

MONITORING REPORT

2021 - 2023



GRANTS &
SUBSIDIES

FROM THE
MINISTRY OF
AGRICULTURE,
FORESTRY AND
RURAL
DEVELOPMENT

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DEVELOPMENT

Author: Institute for Development Policy (INDEP)

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INTRODUCTION

The consortium of civil society organizations consisting of the Group for Political and Legal Studies (GLPS), the GAP Institute (GAP) and the Institute for Development Policy (INDEP) are implementing the CorrWatch project: "Supporting Civil Society to Increase Oversight and Accountability of Public Institutions of Kosovo". This project, funded by the Foreign Cooperation and Development Office (FCDO) through the British Embassy in Pristina, stands out as a critical initiative within Kosovo, with the main purpose of advocating for good governance by promoting increased transparency, strengthening supervision, and accountability within public institutions.

Using a proactive and retroactive approach, the three implementing organizations are monitoring a number of government institutions and independent agencies, across five key components:

1. Recruitment in public administration
2. Public procurement practices and contract management
- 3. Distribution of grants and subsidies**
4. Issuance of permits, licenses and tariffs
5. Performance and management of Public Owned Enterprises (POE's)

The Institute for Development Policy (INDEP), is monitoring the grant-giving process from the Ministry of Agriculture, Forestry and Rural Development (MAFRD). Although CorrWatch found implementation in June 2022, INDEP has continued its research and data collection including open calls from previous years, such as 2020/2021 and 2022. The collected data originates from different sources published by the Registration Agency of Businesses in Kosovo (RABK), as well as from the annual reports published by the ministry in question. To enhance them as much as possible, these statistics have been visualized clearly, reflecting the findings and legal violations encountered during our supervision. The monitoring report, also includes all actions and activities conducted throughout the project's implementation, detailing the progress made and the obstacles encountered during the overall monitoring process. At the end of the report, the recommendations that have been implemented in the drafting of Rural Development Programs are listed, as well as the new criteria added by the Ministry of Agriculture, Forestry and Rural accordingly to CorrWatch's recommendations. By doing so, CorrWatch tries to keep the Kosovo citizens informed about the latest agricultural measures, enabling them to benefit from public funds. Furthermore, one of the goals is to keep applicants updated on any potential changes throughout the entire process, thereby advocating for greater transparency and accountability, and not only from public institutions.

METHODOLOGY

For the drafting of this monitoring report, INDEP has collected and processed a wide range of data sources and relevant documents with an agricultural background. This comprehensive analysis relies on utilizing the lists of grant beneficiaries distributed by the Ministry of Agriculture, Forestry, and Rural Development, based on the Memorandum of Cooperation between CorrWatch and the ministry in question. As a result, the monitoring officers from INDEP have been able to identify and document their findings during the implementation of the Rural Development Program for the period 2020-2023.

Summarizing and comparing data such as:

- Name of the beneficiary company,
- The municipality in which the beneficiary exercises his/her agricultural activity,
- Approved support amount,
- Date of business registration,
- Capital in euros,
- Primary profitable business activities,

have provided a clear and more detailed overview of the current situation. Consequently, these statistics have enabled us to reach conclusions in order to review and improve current policies in the agriculture sector.

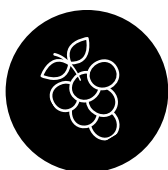
INDEP has also conducted meetings and interviews with activists, applicants, beneficiaries of support funds, as well as representatives from both central and municipal levels, aiming to gain insights into the grant and subsidy allocation process. These interactions have revealed challenges primarily stemming from the absence of digitalization in the processes for financial support calls. Additionally, insights gathered from active monitoring during the 2023 Call for Grants and the voluntary participation of the municipality of Pristina in the Open Call for Subsidies, have significantly contributed to the creation of a comprehensive monitoring report. This publication, offers an in-depth analysis of firsthand information and concrete recommendations for a successful, comprehensive, and transparent execution of supportive agriculture calls in the future.

MONITORED CALLS

In the period from September 2022 to March 2024, INDEP has monitored the following four calls in detail, which included field visits. With a particular focus on improving transparency and fighting corruption, the findings for each monitored call are presented independently and clearly, each one analysed separately. It is important to note that all findings are based exclusively on research conducted through various platforms and their compatibility with the criteria set forth in the Rural Development Program (RDP). Their accuracy remains to be confirmed by the higher bodies of justice in cooperation with the Division for Monitoring, Evaluation and Reporting for Rural Development within the Ministry of Agriculture.

