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KOSOVO NEW OPPORTUNITIES FOR AGRICULTURE PROGRAM

ESTABLISHMENT OF AN ECONOMIC ANALYSIS UNIT
(EAU)

A REPORT PREPARED FOR THE MINISTRY OF
AGRICULTURE, FORESTRY AND RURAL
DEVELOPMENT (MAFRD)

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ESTABLISHMENT OF AN ECONOMIC ANALYSIS UNIT (EAU)

A REPORT PREPARED FOR THE MINISTRY OF AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT (MAFRD)

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DISCLAIMER

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LIST OF ACRONYMS AND ABBREVIATIONS

ADA	Austrian Development Agency
ARDP	Agriculture and Rural Development Program 2007-2014
CAP	Common Agricultural Policy
EAU	Economic Analysis Unit
EC	European Commission
EU	European Union
EUROSTAT	European Union Trade Statistics Database
FADN	Farm Accountancy Data Network
FAO	Food and Agriculture Organization of the United Nations
FAOSTAT	FAO Trade Statistical Database
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
IT	Information Technology
KPEP	Kosovo Private Enterprise Program
M&E	Monitoring and Evaluation
MAFRD	Ministry of Agricultural, Forestry and Rural Development
MDC	Municipal Development Center
MIS	Market Information System
MOU	Memorandum of Understanding
MSc	Master of Science
NGO	Non Governmental Organization
NOA	New Opportunities for Agriculture Program
PhD	Doctor of Philosophy
SIDA	Swedish International Development Agency
SNV	Netherlands Development Organization
SO	Standard Output
SOW	Scope of Work
SPSS	Statistical Package for the Social Sciences
STTA	Short-Term Technical Assistance
TA	Technical Assistance
TAIEX	EU Technical Assistance and Information Exchange Instrument
TOR	Terms of Reference
UNSTAT	United Nations Trade Statistics Database
UP	University of Pristina
USAID	U. S. Agency for International Development
USD	US Dollar

E S T A B L I S H M E N T O F A N E C O N O M I C A N A L Y S I S U N I T : A R E P O R T P R E P A R E D F O R T H E M I N I S T R Y O F A G R I C U L T U R E , F O R E S T R Y A N D R U R A L D E V E L O P M E N T

**BY PROF. DR. MUJE GJONBALAJ,
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In late 2011, The Ministry of Agriculture, Forestry and Rural Development (MAFRD) established the objective of creating an economic analysis unit (EAU) within the ministry that could conduct economic analyses to support the ministry's policy making processes. MAFRD contacted the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) and subsequently USAID/NOA to request technical assistance in the design and start-up of the EAU. A team of three consultants (GIZ – 1 and USAID/NOA) was identified and work on this assignment within MAFRD during the months of January-February, 2012. The combined Scope of Work (SOW) for the three consultants is given in Annex 1. This report presents the team's joint findings and recommendations.

1. EXECUTIVE SUMMARY

GOAL OF ASSIGNMENT

The strategic goal of the assignment was to assist MAFRD in the development of an internal economic analysis capacity that would contribute to improving the competitiveness of Kosovo's agricultural subsectors, agro-processing and rural locations. Improved policy making based on reliable data will create the framework conditions for sustainable development and competitiveness in rural areas. Thereby, poverty and out-migration from rural areas will be reduced.

The more specific objective was to define the specific objectives, functions, and activities of EAU and to assess the resources key to the functioning of the EAU.

PROPOSED EAU MISSION STATEMENT

The EAU will provide data and analyses to MAFRD to achieve better planning, programming, and policy making, and to support extension service programs to improve farm management.

SUMMARY OF KEY FINDINGS

1. Limited data produced and limited access / use of the currently elaborated data
2. Lack of data / analysis as background for decision making by MAFRD including subsidies
3. Lack of appropriate information for farmers and agro-enterprises (costing, market information, etc.)
4. Non-functional advisory service
5. Limited coordination with other Kosovo institutions (universities, other agencies ...)
6. Weak capacity building process in place

SUMMARY OF KEY RECOMMENDATIONS

1. Organization of data collection systems and surveys (e.g. annual agriculture survey, MIS etc.)
2. Assessment of market trends, sector's competitiveness and weaknesses to provide guidelines for policy making
3. Providing information / analyses related to farmers' and processors' decision making (e.g. costing, market information etc) in order to improve management / efficiency
4. Restructuring advisory services (e.g. coordinated under MAFRD)
5. Improve linkages with other Kosovo institutions - EAU should play key role in coordinating institutions that provide data / analyses and research (e.g. University of Pristina, donor projects etc.)
6. Need of support for capacity building activities for EAU staff according to work requirements

2. BACKGROUND

The Republic of Kosovo occupies an area of 10,908 km². Agricultural land comprises 53% of Kosovo's total land area and forests 41%. The majority of agricultural land is privately owned (80%), providing subsistence farming for individual households; however around 60% of the forest land belongs the government. Although Kosovo's agricultural sector is generally characterized by small farms, low productivity, and underdeveloped advisory services, agriculture contributes around 12% of Kosovo's overall GDP. Agriculture is the largest employer in post-war Kosovo, accounting for approximately 35% of total employment. A considerable part of the rural population engages in agriculture: 90% of the population has land for cultivation, 55% has livestock and 15% grows food primarily for self consumption. Before the conflict of the 1990s, Kosovo was mostly food self-sufficient with large quantities of agricultural products exported to the region. This situation reversed after the war as traditional markets were lost, livestock numbers plummeted, and use of agricultural land area dropped drastically and the availability of previously subsidized inputs (fertilizers and irrigation water) reduced dramatically. The sector is now characterized by unfavorable farm structures (average land holding of less than 2 ha per family spread into eight plots), outdated farm technologies, lack of technical expertise, outmoded farm management practices, a weak rural infrastructure, a rudimentary rural advisory system and limited access to credit.

The Ministry of Agriculture, Forestry and Rural Development (MAFRD) was established in 2002 with supervisory functions in rural development and forestry and transformed into a national ministry at independence in 2008. The MAFRD strategy is formulated in the Agriculture and Rural Development Plan 2007 - 2013 (as revised in 2009) and in the Action Plan of the Economic Vision of Kosovo 2011 – 2014.

In most EU new transition countries members, agriculture related economic research is conducted by "Institutes of Agriculture Economics." However, the names differ slightly from one country to another. In most cases, such institutes are responsible for statistics and

economic analysis related to agriculture and rural development, and usually such institutes are Liaison Agencies for the Farm Accountancy Data Network (FADN).¹

Some of the typical tasks that such institutes implement are:

- Farm Accountancy Data Network (FADN) and Standard Output calculation (SO)²
- Unit costs of the selected agricultural products
- Market Price Information System
- Market and trade research
- Consumer behavior
- Outlook/projections of agricultural markets
- Competitiveness analysis
- Value chain/supply chain analysis
- Rural, regional and socioeconomic development

Such institutes receive their core funding from the respective countries' Ministries of Agriculture, but also often implement research projects financed from the funds of the other ministries or the EU. Such institutes collaborate with universities and some of its members hold joint appointments as university faculty, Graduate students typically hold internships and complete research for MSc and PhD theses in close cooperation with the Institutes.

However, such institutes typically have decades of experience and one hundred or more highly qualified staff), enabling the realization of many complex tasks. See Annex 3 for more detailed information regarding Poland, Hungary, Lithuania, Germany and Austria.

