

***Agricultural Policy Developments and EU Approximation Process in the  
Western Balkan Countries (APDAP-WB)***

***Interim meeting***

**May 10<sup>th</sup>, 2018  
Durrës, Albania**

**Policy development and European  
accession integration process of agriculture  
in Kosovo**

**Prof. Dr. Mihone Kerolli-Mustafa**

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- Introduction
- Current strategic framework of the national agricultural policy in Kosovo
- Agricultural policy measures' structure, design and funding after 2015.
- Adjustments of agricultural policy frame towards EU integration and reforms
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## A. Introduction

- The agriculture sector as considerable growth potential.
- Currently, it contributes with 10.5% to gross domestic product, with 26.7% of employment and with 15% of total export values.
- Kosovo has put in place elements of a legislative framework in line with EU standards.
- The main challenges remain the implementation, allocation of financial resources and adequate capacities and knowledge.

## B. Some new developments in agriculture

- For several years, Kosovo has been facing a negative trade balance, dominated mainly by import.
- Free trade has been shown to heighten the negative trade balance for total export-import of goods as well as for trade balance of agri-food products.
- The import value of the agri-food products in 2016 is 4.8% higher than the import value recorded in 2015, while the export value of the agri-food products in 2016 increased by 8.6% compared to the previous year.

## C. Agricultural policy frame

- Following the principles of the new EU 2020 Strategy and the CAP for period 2014-2020, the Ministry of Agriculture, Forestry and Rural Development (MAFRD) prepared the Agriculture and Rural Development Programme (ARDP) 2014-2020 with the aim of:
  - Enhancing farm viability, competitiveness;
  - Restoring, preserving, enhancing ecosystems;
  - Promoting social, economic inclusion; and
  - Transfer of knowledge, innovation.

# Selected measures for 2014-2020

Measure 101	Investments in physical assets of agricultural households
Measure 103	Investments in physical assets for processing and trading of agricultural products
Measure 302	Diversification of farms and business development
Measure 303	Preparation and implementation of local development strategies - LEADER
Measure 501	Technical assistance
	Irrigation of agricultural lands
	Compensation for damages from natural disasters

SWG RRD

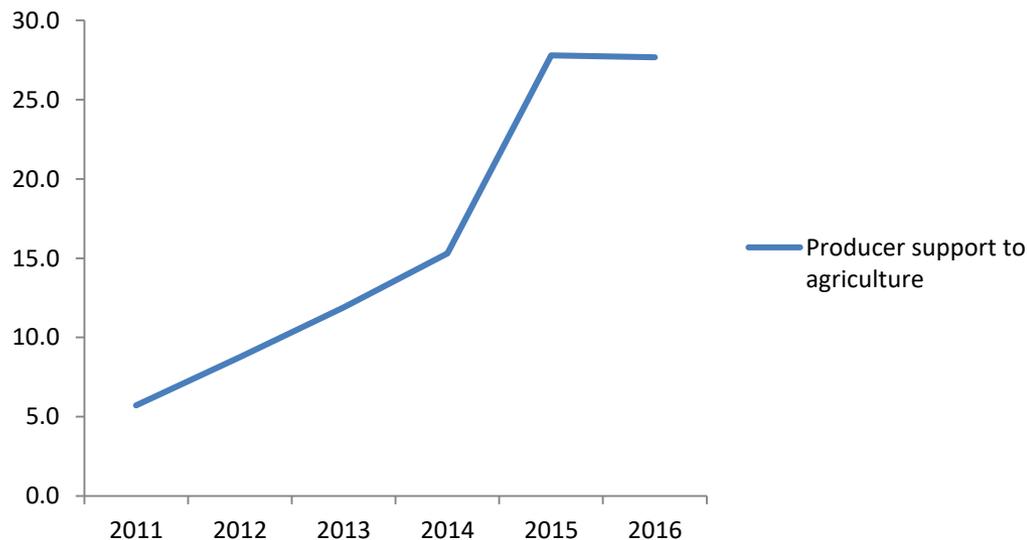
# Rural Development Program Planned Budget for the period 2015-2018

