



AGRICULTURE IN FOCUS

The role, impact and misuse of support funds



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INTRODUCTION

Agriculture is, and is considered to be, one of the most important and strategic sectors for the economic development of the Republic of Kosovo. However, this sector continues to be characterized by relatively small farms with an average area of 5ha [1], instability, low productivity, as well as weak advisory service and monitoring process [2]. On the other hand, the challenge of food remains one of the biggest challenges that our society continues to face despite incentives and investments in this sector. The fact that 26% of the population is unemployed and that 23% lives at or below the poverty line [3] with the inability to meet food needs without being helped by the state through social schemes, continues to be quite worrying and challenging. Among other things, the country is facing an enormous increase in the prices of essential goods for living. The increase in inflation in the market, including that of Kosovo by 12.7% [4], has caused the price of bread to increase by 100% and that of oil by 130% over the years. Following that, the question arises:

HOW PROFITABLE ARE THE MILLION DOLLAR INVESTMENTS REALLY?

The allocation of grants and subsidies by the Ministry of Agriculture, Forestry and Rural Development continues to be one of the most sensitive topics since their introduction in 2009. Despite millions of investments, no satisfactory increase in gross national income or growth has been investigated. of export of agricultural products. Moreover, the increase in imports and inflation in the market are only weakening the budget of consumers and entrepreneurs themselves. Taxpayer funds as well as grants donated by numerous organizations instead of promoting the development of the agricultural market, are only challenging it. The lack of monitoring on the one hand, as well as the lack of coordination between the bodies involved on the other hand, leave enough gaps for misuse of public funds of the Republic of Kosovo.

This thematic report provides an analysis of the current situation of the agricultural sector, including productivity assessment, addressing challenges, as well as assessing the impact of support schemes, grants and subsidies distributed over the past years. In order to increase the transparency and accountability of the competent institutions, all indicators have been researched, starting from the allocation of the budget of the Republic of Kosovo for the Ministry of Agriculture, Forestry and Rural Development (MAFDR), the allocation of funds for subsidies and grants, the legislation covering the schemes support, their impact on the agricultural market and the examination of possible cases of misuse during their implementation.



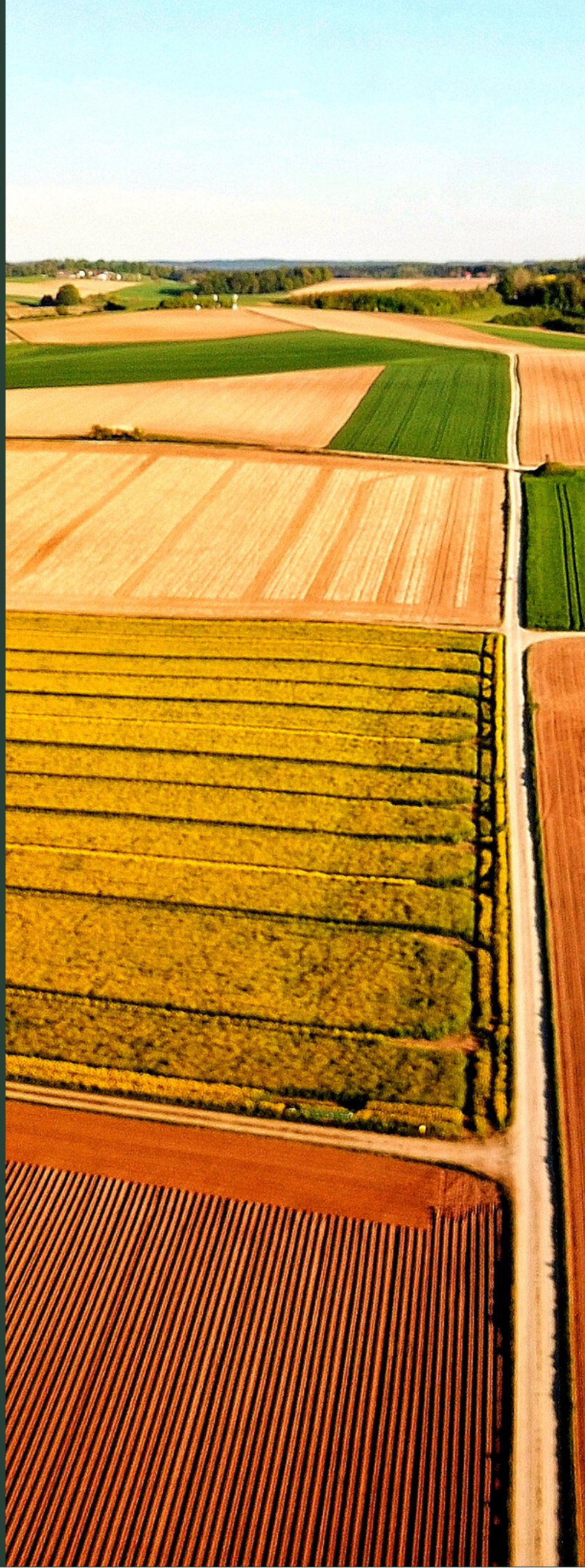
[1] Draft Concept Document for the Organization of the Common Market of Agricultural Products, Prime Minister's Office, available at: <https://konsultimet.rks-gov.net/viewConsult.php?ConsultationID=41305>