DID YOU KNOW?

Monitors from the CorrWatch consortium are the first and only party from civil society that, in the capacity of observers, have monitored the public calls for grants at the central and municipal level!



RURAL DEVELOPMENT PROGRAM 2020/2021

JULY 2020



CALL FOR DIRECT PAYMENTS – FOR DAIRY COWS, SHEEP AND GOATS

MARCH 2023

JUNE 2022



RURAL DEVELOPMENT PROGRAM 2022

NOVEMBER 2023



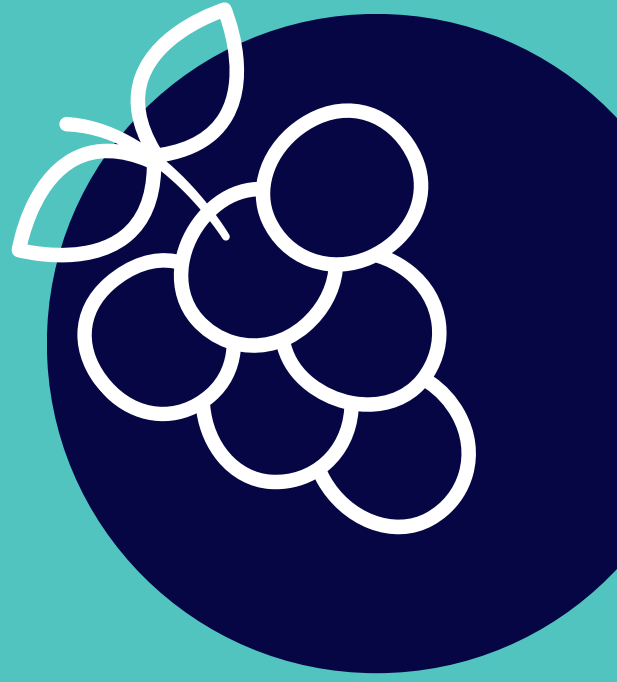
RURAL DEVELOPMENT PROGRAM 2023

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**RURAL
DEVELOPMENT
PROGRAM
2020/2021**

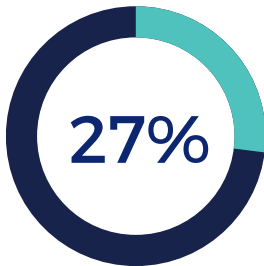
JULY 2020

RETROACTIVE MONITORING





The list of beneficiaries is available on the official website of the Agency for Agricultural Development (AZHB). This register contains data on the identity of the beneficiary, the measure for which he applied, the total approved amount, the amount to be paid by the beneficiary and the authorized amount.



Of the 304 beneficiary businesses, 89 or 27% of them do not appear on the ABRK official website or on any other platform where we can access information regarding their business background. According to the 2020/2021 Rural Development Program, Article 7. Special Eligibility Criteria 7.1 Milk and meat processing sub-sectors: All applicants must be registered in the Kosovo Business Registration Agency (ABRK) With the relevant activity spanning at least two years prior to the application date, and approved by Food and Veterinary Agency (FVA) at least two years before the application date.



The identity of the 36 beneficiaries remains unknown. The list features the name of the beneficiary company, excluding the owner itself.



14 beneficiaries have shut down their businesses even though they won a grant in 2021. According to the 2020/2021 Rural Development Program, Article 16. Ex-post controls: "All projects supported by the Rural Development Program are subject to Ex-post control for a period of 3 years. During this period, the Agency for Agricultural Development (AAD) must carry out checks to verify compliance with the eligibility criteria. During this period, the beneficiary is obliged to maintain the investment and provide access to the officials in the event of a check non-compliance with the implementation of the project according to the contract by the beneficiary, AAD is obliged to request from the beneficiary the part of co-financing from the program (public money)".



32 out of 304 total beneficiaries did not have any annual turnover, Although the criterion for eligibility for the grants is the submission of the overall status of declarations and other transactions from the Tax Administration of Kosovo (TAK) within the past two years.

