer associations will be detrimental in helping organize the reporting of the fallen stock and outbreaks in a timely manner.

Activity 6 - Supply of laboratory equipment for Food and Veterinary Laboratory, IT equipment for paying unit of the MAFRD and biological materials for the Animal health unit

It is already identified that KVFA despite substantial investments made so far, still lacks certain equipment needed to perform animal health and food safety tests. It is envisaged that technical assistance for support to animal health unit and laboratory will prepare detailed list of missing equipment and technical assistance for the same.

Within the same contract, supplies needed for implementation of control measure for brucellosis and clostridia diseases will be provided. Those supplies consist of vaccines, kits, reagents, materials for surveillance programs etc.

As indicated above, the funds for agriculture support/subsidies have been continuously increasing over the past three years. Meanwhile the paying unit has increased the number of staff and its volume of activities. The system applied so far consisting of physically controls for each application is proving to be impossible, due to the very high number of applications. The farm register system and the sLPIS system allow doing certain controls from the headquarters, without necessarily performing field visits. However, this requires improved IT infrastructure both at the headquarters and in the area which this project shall cover.

2.5 LINKED ACTIVITIES AND DONOR COORDINATION

Proposed projects are strongly linked with following past and ongoing EU assistance project in the sector:

The IPA 2010 Twinning Contract KS/10/IB/AG/01 "Support for the MAFRD in legislative and policy development and in implementing the Agriculture and Rural development Plan (ARDP)", which focuses on Managing Authority responsibilities, including ARDP mid-term evaluation, but also on the elaboration of procedures rural development measures, taking in account the needs of the different areas (less favoured areas and agri-environment).

The IPA 2008 project on Farmers register, completed in April 2012, aimed at assisting the Ministry of Agriculture, Forestry and Rural development in improving its capacity to formulate and implement agricultural and rural development policy and plans based on reliable agricultural statistics via establishing Farm register.

The IPA 2008 project on Land Use, completed in February 2012, had the purpose to contribute to sustainably increase the productivity and the utilisation of agricultural land through measures of land reform and rural planning. Major component of the project was establishing the simplified land parcel identification system which will largely facilitate administrative control over disbursement of subsidies.

The IPA 2009 and 2011 Rural Grant Schemes aim to increase the contribution of agricultural sector to rural development and in particular to increase employment opportunities in rural areas.

The IPA 2008 project on Animal Identification, Registration and Movement Control System including GIS in Kosovo was completed in the first quarter of 2012, and, among other results, the project allowed to develop a veterinary information system (VIS) database which will serve as an essential planning tool for the success of the project.

The IPA 2008 project "Control and/or Eradication of Animal Diseases- Sample collection models developed and implemented during Diseases – as in the rabies and Classical Swine

Fever" which will serve as basis to the project "Brucellosis control program" in developing its sample collection logistics and vaccination monitoring tools.

The IPA 2007 project "Meeting EU Standards Food Safety & Veterinary Services" - This project is strongly linked with activities performed by the previous EU financed projects, in particular twinning project for support to Kosovo Food and Veterinary Agency. The aforementioned project prepared the feasibility study for establishing a rendering plant in Kosovo.

The IPA 2011 and 2012 projects focussing respectively on the first and the second phase of the rendering plant designing planning and construction. The first phase of design and supervision of construction is already approved by European Union Office in Kosovo and it is foreseen to start during the second half of 2012. The second phase concentrating on the construction of the rendering plant is planned to start early 2014. Due to large size of the project, the construction and operationalization of the project is divided in two phases to be financed over two fiscal years 2012 and 2013.

The IPA 2010 Twinning project "Further assistance to the Kosovo Food and Veterinary Agency" started in February 2012 with a duration of 24 months. The main objective of the project is to contribute to the consumer protection in Kosovo by ensuring food safety in accordance with EU standards and to strengthen the FVA's capacity to adopt and enforce EU policies and legislation in the area of food safety and public veterinary services.

2.6 LESSONS LEARNED

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

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

The experience of involving both FVA and MoH authorities in the project funded by the World Bank, "The Avian Influenza Control and Human Pandemic Preparedness and

Response” during the period 2007/2010 will be helpful in the implementation of the Brucellosis control programme.

The recently implemented project for Control and/or Eradication of Animal Diseases, with particular focus on rabies and classical swine fever required cooperation and streamlining of activities of all stakeholders such as FVA, KVL, PVTPs, farmers and wildlife authorities. A similar approach will be applied in control of Brucellosis disease and Clostridia diseases.

The feasibility study funded through the previous EU Twinning Project "Meeting EU Standards Food Safety & Veterinary Services" has clearly highlighted the risks associated with the current system of disposal of ABPs, the need for establishing a rendering plant and the costs associated with the building and maintenance of the rendering plant. Moreover, the KVFA was fully updated on the requirements for organic waste collection system, which should be fully in place at the time when the rendering become operational.

3 DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE PROJECT

The overall objective is to increase agricultural and food production, productivity and competitiveness in the farm sector and agribusiness, and rural incomes as well as to improve public health and the economic performance of the livestock sector through improved planning and management of animal health and veterinary public health programmes.

3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT

- to upgrade the technical and administrative capacities of the paying unit in order to perform EU compliant administrative checks and controls for the agriculture subsidies.
- to upgrade and strengthen the capacity (administrative and technical) of the new MAFRD tasks in order to successfully advise agricultural (livestock and crops) activities and their value chains in Kosovo, leading to further harmonization with EU.
- to improve processing and marketing, hygiene, quality and food safety standards and environmental protection in order to strengthen the compositeness of the agricultural and rural development sector, increase market share and consumer confidence into local products.
- to promote sustainable development of rural economy by encouraging non-agricultural activities, that can lead to higher rural income, job-creation, and to the reduction of the disparities between the rural and the urban areas

- to increase KVFA capacities in developing and implementing sound and financially viable animal health programs and, therefore, to reduce incidence and prevalence of targeted diseases in human and animal population.
- to improve performance of the food and veterinary laboratory by introducing and validating up-to-date test methods and accreditation with internationally recognised quality management system;
- to enable safe disposal of ABPs through completion and operationalization of the rendering plant in Kosovo.

