

Study on the research, innovation and technology transfer capacities and on the recent agricultural policy developments in the context of the EU approximation process in the pre-accession countries (ARAPD)

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Online meeting**

Recent agricultural policy developments in the context of the EU approximation process in the pre-accession countries

Kosovo Case

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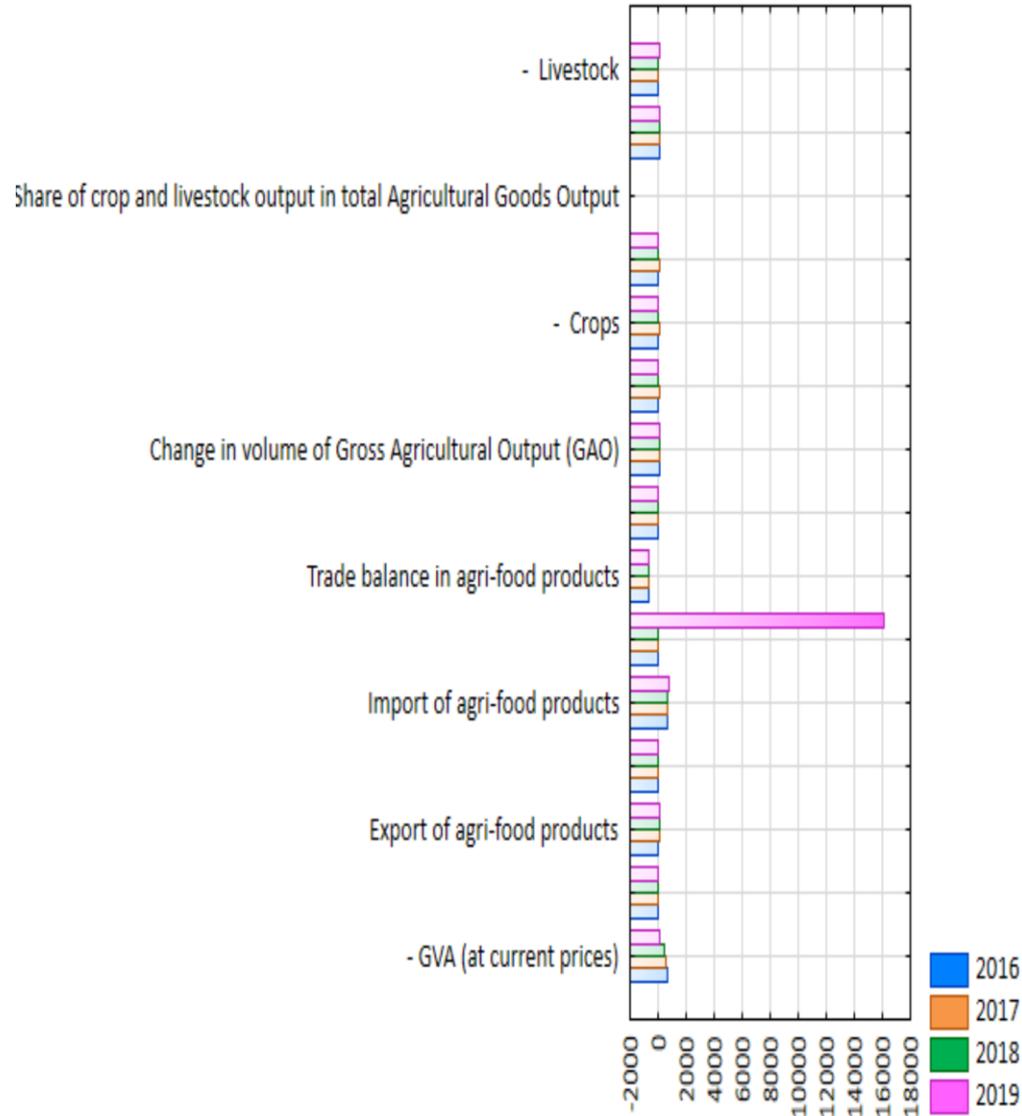
Introduction

- The role of agriculture in the Kosovo economy is quite remarkable.
- The economic growth for 2019 is 3.9 % with a significant contribution to the agricultural sector..
- 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.

