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Progress and Prospects in Eastern Europe and Central Asia**

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KOSOVO

Review

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List of Acronyms

EU	European Union
FAO	Food and Agriculture Organization of the United Nations
GDP	Gross Domestic Product
IPM	Integrated Pest Management
KEAP	Kosovo Environmental Action Plan
MAFRD	Ministry of Agriculture, Forestry, and Rural Development
SOK	Statistical Office of Kosovo
WB	World Bank

Kosovo Territory Review

Executive Summary

Kosovo is a small, landlocked territory in the middle of the Balkan Peninsula. As a result of the war of 1998-1999, the territory is administered under a United Nations Resolution, and its final legal status is the process of being determined. Kosovo is one of the least developed regions in Europe. The agricultural sector accounts for over 20 percent of the gross domestic product (GDP) and provides employment for more than 40 percent of total population. Agriculture occupies 53 percent of the land, and forests cover 41 percent.

The most pressing environmental problems in *agriculture* are fragmentation of farmland; water and soil pollution from crop and livestock production; industrial pollution; and the fast-paced conversion, before and after the war, of agricultural land to industrial, commercial, and housing uses. Primary agricultural impacts on the environment include soil erosion; landslides; loss of biodiversity; and flooding due to poor irrigation infrastructure and management. In *forestry*, the most urgent environmental problems are deforestation and degradation of forest land caused by uncontrolled gravel extraction, illegal logging, pests and diseases, and forest fires. Although a large part of Kosovo is covered by forest, only a third of the forested area is considered ecologically healthy and economically productive.

Public participation in decision making on environmental issues is enshrined in legislation; however, since the public is not well informed of its rights, it rarely exercises them.

Agriculture and Forestry Policies, Strategies, and Programs

Agriculture. Harmonization with the EU *acquis communautaire* is taking place within the recently-adopted European Partnership Action Plan (2006), but implementation is lagging. Environmental protection is not yet fully incorporated into the agricultural development policy agenda. Procedural uncertainties are delaying the adoption of key framework laws and strategies. Support programs for rural development, such as agro-environmental grant schemes, are in place, but awareness among farmers is limited. Increased collaboration between local stakeholders and international institutions (European Union, World Bank, SIDA, etc.) is bringing Kosovo closer to EU legislation and standards. There was a fee-based Advisory Service with 34 staff that provided agricultural extension services, but it was discontinued for lack of demand.

The Ministry of Agriculture was established in 2002 with supervisory functions in rural development and forestry. A medium-term strategy and action plan (2007-2013) for sustainable agriculture and rural development has been prepared. In addition, a Kosovo Environmental Action Plan (KEAP) has been drafted for the period 2006-2010. However, a lack of well established legislative procedures for approving national strategies weakens the effectiveness of the proposed policies and strategies. Moreover, monitoring and information systems are far from adequate. The KEAP recommends organic production (a national law on the issue has been drafted and is pending legislative review) and effective fertilizer and pesticide use. The KEAP also suggests incentives to foster application of traditional farming methods, development of good agricultural practices, and environmental protection, as well as pilot projects for recycling organic waste and wastewater. Finally, the Kosovo European Partnership Action Plan (2006) foresees environmental actions in the following fields: rural development, agri-businesses, farm diversification; rural infrastructure, and water and natural resources management.

Forestry. The Kosovo Forest Agency, established in 2003, is responsible for managing forests, i.e., public forests, and supervising private forest land. A Forestry Law, approved in 2003, is based on core principles of sustainable development, as defined in the Rio Convention of 1992. Best practices from the EU include establishing advisory services and promoting cooperation among private forest owners, who account for 38.4 percent of all forest area. Overall, the sector is characterized by poorly organized management and control functions, and weak inter-agency coordination.

The Extent of Mainstreaming and Its Trends

Agriculture. Kosovo has limited water resources, and the deteriorated irrigation systems constrain agricultural production. Good pre-conditions exist to develop organic production nationwide, but it is not being widely promoted. A few pilot initiatives in the field are financed by international donors, including the Dutch Avalon Foundation. Technical assistance has focused on establishing a national Organic Agriculture Association and training local farmers. The recently adopted European Partnership Action Plan set guidelines for a modern certification system for organic products, development of agro-environmental indicators, and support to traditional farming methods. In pest management, legislation on pesticide use has been drafted, and monitoring and control functions are expected to be in place by the end of 2007. Several other pilot initiatives are being conducted with international donor assistance. The Food and Agriculture Organization of the United Nations (FAO) is involved in an anti-erosion project aimed at establishing a land resource information system (GIS) for recording and managing land resources in a sustainable way.