3. RECOMMENDED EAU SCOPE OF WORK

The Economic Analysis Unit (EAU) is a staff unit reporting directly to the Permanent Secretary (PS), at least for the time being. It was established at the beginning of January 2012 and is actually staffed with 3 employees. It is expected that the vacancy "Head of Unit" will be advertised in February 2012 and eventually a person will be selected and hired by April / May 2012. In addition, it is expected that another staff will join EAU later this year, who will be specialized in forestry economics analysis.

PROPOSED MAIN ACTIVITIES FOR EAU

The menu of activities proposed for EAU shown in Table 1 is divided into core activities, information systems and other activities. The table below provides in form a "log frame", also the expected outputs, outcomes and impact as result of the proposed activities.

¹ The Farm Accountancy Data Network (FADN) is an instrument for evaluating the income of agricultural holdings and the impacts of the European Union (EU) Common Agricultural Policy (CAP). Establishment of such an FADN capacity is a condition for Kosovo's eventual accession to the EU.

² SO is the monetary value of the gross agricultural output at the farm-gate price for individual farm activities

Table 1: Core Economic Analysis Activities Proposed for EAU and Expected Outputs, Outcomes and Impacts

Core Analysis Activities	Information Systems Required	Outputs	Outcomes	Impacts
Costing, Gross Margin	FADN	Key competitive sectors identified	Farmers invest in more profitable/ competitive activities and improve management	Kosovo farmers increase profits Kosovo
Market and trade analysis	Market Price Information System			
Outlook/projections & scenarios	Monitoring & Evaluation			
Other activities:		Optimal farm size is identified	MAFRD and donor support is more efficient (targeting the right sectors and farms)	Agriculture becomes more competitive
<ul style="list-style-type: none"> - Value chain/supply chain analysis - Rural, regional & socioeconomic development - Consumer behavior 				

Costing and Gross Margin Analysis

Conducting costing and gross margin analysis for the main agriculture activities is indispensable to assess competitiveness of agriculture products. So far, there have been dozens of “costing analysis exercises” carried out by various institutions (mostly donor projects) for various products, applying different methods for different products – most of the cases such costing analysis was not updated.

EAU will conduct costing and gross margin analysis in a systematic way, updating the data regularly – this is the first priority activity to be developed. Costing and gross margin information is not only useful for policy-making (e.g. choosing the most promising sectors to support through subsidy schemes) but also, through the extension services, to inform farmers for investment options and preparing business plans. The quantitative analysis is based on a set of indicative production budgets estimated specially for this information, aimed to reflect the current costs and returns to agriculture production in different selected regions. These budgets’ models may cover a range of annual & perennial crop (as fruits, vineyard orchards and vegetables in open field & under protected areas) and livestock products, whose selection will be in line with the Kosovo agriculture development priorities and Ministry and Donors support strategies for agriculture and rural development. More specifically, some of the main agriculture activities that are proposed by various projects are: vegetable (tomatoes, pepper, and cucumber), fruits (apple, table grape), livestock (cattle, small ruminants) and cereals.

Data collection is mainly realized through direct structured interviews with the farmers and specialists (e.g. agronomists) to be done by two future short term experts (STE) jointly with EAU staff. In the longer run, such data will be generated through FADN as in other countries (e.g. Hungary) and STEs should compile a list of questions to be added to the current FADN survey questioner, for this purpose. The focus of structured interviews/questioners is to collect data on quantity of inputs used, yields (for surface unit or year), the medium selling price of inputs and outputs (or prices by type and quality category), etc. In addition will be collected data related to the depreciation costs, which are: i) the establishment costs in perennials crops; ii) store-houses, greenhouses, different tools, etc; iii) equipments invested, etc.

Data analysis is realized based on data set collection in context of, medium yield and input assumptions, and investment costs for each models of enterprisers, using a set of interconnected excel sheets (program) or other programs, that will be designed by the consultants based on previous experiences (e.g. FAO, GIZ, InterCooperation). In addition to excel, also SPSS may be used for more elaborated analysis of data. Moreover, InterCooperation has designed software for costing analysis which has been implemented by ca 20 farms, and that software can be considered too as a basis by the experts (EAU already possesses the software and has been trained to use it). InterCooperation has shown willingness to transfer the ownership of this software to EAU, and provide TA for improving it, if necessary, but that kind of support should come from MAFRD and be included in a Memorandum of Agreement. The STTAs should decide which is the most suitable format and software of data analysis and reporting, during the costing analysis that they will do jointly with EAU (TOR of two STTAs are provided in the section of TOR in this report).

Last, but not least, during this mission the consultants assisted EAU to collect a rich archive of previous costing analysis done in Kosovo. These studies were categorized by subsector and products, and will be reviewed by the STE in the early stage of the work.

In the appendix of the report there are found more details regarding costing, and there is proposed also an outline of TOR for STEs that would assist for this task.

Farm Accountancy Data Network (FADN) & Standard Output (SO)

FADN is an instrument for evaluating the income of agricultural holdings and the impacts of the subsidy schemes. Derived from national surveys, the FADN is the only source of microeconomic data that is harmonized, i.e. the bookkeeping principles are the same in all countries. FADN data are used to assess primarily Standard Output (SO) and farm typology. While establishment of FADN and calculations of SO are required by EU in context of approximation process, such data may be used in various economic analysis assignments, including also costing. In some countries, FADN survey is used to collect additional data to calculate costing (e.g. in Hungary or Macedonia) and that would be a suitable approach for EAU in Kosovo too.

There has been an attempt by Statistical Division of MAFRD to implement FADN and SO calculation, at simplified version. On the other hand, the staff of EAU has been trained to do a more complete analysis and calculation of SO.

In the future, EAU could be responsible to design the FADN survey and analyze, while Statistical Division of MAFRD could be responsible to supervise the field implementation in cooperation with extension services that may do the data collection. The current Twining Project and TAIEX Project may assist in this process.

Market and trade research

The objective would be to assess recent trends in domestic and international markets and trade. Provision systematic (monthly) trade (import-export) data from customs and/or Statistical Agency, in cooperation with Statistical Department of MAFRD, is necessary to perform such analysis. In addition, know-how of using various international trade databases and information sources is necessary. MIS data as well as information on consumer behavior would provide complementary added value in analyzing market and trade.

The “Market Development Division” that will be established at MAFRD is expected to take the lead regarding market and trade research, however, strong cooperation with EAU, Statistical Agency and Statistical Department of MAFRD will be necessary and useful.

Outlook and Projections

Projections/outlooks may be used as indicators of possible future development in the agriculture markets (e.g. price evolutions). A second use of the Outlook projections is to provide a basis for scenario analysis (e.g. what will happen with the consumption, cost and prices of apple if there will be introduced subsidy X or will be wavered tariff Y for A input – how much the consumption may increase, import may be substituted, prices may fall due to such subsidy or input tariff waver).

For calculating projections/outlooks there are needed past and present data for main variables to be analyzed (e.g. input, products prices, costing data, import, export and production data etc.). Data that will be collected and used for costing analysis (as shown above) including market and trade data and MIS (as shown below) will serve as a basis for such research. In addition, specific data related to some crops may be collected through the extension services.

There are different methods and approaches (ranging from simple excel application to more complex econometric analysis and software). Staff of EAU will need training and coaching in the first stages of such analysis to acquire the basic tools and know-how for this purpose (Capacity Building needs of EAU staff are listed and explained in a separate report).

Competitive Analysis

The purpose is to assess whether agricultural systems are competitive under existing technologies and prices – that is, whether farmers, traders, and processors earn profits facing actual market prices. There are different methods/approaching for assessing competitiveness of various subsectors such as Policy Analysis Matrix (quantitative approach) or elements of Value Chain Analysis (usually more qualitative).