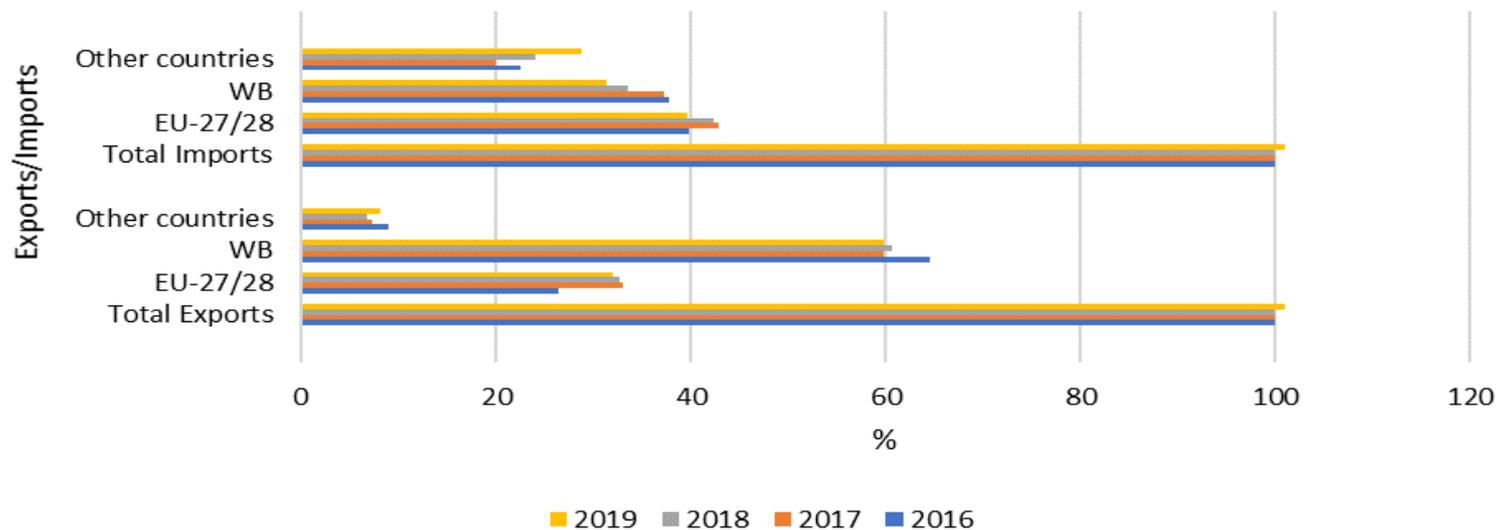
State of the agri-food sector in Kosovo

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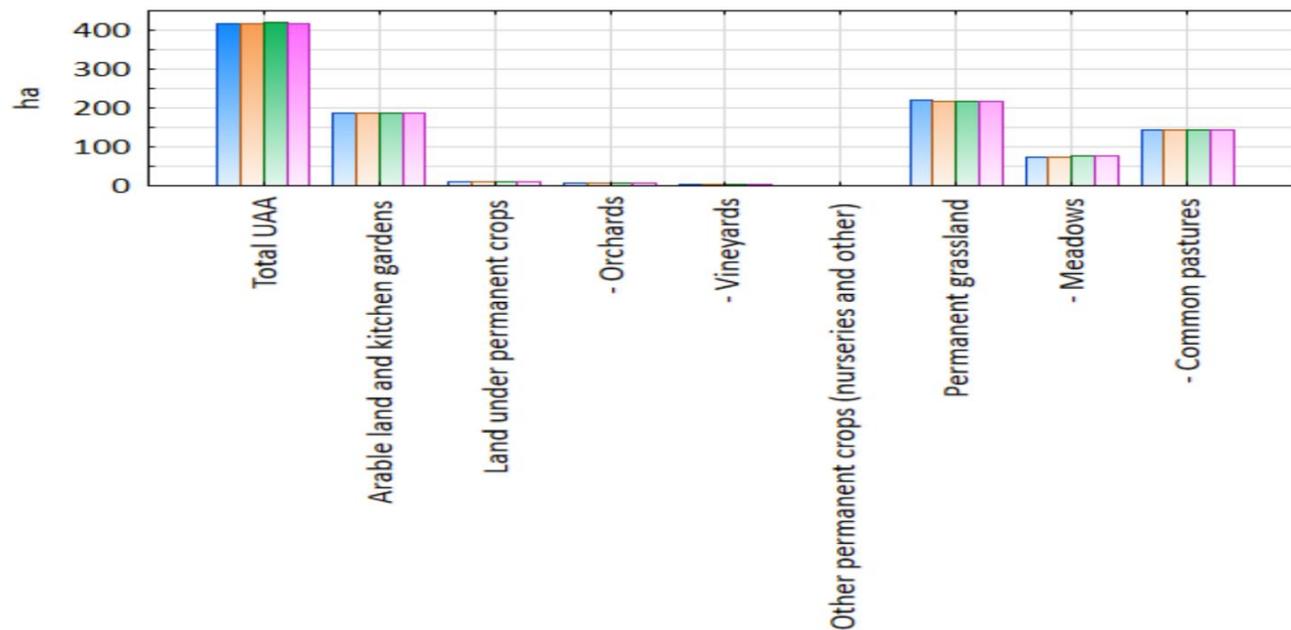
- The situation with the agri-food sector in Kosovo improved however, still, the quality standards for food production requires more attention.
- For several years, Kosovo has been facing a negative trade balance, dominated mainly by import.