[2] Agriculture in Kosovo, wikipedia, accessible at: https://sq.wikipedia.org/wiki/Bujq%C3%ABsia_n%C3%AB_Kosov%C3%AB [3] Annual Report 2021, UNICEF Kosovo Programme, e available at: <https://www.unicef.org/kosovoprogramme/reports/annual-report-2021> [4] Kosovo Statistics Agency, Harmonized Index of Consumer Prices, available at: <https://ask.rks-gov.net/sq/ajencia-e-statistikave-te-kosoves/add-news/indeksi-i-harmonizuar-i-cmimeve-te-konsumit-ihck-September-2022>

METHODOLOGY

This thematic report provides a comprehensive study developed through a research methodology that combines qualitative and quantitative aspects. The research process includes an extensive review of relevant documents, as well as the processing of data and information from a variety of different sources, including reports published by monitored institutions and various groups. The use of such research, which integrates qualitative and quantitative elements, has enabled a more detailed exploration of the selected topic, further emphasizing the validity and reliability of the findings presented in this report.

In order to make this report as comprehensive and relevant as possible, meetings and advocacy forums have been organized with representatives from the MAFRD and officials from the AZHB. In addition, central and municipal level institutional actors, representatives of various businesses, potential investors as well as farmers and farmers, beneficiaries of the support scheme, were interviewed. These interviews allowed us to gather knowledge, to learn details that the legislation often does not provide, as well as to gain expertise in this field. In addition, to provide first-hand information, our monitors actively participated in the subsidy distribution process, thereby increasing the accuracy and reliability of the report's findings and recommendations. Also, the processing and graphical and tabular presentation of the collected data will help identify challenges, providing a clear overview of the state of the agricultural sector over the years.



LEGAL FRAMEWORK

In Kosovo, support schemes were first introduced 14 years ago with the approval of Law No. 03/L-098, Law on Agriculture and Rural Development by the Assembly of the Republic of Kosovo. Before the adoption of this law, there were a total of 15 laws and 13 regulations in the agriculture sector, which until 2008 were in accordance with the UNMIK legislative framework. Today, the agriculture sector is governed by a total of 28 laws and 15 regulations published on the official website of the MAFRD. The regulatory laws for support programs in the agro-rural sector are oriented towards promoting the development of this sector, making it more competitive and innovative, with the aim of offering high quality goods to the local and European Union markets. These laws also aim at a sustainable use of natural resources and the environment, creating new employment opportunities and social inclusion. In addition, they are focused on weaving rules and guidelines for the effective implementation of schemes in agriculture, while they are purposefully established to prevent the misuse of public money.

The Ministry of Agriculture, Forestry and Rural Development (MAFDR) is the body responsible for the compilation of models, based on which short-term, medium-term and long-term programs are implemented for the benefit of projects from agribusinesses and farmers. The other institution dealing with the design of support schemes since 2013 is the Agency for Agricultural Development. These bodies draft the criteria and conditions for the beneficiaries of the projects which are finally approved by the Minister. Funds approved by the Government of Kosovo that aim to empower farmers and expand agribusinesses are distributed in two forms: Through grants or development projects intended for long-term investments, including conditions that stimulate business development and expansion, as well as through subsidies or payments direct to farmers or farmers who deal with primary agricultural production.

The long-term strategic objectives are defined in the National Strategy for Agriculture and Rural Development (SKBZHR). This document is approved by the Government at the proposal of the Ministry for a period of seven years. Based on it, the National Program for Agriculture and Rural Development is drawn up, in which medium-term strategic objectives are defined. This document must cover the period of at least 3 to 7 years [5]. The PKBZHR consists of two pillars: the Program for Rural Development and the Program for Direct Payments, in which short-term objectives with a duration of 1 year are defined. Programs must be approved by December 20 of the current year or at the latest by January 20 of the following year [6]. Within these programs, the pillars that will be supported within the relevant period are announced. The measures borrowed from the European IPARD program in Kosovo are not directly financed by the EU fund [7], however, the European Union offers assistance in improving agricultural standards, with the aim of increasing technological capacities, promoting a free agricultural market. in cooperation with EU member states.

[5] Ministry of Agriculture, Forestry and Rural Development, Draft Law on Agriculture and Rural Development, accessible at: https://www.mbpzhrks.net/repository/docs/PROJEKT_LIGJI_PER_AUBUQESI_DHE_RURAL_DEVELOPMENT_2018.pdf [6] Ibid;
[7] Performance audit report, the process of managing grants and subsidies in the agricultural sector, Office National Audit Office, accessible at: http://www.zka-rks.org/wpcontent/uploads/2019/05/2019_05_07_Procesi_i_manaxhimit_te_granteve_dhe_subventionone_ne_bujqesi.pdf

The Rural Development Program in Kosovo is one of the most important efforts to strengthen the agricultural sector and improve rural conditions. Support measures that include financing, diversification, infrastructure improvement, support for agricultural trade and environmental care, aim to help increase agricultural productivity, diversify the rural economy, and care for the environment, thus creating new opportunities for economic development and increased social welfare.