Forestry. Forest legislation, including the Law on Forests, and the regulatory framework emphasize the principles of environmental protection, sustainable forestry development, and biodiversity conservation. Nevertheless, uncontrolled illegal logging remains an alarming issue. Informal estimates suggest that approximately 100,000 m³ per year are cut illegally. A draft of the Forest Management Strategy and Action Plan was prepared in 2000, but needs to be finalized and approved. Forest fires are also widespread, often in connection with farming practices or the burning of farmland as a de-mining measure. Nonetheless, the incidence of forest fires has decreased significantly in the post war period.

Priority Needs

• Strengthen the financial, institutional, technical, and organizational aspects of forest and agricultural management, including advisory services. Accelerate adoption of the Law on Organic Agriculture, and promote local organic production.
• Fully implement recently adopted or drafted laws, making provisions for enhanced public awareness and participation.
• Develop monitoring and information dissemination systems to provide indicators on development trends.
• Address soil conservation issues through pilot projects and development of full-scale programs.
• Continue improving water management and strengthening irrigation systems. Strengthen the capacity of water user associations.
• Adopt the Forest Management Strategy and Action Plan with effective implementation procedures.
• Develop laws and strengthen enforcement actions to combat illegal logging.

Kosovo Territory Review¹

Part 1: Assessment

1.1. Socioeconomic and Geographic Context

Kosovo is a landlocked territory covering an area of 10,877 km² in the middle of the Balkan Peninsula. Its terrain is varied, with high plains (around 500 m above sea level) and hills and mountains that reach an altitude of over 2000 m. The main rivers are the [White Drin](#) (drains into the [Adriatic Sea](#); the [Erenik](#) is among its [tributaries](#)), [Sitnica](#), [South Morava](#) in the [Goljak](#) area, and [Ibar](#) in the north. The main lakes are [Badovc](#) in the northeast and [Gazivoda](#) in the northwest.

Kosovo's population is about 2 million (no census has been conducted in recent years), about 90 percent of which are ethnic Albanians and 5 percent Serbs; other minority groups make up the remaining 5 percent. As a result of the 1998-1999 war, Kosovo is administered by UNSC Resolution 1244/99 and is undergoing a final status settlement process. As a UN-administered territory, Kosovo does not have the right to sign or ratify international conventions or agreements, or borrow from international financial institutions. Given its unresolved status, the European Commission has introduced a separate track for Kosovo's integration: the SAP Tracking Mechanism (STM).

One of the poorest economies in Europe, Kosovo has a *per capita* annual income of about \$1,600 (2005). Unemployment is common, particularly among young people. Approximately 45 percent of the population lives in poverty, and another 18 percent is vulnerable to poverty (WB 2007a). Economic growth initially accelerated after the war but has since dramatically decelerated (from 21.2 percent in 2000 to -1.5 percent in 2005). Poor economic performance is linked to a drop in donor commitments ([Annex 1](#)), incomplete reforms, the unresolved political status, and infrastructural problems, especially power shortages.

Given diminishing donor resources and slow economic growth, there is urgent need to support Kosovo's development goals to reduce unemployment and poverty while ensuring sustainable environmental and social development.

Agriculture accounts for over 20 percent of Kosovo's GDP, and about 42 percent of total population is employed in the sector. Agricultural lands occupy 53 percent of Kosovo's total area of 1.1 million ha. The average farm size is small, around 3 ha. Out of 585,000 ha of arable land, 51 percent is dedicated to grains, 45 percent to pastures and meadows, 2 percent to orchards, and less than 1 percent to vineyards ([Annex 2](#)). Approximately 87 percent of agricultural land is in private hands; the remainder is administered by the Kosovo Trust Agency (KTA). The Ministry of Agriculture, Forestry, and Rural Development (MAFRD) is responsible for agriculture and forestry at the national level, while at the local level, every municipality has its Directorate for Agriculture.