Regional breakdown of agro-food trade



Utilized Agricultural Area (UAA)



Socio-economic issues underlying rural areas

Labor force structure

Population aged 15 years and over	1,252,248
Population economically active	508,100
% of economically active population aged 15 years and over	40.6
% of women among the economically active population	29.1
Employed	280,454
% of employed in population aged 15 years and over	22.45
% of women among employed in population aged 15 years and over	5.2
% of employed in agriculture	4.4
% of women among employed in agriculture	0.2
% of employed in the industrial sector	15.3
% of women among employed in the industrial sector	1.8
% of employed in other activities	42,7
% of women among employed in other activities	21.4
Unemployed	227,646
% of unemployed in the economically active population	44.8
% of women among unemployed	36.0

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The agricultural sector contribution in Kosovo compared to the EU-27 average

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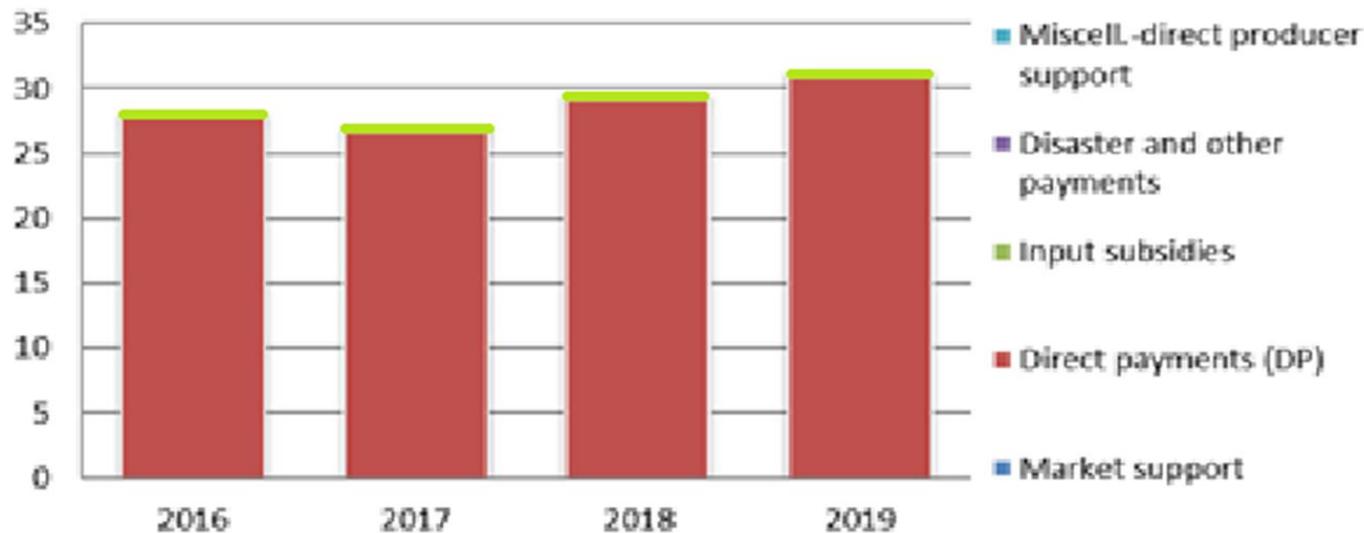
	Kosovo	EU-27 average
Agriculture / sectorial		
Contribution of the agricultural sector to total GDP	14.1%	1.2%
Balance of trade in agricultural products	- € 534.3 million	
Labour productivity / AWU in €	€ 3,327	€ 14,967
Average physical farm size	1.49 ha	14.3 ha
Gross fixed capital formation as % of GVA	8.5%	54.0%
Socio-economic and rural situation		
Employment in agriculture as a proportion of total employment	25.3%	4.7%
The unemployment rate in the rural territory (all age groups)	40.10%	10.1%
15 -25 age group	60.2%	22.7%
The poverty rate in rural territory	31.5%	29.3%