15

of them as "Primary Business Activity" have registered various activities such as:

Specialized design activities.



Retail trade of beverages in specialized stores.

Specialized design activities.



Construction of residential and non-residential buildings.

Completion and finalization of other building works.



Road transport of goods.

Extraction of gravel and sand, extraction of clay and kaolin.



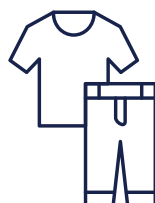
Production of metal structures and their parts.

Maintenance and repair of vehicles.



Wholesale trade of wood, building materials and hydrosanitary equipment.

Manufacture of other outerwear.



Manufacture of other articles of paper and cardboard.

2

JUNE 2022

RURAL DEVELOPMENT PROGRAM 2022

RETROACTIVE MONITORING





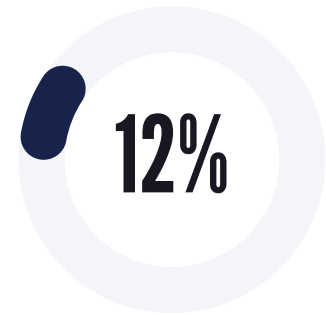
The list of beneficiaries is not published on the official website of AZHB. However, the register, has been shared with INDEP based on the Memorandum signed in March 2023, by the CorrWatch Consortium and the Ministry of Agriculture, Forestry and Rural Development. With this memorandum, the responsibilities of each party were defined, with the aim of cooperation and ensuring full access to public data, including the active participation of CorrWatch during calls for grants and subsidies.



DIFFERENT FROM THE PREVIOUS YEAR, ALL BENEFICIARIES ARE APPEARED ON THE OFFICIAL WEBSITE OF ARBK



OF BENEFICIARIES AS PRIMARY BUSINESS ACTIVITY HAVE REGISTERED ACTIVITIES THAT DO NOT BELONG TO THE AGRICULTURAL SECTOR



OF BENEFICIARIES HAVE RECEIVED FINANCIAL SUPPORT FROM MAFRD MORE THAN 1X TIME WITHIN A PERIOD OF THREE YEARS

41 of the total 473 beneficiaries as "Primary Business Activity" have registered various non-agricultural activities.

11 of them do not appear on the official website of ARBK or on any other platform where we can access information regarding their business history.

142 of the 473 beneficiaries registered their business in 2023, although the call for grants was opened in 2022.

4 of them have extinguished the business in the same year in which they won the grant, i.e. 2022.

37 Individuals have received dual financial support from MAFRD in 2022. The approved value for the beneficiaries in question reaches **2.5 million euros!**

According to the Rural Development Program 2022, Article 3. Application Requirements for Support: "The applicant can apply to different measures of the program. However, the applicant can only apply once within the measure/sub-measure within a deadline/call for applications. If the application is approved, the applicant must complete this project before applying for the next one." Further, Article 6.3. Other eligibility criteria: "The applicant cannot be awarded a new project if he has not completed the preliminary investment. If the potential beneficiary has previously been a beneficiary of any project from MAFRD in the last (3) three years and is in the monitoring period, before signing the new contract with AAD, a verification check must be conducted to confirm the status of the previous project. If the project is not sustained or is dysfunctional, then the new contract cannot be funded." In the absence of a strong monitoring and control system to verify the implementation of projects before it is applied to other projects, there is a risk that some individuals will benefit from the program several times within the same period, thereby misusing public money.

*** UNACCREDITED LOCAL ACTION GROUPS (LAG)**

One of the five measures for which applicants can win a grant is:



Measure 5

Preparation and implementation of local development strategies
LEADER APPROACH



In the Rural Development Program 2022, Article 5 mentions that Local Action Groups (LAGs) can only be beneficiaries if accredited by MAFRD. However, despite the subsequent approval of the Program, MAFRD has not initiated a call for the accreditation of LAGs. Furthermore, during the information sessions and in the RDP 2022 documentation, it was announced that 0.2 million euros were allocated for this measure, potentially creating favorable conditions for the misuse of public money.