Staff of EAU will need training and coaching in the first stages of such analysis to acquire the basic tools and know-how for this purpose (Capacity Building needs of EAU staff are listed and explained in a separate report).

Agriculture Surveys

Agriculture surveys are necessary to collect data from field and based on them to produce key indicators on the agriculture sector (e.g. yield, production, sales, inputs etc.). There should be at least an annually survey to collect all main data on agriculture subsectors. In the past, Agency of Statistics has implemented such survey through external funding, however, in 2010 and 2011; the yearly survey was not carried out due to missing external funds.

Yearly agriculture surveys, as well as other more specific surveys (e.g. FADN) may be carried out on sustainable basis in the future, if, as part of the extension reform, extension services at MAFRD will have resources/staff in the field directly employed by MAFRD that can collect such data.

Statistical Division of MAFRD could be responsible to planning and organization of the yearly survey in cooperation with extension services, while EAU could assist in the process of the design and analyzes of the yearly survey. The current Twining Project may assist in this process.

Forestry Economics

MAFRD proposes to eventually incorporate economic analysis related to the forestry sector into EAU, with support from several donors already supporting MAFRD's work in forestry.³ An additional specialist should be hired to cover/specialize in this sector. FAO project GCP/KOS/005/FIN may assist by providing technical expertise and training the EAU staff in forestry economic analysis. Finnish Development Agency (which is currently financing FAO project GCP/KOS/005/FIN), SIDA, SNV and the European Union with a forestry twinning project are currently engaged in the forestry sector and may further assist in establishing forestry economic analysis systems.

Monitoring and Evaluation

At present, Monitoring and Evaluation is carried out by Management Authority, MAFRD – one person/specialist is responsible for it. Strong cooperation with EAU in the near future (e.g. 2012) for monitoring and evaluation is highly recommended, while in the longer run (after 2013) the possibility of shifting this function to EAU may be considered.

Market Price Information System

Having in place a functional Market Information System (MIS) to collect and report data on wholesale, retail and farm prices daily/weekly is indispensable – such information is needed for gross margin analysis, market analysis, competitive analysis etc. MIS prices data would be useful also for traders and farmers themselves, if they are communicated systematically to them (e.g. through extension services).

So far, InterCooperation (Swiss Development Cooperation) has run MIS till 2009, and Food-KS (NGO) is running MIS in Kosovo. Food-KS collects wholesale and retail prices on 500 agriculture products and inputs on weekly basis. The system of data reporting of Food-KS is easy to use and fairly good, but there are concerns about the quality and reliability of data collected given the high number of items for which data are collected. In addition, they do not apply weighted average (they apply on arithmetic average). Nevertheless, for the time being, Food-KS, being the only organization running MIS in Kosovo, may be a source of reference.

EAU may cooperate with Food-KS while InterCooperation (SDC) may provide technical expertise in improving data collection and reporting. MAFRD may provide partial financing to Food-KS, till another strategy may be considered (e.g. at a later stage, may be considered running MIS in house, from Market Development Division jointly with Statistical Department of MAFRD and EAU).

At present farm prices are not collected and reported. As part of the reform of the extension services, extension services in the field may collect farm prices for the main agriculture products and report them to Market Development Division jointly with Statistical Department of MAFRD, EAU etc.

The current Twining Project may assist for MIS as part of their Component 4 on Agriculture Information Systems.

Value Chain and Supply Chain Analysis

³ At the time of this mission FAO was planning to carry out the work with financial support from the Government of Finland.

Supply chain management, the management of a network of interconnected businesses involved in the ultimate provision of product and service packages required by end customers, nowadays influences strongly the agricultural sector. As the agricultural production process is getting more and more interlinked, it is important to look at the whole value / supply chain when considering supporting farmers who usually are at the beginning of the chain as producers of raw materials such as milk, meat, herbs and others.

When farmers are not well connected to the processors (as it is the case for meat in Albania or for cereals in Bosnia and Herzegovina) it might be worthwhile to find out solutions how to improve the complex and dynamic supply and demand networks for the sake of the local farmers.

However, an FAO study on agro-industrial supply chain management concludes that ‘people make the difference’ in value chain partnerships. Time is needed to build trust and to create commitment between the successive links in the chain. It requires the use of tools; for example workshops with partners, chain performance measurements, agreements on responsibilities and the division of costs and revenues. In the project, trust between partners in the chain has grown significantly. Especially the understanding of each other’s role, added value and gains for chain cooperation lead to a common competence to act as a whole.

For the MAFRD – through EAU - it becomes necessary to develop local capacities in performing value / supply chain analyses. At present it would not be realistic for EAU to carry out such services, given the high load with other more core activities.

However the Department of Agricultural Economics, University of Pristina might consider these analyses as one of their top priority research areas (including Ph.D. and M.Sc. thesis) and cooperate with EAU to perform analysis of the value chain of the main agriculture subsectors regularly.

Rural, Regional & Socio-Economic Development

Rural, regional and socio-economic development related research is necessary to obtain a more complete view. Management Authority (MAFRD), Department of Agricultural Economics of UP and Faculty of Economics of UP may carry out in organized and coordinated way the research agenda on rural, regional and socioeconomic development. UP (Department of Agricultural Economics and Faculty of Economics), may consider this as one of the top priority research areas (including PhD and MSc thesis), and that may be reflected in an MOU. It might be natural for EU and GIZ to assist with technical expertise and capacity building given the specific value chain approach interest and experience.

Consumer Behavior

Analyzing consumer behavior is highly important. Market Development Division (MAFRD), Department of Agricultural Economics, UP and Faculty of Economics, UP may carry out in organized and coordinated way the research agenda on consumer survey. UP (Department of Agricultural Economics and Faculty of Economics), may consider this as one of the top priority research areas (including PhD and MSc thesis), and that may be reflected in a MoU. GIZ and USAID may assist with technical expertise and capacity building for consumer behavior analysis.

COORDINATION OF WORK WITHIN MAFRD

In some activities, EAU will take the lead within MAFRD. In other activities, EAU will play a secondary or supporting role. This division of responsibilities is outlined in Table 2.

Table 2: Agricultural Economic Analysis Activities Involving Other MAFRD or External Entities and Roles

Activities	EAU	Market Develop. Unit ⁴	Managing Authority	Advisory and Technical Services ⁵	Kosovo Statistical Office	Univ. of Pristina
Core EAU Analysis Activities						
Costing, Gross Margin, Standard Output	Lead Unit		Support (statistics office)	Data collection		
Market and Trade Analysis	Support	Lead Unit				
Outlook and Projections	Lead Unit				Data provision	Support
Information Systems and Data Collection Tools						
FADN and Standard Output	Lead Unit		Support (statistics office)	Data collection		
Market price information system	Support	Lead Unit				
International trade (import-export) reports (<u>MAFRD Lead unknown</u>)	Support				Data provision	
Monitoring and Evaluation	Support		Lead (M&E office)			
Other Data Collection and Analysis Activities						
Value chain analyses	Support	Support				Lead Unit
Rural, Regional & Socioeconomic Development	Support		Support			Lead Unit
Consumer Behavior	Support					Lead Unit

The EAU will report directly to the Permanent Secretary (PS) and will cooperate mainly with the following departments and units:

⁴ To be created in 2012

⁵ In the process of creation in 2012

- Policy Development Department, later on Rural Development Department / Managing Authority
 - EAU to deliver regular standard product calculations for all agricultural products
 - EAU to provide in-depth analyses on request, especially for programming activities
- Statistical Division as part of the actual Policy Development Department
 - EAU to receive data from the agricultural survey, census and FADN research activities
 - EAU to provide the Statistical Division with methodology regarding data collection and preparation
- Monitoring & Evaluation Division as part of the actual Policy Development Department
 - EAU to receive historical data and impact analyses of past support measures
- Department for Rural Development and Advisory Services
 - EAU to provide the extension workers in the fields with methodology regarding surveys, data collection and others
 - EAU to provide the extension workers with actual data on production costs and market trends so that they might inform farmers accordingly who then will be in the position to produce more competitively
 - EAU to receive more precise individual farm data (yields, revenues, expenditures, labor, etc.) from the extension workers

All communication and exchange of information should be a two-way-communication. It seems to be very important that all involved stakeholders, especially when within the MAFRD, have a clear division of labor to ensure that that the way or reporting is clear.

