

EXECUTIVE SUMMARY

The present Progress Report 1 presents the progress of the *Agricultural Land Utilisation Project (ALUP)*, EuropeAid/120769/D/SER/KOS, funded by the EU through its European Agency for Reconstruction (EAR).

The general goal of ALUP is to increase productivity and utilisation of agricultural land. The project aims to achieve this by defining 5 project components (“results”), which respectively relate to (i) legal and regulatory framework, (ii) land consolidation, (iii) spatial planning and environment, (iv) access to land through improvement of the functioning of the land market, and (v) improved coordination mechanisms.

The reporting period was characterised by the step made from the planning during the inception phase to the current implementation phase. International and local staff was recruited and introduced to the project. The first missions of international experts took place. Final arrangements have been made with the municipalities in which pilot activities will take place.

At the end of the quarter, EAR expressed the wish to focus more than so far on minority and gender issues than so far, by issuing an administrative order in this context. ALUP will support this priority, is ready to make available time and resources and proposes a joint effort by EAR and the EAR projects in Kosovo instead of an individual project approach.

All five project results have been started up. As planned in the Inception Report, particularly the results 1 (regulatory framework) and 2 (land consolidation) have made swift progress, whereas Result 4 has starting up in earnest in the end of June, and Result 3 (Spatial Planning and Environment) during the early days of July. Result 5 (Inter-Ministerial Coordination) will be picked up by now. Progress in the ALUP contribution to Result 4.2 (Dismantling the SOE Sharr Prodhimi in Dragash) has not been satisfactory so far.

Major events were the participation of ALUP in the FAO Regional Workshop on Land Consolidation in Prague (end of May) and the Project Launch Event on June 26. Both events were broadly considered successful.

A major effort was made to contribute to the promulgation of the Law on Agricultural Lands by letters, personal approaches and – finally – by paying a visit to the Legal Adviser of UNMIK. Although perhaps a coincidence, two days after this visit the law was signed.

The absence of a small freely available budget in the Project to cover relatively small expenses is increasingly felt. Most spectacular is perhaps the impossibility to cover the transaction costs in the land consolidation in Gllakovë/Đakovica, the first since 20 years



in Kosovo and established by ALUP. This proves to be a decisive element in the success or failure of the project. The amounts involved are not really high, but insurmountable for subsistence farmers. Obviously in future such a subsidy should be provided from other sources, it is considered important for agriculture in Kosovo that this first effort in land consolidation will be a success.

At the moment no major changes in the project programme as presented in the Inception Report are foreseen. However, this is still depending on the size of the programme re-shuffling due to a stronger focus on the northern territories.