3

MARCH 2023

**CALL FOR DIRECT
PAYMENTS - FOR
DAIRY COWS,
SHEEP AND
GOATS**

ACTIVE MONITORING



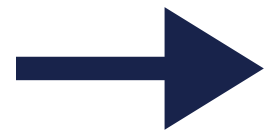
Upon the decision of the Mayor of the Municipality of Pristina, CorrWatch has been formally invited to join the commission tasked with evaluating applications for the allocation of subsidies intended for dairy cows, sheep, and goats at the municipal level.



During this review process, a total of 237 applications were assessed. Among them, 20 applicants were found to have incomplete documentation. These applicants have been contacted and instructed to provide the necessary additional documents within a period of 3 days, in accordance with the guidelines set forth by the commission and given regulations.



During the evaluation of the applications, it was observed that the certificate confirming ownership of cows, sheep, and goats had been solely stamped by only one licensed veterinarian. Given previous instances of misuse of this document and the fact that all applications were signed by only one veterinarian, may leave room for corruption.



After reviewing the applications, 37 locations were visited where the applicants developed their activity. From this visit, 7 of them were rejected due to incorrect declarations. Overall, from field visits, 1460 dairy cows, 2615 sheep and 766 goats were verified and declared.



Following multiple verifications by members of the commission, the preliminary list of beneficiaries has been forwarded to the Mayor of the Municipality, the Director of the Department for Agriculture, Forestry, and Rural Development and the Department of Finance to carry out transactions for direct payments.





Based on the observations made by CorrWatch monitoring officers, INDEP has taken the initiative to engage with the Food and Veterinary Agency (FVA) to express concerns regarding the licensing of veterinarians. Through a series of meetings with the FVA and other officials from the Ministry of Agriculture, Forestry, and Rural Development (MAFRD), it has been determined that Kosovo lacks a fundamental legislative framework to establish criteria and conditions for veterinarian licensing.

Having documents confirming livestock ownership signed by licensed veterinarians is crucial. This ensures security and provides closer oversight of the entire process. When experts in the field sign off on these documents, it builds trust and brings in their expertise. This not only prevents possible misuse but also makes the application and evaluation process clearer. By taking these steps, we're not only safeguarding livestock but also upholding high standards and trust in the industry.



Months later, the Ministry of Agriculture, Forestry and Rural Development (MAFRD) has announced that, in cooperation with the FVA they have drawn up an Administrative Guide that conditions this issue. Consequently, after a few months, **for the first time, they drafted the Administrative Instruction for the registration and matriculation of animals.** The presented reform represents an important step towards improving livestock management, thus facilitating their identification in the field.



This sub-legal act precedes the facilitation of the monitoring process thus contributing to the prevention of possible misuse of support funds in the agricultural sector.

4

NOVEMBER 2023

RURAL DEVELOPMENT PROGRAM 2023

ACTIVE MONITORING

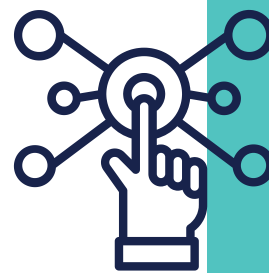


The call for grants, within the Rural Development Program 2023, was opened in November. Over the past five years, this call has never been delayed. The current legal framework that regulates this process clearly defines that the MAFRD is obliged to approve the relevant measures **no later than fifteen (15) days** from the approval of the budget for the relevant year. Considering this even after the analysis of the situation in practice, CorrWatch has noticed that such a legal request has not been respected by the Ministry, given that the National Program for Rural Development **was signed eight (8) months later.**