3.3 RESULTS

Activity 1 - Further support to the Ministry of Agriculture, Forestry and Rural Development to strengthen administrative structure for programming implementation and monitoring of Kosovo's and future EU funds

1. Assessment of the Paying Department in terms of needs/gaps in the field of Control environment, Planning/risk management, Control activities, Monitoring activities and Communication;
2. Ex-post evaluation of the ARDP 2009 – 2013, that shall include also a distinct report with recommendations on how to provide a more efficient implementation, having regards on Kosovo specificities.
3. Establishment of a timeframe that shall include main gaps and consequently priorities to be followed by the MAFRD. This document shall also be use as a guidance document for the MAFRD preparation in the next years to meet accreditation criteria for the payments system.
4. Training of the relevant staff, including a study visit in one of the Member States.

Activity 2 - Assistance in strengthening MAFRD advisory services and improving the quality of technical services provided by the MAFRD laboratories

1. Public advisory services in all Kosovo Municipalities as per provisions of the new Law on advisory services are established and functional;
2. Relevant secondary legislation on public advisory services, if and when needed, deriving from the law on agriculture advisory services is prepared;
3. Capacities of public advisory services in terms of quality of the advice and range of advisory services to be provided are increased;
4. Pro-active and sustainable coordination and communication mechanisms between beneficiaries (e.g. farmers, farmers associations, agriculture producers etc) and advisory services are established and functional;
5. Guidelines, brochures, manuals and other technical documents related to the agriculture activities and services per each municipality, taking into account specificities and rural development potential of each region are prepared and available for agriculture community;

6. A medium-term strategy for the development/evolution of the advisory services, taking into account EU best practices and observing financial feasibility, sustainability of the system and prospect of agriculture development in Kosovo is prepared and endorsed.

Activity 3 - Rural Grant Scheme

1. Agro food establishments are upgraded and modernized to comply with EU food safety standards and requirements of food and agriculture sector;
2. The ARDP, food safety standards and hygiene package requirements are being implemented;
3. Substitute import and increased export of agro-processed products to regional and EU market;
4. The number of non-agriculture micro-enterprises is increased and the capacities of the existing ones are strengthened;
5. The number of agro and rural tourism initiatives supported is increased as well as the number of jobs created in this sector;
6. The number of tourists and the duration of visits are increased;
7. Improved farm competitiveness in the domestic market via successful implementation of priority measures identified in the ARDP.

Activity 4 - Technical assistance for Animal Health Department of the KVFA and Food and Veterinary Laboratory

1. Development plan for the animal health Unit, including annual and multiannual work plan is prepared.
2. Surveillance programmes for diseases identified by the FVA and those for which reporting is compulsory have been drafted and implemented.
3. Contingency plans for selected animal diseases have been reviewed and updated.
4. KVFA staff have been trained in disease control and eradication methods, including design and implementation of surveillance programs.
5. Information campaign on Brucellosis and clostridia diseases have been prepared and implemented.
6. Control plan for Brucellosis has been reviewed and updated.
7. Control plan for clostridia diseases has been reviewed; a list of needed diagnostic kits, biological materials and other consumables needed for implementation of the programme for control of brucellosis and clostridia diseases has been drafted; laboratory capacities and potential inclusion of new test and techniques have been reviewed and updated.

8. An awareness campaign on the importance of disease control and eradication for farmers and other stakeholders concerned has been designed and implemented.
9. Vaccination of small and large ruminants has been completed.
10. Training need analysis and training for the laboratory staff has been carried out.
11. A list of tests and analysis to be included in the range of laboratory services to be performed has been drafted.
12. A list of missing equipment and technical specifications for these equipment is prepared.
13. Laboratory management system, including document management and communication system have been reviewed and updated.
14. ISO 17025 standards are applied in the food and veterinary laboratory.

Activity 5 - Supply of equipment for rendering plant

1. At least two separate containers with a top cover as storage facilities are provided;
2. Screw conveyors and a piping system to transport the material to from storage to the material crushing unit is in place and functional;
3. Material crusher with maintenance shaft to crush the raw-material to less than 50mm is installed and tested on each plane;
4. Steam boilers to produce the steam to run sterilizer and dryer are in place;
5. Sterilizer with agitator to inject the steam, including the dryer with the storage tanks and the measurement and control technology is supplied and installed;
6. Separation equipment including fat-press and centrifuge supplied and installed;
7. Loading equipment is supplied and installed;
8. Exhaust air cleaning system (supply and exhaust system, biofilter) are installed and tested;
9. Cleaning and disinfection equipment; for the production area a cleaning and disinfection system are established;
10. Waste water treatment facility is in place;
11. Specialized vehicles for transport of waste from other regions to the rendering plant purchased and registered;
12. Testing of functionality of the rendering plant has been performed;
13. Training of staff in maintenance and operation of the equipment completed.

Activity 6 - Supply of laboratory equipment for Food and Veterinary Laboratory, IT equipment for paying unit of the MAFRD and biological materials for the Animal health unit

The following equipment is already identified for the needs of the paying unit:

- Server, Data Storage equipment
- Notebooks for on-the-spot inspectors and for central supervisors
- Multifunctional printers
- Auto vehicles for on-the-spot inspectors and for central supervisors
- GPS devices for land parcels measurements
- Digital Cameras for on-the-spot inspectors
- Plotters (color)
- Mass production printing equipment (high volume printing of forms – pre-printed application form, maps for the farmers and control report templates etc.)
- Other IT hardware and supporting software for IACS, as may deemed necessary.

For the animal health component and laboratory component, the list of equipment and number of vaccines required will be determined following the sero-survey and assessment of the KVFA laboratory.