From the measures listed, measures no. 1,5,7 and 9 are the ones that apply in our market:

Measure #1

"Investment in physical assets of agricultural units" helps farms invest in buildings or technology;

Measure #3

"Investments in physical assets related to the processing and marketing of agricultural and fishery products" also aims to ensure that projects in food processing companies meet EU safety and environmental standards;

Measure #4

"Agro-environment-climate and organic agriculture"
(It is not implemented in the Republic of Kosovo in the framework of the Program by the MAFRD);

Measure #5

"Implementation of local development strategies - LEADER approach" funds local action groups that implement their local development strategies from the bottom up;

Measure #7

"Farm diversification and business development" is for rural businesses and farming families seeking to develop non-agricultural activities;

Measure #9

"Technical assistance" supports training, analysis, program monitoring, capacity building and preparation of local action groups.





THE CURRENT SITUATION OF **AGRICULTURE** SECTOR IN **KOSOVO**

Although 54.23% of the land in Kosovo is qualified as agricultural land [8], agriculture is a sector that, despite its initiatives aimed at stabilizing the economic situation, unfortunately continues to face models that are not always turning out to be fruitful. According to some farmers and farmers, their concerns are not only related to the conversion of land into industrial areas, but above all, to the way of subsidizing their crops as well as the distribution of support funds after the harvest season, also facing injustices. along their distribution.

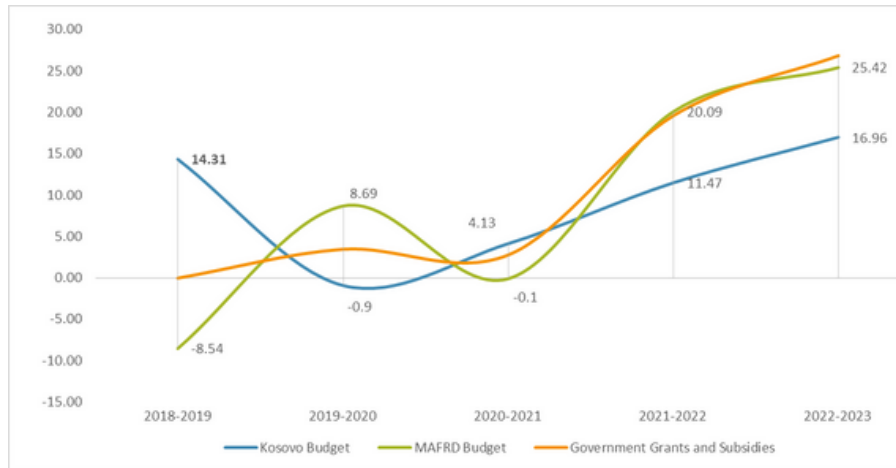
**THE INTENTION OF THE
MINISTRY OF
AGRICULTURE, FORESTRY
AND RURAL DEVELOPMENT
TO DEVELOP THE
AGRICULTURAL SECTOR
STILL REMAINS A
CHALLENGE AS A RESULT
OF THE NON-
IMPLEMENTATION OF THE
NATIONAL STRATEGY IN
ACCORDANCE WITH THE
OBJECTIVES SET FORTH.**

[8] Natural resources of Kosovo. Wikipedia, accessible at: https://en.wikipedia.org/wiki/Burimet_natyrore_t%C3%AB_Kosov%C3%ABs

The fund allocated by the Government of Kosovo to the Ministry of Agriculture, Forestry and Rural Development during the period 2018 - 2023 reaches the figure of

382,038,720 million euros that
15,205,192,010 billion euros [9]
 OR
2.51%.

This percentage is obviously smaller compared to the % allocated for the development of common agricultural policies within the EU with an average participation of 40% [10].



Graph 1. The ratio between the allocated budget for the MAFRD, the general budget of Kosovo and Government Grants and Subsidies [12]

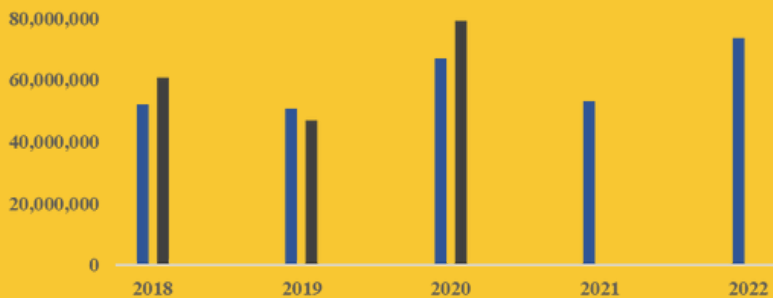


Chart 2. Comparative values between the planning and implementation of support schemes in Kosovo during the years 2018-2023 [13]

GOVERNMENT GRANTS

are government aid in the form of the transfer of resources or funds to an enterprise in response to its compliance in the past or in the future with certain conditions related to the enterprise's business activities [14]. In our case, "business activities" should mean all activities that include the provision or production of agricultural products in the open market.

SUBSIDIES

imply transfers paid to agribusinesses, agricultural organizations or individuals who manage to meet the criteria announced in the relevant call.

The graph above reflects the relationship between the implementation and planning of grants and subsidies over the last 6 years. The relationship between these two indicators is almost in harmony until 2020. Unfortunately, the data related to the implementation of the amounts distributed during the last two years are still not known to the public.