National policy framework

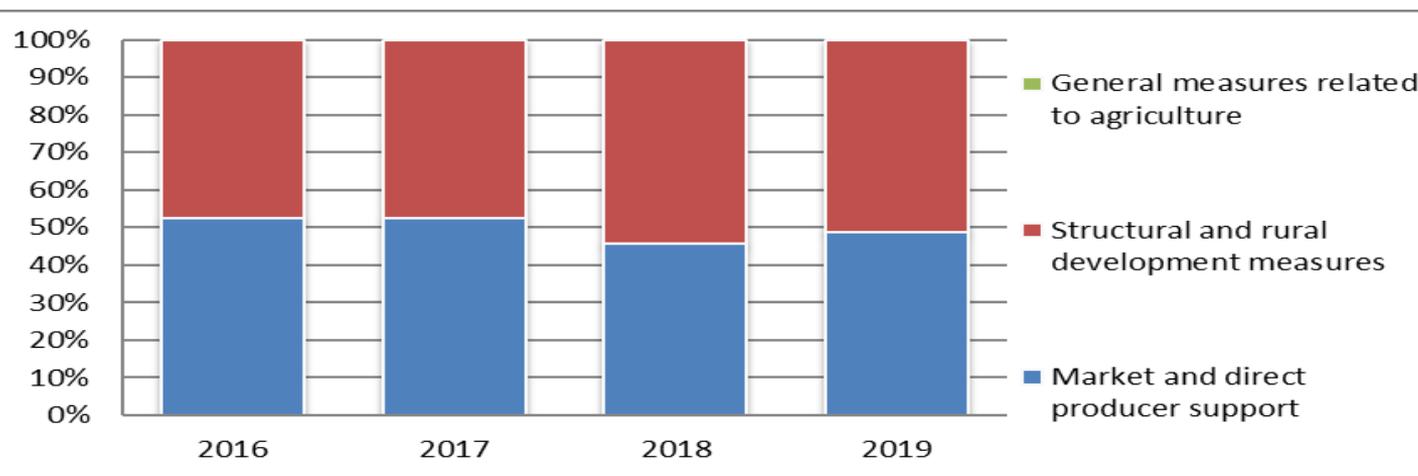
- National Development Strategy 2016-2021,
- The Agriculture and Rural Development Program (ARDP) 2014-2020,
- Mid-Term Expenditure Framework 2020-2022(MF 2020),
- The Economic Reform Program 2019-2021 (GoK 2019).
- The MAFRD follows other strategies as well, such as Strategy for Climate Change 2019-2028, Strategy for Local Economic Development 2019-2023, Strategy and Action Plan for Biodiversity Conservation for the period 2011-2020, Kosovo IT Strategy, etc.

Measures and budgetary support of agriculture and rural development

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Direct support measures (years/EUR million)



Total budgetary support measures (years/percentage)

Approximation to the EU policy

- Kosovo maintained the progress achieved during the previous years in aligning its steps and measures with the EU CAP.
- Kosovo has gone a step further and included a concept of the green economy into several national strategic documents and programmes, such as National Development Strategy (NDS 2016-2021), Agriculture and Rural Development Programme (ARDP 2014-2020), Strategy for climate change (2019-2028), Strategy for Local Economic Development (2019-2023) and the Energy Strategy of Kosovo (2019-2026).
- The approximation of national agricultural policy with the EU CAP had a positive public perception due to increased financial support, helping to stabilize the grave financial situation of farmers.

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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.

The following are requiring attention:

- adjustments in the budget for implementation of all foreseen measures and policies,
- increasing subsidies,
- Agency for Agricultural Development (AAD) should strengthen responsibilities,
- addressing the key agri-environmental problems,
- increasing skills and competence for production practices.

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