3.4 MAIN ACTIVITIES

Activity 1 - Further support to the Ministry of Agriculture, Forestry and Rural Development to strengthen administrative structure for programming implementation and monitoring of Kosovo's and future EU funds

Component 1 - Assessment and review of the capacities and functionality of paying unit, including but not limited to:

- a) control environment (establishment and management of the organisation and the staff: ethics and integrity policies, irregularity management and reporting, staff planning, recruitment, training and appraisal - including sensitive post management, sensitive functions and conflicts of interest, establishment of legal bases for bodies and individuals, formal establishment of accountability, responsibility, delegated responsibility, and any necessary related authority for all tasks and positions throughout the organisation).
- b) Planning/risk management (planning of interventions).
- c) Control activities (Verification procedures, Procedures for supervision by accountable management of tasks delegated to subordinates, Rules for each type of procurement and grant calls, Procedures - including checklists, for each step of procurement and grant calls - e.g. technical specifications, evaluation committees, reporting of exceptions etc., Publicity rules and procedures, Payment procedures - including procedures for confirmation of output delivery, and/or eligibility conditions, 'on-the-spot' where necessary, Procedures for monitoring delivery of co-financing, Budgetary procedures to ensure availability of funds, Procedures for continuity of operations, Accounting procedures, Reconciliation procedures, Reporting of exceptions, inter alia, exceptions to normal procedures approved at appropriate level, unapproved exceptions and control failures whenever identified, Security procedures IT and otherwise, Archiving procedures, Segregation of duties, Reporting of internal control weaknesses).

- d) Monitoring activities: internal audit and evaluation (supervision of interventions).
- e) This monitoring system shall be foreseen by this project and shall ensure top managers to have the means to receive independent reviews of the functioning of their systems at subordinate levels. Top managers shall be provided with information concerning the assessment of impacts of interventions (in addition to the other information they receive about legality, regularity and operational procedures). May involve ex-post assessments and should be but focus on effectiveness and efficiency of system and organization design.
- f) Communication (all actors receive information necessary to fulfill their role).
- g) Produce and present a timeframe that shall include main gaps and consequently priorities that shall be followed in the next years. This document shall also be used as a guidance document for the MAFRD preparation in the next years to meet accreditation criteria for the payments system.
- h) Ex-post evaluation of ARDP 2009 – 2013, with focus, but not limited to, on increasing payment system efficiency.

Component 2 - Establish basis for introduction of IACS system.

IACS is closely related to Paying Department, as this IT system has as main goal to ensure controls for paying farmers. Being a “paying tool”, for this component the project shall have as counterpart Paying Department. For the IACS component of the project following are the key foreseen activities:

1. Designing the Master Plan for establishment of Integrated Administration and Control System – IACS at the level of Kosovo.
2. Support for the establishment of a IACS Management Unit which shall be in charge of enforcement of the Master Plan, in order to ensure: the successful implementation at central level of the IACS system and existence of an operational system similar to the ones used by the EU MSs; the correctness of funds used in compliance with the legislation in force.
3. Training of the staff of IACS Management Unit, regional offices and other related institutions to develop their knowledge, understanding and abilities to further enforce the IACS Master Plan and to develop the capacity to manage and control a viable payment system in Kosovo;
4. To assess the need and provide technical specifications for the equipment need fir IACS Management Unit and territorial unit to facilitate further steps in the setting up of IACS in Kosovo;
5. To develop and provide simplified IACS software.

Component 3 - The contractor shall be responsible for review of needs and preparation of technical specification for the equipment needed by the paying unit.

Activity 2 - Assistance in strengthening MAFRD advisory services and improving the quality of technical services provided by the MAFRD laboratories

Activities to achieve Result 1

- To establish and run public advisory services;
- Assess the capacities of the newly established advisory services in terms of staffing, budget, logistics etc;
- Review educational background of the agriculture advisors and propose capacity development plan with regard to short and medium term trainings, including internships for selected group of agriculture advisors;
- Review and update annual work plan of the advisory services, including reporting requirements and information sharing between Rural development Department-Advisory Services and Agriculture community.

Activities to achieve Result 2

- Review the law on advisory services in terms of compliance with the needs of the services and in relation to the EU legal acts;
- Present list of the secondary legislation needed for the functioning of the service;
- Prepare work plan for drafting and adoption of the secondary legislation;
- Prepare a proposal for introduction of Farm Advisory System as part of the overall Agriculture Advisory Services;
- Prepare and present list of basic standards concerning the environment, food safety, animal and plant health and animal welfare, as well as the requirement of maintaining land in good agricultural and environmental conditions (GAEC) to be adopted by the government and implemented at the farmer's level. .

Activities to achieve Result 3

- Capacities of public advisory services in terms of quality of the advice and range of advisory services to be provided are increased;
- Assessment of educational background of the staff working at central and municipal level;
- Review the quality of services provided by the public advisory services and propose recommendations for improvement;
- Design list of services to be provided for each municipality depending on the agriculture characteristics and production methods used of each region (e.g. potato production, forest fruit, vegetable production etc)

- Design training/capacity building plan for the service, based on educational background and training need assessment. Training plan containing general training program which would be dedicated to all staff, specific training program designed to fit the needs of staff at headquarters and those in the municipality as well as a long-term training programme.

Activities to achieve Result 4

- Establishment of pro-active and sustainable coordination and communication mechanisms between beneficiaries (e.g. farmers, farmers associations, agriculture producers etc) and advisory services;
- Prepare and implement public information and communication strategy and action plan. This will include among other:
- Establishment permanent communication channels from the service to the farmer and vice versa;
- Collection, quality control and publication of information of the general interest for farmers as well as specific information applicable to agriculture activities within the municipalities;
- Organization of meetings/training and overall information sessions with the farmers on the issues of interest;
- Establish routine system of field visits in order to assess the overall situation and collect information on the issues of agriculture interest (e.g. introduction of new technologies, seasonal problems with the pests, irrigation issues etc);
- Provision of information on the various projects on Agriculture and funding opportunities for farmers, including possible availability of subsidized credit lines for agriculture, agro-environmental measures etc.
- Update farmers on the introduction of new legal requirements, agriculture standards, food safety and hygiene.
- Organize and/coordinate trainings for farmers on introduction of modern farm management system and good agriculture practices for the various agriculture products;
- Inform farmers on the availability of technical services (laboratory analysis, soil analysis etc) with contact details and price list.