RELEVANT DONOR ACTIVITIES

The team of consultants interviewed selected donors and program implementers currently working with MAFRD in order to:

1. Solicit their ideas concerning the mission and work of EAU
2. Determine ongoing or past work they had funded or participated in that could provide information and data to EAU

It is recommended that all past and future donor funded work on agricultural economic issues in Kosovo (production or trade) be turned over to MAFRD and added to the EAU data library.

European Union / EU Twinning

Project: Support for the Ministry of Agriculture, Forestry and Rural Development (MAFRD) in legislative and policy development and in implementing the Agricultural and Rural Development Program (ARDP) / KS 2010/IB/AG01

Member States: Austria (Agrarmarkt Austria in cooperation with Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management, Federal Institute of Agricultural Economics) in cooperation with Hungary and Germany

Start: January 2012 – December 2013

Overall project objective: To increase the contribution of the agriculture and rural development sector to economic development and growth in Kosovo.

Project purpose: To help strengthen administrative structures within the MAFRD and civil society organizations; to formulate and implement the national agriculture and rural development program in conformity with EU principles and standards.

This twinning project has 5 components:

Component I “Mid-term evaluation of the current ARDP 2007-2013 and preparation the ARDP 2014-2020”

Component II “Strengthen the capability of socio-economic partners (civil society organizations, local action groups, agricultural producer organizations and other stakeholders) for dialogue with MAFRD in programming and implementing the ARDP 2014-2020”

Component III “Further strengthening of ARDP implementing structures (Managing Authority,

Component IV “Preparation of a framework for an Agricultural Information System (AIS) based on existing data and registers”

Component V “Development of a comprehensive IT strategy (IT Master plan) for MAFRD incl. PU”

Under Component IV, this project may assist for improvement of MIS and FADN.

Project: Further Support to Sustainable Forestry Management in Kosovo. - This twinning project is funded by EU and managed by the EC Liaison Office in Kosovo; it is focused in a strategic coordination to acquire the best practices of Austria, Italy and Bulgaria and to build capacities in the forestry sector. The project is being implemented by the Österreichische Bundesforste (Austrian Federal Forests), in close cooperation with the Umweltbundesamt (Austrian Environmental Agency), Ministry of Agriculture and Food of Bulgaria, which is represented by Executive Forest Agency and with Ministry of Agriculture, Food and Forest Policies of Italy. Project will terminate by the end of 2012.

This project has limited resources to commit directly to EAU, however it may share the information and data that they possess with EAU.

USA / USAID

The USAID Kosovo Private Enterprise Program (KPEP), a four-year initiative launched in October 2008, aims to stimulate the private sector competitiveness of Kosovo's economy. The program has a budget of USD 17.8 million and four primary components:

Private sector development in targeted sectors and value chains with growth potential

Business enabling environment to foster Kosovo's competitiveness

Workforce development and training to advance modernization, entrepreneurship, and innovation

Support for business services to strengthen competitiveness

The goals are to promote improved quality and efficiency of locally produced goods and services, expand employment for all of Kosovo's citizens including youth and minorities, reduce Kosovo's trade imbalance, and further Kosovo's integration into the Balkans and beyond.

The New Opportunities for Agriculture Program (NOA) aims to support USAID / Kosovo's Economic Growth Strategy of promoting growth, creating jobs and generating exports. The Program's objectives are as follows:

- Products and Farmers Linked to Markets;
- Agricultural Products Diversified and Increased;
- Food Quality and Safety Improved;
- Increased Affordable and Accessible Credit; and
- Improved Coordination within the Agricultural Sector.

NOA has supported EAU (by providing two experts) and may support study visits in summer 2012.

Germany / GIZ

GIZ is actually implementing the projects „Rural economic development“ with a territorial approach (focus on Sharr-region in the South and planning region East) and “Enhancement of competitiveness of the private sector“; the last one includes agriculture, especially wine, herbs and berries. The support to the MAFRD to set up this EAU has to be seen under the objective to improve the competitiveness of agriculture sector and to contribute on a systemic level to the improvement of capacities on the macro- and policy-making level.

GIZ has supported EAU (by providing one expert) and is committed to do so in the future. GIZ may support internships, and provide (finance) expertise for costing analysis, value chain analysis and consumer behavior analysis.

Austria / Austrian Development Agency (ADA)

ADA is working in 3 main areas: rural development, higher education and research; and private sector development. - In the municipality Suhareke / Suva Reka ADA supports the Municipal Development Centre (MDC), this is an integral part of the municipal administration, assisting mainly farmers and agro-processors. MDC has the target to improve the local agricultural production, the value chain and to develop markets. Also the capacity of the municipality and their staff (related to regional planning) will be improved, in order to offer better support to the agro-sector and to enhance the attractiveness of the municipality for external investment and funding. Finally, ADA has a fund to support local/regional business initiatives which have usually an agricultural background; the fund is used via call for proposals. The fund represents more than half of the project budget; awarded projects are subject to continued monitoring and technical support by local and foreign experts.

Sweden / SIDA

Until end of 2012 there is an ongoing Swedish program to support good statistics authority; for this reason Statistics Sweden has one person on-site on a long-term basis (Ms. Milva EKONOMI, milvaekonomi@yahoo.com), plus two local employees for the project. It also sends experts on short assignments and organizes study visits to Sweden. Most of the training is done at the statistics authority's headquarters, but it has also trained statistics collectors at its local offices.⁶

Another sector of high priority to SIDA is the environment and here especially the forestry sector. Activities, managed by SNV, are ongoing since 9 years and focus on Municipalities and private forest owners (130,000). Furthermore SIDA supports the MAFRD on central

⁶ www.sida.se/English/Countries-and-regions/Europe/Kosovo/Programmes-and-projects1/Case-1/

level on demand; therefore SIDA has a fund of Euro 400,000 annually for a forest sector wide approach which could finance cost-benefit-analysis on forestry and others.

SIDA has no resources available to assist directly EAU during 2012, but it is developing its new strategy and program 2013 – 2017 and as part of the new strategy support may be foreseen.

Switzerland / HELVETAS, InterCooperation

From 2001 onwards InterCooperation was doing the project “Horticultural Promotion in Kosovo” (HPK) which was financed by the Swiss and Danish governments: HPK was working towards the development of the horticulture sector and aimed to help increase employment in rural areas, make local production competitive with imports thereby capturing the local market. The project will come to an end in late 2012. HPK worked with (i) producers, nurseries, processors and traders; (ii) representative bodies such as producer associations; (iii) service providers – such as input suppliers, advisers and banks; and (iv) Government and other national bodies.

InterCooperation agreed to share their software which is already in use with the EAU staff and might be further adapted to the requirements of costings and more. The HPK team will also make all their reports and studies available for EAU.