Kosovo's forests, forest land, and fallow land (idle land and shrubs) cover around 47 percent of total surface area. Of this, forests cover 460,800 ha, or 90 percent; forest land 28,200 ha, or 5.5 percent; and fallow land 23,400 ha, or 4.5 percent. Around 62 percent of forests are publicly owned; the remaining 38 percent are in private hands (Kosovo Ministry of Environmental and Spatial Planning 2006). The high demand for fuelwood in the aftermath of the conflict of the late 1990s is putting the long-term sustainability of forest ecosystems at risk. According to Kosovo Forest Agency

¹ In addition to the sources cited in this review, the document draws heavily on an internal World Bank report by local consultant Shkipe Deda.

(KFA) statistics, approximately 222,000 m³/year of technical and firewood has been harvested on average since 2001. This is particularly worrisome, as the entire forest volume in Kosovo is only around 54 million m³.

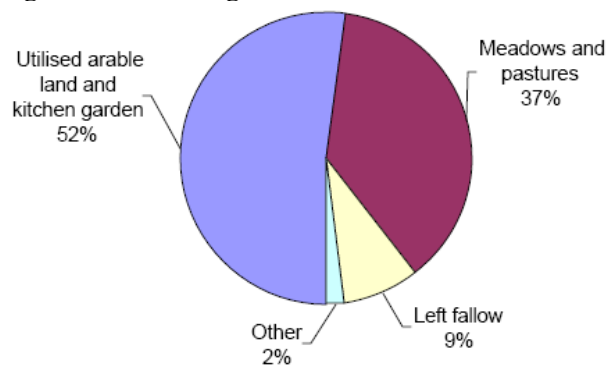
1.2. Agriculture and Forestry Development Trends

1.2.A. Agriculture

Despite sluggish growth in recent years, the agricultural sector, a potential source of growth in Kosovo, is being assisted by international donors. Agriculture remains the principal sector of the Kosovo economy and its largest employer: it accounts for 16 percent of the value of total exports and between 25 and 42 percent of all employment, mostly in the informal sector (MAFRD 2006, p. 8). However, as a result of war damage, farm abandonment, and destruction of rural infrastructure, agricultural productivity remains low, and Kosovo relies on agricultural and food imports. Domestic agriculture satisfies 25 to 35 percent of local demand for agricultural and food products, and food imports from neighboring countries remain high, accounting for 24 percent of total goods imported in 2005. Kosovo's agriculture is characterized by the absence of advisory services and low productivity. The unstable political and economic situation is contributing to the slow pace of privatization of food processing chains and former cooperatives. A societal focus on immediate returns and on services, rather than production, as well as a lack of serious investors, are adversely affecting Kosovo's capacity to promote sustainable growth in both agriculture and forestry.

High land fragmentation presents another challenge to agricultural development; the average farm is small, with only 10 percent of farms larger than 5 ha. The size of farms adversely affects their competitiveness. According to a survey conducted by the Statistical Office of Kosovo (SOK), 9 percent of farmland is left fallow (Figure 2). A quarter of all farm households leave some land fallow. About 30 percent of farmers with some fallow land reported low profitability (SOK 2005, p. 21). Given the small farm size, Kosovo's comparative advantage is likely to lie in fruit, vegetables, meat, dairy, and poultry production. In particular, the decline in fruit and vegetable production in recent years needs to be reversed. Agricultural production is still predominantly non-market oriented: smaller farms reported devoting 70 percent of their output to household needs in 2005. Even farms in the upper end of the size distribution destine over 50 percent of their production for domestic use (SOK 2005).

Figure 2: Use of Agricultural Land



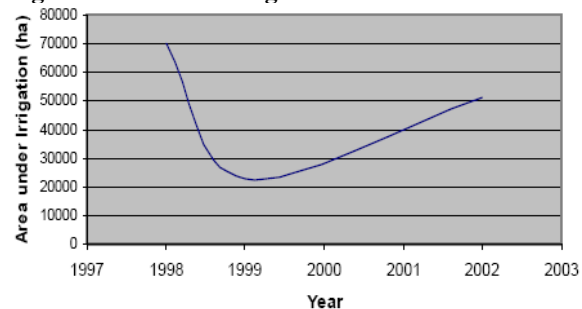
Source: Statistical Office of Kosovo, 2005.