Activities to achieve Result

- Preparation of guidelines, brochures, manuals and other technical documents related to the agriculture activities and services in each municipality, taking into account specificities and rural development potential of each region and make them available for the agriculture community;

- Based on the agriculture production system in place, the advisory services will prepare and publish technical documents and other educational material which will enable improvement of the Agriculture production towards increase in efficiency and environment. In this regard combined guidelines-brochures on the technologies available; farm management system; agro environmental measures; biodiversity etc., will be among of the information which farmers in Kosovo need.
- New legal requirements are often introduced in the legal framework but the information is rarely shared and explained to farmers, therefore one of the activities of the reorganized advisory services will be to inform and support farmers in complying with legal requirements.

Activities to achieve Result 6:

- Medium-term strategy for the development/evolution of the advisory services, taking into account EU best practices and observing financial feasibility, sustainability of the system and prospect of agriculture development in Kosovo is prepared and endorsed.
- Considering the development of advisory services in the past years and the evolution of agriculture and farm practices, the development strategy should reflect the following observations:
- Continuous development of the service in line with the technological and methodical developments;
- Financial and suitability and sustainability of fully public advisory services;
- Access to wider markets in particular in view of EU membership and therefore implementation of EU standards and requirements.

Activity 3 - Rural Grant Scheme:

The project will be implemented via a grant scheme. Selected measures for support are:

- Improving the processing and marketing of agricultural products
- Farm diversification and alternative activities in rural areas

Activity 4-Technical assistance for Animal Health Department of the KVFA and Food and Veterinary Laboratory

1. Asses the epidemiological situation in Kosovo and capacities of animal health department to prepare and implement animal health policy.
2. Review the current work plan, with particular focus on surveillance programs, vaccination programmes, passive surveillance system, reporting system etc.

3. Identify missing contingency plans and review the existing contingency plans in place. Based on findings develop contingency plans for highly contagious diseases and updated the existing ones.
4. Based on training need assessment, detailed training programme for KVFA staff at headquarters and regional offices shall be prepared. Training programme will be prepared taking into account responsibilities and functions of the Animal Health Department and regional offices.
5. Review of current control programs for Brucellosis and Clostridia diseases and performance of cost benefit analysis.
6. Preparation and implementation of surveillance plan to determine the prevalence of brucellosis and clostridia diseases in animal population.
7. Support and monitoring of the implementation of control programs for brucellosis and clostridia diseases by the technical assistance project.
8. Detailed assessment of laboratory capacities and missing equipment shall be performed.
9. New tests and validation methods are to be introduced and applied in practice.
10. Technical specifications for needed equipment as well as biological materials and kits are prepared.
11. Laboratory management system shall be reviewed and preconditions for implementation of ISO 17025 will be established.
12. SOPs for laboratory will be prepared and approved.
13. Public information campaign for farmers and other stakeholders shall be prepared and implemented.

Activity 5 - Supply of equipment for rendering plant

1. Supply of at least two separate containers with a top cover as storage facilities are required to allow continuous processing and to access different materials;
2. Supply and installation of screw conveyors and a piping system to transport the material to from storage to the material crushing unit;
3. Material crusher with maintenance shaft to crush the raw-material to less than 50mm in each plane;
4. Supply and installation of steam boilers to produce the steam to run sterilizer and dryer. The steam sterilizes the intermediate and dries the final product. Optional use of the produced category 1 fat has to be considered;

5. Supply and installation of pressure sterilization as specified in Annex V of Regulation (EC) No 1774/2002 is a processing unit appropriate for the raw materials and capable of approval to the processing method 1. Sterilizer with agitator to inject the steam. Including the dryer with the storage tanks and the measurement and control technology;
6. Supply and installation of separation equipment including fat-press and centrifuge; the sterilized material will be separated in tallow and greaves. Centrifuge or decanter purifies the fat, which will be as a energy source for steam production;
7. Pre-screening for the greaves and a mill with screw-conveyors and a metal separator;
8. Loading equipment to load MBM into bulk trailers or big bags and to load tallow; Product meal loading will be carried out inside the building to minimize emissions;
9. Product oil (tallow) will be stored in dedicated external tanks (bunded);
10. Supply and installation of exhaust air cleaning system (supply and exhaust system, biofilter): the air from the raw material side and from the production area will be absorbed and transported to the biofilter in order to minimize the emissions and odor;
11. Supply and installation of cleaning and disinfection equipment; for the production area a cleaning and disinfection system have to be established;
12. Supply and installation of waste water treatment facility to treat the waste water to a suitable discharge quality;
13. Testing of the functionality of the rendering plant ;
14. Supply of vehicles for transport of waste ;
15. Training of staff in maintenance and operation of the equipment installed in rendering plant.

Activity 6 - Supply of laboratory equipment for Food and Veterinary Laboratory, IT equipment for paying unit of the MAFRD and biological materials for the Animal health unit

- Supply of equipment for the Food and Veterinary Laboratory;
- Supply of Vaccines, kits, reagents and other materials needed for implementation of brucellosis and clostridial disease programme for 1 year;
- Supply of IT equipment for paying unit managing authority of the MAFRD, which among others will include:
 1. Supply of Serve and other data storage equipment as needed
 2. Notebooks for on-the-spot inspectors and for central supervisors
 3. Multifunctional printers
 4. Auto vehicles for on-the-spot inspectors and for central supervisors
 5. GPS devices for land parcels measurements
 6. Digital Cameras for on-the-spot inspectors
 7. Plotters (color)

8. Mass production printing equipment (high volume printing of forms – pre-printed application form, maps for the farmers and control report templates etc.)
9. Other IT hardware and supporting software for IACS, if necessary.

For the animal health component and laboratory component, the list of equipment and number of vaccines required will be determined following the sero-survey and assessment of the KVFA laboratory.

3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT (WHERE APPLICABLE)

The activities are expected to deliver a significant impact in rural areas in respect to improvement of physical infrastructure in primary production and the processing sector, upgrade of the product quality and diversification of rural activities.

The grants which support the specific opportunities for economic regeneration in the rural areas and there is a greater chance to achieve sustainable impact in terms of jobs and increase in income of farmers.

Furthermore the project will assist in creating and maintaining market structures based on firm relations of land ownership which are favourable for the development of efficient agriculture.