4. WORK PLAN AND CAPACITY BUILDING PLAN

RECOMMENDED WORK PLAN

The work plan includes the main activities costing, FADN & standard output, outlook / projections & scenarios, market and trade research, competitive analyses, agriculture surveys, forestry economics, monitoring and evaluation. Furthermore there are other activities like market price information system, value chain / supply chain analyses, studies on rural, regional & socioeconomic development and consumer behavior; the later ones are not within the core activities during the starting period of EAU but might be done by them later on.

The three-year timetable for phasing in the various EAU activities is shown in Table XXX

Table 3: Recommended Work Plan for Phasing-In Key EAU Activities

Main EAU activities	2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Costing, margin analysis												
FADN (Farm Accountancy Data Network)												
Market and trade analysis												
Outlook/projections & scenarios												

RECOMMENDED CAPACITY BUILDING

The EAU staff all possess master degrees, but still require a broad range of skill building to be able to carry out the projected analyses. This capacity building will require investment on the part of MAFRD, as well as donor support.

The proposed capacity building plan focuses at the beginning on English language skills and costing / accounting; step by step the training will also cover applied statistics background (methods, time series/trend, regression, forecasting etc), SPSS and excel (application of (time

series/trend, regression etc), accessing and use of databases (e.g. EUROSTAT, UNSTAT, FAOSTAT, etc.), MIS / prices and trade data analyses, standard output (SO) calculation, research and survey design and analysis and finally studies developing policy interventions scenarios.

Tables 4 summarizes the highest priority skill areas for capacity building among the EAU staff. Table 5 presents the proposed timetable for these capacity building activities required to match the phasing in of activities shown above in Table 3. Table 6 shows a timetable for activities involving the University of Pristina.

Table 4: Capacity Building Activities Recommended for EAU Staff

Activities	Type of expertise	Person Days	Possible Donor Support	Estimated Budget
Capacity Building for EAU				
English	Local Teacher	10 weeks X 4 days/week X 3 hours = 120 hours	To be determined	To be determined
Agriculture costing/accounting	ISTE	On job training (as part of TA for costing analysis – 2 STE for a total of ca 35 days for costing analysis)	GIZ and NOA (e.g. one expert sponsored by GIZ and one by NOA)	10,000 - 20,000 EUR (depending on cost of experts)
SPSS and Excel	NSTE	5 m.d.	NOA	1,000 – 1,500 EUR
Applied statistics background	NSTE or ISTE	12 m.d.	NOA	2,500 – 5,000 EUR (depending on expert)
Research & survey design & analysis	ISTE	8 m.d.	KOS (Fabrizio)	4,000 - 5,000 EUR
Forecasting & scenarios analysis	ISTE	8 m.d.	Swiss Cooperation	4,000 - 5,000 EUR
FADN elaboration/analysis		5 – 10 m.d.	Twining Project	Part of Component 4, Twining Project
MIS/prices and trade data analysis		5 – 10 m.d.	Twining Project	Part of Component 4, Twining Project
Internships				
Capacity Building for UP in cooperation with EAU and Market Development Unit				
Consumer behavior	ISTE	10 m.d.	GIZ	4,000 - 5,000 EUR
Value Chain Analysis	ISTE	20 m.d.	GIZ or NOA (training to be combined with 1 complete VC study)	8,000 - 10,000 EUR

Table 5: Recommended Capacity Building Timetable for EAU Staff

Capacity Building for EAU	February 2012				March 2012				April 2012				May 2012				June 2012				July 2012			
	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4	W 1	W 2	W 3	W 4
English			X	X	X	X	X	X	X	X	X	X												
International trade analysis	X																							
Agriculture costing & accounting					X	X	X	X	X	X	X	X												
SPSS and Excel													X											
Applied statistics background														X	X									
FADN elaboration/analysis																	X							
MIS/prices and trade data analysis																			X	X				
Research & survey design & analysis																								
Forecasting & scenarios analysis																								
EAU Staff Internships																								

Table 5 (continued): Recommended Capacity Building Timetable for EAU Staff

Capacity Building Field	August 2012				September 2012				October 2012				November 2012				December 2012			
	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4
English																				
International trade analysis																				
Agriculture costing & accounting																				
SPSS and Excel																				
Applied statistics background																				
FADN elaboration/analysis																				
MIS/prices and trade data analysis																				
Research & survey design & analysis								X	X											
Forecasting & scenarios analysis										X	X									
Internships	X	X	X	X									X	X	X	X	X	X	X	X

Table 6: Recommended Capacity Building Activities Timetable for University of Pristina

Capacity Building for UP	October 2012				November 2012				December 2012			
	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4
Consumer behavior analysis		X	X									
Value Chain Analysis					X	X	X	X				

English language

Justification: Good command of English language is necessary to have efficient collaboration with international experts, read international publications, attend workshops/internships abroad and write reports in English, in addition to Albanian.

Mode of Learning: It is indispensable that the EAU attends an intensive course, 3 – 4 days per week, 2 – 3 hours per day (after working hours). The English course should be interactive. Emphasis on communication skills should be in the first 2 months, while emphasis on essay writing should be put in the third month

External Expertise Required: Experienced English language teacher, preferably familiar to economic terminology.

Agriculture Costing/Accounting and Gross Margin Analysis

Justification: Good understanding of costing methods (including costing data collection, analysis, reporting etc) is necessary to conduct periodical/systematic costing analysis (which is one of the main activities of EAU) and other types of economic analysis on competitiveness.

Mode of Learning: There is a need for a short intensive training about costing analysis (ca 3 days), and then on job training. One of the short term experts that may come to assist in doing the costing analysis may provide such training. On-job training will be part of the joint work with short term experts that will do the costing analysis jointly with EAU.

External Expertise Required: There are needed two STTA to provide at the same time technical assistance in the costing and establishing the system of costing, and at the same time, built up the capacities of EAU to carry costing analysis in the future independently. Experts will make use of a rich archive of previous studies conducted by various institutions (this archive is built by EAU), technical experts (e.g. agronomists, veterinarians) who can provide missing data needed for calculating costing, and list of farms for various products (to collect the data) – the technical experts and farms including contact information, are already identified by EAU.

One expert is needed for costing analysis of meat (ruminants and chickens) and dairy (milk) production, and cereals, and another expert for fruits (3-4 main fruits) and vegetable (2-3 main field vegetables and 2-3 main greenhouse vegetable). In both cases focus should be on primary production (processing will not be considered for analysis at this stage). The work will be developed closely with EAU staff.

The suggested timing: between end February and Mid April. In the first week of the assignment they should work together with EAU staff to determine methodology and detailed working plan. The other weeks of STTAs, should not overlap so that they make best use of the EAU staff in the field data collection. In-between missions, EAU staff will be collecting and entering data, and draft preliminary analysis.

Table 7: Indicative Timetable for Proposed Capacity Building STTA

STTA	March 2012				April 2012			
	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4
STTA 1	X	X				X		
STTA 2	X		X				X	

Short term expert for meat (ruminants and chickens) and dairy (milk)

Estimated number of day: 17 man days

Expert background:

- Agricultural economist, at least 10 years of experience in agriculture economics development or research
- Experience in agriculture costing analysis is required.
- Specific experience in the livestock sector is required.
- Quantitative and research experience/skills, is an asset.
- Specific experience in the region is an asset.
- Excellent English
- Knowledge of Albanian is an asset.