Other challenges to the development of the agricultural sector (Kosovo Ministry of Environmental and Spatial Planning 2003, p.15) include air pollution, particularly from electric plants, and water and land contamination from waste dumps. Environmental pollution and contamination are also listed as posing serious health risks to the population (WB 2006).

Irrigation systems in Kosovo are a constraint to agricultural production, as water shortages affect farm productivity and profitability. Given its limited water resources, it is vital that Kosovo protect, conserve, develop, and make efficient use of its water; this represents a major environmental challenge (Figure 3). The nominal irrigated area is around 71,000 ha, or 13 percent, of all farmland (WB 2007a), due to deteriorated and poorly maintained irrigation systems.

While other potential sources of economic growth are being explored, Kosovo needs to strengthen the agricultural sector in the short term. Sustainable agricultural growth could minimize dependence on imported food products and help control environmental pollution. The comparative advantage of Kosovo's agricultural sector is likely to be in specialized crops, including organic production. In the past few years, private-sector agro-processing has grown with the support of international donors. The importance of the sector needs to be reflected in government expenditures; although public expenditure on agriculture has been increasing over the last five years, Kosovo's consolidated budget allocates a mere 1 percent to agriculture (WB 2007a), which is insufficient to stimulate its development.

Figure 3. Trend in Irrigation



Source: Kosovo State of the Environment Report (2003).

1.2.B. Forestry

The forestry sector contributes between 1.8 and 2.6 percent to Kosovo's GDP; it is estimated that, with investment, this could increase to 3 to 5 percent. Although currently lower than immediately after the war, illegal felling is still a problem; poverty and power shortages make the population reliant on wood for heat (MAFRD 2006). Inappropriate management in the past caused serious forest degradation. Wood processing technology is outdated, and access roads are scarce; thus, forests do not, at present, generate high profits.

Constraints to forestry sector development include: (1) unclear institutional functions, including roles, responsibilities, and objectives of all entities involved in forest management and control (Kosovo Forestry Agency, municipalities, socially-owned enterprises, the Special Representative of the Secretary General, and NATO Kosovo Force), and (2) lack of a forestry development strategy and difficulty capitalizing on profits from final production (MAFRD 2006, p. 33).

1.3. Environmental Impacts of Agriculture and Forestry

1.3.A. Agriculture

Farmland is not under environmental surveillance, and there are no data on the intensity and extent of pollution. However, the negative impact of agricultural activities on soil quality is estimated to be low due to limited use of fertilizers and agrochemicals, although fertilizer and pesticide use has not been monitored in the postwar period. Imported fertilizers and pesticides started being controlled and licensed in 2007. Soil erosion is common in Kosovo's valleys and mountainous areas.

Also not monitored is water pollution from crop and livestock production. However, pollution from livestock waste is evident. Farms do not have adequate infrastructure, manure management is generally not practiced, and there are no treatment systems in place.

The previous lack of environmental protection coupled with the effects of the war has resulted in poor environmental conditions in Kosovo. Also contributing to the poor state of the environment are the uncontrolled development of industrial and urban areas and the lack of wastewater treatment. Kosovo's rivers are among the most polluted in Europe, and most of the

population is not connected to the public water and sewage systems. In 2003, only 7 percent of people in rural areas were connected to public water systems and 3 percent were connected to sewage systems (UNDP 2004).

1.3.B. Forestry

Although Kosovo's share of forest area is one of the highest in Europe, only about one-third of this area is considered ecologically healthy and economically productive. Most of the remaining forests consist of immature trees and bushy low forests that are cut periodically for firewood. After the conflict, reforestation efforts began, yet Kosovo still relies on imports for over half of its fuelwood and most of its construction timber. Mature oak forests are now highly threatened, and several plant species are on the verge of extinction or already locally extinct, largely due to human actions. Illegal logging and the lack of a forest renovation strategy exacerbates soil erosion. The excessive use of fuelwood not only puts forest resources at risk of depletion but also has significant environmental impact, in particular on air quality.