Most of the diseases previously listed have the capacity to rapidly spread beyond countries borders/boundaries; therefore appropriate animal health control system is of major importance not only for the social welfare of Kosovo farmers but also provides protection for the entire livestock sector in the region and wider.

Reliable laboratory services are key element in timely detection of diseases and implementation of required control measures to contain the spread of disease.

The building of this rendering plant will have a positive impact on environment by ensuring proper disposal of ABPs, contributing also to prevent outbreaks of zoonotic diseases, to eliminate hazardous materials, and to fulfil the preconditions for eventual export of products. The project has an impact on farmers because it rids them of the responsibility of dealing with fallen stock. Size of the rendering plant allows for disposal of ABPs also from the neighbouring countries, therefore commercial services of the rendering can be provided for interested parties outside Kosovo.

3.6 SUSTAINABILITY

The EU has confirmed Kosovo's European perspective and is supporting the alignment of Kosovo's agricultural sector to the EU Common Agricultural Policy. Rural Grant project gives a direct contribution to the implementation of ARDP 2007-14 measure 1 (Development of Professional Training towards completion of Rural Needs). MAFRD with its program is supporting implementation of measure 2 (Restructuring physical potential in the agri-rural sector) which is complementary to this project. Establishing and capacity building of administrative structures such as Managing Authority and Paying

Unit/Paying Agency will support Kosovo to be prepared on time for and to take over implantation of IPARD program.

The avoidance of economic losses in agricultural sector due to disease will consider as the benefits of this brucellosis control programme project. Human health benefits as a result of this vaccination campaign will be other cost-opportunity justification for the sustainability of this project. In order to ensure the future sustainability of the project it is very important to assure the share of interventions' costs between the different beneficiaries on the basis of an intersectional economic assessment. The economic benefits achieved by two years of free vaccination for farmers will show them the payback of these prophylactics activities and they will continue with their implementation on their own expense. The earliest initiation of farmers paying for vaccination will contribute to future sustainability. Diagnostic capacity build-up KVL, vaccination strategy, logistics developed by FVA, close relations and trust developed between PVTPs and farmers together with clear economic benefits will insure the sustainability of actions developed by the project.

The accreditation of the laboratory as well as the increase of its capacities due to its development of confirmatory tests will ensure the sustainability of the project. With the implementation of the project, the money spent on tests performed at other institutions will stay in the Agency and this way can ensure the sustainability as well.

3.7 ASSUMPTIONS AND PRE-CONDITIONS²

Local and central level stakeholders understand and fully cooperate in the implementation of reorganized advisory services; stakeholders understand the long-term perspective of EU integration policy and access to EU markets; sufficient budget and staff is allocated to perform the activities foreseen in the law on advisory services.

Local and central level stakeholders understand and fully cooperate in the implementation of a long-term strategy; stakeholders understand the long-term perspective of EU integration policy; MAFRD staff is trained and capable of monitoring the use of and accounting for available grant funds; sufficient number of applications are developed and submitted targeting the priority areas as set up in the guidelines for application;

Grants results are monitored and checked on the spot. All partners fully understand the purpose and functioning of a network and fully cooperate. The implementing institutions have the basic understanding of implementation of a scheme based on the assistance provided by the previous twinning project.

Regional cooperation in controlling and eradication of diseases such as brucellosis is one of the key aspects and therefore regional meetings with the veterinary services of

² Assumptions are external factors that have the potential to influence (or even determine) the success of a project but lie outside the control of the implementation managers. Such factors are sometimes referred to as risks or assumptions but the Commission requires that all risks shall be expressed as assumptions. Pre-conditions are requirements that must be met before the sector support can start.

neighbouring countries should be organized. The purpose of these meetings will be to join efforts in identifying the presence of disease and improving movement control of animals.

Insufficient budget allocated to animal health department may jeopardize continuation of animal health measures over longer period of time and therefore the TA shall prepare cost benefit analysis which will be presented to government and where the financial benefit is clearly visible.

Public health concerns shall be made visible to wider public during the implementation.

For the rendering plant, necessary operation permission has to be timely issued; co-financing budget has to be made available; administrative instructions on the disposal of organic waste need to be approved; and sufficient financial resources have to be allocated to maintain the operations of rendering plant. The government needs to ensure that the necessary accompanying measures are carried out to ensure, in particular, pick-up points for carcasses and the transport of carcasses to the plant. Timely implementation of IPA 2011 and 2012 project on the rendering plant are another essential pre-condition for the implementation of the third phase.

4. IMPLEMENTATION ISSUES

Activities foreseen under the proposed projects shall be implemented through four types of contracts:

- Activity 1- 1 service contract of € 1 million;
- Activity 2 – 1 service contract of € 1.2 million;
- Activity 3 – 1 Grant scheme of € 4.0 million;
- Activity 4 – 1 service contract of € 1.5 million;
- Activity 5 – 1 supply contract of € 3.0 million;
- Activity 6 - 1 supply contract of € 1.4 million.

4.1 INDICATIVE BUDGET

Indicative Project budget (amounts in EUR)

			TOTAL EXPENDITURE	SOURCES OF FUNDING								
				IPA CONTRIBUTION		BENEFICIARY CONTRIBUTION				PRIVATE CONTRIBUTION		
	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Contract 1 Further Support to MAFRD (Services)	X		1.0	1.0	100							
Contract 2 Support to advisory services (Service)	X		1.2	1.2	100							
Contract 3 – Rural Grant Scheme (Grants)	X		9.0	4.0	40							
Parallel Co-financing to contract 3	X					5.0	60	5.0				
Contract 4 – TA for Animal Health and FV Lab (Services)	X		1.5	1.5								
Contract 5 - Rendering plant (Supplies)		X	3.5	3.0	83							
Parallel Co-financing		X				0.5	17	0.5				
Contract 6 – Supply of equipment for FL Lab, IT equipment for Paying Unit (Supplies contract)		X	1.4	1.4	100							
TOTAL INV			4.9	4.4	80	0.5	10					
TOTAL IB			12.7	7.7	61	5.0	39					
TOTAL PROJECT			17.6	12.1	67	5.5	33	6.0				