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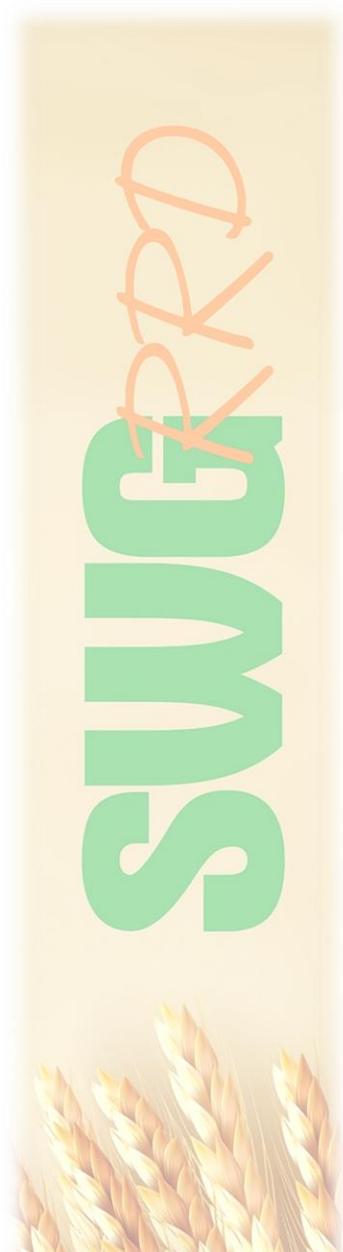
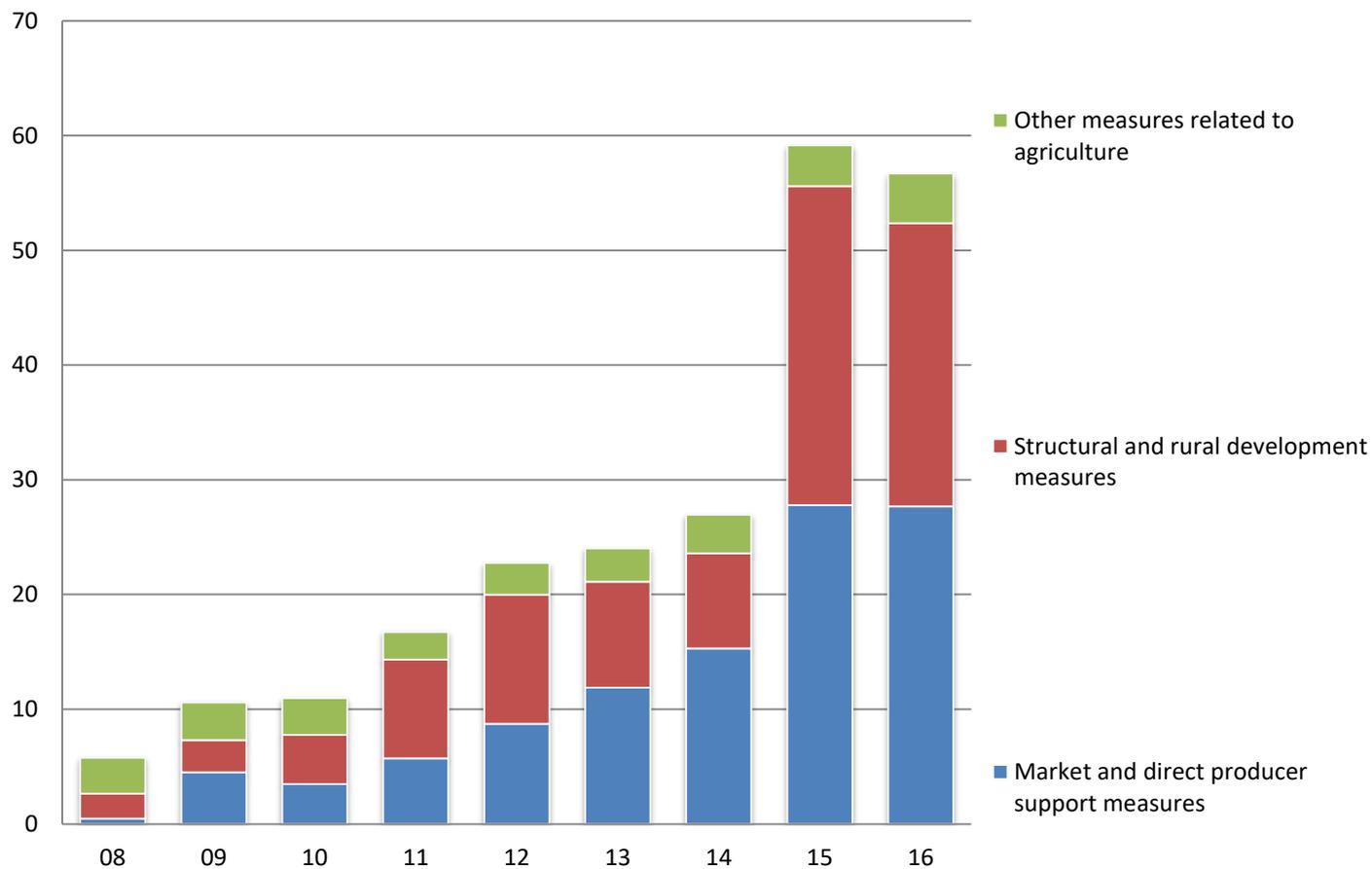
Measures	2015	2016	2017	2018
Measure 101: Investments in physical assets of agricultural households	11,000,000	14,500,000	14,500,000	12,000,000
Measure 103: Investments in physical assets for processing and trading of agricultural products	5,000,000	5,000,000	5,000,000	4,000,000
Measure 302: Diversification of farms and business development	1,500,000	1,500,000	1,500,000	1,700,000
Measure 303: Preparation and implementation of local development strategies – LIDER	300,000	200,000	300,000	300,000
Measure 501: Technical assistance	200,000	300,000	200,000	-
Measure: Irrigation of agricultural lands	2,000,000	1,000,000	1,000,000	1,000,000
Measure: Compensation for damages from natural disasters	-	500,000	500,000	-
Measure: Investments on rural infrastructure	-	-	-	6,000,000
Measure: special measure for Mitrovica North “ inclusion of rural community and increasing competitiveness to small farms	-	-	-	2,000,000
<b>Total</b>	<b>20,000,000</b>	<b>23,000,000</b>	<b>23,000,000</b>	<b>27,000,000</b>

## D. Producer support to agriculture

- Kosovo's agricultural policy relies mainly on direct payments as well as support for on-farm investment and food processing.
- Market support type measures such as administered prices or public intervention are not implemented.
- Measures aiming at economic diversification of rural areas have been introduced since 2010.
- All direct payment measures are linked to current area or number of animals.



# Budgetary support to agriculture



# Integration process to EU and CAP harmonization

- Integration process to EU and CAP harmonization and perspectives provided a lot of opportunities for the agricultural sector in Kosovo.
- The difference between Kosovo and other countries that do implement the CAP is that Kosovo is financing these measures by its own national budget.
- No sufficient financial resources and support from MAFRD compared to other regional countries.
- The main challenges fall on the implementation and Government investments to encourage local economic development as designed in the CAP program in many developed countries.

SWG  
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## F. Conclusions and recommendations

In general, the development of programming documents and harmonization with EU principles shows some progress, mainly in the objectives of strengthening responsible institutions and increasing the budget. However

- Institutional set up improvements
- Policy improvements
- Empowering local stakeholders
- Land consolidation
- Other technical service