Short term expert for fruits and vegetables

Estimated number of day: 20 man days

Expert background:

- Agricultural Economist, at least 10 years of experience in agriculture economics development or research
- Experience in agriculture costing analysis is required.
- Specific experience in the fruit and vegetable sector is required.
- Quantitative and research experience/skills, is an asset.
- Excellent English
- Knowledge of Albanian is an asset.

SPSS and Excel

There is a need for an intensive for the use of excel and SPSS. For obtaining basic understanding of excel and SPSS operation is needed a full week of 3-4 hours per day. The course should be practical, consisting mostly of practical examples.

Short term expert for SPSS

Estimated number of day: 5 man days (half day training and half day preparation of training material), of which 1/3 of the time imparting concepts and 2/3 practical applications/exercises.

Expert background:

- Economist or statistician, at least 10 years of experience applied statistical or economic analysis.
- Significant demonstrated experience in usage of excel and SPSS in applied research.
- Significant training and/or teaching experience
- Excellent English or Albanian

Applied statistics background (methods, time series/trend, regression, forecasting etc)

There is a need for an intensive course which should entail both theoretical backgrounds combined with practical exercises in excel and SPSS. The course may take place for 2 – 3 weeks, daily, 3-4 hours per day.

Short term expert for applied statistics

Estimated number of day: 12 man days (half day training and half day preparation of training material).

Expert background:

- Economist or statistician, at least 5 years of experience applied statistical or economic analysis.
- Significant demonstrated experience in usage of excel and SPSS in applied research.
- Significant training and/or teaching experience
- Excellent English or Albanian
- Demonstrated research and publications record is an asset.

Research and Survey Design and Analysis

Formal lectures/training combined with field implementation/exercise is needed for 2 weeks, daily, 3-4 hours per day.

Short term expert for research and survey design and analysis

Estimated number of day: 8 man days (half day training and half day preparation of training material).

Expert background:

- Economist or statistician, with at least 10 years of experience applied statistical and economic analysis.
- Significant demonstrated experience in econometrics (particularly time series analysis), including demonstrated research and publications record.
- Previous training experience
- Excellent English or Albanian

Forecasting/ policy interventions scenarios

Formal lectures/training combined with field implementation/exercises is needed for 1 – 2 weeks, daily, 3-4 hours per day.

Short term expert for research and survey design and analysis

Estimated number of day: 8 man days (half day training and half day preparation of training material).

Expert background:

- Economist or statistician, with at least 10 years of experience applied statistical and economic analysis.
- Significant demonstrated experience in econometrics (particularly time series analysis), including demonstrated research and publications record.
- Previous training experience
- Excellent English or Albanian

Others

Accessing and use of databases (e.g. EUROSTAT, UNSTAT, FAOSTAT etc): On-the-job training Dr. Drini Imami has already trained the EAU his assignment.

FADN and SO calculation: EAU has already been trained on calculating SO by Dr. Drini Imami during the first week of the assignment. Improvement and update of FADN is needed. On job training can and should be considered in the context of the Twining Project (part of Component IV).

MIS/prices and trade data analysis: There is a need for on job training on how to run and analysis MIS. That training may be provided in conjunction to the improvement of current MIS. This activity is in line with Component IV.

Internships: Internships to be organized for EAU staff in similar institutions in EU countries Opportunities within the Twining Project may be explored.

5. ANNEXES

ANNEX 1: JOINT SCOPE OF WORK FOR EAU DESIGN MISSION (COMBINED GIZ AND USAID NOA MISSION)

ANNEX 2: JOB DESCRIPTION – EAU MANAGER

ANNEX 3: EXAMPLES OF AGRICULTURAL ECONOMIC ANALYSIS INSTITUTIONS IN OTHER EU MEMBER COUNTRIES

- 3.1 Poland - Institute of Agricultural and Food Economics/National Research Institute Poland
- 3.2 Lithuania - Institute of Agrarian Economics
- 3.3 Hungary - Research Institute for Agricultural Economics (AKII)
- 3.4 Germany – The Johann Heinrich von Thünen Institute (vTI), Federal Research Institute for Rural Areas, Forestry and Fisheries
- 3.5 Austria Federal Institute of Agricultural Economics (Bundesanstalt für Agrarwirtschaften - AWI)

ANNEX 1
JOINT TERMS OF REFERENCE FOR EAU DESIGN MISSION (COMBINED GIZ AND USAID NOA)

**TECHNICAL ASSISTANCE FOR THE ESTABLISHMENT OF AN
ECONOMIC ANALYSIS UNIT WITHIN MAFRD**

BACKGROUND

Good economic analysis is fundamental to good agricultural policy making. MAFRD must continually make decisions regarding the design and implementation of agricultural support programs for Kosovo, including grants and other measures to support the growth of strategic subsectors (such as high-value horticulture). However, the ministry lacks quantitative data regarding costs of production and the competitiveness of Kosovo agricultural enterprises against which to measure progress in increasing productivity. MAFRD is also restructuring and redefining the mission of the ministry's extension advisory services. Improving the farm management skills of Kosovo growers will be an important aspect of the new extension service's mission. Costs of production are critical management tools for farmers, but this is one of the key areas where there is very little current data or analysis. Generally, MAFRD lacks any permanent internal capacity to provide the quantitative support and analysis to support policy making regarding grants and support payments, or to understand the relative competitiveness of various alternative farm enterprises.

PROPOSAL

MAFRD will establish an internal Economic Analysis Unit (EAU) that can specifically calculate and monitor costs of production (crop enterprise budgeting) for key crop and livestock activities and provide a quantitative basis for MAFRD's analysis and development of support programs, as well as support the farm management advisory role of the new extension service. The EAU will provide information and analysis to the Minister and his Cabinet, the Extension/Advisory Services, the Rural Development and Policy Department, and the Payment Department to support the formulation and implementation of policy and programs to improve the productivity and profitability of Kosovo agriculture; as well as to the Monitoring and Evaluation (M&E) function within the Ministry (for internal and external analysis and reporting). The role and capabilities of the EAU will evolve once a much richer database is available following the agricultural census planned for 2013 and as MAFRD's own needs evolve.

MAFRD proposes to retain two technical advisers, one from the Department of Agricultural Economics of the University of Pristina and the other an Albanian agricultural economist with experience working with FAO and other donors on programs related to measuring agricultural costs of production. These advisers will develop recommendations for MAFRD on the structure and operation of the EAU and assist in the development of a longer term Scope of Work (SOW) for the planned foreign assistance and for MAFRD itself. CVs for the proposed consultant are attached.

The first focus of the EAU, under the initial guidance of the two consultants, will be to gather and collate the available information on the costs of production of various agricultural production activities in Kosovo and then to develop and put in place a continual process for updating and revising this information.

The Ministry has received offers from bilateral donors to support longer term development of the EAU, but needs technical assistance to help organize the unit and to elaborate a SOW for the longer term foreign assistance. As a second focus, the consultants will advise the Ministry on

the development of a broader SOW for the long-term development of the EAU, with foreign donor support.