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW

Amounts net of VAT

(1) In the Activity row, use "X" to identify whether IB or INV

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

4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Contracts	Start of Tendering/ Call for proposals	Signature of contract	Project Completion
Contract 1 (Services)	Q1 2014	Q4 2014	Q4 2016
Contract 2 (Service)	Q2 2013	Q4 2014	Q4 2016
Contract 3 (Grants)	Q 2 2014	Q1 2015	Q1 2017
Contract 4 (Services)	Q1 2015	Q3 2015	Q3 2016
Contract 5 (Supplies)	Q3 2014	Q1 2015	Q4 2015
Contract 6 (Supplies)	Q1 2015	Q3 2015	Q3 2016

4.3 CROSS CUTTING ISSUES

4.31. *Equal Opportunities and non discrimination*

Civil society (including employers' organisations, trade unions, professional organisations as well a non-governmental organisations, etc) plays a major role in transition societies. Ensuring those groups' concerns are taken into account in the European development agenda and enhancing their policy dialogue with the administration and Kosovo's institutions will be aspects mainstreamed within the assistance programmes. The project, in any phase, does not exclude opportunities for involvement of any gender, nor indicate any discriminatory concepts related to gender, race or ethnicity. Project indeed, does promote equal employment opportunities, which will have impact on economic development.

4.3.2 *Environment and climate change*

Environmental considerations will be duly reflected in all IPA financed activities, in addition to specific actions dedicated to environment, in particular as concerns environmental impact assessments. This is particularly relevant where there is potentially a high environmental impact, such as the rendering plant whereby this project will contribute to the protection of environment; therefore the project is closely linked with programs for strengthening the environmental protection concepts.

Disaster resilience and risk prevention and management should be integrated in the planning, preparation and implementation of projects.

4.3.3 *Minorities and vulnerable groups*

government of Kosovo, within its legislative acts, has adopted all non-discriminatory concepts, to which any activity has to be taken in to account.

4.3.4 *Civil Society/Stakeholders involvement*

For the animal health project, the farming community and local authorities are informed on the measures to be implemented through network of veterinarians. Close cooperation of all stakeholders is necessary for the successful implementation therefore public information campaign is part of the project activities.

ANNEXES

- 1. Log frame**
- 2. Description of Institutional Framework**
- 3. Reference list of relevant laws and regulations only where relevant**
- 4. Details per EU funded contract(*) where applicable:**
- 5. Project visibility activities**

ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number		Agriculture and Food Safety: 9 – 2013 / 02
		Contracting period expires three years after the signing of Financing Agreement		Execution period expires two years after the signing of the contract
		Total budget	€ 17.6 million	
		IPA budget:	€ 12.1 million	
Overall objective	Objectively verifiable indicators (OVI)	Sources of Verification		
To increase agricultural and food production, productivity and competitiveness in the farm sector and agribusiness, and rural incomes as well as to improve public health and the economic performance of the livestock sector through improved planning and management of animal health and veterinary public health programmes.	Agricultural production and export statistics Kosovo statistics of GDP for rural municipalities Improved quality of advisory and technical laboratory services, increased competitiveness of farmers and increased Income generation. Increased detection rate in country for imports and exports Decreased number of rejections of Kosovo plant products at borders/boundaries Number of effective incorporation of Kosovo experts in key international working groups Improved herd performance and decreased losses with regards to clostridia diseases Reduced incidence and prevalence of Brucellosis in humans and animals Improved quality and range of laboratory services offered by the FVA EU compliant system of organic waste	Kosovo statistical data Final implementation evaluation of ARDP Import/Export statistics Annual animal health report Annual reports of MoH and Kosovo Food and Veterinary Agency. ISO 17025 certificate Approval certificate of operation; Technical design documents of the equipment and processes; Acceptance certificates		

	collection and disposal is in place and functional		
Specific objective	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions
To upgrade the technical and administrative capacities of the paying in order to perform EU compliant administrative checks and controls for the agriculture subsidies. To upgrade and strengthen the capacity (administrative and technical) of the new MAFRD tasks in order to successfully advise agricultural (livestock and crops) activities and their value chains in Kosovo, leading to further harmonization with EU. To improve processing and marketing, hygiene, quality and food safety standards and environmental protection in order to strengthen the compositeness of the agricultural and rural development sector, increase market share and consumer confidence into local products. To promote sustainable development of rural economy by encouraging non-agricultural activities, that can lead to higher rural income, job-creation, and to the reduction of the disparities between the rural and the urban areas To increase KVFA capacities in developing and implementing sound and financially viable animal health programs and, therefore, to reduce incidence and prevalence of targeted diseases in human and animal population. To improve performance of the food and veterinary laboratory by introducing and validating up-to-date test methods and accreditation with internationally recognized quality management system; To enable a safe disposal of ABPs through completion and operationalization of rendering plant in Kosovo. .	Reports on Administrative Controls and functionality of administrative checks using sLPIS and Farmers register. Reorganized field extension services are in place, trained and fully capable of performing tasks as defined by the law on agriculture advisory services. Improved agriculture production and introduction of new technologies, farm management practices and technologies. % Increased employment in the sector and to non- agriculture activities % market share gained locally and regionally 25-30 grant contracts implemented Annual animal health control programmes. Cost benefit –analysis of the animal health measures. Sero-surveillance reports List of newly introduced and validated test methods, including confirmatory tests. Monthly report on the organic waste disposal.	Annual Managing Authority Reports. Auditing Reports Progress reports SAP dialogue FVA and Project progress reports. Cost –benefit analysis report. Epidemiological reports issued by the project and animal health department. List of laboratory equipment purchased and installed. Number of animals vaccinated and tested. Technical approval certificate; Visual inspections.	IT Resources are available First two phases of the rendering plant are successfully and timely completed. Co-financing budget is timely provided. Sufficient staff is made available for the implementation of project activities.