Factors that put environmental pressure on forests (Kosovo Ministry of Environmental and Spatial Planning 2006) include: (1) illegal wood cutting, (2) diseases and pests (which also affect Sharr and Sara National Park), (3) poor quality forest structure, (4) insufficient use of forest land capacity, (5) insufficient implementation of silvicultural measures, and (6) forest land degradation due to stone and gravel extraction. Forest fires affect about 4,000 ha per year; they are caused by human activities and farming practices that include burning stubble on arable land before sowing, which increases the threat to nearby forests. Forest fires have also been used after the conflict as a de-mining measure.

1.4. Agricultural and Forestry Policies, Strategies, Programs, and Projects

1.4.A. Agriculture

The MAFRD is responsible for developing and implementing policies and legislation on agriculture, forest, and rural development. Although Kosovo cannot sign international treaties, its national policies and strategies include provisions from relevant treaties and conventions. In 2003, MAFRD compiled a Green Book, "Strategy for Sustainable Agricultural and Rural Development in Kosovo," containing medium-term strategic policies and options. Following this, the Agriculture and Rural Development Plan 2007-2013 was developed. It is consistent with EU rural development strategy and addresses, among other issues: the environment and improved land use, and improved natural resource management. The Kosovo European Partnership Action Plan 2006 gives key priority in the short term to agricultural issues such as managing water resources for agriculture; improvement of natural resource management; farm diversification and alternative activities in rural areas; improvement of rural infrastructure; and maintenance of rural heritage.

A National Environmental Action Plan (NEAP) has been drafted for the period 2006-2010. It includes: completion of legislation and its harmonization with EU legislation; drafting an Agriculture Action Plan for rehabilitating irrigation networks; establishing the prerequisite conditions for developing ecotourism; promoting and supporting organic production; optimizing fertilizer and pesticide use; developing training programs on good agricultural practices; developing agro-environmental indicators; and establishing a modern certification system for organic products. A Law on Organic Agriculture has been drafted by MAFRD and is in the National Assembly pending approval. Obstacles to NEAP implementation include the lack of established procedures for approving national strategies and limited financial resources.

The possibility of joining the EU is a strong incentive for environmental mainstreaming in both agriculture and forestry. However, as in other SEE countries, environmental protection is not yet fully incorporated into Kosovo's national agricultural development policy agenda. New Kosovo institutions were established in 2003 along the line of *acquis communautaire*, yet they remain over-reliant on foreign donor support.

Institutional weakness is one of the reasons for incomplete reforms and the difficulties in implementing them. The key cabinet post of Minister of Agriculture, Forestry, and Rural Development—reserved for a Kosovo Serb—has remained empty, and the Ministry is currently led by a Deputy Minister. Agricultural projects to date have been focused mainly on building capacity and strengthening MAFRD through technical assistance. Due to a lack of funding, the implementation of the environmental action plan has not yet begun (EU Kosovo Progress Report 2006). A new chief executive officer of the Kosovo Environmental Protection Agency under the Ministry of Environment and Spatial Planning was appointed in June 2006. It is the agency's responsibility to carry out administrative, professional, and scientific activities relating to environmental protection. In addition, the inspectorate for environment, a department within the Ministry, is responsible for monitoring the application of laws on environmental protection (including water protection).

Kosovo's advisory services are still rudimentary and need appropriate budgetary allocations to be developed. At present MAFRD spends a mere 2 percent of its budget, or about 0.03 percent of total agriculture GDP, on extension services (WB 2007a). Supported by the EU, MAFRD has developed a Strategy for Advisory Services 2004-2008 and action plans based on the strategy that also contain environmental protection objectives. However, appropriate funds for implementing the strategy have yet to be allocated. Additional support for extension services is provided by the National Agricultural Research System of Kosovo and the Forestry Institute in Peja/Pec.

1.4.B. Forestry

The Department of Forestry within the MAFRD and the Kosovo Forestry Agency, established by the Law on Kosovo Forests in 2003, are responsible for managing forests and public forest land, and supervising private forest land. There are no local agencies that manage the forestry sector. The existing Law on Forestry (2003/6, 2004/9) is based on the sustainable development principles defined in the Rio Convention of 1992. The Law of Forestry defines forest as a national resource and establishes the basis for improved forest management and more efficient use of forest land. However, limited institutional planning and weak implementation mean that at present environmental concerns are given little attention.