The fact that Government Grants have increased by 31.19% and Subsidies and Transfers by 21.65% within the same time period gives hope for a more stable agricultural sector in the near future.

	2018	2019	2020	2021	2022	2023
Planned value	52,000,000	50,500,000	67,100,000	53,000,000	73,500,000	100,000,000
Implemented value	60,600,000	46,700,000	79,000,000			

Table 1. Comparative values between the planning and implementation of support schemes during the years 2018-2023

In 2018, the total budget for grants and subsidies was 52 million, although 60.6 million was the total value invested. In 2019, the allocated value was 50.5 million, while only 46.7 million have been implemented. In 2020, the invested value was 79 million against the fact that only 67.1 million had been allocated at the beginning. In 2021, the value of 53 million euros was approved. In 2022, the value of 73.5 million and for 2023, a total of 100 million euros were promised. Unfortunately, the call for grants for 2023 has not yet been opened, while the data on the implementation of support funds for 2021 and 2022 remain to be revealed in the future.

[9] The values are calculated based on data from the Law on budget allocations for the budget of the Republic of Kosovo over the years [10] Agriculture and rural development, European Commission, accessible at:

https://agriculture.ec.europa.eu/common-agricultural-policy/financing-cap/cap-funds_en#overview [12] The values are calculated based on data from the Law on budget allocations for the budget of the Republic of Kosovo between years;

[13] Ibid;

[14] SKK 7, Accounting for Government Grants and Disclosure of Government Assistance, Ministry of Finance, available at: <https://mf.rks-gov.net/desk/inc/media/D3083D7E-36A9-4816-87BD-38C634651F9E.pdf>;

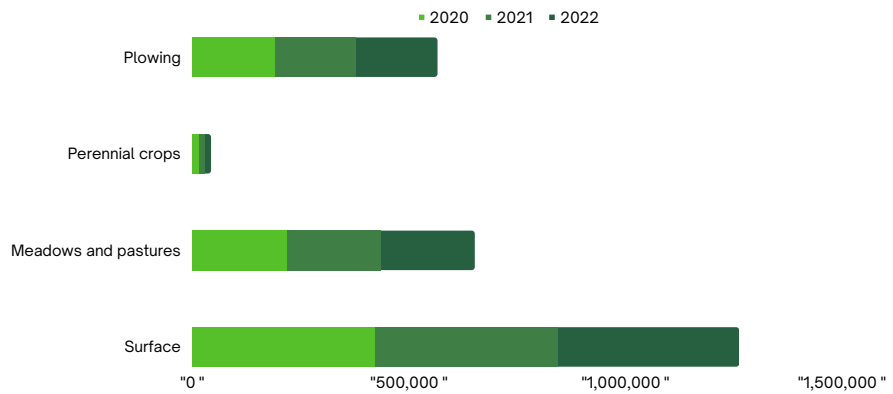


Chart 3. Agricultural surfaces (Ha) according to utilization categories in 2020-2021 [15]

In Kosovo **54.23%** of land is qualified to be **AGRICULTURAL LAND** or 342,400 hectares of its area. However, the formal agricultural sector covers only **3.9% OF THE TOTAL WORKFORCE.**



ACCORDING TO KAS, THE INFLATION IN THE PAST MONTHS HAS BEEN INCREASED BY 4.2%. [16]

The indicator that 61.7% of the population lives in rural areas [17] as of 2011 obviously no longer holds. Youth migration to cities continues to deepen, leaving hectares (Ha) of fertile land unexploited. The lack of labor on the one hand and the concreting of fertile land on the other, does not leave enough space for investment. According to the latest agricultural census, it is said that the total area of land used in Kosovo is 512 thousand hectares of land, with an average of 3.9 hectares of land for agricultural economy [18]. The yield of loss of agricultural land with 1000 ha/year from erosion and approximately 500-100 ha for construction purposes [19] is 4 times higher than that of agricultural land processing which during the last five years has increased by 582 ha/year [20].



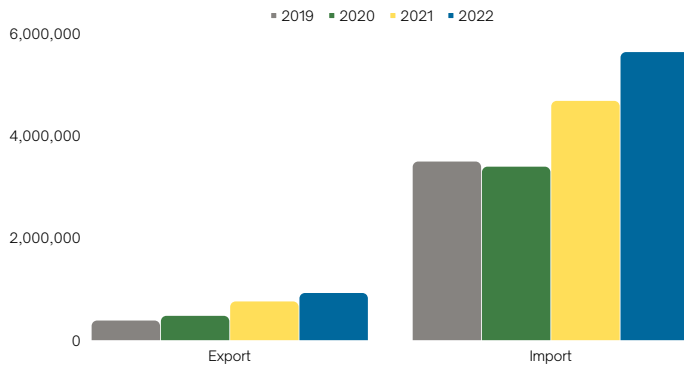
Year	2018	2019	2020	2021	2022
CROPS	82.9	105,7	99.9	109,1	163,3
FORAGE PLANT	111,7	108,6	107,3	109,2	146,7
VEGETABLE	108,1	104,8	108,3	120,9	139,4
TREE	103,8	113,0	132,1	142,2	139,8
CATTLEMAN	99.9	105,4	101,1	111,1	139,6
LIVESTOCK PRODUCTION	103,4	105,8	110,9	107,4	129,7