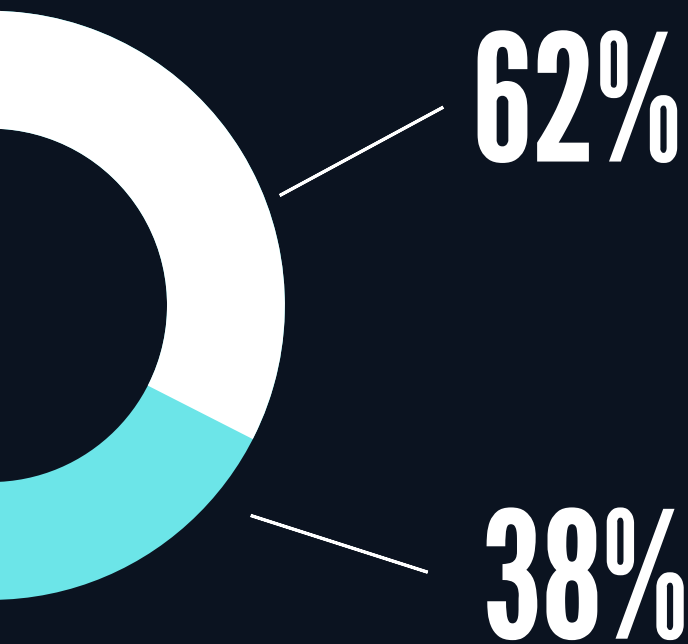
This practice, can have serious consequences in the development of the agricultural sector, making it difficult for farmers to properly prepare for successful application. The delayed opening for applications for support within the RDP 2023 reflects a lack of transparency, raising doubts about the possibility of misuse of public money, the exercise of illegal actions during the implementation of the support scheme in this sector. This concern was communicated to the public in November 2023 by the CorrWatch consortium, with the hope of minimizing similar practices.

CorrWatch is monitoring the call for grants by participating directly in the application review process. During the monitoring, it was observed that the physical copies of the applications were reviewed by the officials based on individual preferences. This method of evaluating applicants leaves room for external influences, which can lead to corruption and illegal benefits for certain individuals or groups. The application review process must be transparent and based on objective criteria to ensure that all applicants are treated equally and fairly.



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 entire implementation system. This will result in the review of applications in a shorter time more efficiently, reducing the possibility of possible errors in the evaluation of applications or their favoritism.

DISTRIBUTION OF GRANTS BY GENDER IN 2021

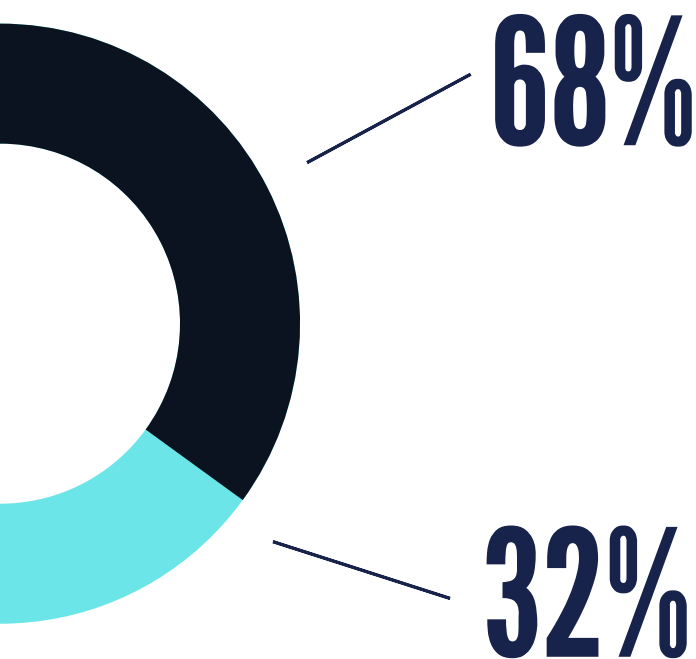


Within the Rural Development Program 2020/2021, out of a total of 304 grant beneficiaries, 186 of them are men, while 118 are women. Expressed as a percentage, 62% are men and 38% are women.

Based on the approved amount of 29.3 mil. total euro, 18.2 million. euros were allocated for the male gender, while 11.1 mil. euro for the opposite gender.



DISTRIBUTION OF GRANTS BY GENDER IN 2022



Within the Rural Development Program 2022, out of a total of 473 grant beneficiaries, 322 of them are men, while 151 are women. Expressed as a percentage, 68% are men and 32% are women.

Based on the approved amount of 26.3 mil. total euro, 17.9 mil. Euros have been allocated for the male gender, while 8.4 mil. euro for the female gender.



COOPERATIONS

PRIME MINISTER'S OFFICE
NATIONAL AUDIT OFFICE
AGENCY FOR THE PREVENTION OF CORRUPTION
AGENCY FOR INFORMATION AND PRIVACY
FOOD AND VETERINARY AGENCY
KOSOVO POLICE



MEETINGS

31



VERIFICATIONS ON THE FIELD

230



MEDIA APPEARANCES

20+



LOCATIONS VISITED

37



VERIFIED BENEFICIARY

782

DIFFERENT ANALYSES



13



THEMATIC REPORT

1



ADVOCACY FORUMS

2

RECOMMENDATIONS WHICH HAVE BEEN IMPLEMENTED

Rural Development Program 2022

CorrWatch recommendations

Rural Development Program 2023

01.