1.5. Public Awareness and Access to Information on Environmental Issues

Although Kosovo has not signed the Aarhus Convention (para 2), its environmental legislation includes two pillars of the Convention: public access to environmental information and to justice in environmental matters. Access to information is also guaranteed by the Law on Environment and the Law on Access to Official Documents (2003). Public participation in decision making is enshrined in a number of local laws, including the Law of Water (2004) and Law for Nature Protection (2005). However, implementation and enforcement of these laws have been very slow, the public is not informed of its legal rights, and officials are often not aware of the obligation to share information with the public. To address the issue, the government launched a public information campaign on environmental protection and introduced the environment as a subject into school curricula, with more than 1,000 teachers trained on environmental protection issues.

Civil society remains largely inactive in addressing environmental concerns. Increased environmental awareness and large-scale promotion of environmentally sustainable agricultural production and forest management will be needed to improve the environment in Kosovo.

1.6. The Extent of Mainstreaming and Its Trends

Drafted following EU standards and the principles of sustainable development, KEAP 2006-2010 and ARDP 2007-2013 include mainstreaming issues. However, the actual level of mainstreaming of environmental concerns into forestry and agriculture policies and programs in Kosovo is very limited. Despite recent attempts to address several key issues with legislation, the two sectors are not receiving adequate attention, and environmental concerns are still not viewed as an integral part of development policy. Kosovar institutions are young, established in 2002-2003, and basic quantitative data (e.g., on sustained yield or forest fires) and indicators are lacking.

Government policies are not yet fully formulated and mainstreaming programs are not actively developed due to bureaucratic inefficiency and lack of national expertise. Other impediments to mainstreaming in both sectors include: insufficient local and foreign investment; incomplete privatization; uncompetitive small farms and land fragmentation; traditional production technologies; insufficient knowledge of product marketing; and competition from countries with subsidized production. Without fully capable institutions, adequate funding (including investments in cost recovery programs), and private sector participation, sustainable economic development will not be possible, in these as in other sectors.

International assistance, including support from the World Bank, the EU, and the US, German, Danish, and Swiss governments, is helping to strengthen parts of the agricultural sector and increase its potential. The IDA-financed \$7 million Business Environment Technical Assistance Project is helping to improve property rights and cadastral registration, and to simplify licensing requirements for businesses.

Small-scale organic production has started and could be scaled up, due to the past low levels of fertilizer and pesticide use. A pilot project on organic production (2000-2006) was implemented by the Dutch Avalon Foundation. The Organic Agriculture Association of Kosovo was established to promote organic products.

After the 1999 conflict, the EAR addressed water management with investments in irrigation rehabilitation. A 12-million-Euro project aims to strengthen the capacity of the primary irrigation systems, and lower irrigation channels are being re-habilitated with EU funds. The MAFRD needs to further support and monitor Water User Associations and build their capacities (WB 2007a). Flood protection and water regime regulation still require strategic planning. Floods are worsened by damage to river beds through uncontrolled gravel extraction, poorly planned construction works, waste disposal in rivers, cutting forests in flood-prone areas, and inadequate protective infrastructure.

Integrated pest management (IPM) is in place in 4 of the 30 municipalities, and monitoring of pesticide use should begin in 2007. Also, a new Law of Plant Protection (2007) is linked to the IPM legislative framework. Only one pilot project on IPM training has been conducted, and it included less than 1 percent of Kosovo's farmers. The Swiss Development Cooperation (SDC) funded a project, "Integrated production of tomato in polytunnels," that includes pest monitoring and test sites for integrated production.

Soil erosion will be better assessed through a new FAO project on the "Establishment of a land resource information system for sustainable land use". However, erosion control measures still need to be developed.

Kosovo has 39,000 ha of protected forest area in the Sharr and Sara Mountain National Park; another park is planned in the Albanian Alps that will protect an additional 50,000 ha. With the new national park, Kosovo will reach its target of protecting about 10 percent of its land. The trend towards forest fires has decreased significantly thanks to Kosovo Forestry Agency foresters. Forests are supposed to be managed according to a 10-year plan, but the plan due to be implemented in 2006 has still not been completed. There is as yet no certification system in place.