Table 2. Annual price index of agricultural products 2018-2022 (2015=100)18 [21]

[15] Statistical Yearbook of the Republic of Kosovo, accessible at: <https://askapi.rks-gov.net/Custom/d3897cdf-04b9-4167-a0f3-2bd7ef842703.pdf>

[16] Kosovo Statistics Agency, accessible at: <https://askdata.rks-gov.net/pxweb/en/ASKdata/>

[17] Radio Free Europe, accessible at: <https://www.evropaelire.org/a/qytetet-fshtrat-kosova/30081494.html> [18] Ibid [19] Lands of Kosovo, Wikipedia, accessible at: https://sq.wikipedia.org/wiki/Tokat_e_Kosov%C3%ABs [20] Green Report 2021, MAFRD, accessible at: https://www.mbpzhr-ks.net/repository/docs/Raporti_i_Gjelber_202003022021.pdf [21] Statistical Yearbook of the Republic of Kosovo 2023, pg. 164, accessible at: <https://askapi.rks-gov.net/Custom/d3897cdf-04b9-4167-a0f3-2bd7ef842703.pdf>



Graph 4. The ratio between import and export of agricultural production 2019 - 2022 [22]

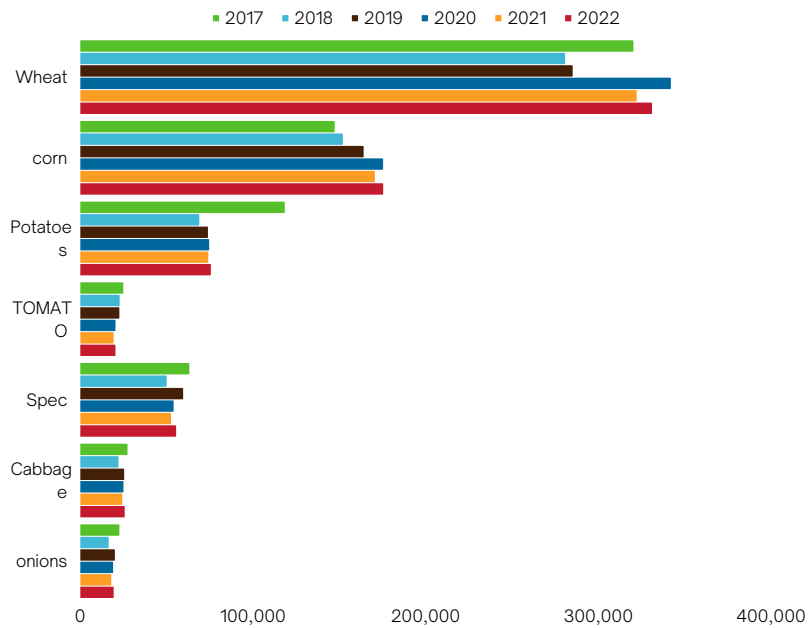


Chart 5. Annual price index of agricultural products in tons 2018-2022 (2015=100) [23]

YEAR	2017	2018	2019	2020	2021	2022
ANIMAL TYPE	Total number of animals					
SPECIMEN	259,729	258,662	25,7733	261,389	260,528	250,899
PIG	41,086	40,164	40,538	45,394	4,7384	45,420
From him	182,278	181,105	189,102	212,131	211,354	204,110
GOAT	28,410	28,703	27,197	29,557	30,039	29,378
An ungulate	2,326	1,944	2,037	1,804	1,864	1,469
BEE HIVES	163,717	182,476	219,831	262,541	219,077	219,077
BIRDS	2,811,385	2,568,032	2,665,262	2,781,913	2,788,435	2,614,438