For investments in the meat sector (veal and pig fattening), applicants must have at least 10 calves, respectively 20 pigs at the time of application. However, before the request for the last payment, they must have at least 20 head of calves or 40 pigs for fattening with matrices of the Republic of Kosovo or EU countries, and these must prove with relevant documents and their presence in stable.

To reduce 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 ability of the farming community to take advantage of resources and create a sustainable local economy.

For investments in the meat sector (veal and pig fattening), applicants are not required to have calves/pigs at the time of application. But, before the request for the last payment, they must have at least 20 head of calves, or 40 pigs for fattening with matrices of the Republic of Kosovo, registered in the Register of Animal Identification or EU countries, and these must prove them with relevant documents and with their presence in the stable.

Applicants, at the time of application, must have at least:

- 300 chickens, and at the end of the investment they must have no less than 1500 heads;
- 300 ducks, and at the end of the investment they must have no less than 1500 heads;

Applicants, at the time of application, must have at least:

- 300 chickens, and at the end of the investment they must have no less than 1500 heads;
- 300 ducks, and at the end of the investment they must have no less than 1500 heads;

The new criteria

In cases where the applied value of the project is over 50,000 euros, then the applicant must bring proof of his financial situation. In cases where the applicant is already a registered legal entity, he must provide the financial statements from the previous year as evidence. In cases where the applicant is a natural person, he must prove the balance in his bank account for the last 6-month period.



Based on the following recommendation, the MAFRD has increased the duration for which the grant beneficiaries are obliged to cooperate with the officials of the MAFRD, the AAD, the Auditor, other organizations and institutions at the request of the AAD from 3 years as it was in RDP 2022 in 5 years after the implementation of the project in RDP 2023.

02.

Beneficiaries are obliged to keep all accounting data on the farm for at least three (3) years after the implementation of the project, as well as to cooperate with the officials of the MAFRD to provide any information requested by the AAD or from the European Commission, in case of using IPARD funds.

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.

Beneficiaries are obliged to keep all documents for at least five (5) years after the implementation of the project, as well as to cooperate with the officials of the Ministry of Agriculture, Forestry and Rural Development, other organizations and institutions at the request of the MAFRD. The financing terms will be defined in more detail in the contract between the beneficiary and the AAD.

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

An acceptable expenditure for all sub-measures will be the engagement of a student in the last year or a recent graduate in the field of agriculture, agro-economics or food technology. The value of the support from the MAFRD will be €2,400 within one calendar year, evidenced through a notarized contract.

No type of investment is accepted to be refinanced before the full amortization period of that investment (equipment, machinery, building, etc.) has passed. AAD must keep a list of investments for each farmer and during the evaluation of the application in the current year must be cross-checked in the previous ten (10) years for the same investment for the same beneficiary.

The new criteria

The project begins to be implemented after the co-financing contract is signed, which may last up to 2 years, depending on the specifics of the investment.

The project begins to be implemented after the co-financing contract is signed and may last up to 1 year, depending on the specifics of the investment.

03.

All projects supported by the Rural Development Program are subject to Ex-post control for a period of three (3) years.

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 amount allocated and the amount implemented for 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.

All projects supported by the Rural Development Program are subject to Ex-post control for a period of five (5) years.

* For all grant beneficiaries, the time during which the supported projects will be subject to Ex-post control has been increased from the 3-year period defined in the 2022 RDP to the 5-year period according to the 2023 RDP.

These criteria did not exist in the Rural Development Program 2022. They were added after the recommendations from CorrWatch in the Rural Development Program 2023.

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.

* These criteria for the first time have been added to the RDP 2023 criteria, as a form that will affect the reduction of opportunities for misuse and possible fraud:

Applicants will be denied projects if:

In case of fraud at any stage of the procedure;

If the project financed by public support is not functional according to the project/business plan and the contract;
In case of non-compliance with the terms of the contract for financing the contract;

Applicants who apply for public investment will also be rejected if they fail to complete the procurement process according to the applicable procurement rules.