SCOPE OF WORK

The consultants will independently and in conjunction with the GIZ expert:

1. Interview MAFRD officials to further refine the EAU's objectives
2. Interview existing donor agriculture programs to determine the availability of cost of production materials from them and to determine the capacity of these projects to support the EAU in the future
3. Interview the Dept. of Agricultural Economics at the Faculty of Agriculture to determine the availability of cost of production materials from them and to determine the capacity of the Dept. to support the EAU in the future
4. Interview agriculturalists, agricultural field agents and input suppliers to explore agricultural cost of production issues relevant to Kosovo producers
5. Develop recommendations for the structure, staffing and operation of the EAU
6. Develop an action plan for the creation of the unit, including a timetable and any associated budget
7. Prepare a plan of work for the EAU for the balance of 2012
8. Prepare Job Descriptions for the EAU staff
9. Recommend institutional linkages to be developed between the EAU and other foreign and local institutions (e.g., donor programs and the Department of Agricultural Economics)
10. Meet with interested donors to explore the likely dimensions of future support to the EAU
11. Draft a SOW outlining a 2 year development plan and SOW for the EAU to serve as a guide for donors' own planning

DELIVERABLES

By February 15, 2012, a written report including:

- a. A draft mission statement and SOW for the EAU
- b. An indicative budget for the operation of the Unit
- c. A list of time-phased priorities for the work of the Unit for the balance of 2012
- d. Job descriptions for the EAU staff
- e. Written recommendations regarding the longer term development of the EAU, including training required.
- f. A draft SOW for a donor funded support program for the EAU, including a draft budget and timetable, a description of training requirements and recommendations for broadening the scope of the EAU over time.
- g. An oral presentation to MAFRD and possibly selected donors to review the SOW and related recommendations

REPORTING

The Consultant shall report jointly to Kapllan Halimi, Permanent Secretary, and Greg Vaut, Senior Technical Adviser, Cabinet of the Minister, MAFRD.

ANNEX 2
JOB DESCRIPTION – EAU MANAGER

Ministry of Agriculture, Forestry and Rural Development (MAFRD)

JOB DESCRIPTION
Manager – Economic Analysis Unit (EAU)

POSITION SUMMARY

- Title: Manager of the Economic Analysis Unit
- Responsibility: Manages and three professional staff (expected to grow)
- Reports to: Permanent Secretary, MAFRD

BACKGROUND

At the beginning of 2012, The Ministry of Agriculture, Forestry and Rural Development (MAFRD) established a new unit within the analysis to conduct economic analyses. Staffed initially with three analysts, this unit will provide data and analysis to support the development of the Ministry's economic support programs and the preparation of other measures. Over time the unit will expand and develop to assume a number of new functions as the Ministry's programs evolve and in line with MAFRD's preparation for accession to the EU. It is assumed that foreign donors will continue to support the growth and development of the unit, its staff and its analytical capacities for the next several years through short-term technical assistance and staff training and development.

MAFRD seeks a suitably qualified individual to assume the leadership of this new unit and to drive its growth and development. The head of the unit will also work with donors to develop additional support for the development of the unit and its staff. Candidates from outside of MAFRD, as well as current MAFRD employees with the required qualifications, are encouraged to apply.

RESPONSIBILITIES

- Manage the staff and operations of the Economic Analysis Unit (EAU or "Unit")
- Prepare annual budgets for the operation of the EAU and manage the operating budget
- Recruit, hire, supervise, train and regularly evaluate professional staff
- Plan and implement annual development plans for her/his self and for the EAU professional staff for continued skill development relevant to the work of the EAU, for approval by the Permanent Secretary (PS)
- Complete quarterly and annual work plans for approval by the Permanent Secretary (PS), including goals and objectives, activities to be carried out, staff development plans, timetables, budget and other elements as required
- Complete weekly activity reports to the PS
- Report to the PS and the Minister on the work of the EAU, as required
- Design, establish and manage systems to obtain the data and other information required by the Unit for its analyses, in cooperation with the advisory services and other MAFRD and external offices, institutions and programs

- Work with international donors to obtain resources for the work and development of the EAU, implement assistance programs supporting the EAU, and serve as the principal technical counterpart with MAFRD for such donor initiatives.
- Design and implement collaborative programs with local and international institutions that will support the work and mission of the EAU
- Collaborate with the Managing Authority and the Cabinet of the Minister on the development of the economic measures of the Ministry
- Collaborate with the Agricultural Extension/Advisory Services (EAS) and in developing and implementing programs to improve the profitability of farms and agricultural enterprises through the AES and its field agents
- Design, organize and operate analytical systems required for the work of the Ministry and compliance with the requirements for accession to the EU and in conformance with CAP and other EU standards and procedures

REQUIREMENTS

1. Master or PhD degree in agricultural economics, economics or accounting
2. Strong quantitative analysis and numerical skills
3. Able to speak, read, and write English
4. A minimum of three years of total professional experience, experience in a position requiring economic or financial analysis and:
 - At least two years of experience in a management position (responsible for supervising staff, planning, and budgeting) in the public sector or in the private sector
 - At least one year of experience working with international programs or an international agency, institution or company, or in an international environment
5. Computer literate (Word, Excel, Access), experience in SPSS preferred
6. Some experience in agriculture

ANNEX 3

EXAMPLES OF AGRICULTURAL ECONOMICS INSTITUTES IN OTHER EU MEMBER COUNTRIES

Annex 3.1 Poland - Institute of Agricultural and Food Economics/National Research Institute Poland

<http://www.ierigz.waw.pl/prace-badawcze>

The Institute of Agricultural and Food Economics - National Research Institute is an independent scientific and research centre with 60 years of scientific achievement and experience in analyzing economic and production processes in the Polish agriculture and food economy.

Foundation: 1950 as the Agricultural Economics Institute. By way of the Decision of the Council of Ministers, dated October 2004, it obtained the status of the state research institute and since 1 January 2005 it has operated as the Institute of Agricultural and Food Economics - National Research Institute (IAFE-NRI).

Staff: 15 professors, 7 assistant professors (Ph.D. hab.), 27 doctors (Ph.D.), 32 assistants and 7 technical research specialists, employed in 9 scientific departments.

Since May 2004 the Institute has acted as the FADN Liaison Agency, which entails collecting farm accountancy data within the European system. The research results of IAFE-NRI are used in creating the state agricultural and rural policies. In 2012 the Institute is working on 10 research topics divided between the following tasks:

Main activities of the IAFE-NRI

- Unit costs of the selected agricultural products
- Economic aspects of rural and agricultural development
- The financial policy concerning the agricultural and rural sector in the conditions of changeable economic environment at the national, EU and global levels –
- Innovation as an important factor of agricultural and rural development in Poland.
- Agricultural and food markets research (by products and international trade)
- Analysis of the production and economic situation of agriculture and food economy –
- Competitiveness of the Polish horticultural products on the Single European Market and the global market – including analysis of the prices of horticultural products in Poland and in other countries, consumption of fruit and vegetables and their processing in Poland against the background of other EU countries and the competitiveness of the export of national horticultural products according to the adopted methods and indicators of the measurement of competitiveness.
- Analytical and methodological aspects of economic processes in the agro-food sector
- Research projects financed from the funds of the Ministry of Science and Higher Education

Annex 3.2 Lithuania - Institute of Agrarian Economics

<http://www.laei.lt/?lng=en>

Foundation: 1959 as the Lithuanian Scientific Research Institute of Agricultural Economics and established in today's form in 1990; the founder of the Institute is the Ministry of Agriculture of the Republic of Lithuania.

Staff: total number of 64 employees; 38 involved in scientific research, including 10 doctors of science.

High importance is determined to analysis and prognosis of micro and macro processes in the field of scientific research and information management. The Institute is also working on important issues of agricultural and rural development. During last years the researchers paid special attention to EU agricultural policy surveys.

Main activities of the Lithuanian Institute of Agrarian Economics

- Lithuanian economy and policy of agricultural and food industry as well as fishery of Lithuania.
- Lithuanian economy of farms and other rural business subjects in the country-side and of the enterprises related to agricultural and fishery products.
- Lithuanian rural development and regional policy.
- Lithuanian economy of environmental protection and natural resources.
- Lithuanian consumer behavior and management of food supply chains.