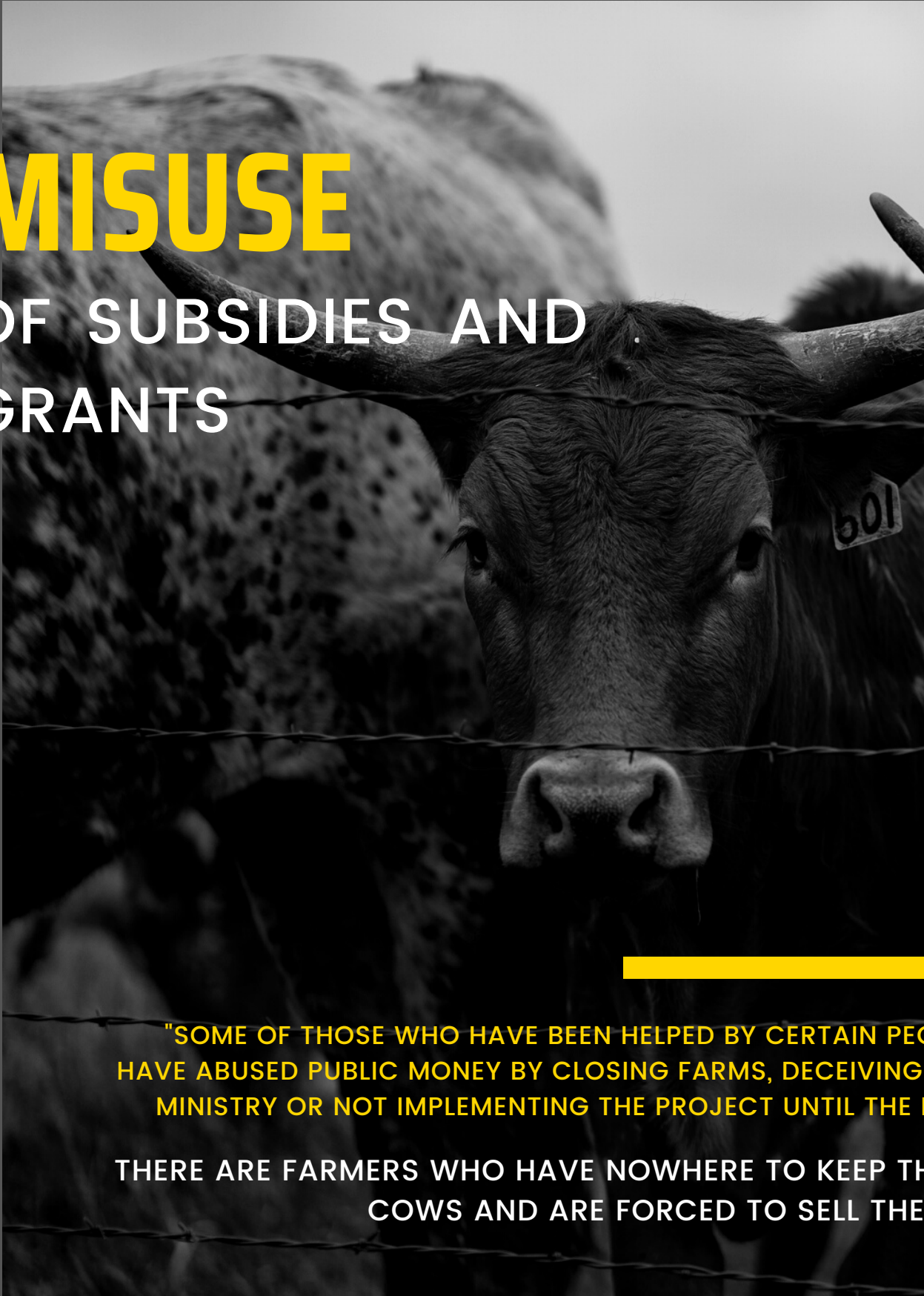
Table 3. Livestock by types 2017 - 2022 [24]

[22] Statistical Yearbook of the Republic of Kosovo 2023, accessible at: <https://askapi.rks-gov.net/Custom/d3897cdf-04b9-4167-a0f3-2bd7ef842703.pdf>

[23] Ibid;

[24] Ibid;





MISUSE

OF SUBSIDIES AND GRANTS

"SOME OF THOSE WHO HAVE BEEN HELPED BY CERTAIN PEOPLE
HAVE ABUSED PUBLIC MONEY BY CLOSING FARMS, DECEIVING THE
MINISTRY OR NOT IMPLEMENTING THE PROJECT UNTIL THE END.

THERE ARE FARMERS WHO HAVE NOWHERE TO KEEP THEIR
COWS AND ARE FORCED TO SELL THEM."

Despite the fact that the Ministry of Agriculture, Forestry and Rural Development has been offering financial support programs of millions of euros in support of farmers for several years now, a genuine monitoring mechanism leaves much to be desired. The lack of coordination between the parties involved, as well as the lack of digitization, leave enough room for misuse of public funds. The development of the agricultural sector has been, and should be, one of the priorities of each government, however, their aim is to increase productivity, reduce the import of agricultural products, increase the number of employees, and establish a stable agricultural market. , it is considered that they were not realized to a satisfactory extent. It is quite difficult to determine the extent of abuses that directly affect the supporting policies, since the relevant institutions themselves often do not have the relevant data in time.

"GRANTS ARE GIVEN TO POWERFUL PEOPLE AND INSTEAD OF THEM BEING GIVEN TO THOSE WHO ARE IN NEED AND WHO KEEP THEIR CATTLE IN STABLES AND MISERABLE CONDITIONS, THE MINISTRY GIVES GRANTS TO THOSE WHO HAVE MONEY AND ARE MILLIONAIRES! [25]"

Harsh criticism for the misuse of support funds dates back to 2015. According to the Union of Farmers in Kosovo, beneficiaries of grants and subsidies are people who are not even engaged in agriculture [26]. The acquisition of tractors through grants, gold acreage and subsidized and unsown agricultural production has only harmed the diligent farmers and thus the agricultural market. If millions of euros of subsidies were converted into agricultural products, the market would flourish from crops, agricultural goods: In the presence of competition, at significantly more affordable prices. Abuses and mismanagement of the process of allocating support funds have also been evidenced by experts in the agriculture sector, even though these accusations were dismissed by the Minister of Agriculture, adding that grants are being allocated transparently [27], through a platform which it does not always turn out to be functional.