All beneficiaries of rural development projects are obliged to maintain their investments according to the approved project during 5 years after the execution of the last payment by AZHB. If he does not maintain the investments, the beneficiary is obliged to return the financed amount of public support.

The new criteria

04.

These criteria did not exist in the Rural Development Program 2022. They were added after the recommendations from CorrWatch in the Rural Development Program 2023.

During the process of granting large grants, such as agricultural tools, it is important to implement a rotating 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 not put to use.



For the first time in the RDP 2023, the criterion that:

Investments for the purchase of a tractor will only be accepted in those cases where there is a close correlation between the size/power of the tractor and the workload/farm size/production capacity, presented and well justified in the business plan.



This criterion did not exist before and will be quite profitable since the production capacity will be directly related to the size and quantity of agricultural tools needed.

Investments for the purchase of a tractor for fruit trees are allowed only for applicants with existing areas of 3 (three) or more hectares at the time of application.

Only for applicants with three (3) or more hectares of land owned, inherited or rented, with fruit and manor trees, the application for the construction of facilities for post-harvest operations, such as cold storage, machinery for classification, cleaning, is allowed. , packaging;

The new criteria

RECOMMENDATION WHICH HAVE NOT BEEN IMPLEMENTED

01.

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 crop support in accordance with the planning of the situation in the field.

02.

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.

03.

The Ministry, in cooperation with the relevant agencies, must provide 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 of the number of families that depend on their income from agriculture and how many of them perform it as an additional activity.

04.

To increase cooperation and coordination between the central level and the 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 related activities regarding 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.

05.

In order to improve the way of applying and the evaluation process of grant and subsidy applications, 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 for institutions and the reduction of opportunities for possible errors in the application and assessment process. Digitization precedes monitoring, reducing the possibility of misuse, making it difficult to manipulate the process irregularly.

06.

To establish regulatory mechanisms in order to protect the price in the market. Subsidizing products according to the price is an important tool to ensure equal access of every citizen to important goods and services. This action not only helps in the fight against poverty and disability economic, but also encourages domestic 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 help in sustainable economic development.

CONCLUSIONS

Grants and subsidies from the Ministry of Agriculture, Forestry and Rural Development continue to be one of the most delicate and talked-about topics since their introduction in 2009. Despite millions of investments and an increase in the budget dedicated to strengthening this sector, there has been no notable, satisfactory increase in productivity or export of goods from this sector. Moreover, the increase in import and inflation in the market are only weakening the budget of consumers and entrepreneurs themselves, remaining with affordable prices in the market for a significant majority. The taxes of the citizens of the Republic of Kosovo as well as the aid donated by many international donors, instead of promoting a healthy agricultural competition, are only undermining it by contributing to an unstable market.

Some of the challenges identified by the CorrWatch consortium during monitoring included inefficient management of investments in rural infrastructure, non-fulfillment of criteria by selected applicants, shallow evaluation and monitoring as well as non-involvement of civil society and interest groups in the design of strategies and programs for rural development, facts, which were highly noted by the National Audit Office also. Although the Ministry has clear regulations and plans that determine the development of activities in terms of time and procedure, their late approval is affecting the regular progress of the entire process, including the execution of payments, a procedure, that can last up to two years. The fact that the allocated amount and the implemented amount of grants and subsidies never happen to implement within the same calendar year, makes it difficult to plan the budget for the next year. This discrepancy, leaves many opportunities for corruption and - or misuse of public funds. 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.

While efforts are directed towards enhancing transparency and accountability, the policies governing the most promising sector remain the same, including the unchanged system for grant applications and administrative procedures. Without a strong monitoring system and an empowered inspectorate, corruption and the misuse of public funds remain significant concerns even today. The Ministry of Agriculture has not established adequate mechanisms for monitoring and implementing anti-corruption policies in the agricultural sector. This includes failing to take effective measures to prevent corruption cases in collaboration with other agencies and municipalities. Only by addressing these issues can we ensure that support funds are used to meet the needs of the population while promoting a fair and sustainable agricultural market. This will ultimately restore trust in the agricultural sector, benefiting both farmers and consumers.

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