1.7. Priority Needs

Immediate priorities need to be linked to limited domestic financial resources and outside technical assistance. Considering the size of the agricultural and forestry sectors, they should occupy a more prominent position in Kosovo's consolidated budget (with perhaps 5 percent of the total budget) and more attention should be devoted to mainstreaming environmental concerns into agricultural policies. This includes strengthening the financial, institutional, technical, and organizational aspects of agricultural and forest management, including advisory services. Recently adopted or drafted laws that call for enhanced public awareness and participation need to be fully implemented to have a legal framework in place. This includes adoption of the Law on Organic Agriculture and promotion of local organic production. Other priorities include continuously improving water management and strengthening irrigation systems; strengthening the capacities of Water User Associations; adopting and effectively implementing the Forest Management Strategy and Action Plan, and developing laws and enforcement actions to tackle the alarming level of illegal logging.

Both the agricultural and forestry sectors need monitoring and information dissemination systems to provide indicators on development trends and help policy makers formulate appropriate policies.

Part 2: World Bank Involvement

To date, the World Bank's overall involvement in Kosovo is over \$116 million (all on grant terms) since the end of the 1999 conflict. Of this, approximately \$80 million had been disbursed as of June 30, 2006. The Bank's 2004 Kosovo Economic Memorandum pointed out prospects for export-led growth in the power, mining, and agriculture sectors. The comparative advantage of the agricultural sector was seen as fertile agricultural lands, free trade with the EU, proximity to Western European markets, and the abundance of labor in the agricultural sector. Thus, in the medium term, the sector was considered a potential source of growth.

While the energy and mining sector was given more attention in the Bank program, agriculture and forestry have been addressed by initiatives such as a 16-month project "The Supplemental Financing Grant for the Emergency Farm Reconstruction Project" (closed in 2001), which concentrated on agriculture. The project aimed to expand farm reconstruction activities initiated under the Emergency Project into two more municipalities. The supplemental funds helped vulnerable households in targeted villages and municipalities to attain minimum levels of agricultural production and food security through the replacement of farm equipment and improved veterinary services.

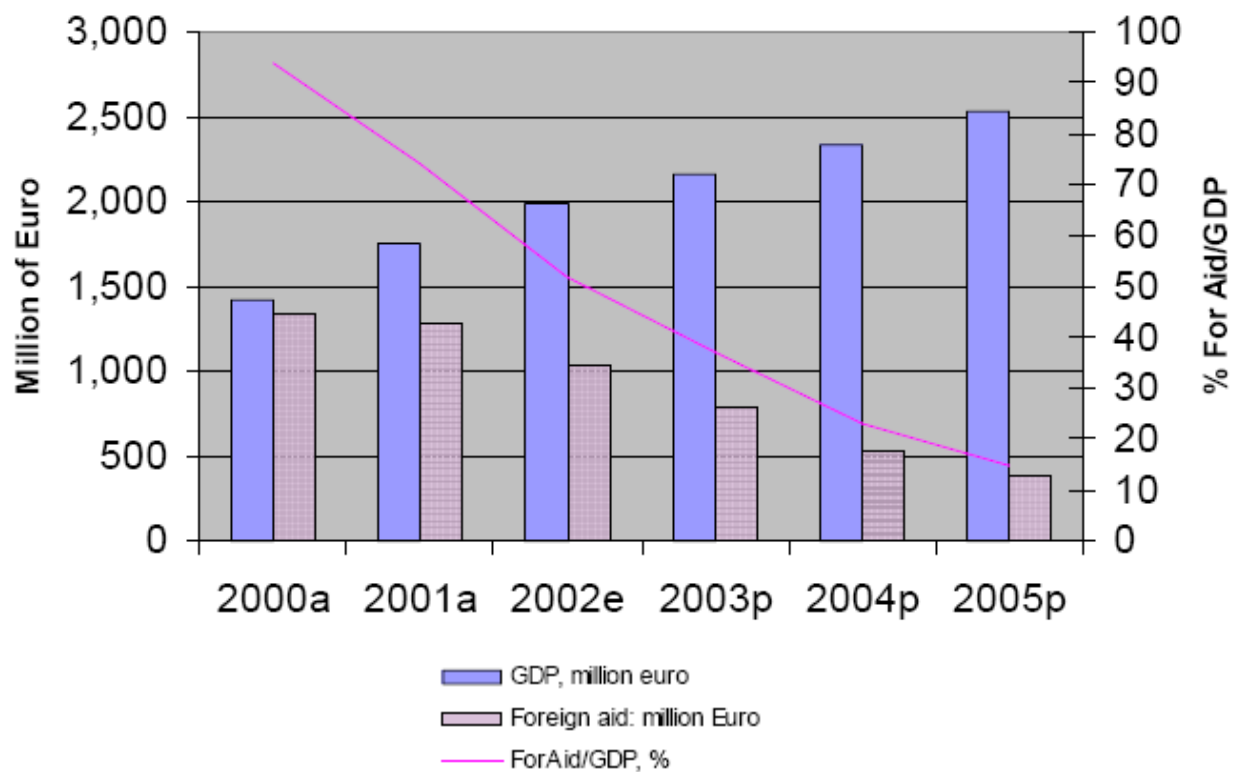
Other projects have had an impact on environmental mainstreaming in forestry and agriculture, for example, "A Study of Heat Market and Environmentally Clean Fuel Options" (completed in 2007) that addressed, among other issues, the excessive use of fuelwood, which not only contributes to forest depletion, but also has significant impact on air quality. Another is the \$5.5 million "Clean Up and Land Reclamation Project" (active since 2006) that aims to build the capacity of environmental authorities through hands-on experience and make land available for