The fact that there was poor management of subsidies was also made known by the National Audit Office. In the performance audit report entitled: "Grants and Subsidies Management Process in the Agriculture Sector", the purpose of which is to directly promote the accountability of public institutions by providing a stable basis from the managers of each audited organization [28] , in agreement with the Office of the Prime Minister, has come to the conclusion that: "... the current way of managing agricultural programs does not ensure the achievement of the intended results for the development of the agricultural sector. Among other things, the process as a whole was noted for poor management of advances for investments in rural infrastructure, cases of non-fulfillment of the criteria by the beneficiaries as defined by administrative instructions, deficiencies in the process of granting programs, controls and monitoring and deficiencies in designing long-term strategies and programs [29]. In addition, the ZKA announced that:

[25] *Militants, beneficiaries of grants and subsidies in agriculture, Bota Sot, accessible at: <https://www.botasot.info/ekonomi-lajme/567896/militantet-perfitues-te-granteve-dhe-subventioneve-ne-bujqesi/>*
[26] *Ibid;*
[27] *Ibid;*
[28] *Performance Audit Report Grants and Subsidies Management Process in the Agriculture Sector, National Audit Office, available at: http://www.zka-rks.org/wp-content/uploads/2019/05/2019_05_07_Procesi_i_anxhimit_te_te_te_veve_dhe_subsidione_ne_bujqesi.pdf* [29] *Ibid;*

"THE MINISTRY STILL DOES NOT HAVE REGULATIONS OR PLANS THAT CLEARLY DEFINE THE DEVELOPMENT OF ACTIVITIES IN TERMS OF TIME AND PROCEDURE. THE APPROVAL OF PROGRAMS IS OFTEN DELAYED, CAUSING DELAYS IN THEIR ANNOUNCEMENT AND AFFECTING THE ENTIRE PROCESS UP TO THE EXECUTION OF PAYMENTS". [30]

Charged with the criminal offenses of "subsidy fraud", "forgery of documents", "filling out applications", "changing agricultural crops", "taking bribes" and "fraud in office", the accused found themselves in custody. The prosecution claims that with these actions, the accused in complicity have caused damage to the Budget of the Republic of Kosovo in the minimum amount of 400,000.00 euros [31]. If within a certain time of the same year and the same call for subsidies, the budget of the Republic of Kosovo was damaged by a small number of people, then the real damage with over 20 calls opened over the years remains to be guessed.

MILLIONS OF EUROS IN SUSPENDED INVESTMENTS, MILLIONS OF EUROS IN IMPORTED AGRICULTURAL PRODUCTS. ON ONE SIDE INNOVATIVE EMPTY FARMS, ON THE OTHER SIDE IMPROVISED STABLES!

The fight against corruption in the agricultural sector is an essential challenge for the sustainable development of the economy and the rural environment. The continuous efforts of civil society and international organizations have ranked the state of Kosovo in the 84th place [32] out of a total of 180 states, marking progress compared to the previous year for increased transparency. However, while all the attention is focused on increasing transparency and accountability, the policies of the sector with the most potential continue to remain the same. Lack of data, late publication of reports, high costs of products, mismanagement of the process of distribution of grants and subsidies, lack of manpower, lack of agricultural insurance, lack of counseling, postponement of deadlines, increase in importation, the privatization of agricultural lands, poor infrastructure, and the lack of digitization of the process of distribution of support funds, leave enough space for the misuse of public money even today.

[30] Performance Audit Report Grants and Subsidies Management Process in the Agriculture Sector, National Audit Office, available at: http://www.zka-rks.org/wp-content/uploads/2019/05/2019_05_07_Proces_i_menaxhimit_te_granteve_dhe_subventione_ne_bujqesi.pdf
[31] CORRUPTION PERCEPTIONS INDEX, Transparency International, available at: <https://www.transparency.org/en/cpi/2022/index/ksv>
[32] CORRUPTION PERCEPTIONS INDEX, Transparency International, available at: <https://www.transparency.org/en/cpi/2022/index/ksv>

Agriculture in Kosovo, almost the same over the years, faces deep structural problems, a consequence of the past and the characteristics of Kosovar families, starting from the identification of their plots. The lack of innovative systems of irrigation systems, the lack of hail protection systems, the non-application of automation – modern agricultural equipment and recently, the lack of manpower, are not showing results despite the fact that the budget allocated for subsidies and grants by the Ministry of Agriculture, Forestry and Rural Development is constantly growing. For now, the most important thing would be to do an analysis of the capacities of agricultural crops as well as to do an assessment of the efficiency of grants and subsidies in agriculture.

Until now, it has never been officially specified how many are the surface of the land with bread in Kosovo, nor the plantings with autumn crops, or how much with spring crops. Neither the average yields at the country level, the quantities harvested by a farmer, who announces and publishes the yields from his crops [33], or how many farmers actually practice this activity are known exactly. On the other hand, agricultural crops, as far as they are, are not being subsidized according to their respective season. Added to this fact, this uncertainty is also being strengthened by the frequent fluctuations as a result of the diverse demands of the market. The purpose of grants and subsidies is to support producers from the instability of the market, the increase in inflation from external factors and to strengthen the agricultural segment of the national economy and not to enrich individuals as long as the prices in the market are unaffordable.

ARE PRICES REALLY REFLECTING PRODUCTION COSTS? HOW ARE SUBSIDIES AND GRANTS REALLY AFFECTING PRODUCTIVITY GROWTH IN THE COUNTRY?