Results	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions
Activity 1: Activity 1 - Further support to the Ministry of Agriculture, Forestry and Rural Development to strengthen administrative structure for programming implementation and monitoring of Kosovo's and future EU funds 1. Assessment of the Paying Department in terms of needs/gaps in the field of Control environment, Planning/risk management, Control activities, Monitoring activities and Communication; 2. Ex-post evaluation of the ARDP 2009 – 2013, that shall include also a distinct report with recommendations on how to provide a more efficient implementation, having regards on Kosovo specificities. 3. Establishment of a timeframe that shall include main gaps and consequently priorities to be followed by the MAFRD. This document shall also be used as a guidance document for the MAFRD preparation in the next years to meet accreditation criteria for the payments system. 4. Training of the relevant staff, including a study visit in one of the Member States. Activity 2: Assistance in strengthening MAFRD advisory services and improving the quality of technical services provided by the MAFRD laboratories 1. Public advisory services in all Kosovo Municipalities as per provisions of the new Law on advisory services are established and functional; 2. Relevant secondary legislation on public advisory services, if and when needed, deriving from the law on agriculture advisory services is prepared;	Improved efficiency of the paying department in processing and controls of applications for subsidies. Decrease in a number of frauds and improved communication and information sharing. Advisory Service restructured and organized 34 well-organized and competent advisory centers to feed farmers and agribusiness with necessary advice; 68 trained and competent advisers to provide services to farmers and agribusinesses;	Monthly and quarterly report on the number of applications, processed, administrative controls performed and checks executed Project reports Training need analysis; Training program; Post training report Reports Number of advisers trained Number of field visits and number of farmers requesting advice. Number internships completed Updated law on Advisory/extension services; Number of Administrative Instructions drafted and adopted; List of standards on safety, quality, animal welfare and environment prepared and adopted. Training Need Assessment Report; Training Program; List of completed workshops, seminars, internships; Updated manual on the functions, duties and responsibilities of the advisory services prepared and approved.	It infrastructure supports execution of online checks and controls MAFRD is institutionally re-organized Staff are available Co-financing funds are provided on time Administrative and organizational reform advanced and new division of tasks competencies clear Stakeholders are willing to cooperate Legal acts are timely adopted; Sufficient budget is allocated to the implementation of the provisions of the law. Availability of staff to attend trainings; Funds for production of information material are allocated through co-financing. Regional offices established and staff is in place.

3: Capacities of public advisory services in terms of quality of the advice and range of advisory services to be provided are increased; 4: Pro-active and sustainable coordination and communication mechanisms between beneficiaries (e.g. farmers, farmers associations, agriculture producers etc) and advisory services are established and functional; 5: Guidelines, brochures, manuals and other technical documents related to the Agriculture activities and services per each municipality, taking into account specificities and rural development potential of each region are prepared and available for agriculture community; 6: Medium-term strategy for the development/evolution of the advisory services, taking into account EU best practices and observing financial feasibility, sustainability of the system and prospect of agriculture development in Kosovo is prepared and endorsed. Activity 3: Rural Grant Scheme 1. Agro food establishments are upgraded and modernized to comply with EU food safety standards and requirements of food and agriculture sector; 2. The ARDP, food safety standards and hygiene package requirements are being implemented; 3. Substitute import and increased export of agro-processed products to regional and EU market; 4. The number of non-agriculture micro-enterprises is increased and the capacities of the existing ones are strengthened; 5. The number of agro and rural tourism initiatives supported is increased as well as the number of jobs created in this sector;	Well trained and competent central staff to manage advisory services; Training program prepared and implemented; Review of the quality and range of services is performed and update is prepared and approved; Public information and communication strategy and action plan is prepared; Permanent communication channels from the service to the farmer is established and functional; Publications for farmers are prepared and distributed on a regular basis; Regular meetings/training and overall information sessions with the farmers are held; Field visits are performed on a regular basis and reports are prepared; Manuals on good farming and agriculture practices prepared and approved; Brochures and guidelines on agriculture technology and production systems are prepared and distributed; Guidelines and manuals on Environmental measures related to agriculture activities are prepared and distributed to farmers and wider public; Brochure on the technical services available	Public Information Strategy prepared and approved; Functional website, regular radio and TV editions with information's for farmers are broadcasted; Publications on agriculture and farming practices are prepared and updated. Manuals; Brochures ; Pest control programs; Research results; Investigation results Mid-term and final evaluations Reports from MAFRD Quarterly reports Minutes of Steering Committee meetings Visibility events	Farmers are informed and cooperate with KVFA during the implementation of disease control programs. Building and operating permissions for rendering plant are timely issued.
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6. The number of tourists and the duration of visits are increased; 7. Improved farm competitiveness in the domestic market via successful implementation of priority measures identified in the ARDP. Activity 4: Technical assistance for Animal Health Department of the KVFA and Food and Veterinary Laboratory 1. Development plan for the animal health Unit, including annual and multiannual work plan is prepared. 2. Surveillance programmes for diseases identified by the FVA and those for which reporting is compulsory have been drafted and implemented. 3. Contingency plans for selected animal diseases have been reviewed and updated. 4. KVFA staff have been trained in disease control and eradication methods, including design and implementation of surveillance programs. 5. Information campaign on Brucellosis and clostridia diseases have been prepared and implemented. 6. Control plan for Brucellosis has been reviewed and updated. 7. Control plan for clostridia diseases has been reviewed; a list of needed diagnostic kits, biological materials and other consumables needed for implementation of the programme for control of brucellosis and clostridia diseases has been drafted; laboratory capacities and potential inclusion of new test and techniques have been reviewed and updated.	for farmers in Kosovo is prepared and distributed (laboratory services and tests, research, pest control etc); ARDP 2011 -2013 updated according to the mid-term evaluation; Pilot projects launched and amount of funds and co-financing used; Priority measures selected and pilot projects launched for implementation;		
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8. An awareness campaign on the importance of disease control and eradication for farmers and other stakeholders concerned has been designed and implemented. 9. Vaccination of small and large ruminants has been completed. 10. Training need analysis and training for the laboratory staff has been carried out. 11. A list of tests and analysis to be included in the range of laboratory services to be performed has been drafted. 12. A list of missing equipment and technical specifications for these equipment is prepared. 13. Laboratory management system, including document management and communication system have been reviewed and updated. 14. ISO 17025 standard are applied in the food and veterinary laboratory. Activity 5: Supply of equipment for rendering plant 1. At least two separate containers with a top cover as storage facilities are provided; 2. Screw conveyors and a piping system to transport the material to from storage to the material crushing unit is in place and functional; 3. Material crusher with maintenance shaft to crush the raw-material to less than 50mm is installed and tested on each plane; 4. Steam boilers to produce the steam to run sterilizer and dryer are in place; 5. Sterilizer with agitator to inject the steam,	Annual and Multiannual disease control programmes in place and implemented. Contingency plans prepared and approved. Trainings on disease control and eradication completed Data entry records. Leaflets, radio, newspaper, TV etc produced. Animal trade development. Vaccination program for brucellosis and clostridial disease presented. Sufficient number of vaccines, kits, reagents and other consumables are available in the KVFA. Laboratory Equipment Installed and Tested. Rendering plant equipment installed and	KVFA Annual Report. Project reports. Post training reports. Public Information materials. Provisional acceptance certificates. Technical acceptance certificates. SOP.s and validation methods for laboratory tests. ISO 17025 certificate.	
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including the dryer with the storage tanks and the measurement and control technology is supplied and installed; 6. Separation equipment including fat-press and centrifuge supplied and installed; 7. Loading equipment is supplied and installed; 8. Exhaust air cleaning system (supply and exhaust system, biofilter) are installed and tested; 9. Cleaning and disinfection equipment; for the production area a cleaning and disinfection system are established; 10. Waste water treatment facility is in place; 11. Specialized vehicles for transport of waste from other regions to the rendering plant purchased and registered; 12. Testing of functionality of the rendering plant has been performed; 13. Training of staff in maintenance and operation of the equipment completed. Activity 6: Supply of laboratory equipment for Food and Veterinary Laboratory, IT equipment for paying unit of the MAFRD and biological materials for the Animal health unit Following equipment is already identified for the need of paying unit: • Server, Data Storage equipment • Notebooks for on-the-spot inspectors and for central supervisors • Multifunctional printers • Auto vehicles for on-the-spot inspectors and for central supervisors • GPS devices for land parcels measurements	tested. List of tests and methods of validation.		
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- Digital Cameras for on-the-spot inspectors - Plotters (color) - Mass production printing equipment (high volume printing of forms – pre-printed application form, maps for the farmers and control report templates etc.) - Other IT hardware and supporting software for IACS, as may deem necessary.			
Activities to achieve results	Means / contracts	Costs	Assumptions
For a detailed list of all activities, please refer to section 3.4 Activity 1 - Further support to the Ministry of Agriculture, Forestry and Rural Development to strengthen administrative structure for programming implementation and monitoring of Kosovo's and future EU funds Activity 2 - Assistance in strengthening MAFRD advisory services and improving the quality of technical services provided by the MAFRD laboratories. Activity 3 - Rural Grant Scheme: Activity 4 - Technical assistance for Animal Health Department of the KVFA and Food and Veterinary Laboratory: Activity 5 - Supply of equipment for rendering plant: Activity 6 - Supply of laboratory equipment for Food and Veterinary Laboratory, IT equipment for paying unit of the MAFRD and biological materials for the Animal health unit.	Service contract Service Contract Individual Grant Contracts Technical Assistance Supply contract Supply contract	1.0 million 1.2 million 4.0 million 1.5 million 3.0 million 1.4 million (three lots)	Compliant offers for supply and installation of equipment are received; Availability of Co-financing budget; Staffs are timely hired. First phases of rendering plant project are successfully completed. Municipalities cooperate with regards to advisory services