agricultural use and possible settlement. This project, coordinated by the Bank on behalf of other participating donors, will: (1) divert ash production from an operating power plant to a specific part of a mine; (2) remove the ash dump, eliminate the associated environmental burden, and free up the land for agriculture; and (3) reshape and recultivate land currently covered with overburden material from the mines. A third project, the proposed IDA-financed \$7 million “Real Estate Cadastre and Registration” project (in the pipeline), would support such actions as policy formulation and the drafting of laws and regulations to bring coherence and clarity to property rights in Kosovo. A component would also support the formulation of policies that promote land market development in both rural and urban areas. The Agricultural Sector Expenditure Review, now in the process of consultation with the government of Kosovo, will be released in a regional volume later in the year.

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Annex 1: Kosovo GDP and Foreign Aid



Source: Kosovo State of the Environment Report (2003).

Annex 2: Agriculture Area and Yields

Main crops	1980		1990		2001		2002		2004		2005	
	Surf/ha	Ton/ha	Surf/ha	Ton/ha	Surf/ha	Ton/ha	Surf/ha	Ton/ha	Surf/ha	Ton/ha	Surf/ha	Ton/ha
Wheat	96,540	3	93,453	3	75,070	3	70,000	3	77,783	3	80,127	4.2
Maize	95,000	2	96,287	2	75,038	4	69,000	3	100,970	4	74,079	5.1
Oat	12,772	1	6,500	1	12,553	2	12,778	1	5,733	2.7	3,268	4.2
Barley	18,568	2	10,573	2	3,450	3	3,500	3	7,607	2.7	6,399	3.1
Rye	3,500	2	2,500	3	1,960	3	300	3	577	2.3	651	2.6
Potatoes	8,293	11	9,650	15	8,690	13	7,215	15	8,218	15.5	5,600	16
Sunflower	4,600	1	3,562	2	800	1	1,200	1	222	2.6	11	2
Tobacco	3,722	1	1,820	1	50	1	70	1	33	2.6	1,654	2
Vineyards	9,552	13	8,718	9	3,447	8	4,600	5	4,944	6.5	4,550	6.45
Fruits	11,898	-	11,368	-	-	-	8,206	-	450	-	460	-
Vegetable	25,000	-	27,000	-	28,000	-	28,220	-	14,419	14	14,14	13
Forage & meadows									84,500		85,678	
Other									3,588		2,345	
Total	289,445		271,431		209,058		205,089		309,044		264,822	

Source: Deda (2007).