In conclusion, it is evident that agriculture in Kosovo, despite the favorable preconditions for being an agricultural country, continues to face major challenges that hinder its development as a value-added sector due to wrong policies and the lack of vision to promote the implementation of effective strategies in many of its subsectors. This has resulted in high prices of agricultural products in the country, even higher than the products that are imported from abroad, as is the case with dairy products. To maintain an agricultural sector and to add value, sustainable and competitive in the market it is necessary to take immediate measures to improve agricultural policies and strategies.

[33] *Agriculture in Kosovo, the underestimated sector of the country, Economic Bulletin, accessible at: <https://buletinikonmik.com/2023/09/bujqesia-ne-kosove-sektori-i-nencmuar-i-vendit/>*

RECOMMENDATIONS

- 1** Lower the criteria for applying for subsidies and grants for the purpose of inclusiveness, where all farmers and farmers can be winners. The development of programs that have a wide range of support, the careful selection of support measures and the implementation of adequate procedures during their implementation enrich the local market and contribute to increasing the sustainability of the agricultural sector. This helps greatly improve the farming community's ability to take advantage of resources and create a sustainable local economy.
- 2** To determine time limits for the preparation and execution of programs for grants and subsidies, in order to approve the programs at the optimal time of seasonal crops. The process of grant support schemes is followed by delays from its approval, opening and calling, until the signing of the contract. According to the by-laws, this duration can last up to 3 months, while in reality, the process is followed by even longer delays. Therefore, it is more than necessary to set the deadlines for the opening of calls for the application process for grants and subsidies in exactly the same periods every year. Taking into account that agriculture is seasonal production, this would help the application of farmers for support for crops in accordance with the planning of the situation in the field.
- 3** Carry out regular checks and research the market after the implementation of the grant and subsidy scheme for the relevant year. Controls must be carried out by authorized persons, inspectors, experts in the agricultural sector, as well as engaging external contracting parties in order to ensure the smooth running of the process. Currently, there is a lack of data on the intended results and there are no records that reflect the impact of support schemes on the development of the agricultural sector. The engagement of other parties, including civil society, would ensure more rigorous monitoring of the impact measurement of support funds.
- 4** To carry out studies and analyzes about the possibilities of suitability for the cultivation of agricultural crops. Supported crops have not always been suitable for cultivation in the territory of Kosovo. This can orient the agricultural sector towards crops that are not profitable for our market or that do not meet market requirements. Feasibility studies should be conducted by agricultural experts, the results of which should be shared with program designers.
- 5** MAFRD must ensure that throughout the process, the approved amount is spent within the budget limits allocated for that year in accordance with the Rural Development Program. Due to delays in approving programs and opening calls, payments are often being carried over to the next year. The fact that the allocated amount and the implemented amount of grants and subsidies never coincide with each other makes it difficult to plan the budget for the next year. Competent institutions must bear full responsibility, in case of failure of project implementation after signing the contract with the beneficiary in question.
- 6** To update and publish the black list which contains the names of farmers who have been involved in known cases of corruption, misuse of funds. This list will be used to assign sanctions that will stop them from applying for subsidies and grants for a period of three years or more. This measure aims to promote legal behavior and activities in the agricultural sector and influence the fulfillment of related rules and regulations.



7 The Ministry, in cooperation with the relevant agencies, must provide the mentioned data to design the programs in accordance with the needs and demands of the market. In the agricultural sector, there is a lack of accurate data related to agriculture in Kosovo. It is important to have accurate information about the number of active agricultural businesses, the demographics of the population living in rural areas, and their potential for employment in agriculture. Also, it is important to have accurate knowledge about the number of families that depend on their income from agriculture and how many of them perform it as an additional activity.

8 To increase cooperation and coordination between the central level and Directorates for Rural Development at the local level. Some individuals were dual beneficiaries while others complained that they were unfairly not subsidized. The Ministry should have continuous communication with the municipalities to coordinate similar activities related to the selection of beneficiaries in order to ensure that there are no beneficiaries for the same measure from both levels within the same year. Also, AZHB should establish regular communication with third parties, in order to coordinate activities, especially during public calls.

9 During the process of awarding large grants, such as agricultural tools, it is important to implement a rotative system between beneficiaries and farmers, in order to ensure an efficient and sustainable use of these resources. This system allows farmers to use the tools for a certain period and after they do not use them for various reasons, to transfer them to other farmers. This helps to maximize the use of these tools, improve agricultural productivity, and support the agricultural community in the use of common resources, avoiding that they remain passive and are not used for use.

10 In order to improve the way of applying and the process of evaluating applications for grants and subsidies, as well as to guarantee a higher level of transparency in the whole process, it is very important to digitize the application system. This will result in the reduction of application time, the excessive expectations of citizens in institutions and the reduction of opportunities for possible errors in the application and evaluation process. Digitization precedes monitoring, reducing the possibility of misuse, making it difficult to manipulate the process irregularly.

11 Establish regulatory mechanisms in order to protect the price in the market. Subsidizing products according to price is an important tool to ensure equal access of every citizen to important goods and services. This action not only helps fight poverty and economic incapacity, but also encourages local production and improves market stability. Through price subsidies, the state can influence the ability of citizens to have access to necessary products and promote the economic development of the country. This is an important strategy to support overall well-being and assist in sustainable economic development.



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