ANNEX 2: Description of Institutional Framework

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

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

Mandate of Ministry of Agriculture, Forestry and Rural Development

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

The other Primary beneficiary of these projects is Food and Veterinary Agency however close involvement through working groups and participation in the SCM meeting is envisaged for the representatives of MAFRD, MESP, and Veterinary Chamber etc.

Farmers associations and livestock breeders will be specifically targeted during the project implementation, whereas the Institute of Public Health will be play crucial role in information sharing with regards to human cases of brucella infection.

ANNEX 3: Reference list of relevant laws and regulations only where relevant

- Agriculture and Rural Development Plan 2007-13
- Law on Agriculture and rural development

The general part of public health, veterinary public health, animal health and waste management are covered buy the following laws and administrative instructions:

- Kosovo Veterinary Law No 21/04;
- Food Law No 03/L-016;
- The Environmental Protection Law No. 2002/8;
- Waste Law No. 02/L-30
- Number of administrative instructions covering specific diseases.

ANNEX 4: Details per EU funded contract (*) where applicable:

Terms of references for the technical assistance contract shall be prepared by the KVFA and EU Office whereas technical specifications related to laboratory and animal health component will be drafted by the experts of the TA. The tendering process will be centrally managed by the EU Office in Kosovo.

Activity 1: One service contract of € 1.0 million. The EU Office will organize the tendering process for both TA and supplies (please ref to Activity 6 for supplies), whereas the TS for equipment will be prepared by the contracted TA.

Activity 2: One service contract of €1.2 million.

Activity 3: grant scheme with a total budget of € 4.0 million which will be directly managed by the EU Office in the form of individual contracts with grant beneficiaries. The co-financing of € 5.0 million provided by MAFRD will be managed by the MAFRD itself and as agreed will cover agriculture production sector.

Activity 4: One service contract of € 1.5 million

Activity 5: One supplies contract of € 3.0 million. Detailed specifications and bill of quantity will be covered by IPA 2011 project for design and supervision of construction. This project therefore highly depends on the timely implementation of IPA 2011 and 2012 project on rendering plant.

Activity 6: one supplies contract of € 1.4 million.

While the part of supplies for MAFRD is much smaller than the KVFA part, for the purpose of efficiency and reducing the administrative burden, one tender with three lots (vaccines, lab equipment and IT equipment) will be organized. Total value of the project will be € 1.4 million whereby € 1.1 million are for the KVFA supplies whereas € 0.3 million are foreseen for the paying and managing unit of MAFRD.

ANNEX 5: Project visibility activities

The European Union Office in Kosovo has developed clear visibility guidelines and ensures that all projects which are implemented in Kosovo are fully in line with these guidelines. Project visibility is also clearly stipulated in all contractual documents whereby the contractors/implementers are obliged to adhere to all EU visibility requirements.