Annex 3.3 Hungary - Research Institute for Agricultural Economics (AKI)

<http://www.aki.gov.hu/ekpolc/index.php>

Foundation: 1954 its legal predecessor was established; later it was reorganized several times and also merged into other institutions

Staff: 136 people, whereas most of them are researchers and some of them are engaged in the field of information services by gathering and analyzing data required for the national economy

AKI has a double role. On the one hand, the research supports the decisions that government bodies and businesses need to make in the field of agricultural policy, on the other hand - as a research institute carrying out independent scientific research - produces and disseminates scientific research information for clients and other stakeholders concerned.

Activities of the AKI

- New situation of the Hungarian agricultural economy following the EU accession
- Serving the national interests in the Common Agricultural Policy
- Common market organizations and the impacts on the agricultural production
- Outlook of agricultural markets
- Support to rural development programs
- Rural employment and income

The Institute operates also a set of information systems required by both the scientific research and practice and by which the data supply requirements of the EU can also be met. These are the following:

- FADN / Farm Accountancy Data Network
- Market Price Information System
- Projections based on the Economic Accounts of Agriculture.

Other activities of AKI

- Research management in the field of agricultural economics
- Assistance to agricultural universities and colleges
- Assistance to fellow researchers
- Extensive cooperation with foreign and Hungarian research institutes
- Analyses for international organizations (FAO, OECD, WTO)
- Library
- Information on teletext, internet and by other media.

Publications of AKI

- Studies in Agricultural Economics
- Agro-economic Information
- Papers in Agricultural Economics
- Hungarian Food and Agricultural Statistics
- Agricultural Market Reports
- Statistical Reports

Data & Information

- Agricultural Economics Monitor
- Cost and income analysis
- Financial information
- Market report

- Market price information
- Statistical reports and information
- FADN / Farm Accountancy Data Network
- Download forms and questionnaires

Annex 3.4 Germany - The Johann Heinrich von Thünen Institute (vTI), Federal Research Institute for Rural Areas, Forestry and Fisheries

www.vti.bund.de

Foundation: 2008; the vTI stems from three German federal research centers, all of which were founded after the Second World War, and several of which have even older roots: The Federal Research Centre for Fisheries (BFAFi), the Federal Research Centre for Forestry and Forest Products (BFH), and large parts of the Federal Agricultural Research Centre (FAL).

vTI is under the auspices of the German Ministry of Food, Agriculture and Consumer Protection (BMELV)

Staff: 577 permanent employees, of these about 190 are scientists

Headquarters in Braunschweig

Organization

The Johann Heinrich von Thünen Institute (vTI), Federal Research Institute for Rural Areas, Forestry and Fisheries, develops scientific basics as decision-making helps for the policies of the German government.

The vTI comprises 15 specialty institutes and the common service units.

Institute of Rural Studies

This institute carries out retrospective analyses, anticipatory model-supported policy impact assessments, and empirical surveys, and applies spatial information technologies. As part of the federal research program of the Federal Ministry of Food, Agriculture and Consumer Protection it supports decision-making on policies for developing rural areas, identifies perspectives, and contributes to the scientific progress. The institute analyses various challenges that rural areas face in Germany and the EU from different angles using different methods. Key questions are:

Which framework conditions and requirements are advantageous to sustainable rural development and which impede it?

Which interactions between agriculture, economy, society, and environment have to be considered?

How can politics establish an adequate framework to mobilize potentials in rural areas?

What impacts do different forms and intensities of land use have on natural resources and how can use conflicts be solved?

Institute of Farm Economics

This institute focuses on agriculture carried out by individuals. It investigates a) how different farm types and the agricultural sector as a whole are influenced by technological development and changes in the economic and political environment, b) how they can adapt and c) how policy can intervene to achieve agricultural policy and sociopolitical objectives.

The Institute of Farm Economics analyses the international competitiveness of important production systems of German agriculture. This is, for example, done in the world-wide agribenchmark network, which is led by vTI.

Finally the institute carries out comprehensive analyses of important policy measures such as the farm investment support and the support payments for organic farming.

In collaboration with the Institute of Rural Studies and Institute of Market Analysis it estimates the impacts of different policy options on German agriculture using representative datasets and models.

Institute of Market Analysis and Agricultural Trade Policy

This institute analyses the markets for agricultural and food product, the change in national and international political and economic conditions, the role of consumers and what kind of policy options arise for policy making and the overall society. Furthermore the institute offers scientifically based assistance in the decision making process for policy makers and market participants.

Other institutes within vTI

- Institute of Agricultural Technology and Biosystems Engineering
- Institute of Biodiversity
- Institute of Agricultural Climate Research
- Institute of Organic Farming
- Institute of Wood Technology and Wood Biology
- Institute of Forest Based Sector Economics
- Institute for World Forestry
- Institute of Forest Ecology and Forest Inventory
- Institute of Forest Genetics
- Institute of Sea Fisheries
- Institute of Fisheries Ecology
- Institute of Baltic Sea Fisheries

Annex 3.5 Austria Federal Institute of Agricultural Economics (Bundesanstalt für Agrarwirtschaften - AWI)

www.awi.Bmlfuw.gv.at

Foundation: March 9, 1960 as „Agricultural Economics Institute“(AWI)

Subsidiary of the „Ministry of Life“

Public socio-economic research institution

Participation in the „flexibility clause“(four-year budget) since 2004

Staff: 22 overall, of which 14 academics

Organization

- Director and administration
- Agricultural and rural policy
- Methodology and information
- Library and documentation
- Farm management
- Markets and food economics

Main activities of the AWI

- Statistics data pool
- Policy impact analyses
- Consulting, Information, Communication
- International and national research projects

Activity „statistics, data pool“

- Data pool management
- Provision of data
- Data manual, trade database
- Contribution to data bases (ALFIS, IACS)
- Development of data management system for data pool

Green Report (preparation of the bases for the Green Report which will be finalized by the MoA), EUROSTAT, FADN

- Standard gross margins (EU-requirement)
- Up scaling, sampling plan, estimates accuracy (EU-requirement)
- Analyses of agricultural statistics (agric. trade, etc.)

Tools for extension services

- Data catalogue
- Branch reports (pigs, cereals)
- International Farm Comparison Network / IFCN
- Farm improvement plan (EU-requirement)
- Market forecasts for cattle and pigs (EU-requirement)
- Other agricultural statistics
- PSE (EU-requirement), AMS
- Agricultural economic accounts (EU-requirement)

Activity „Policy impact analyses“

- Evaluation – Rural Development Program
- Farm investments, setting up young farmers

- Vocational training
- Processing and marketing (sector plan)
- Agri-environmental program (participation)
- Adaptation and development of rural areas
- Analyses of CAP-reform and WTO
- Model development and analyses with respect to reform proposals of CAP, WTO
- Analyses of common market organizations (milk, vegetables, fruit, sugar)
- Investments into organic farms...
- Impact of EU-enlargement

Activity „International and national research projects and -cooperations“

- EU-research cooperation
- Interreg III B - ILUP
- Interreg III C – Regio Sustain
- Interreg IIIB – Parks & Economy

Other research projects and cooperations

- Economics of pasture farming
- Model system based on FADN farms
- Sustainable regions

Expert consulting (national und international)

- Expert studies (working papers)
- Views
- Working groups
- Seminars
- Information exchange

Public relations

Publications

Website – www.awi.bmlfuw.gv.at

Scientific articles

Seminars (AWI-Seminare, Symposien)

Presentations

Library information system