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## United Nations Development Programme Country: Albania

### PROJECT DOCUMENT

<b>Project Title:</b>	<b>Enhancing financial sustainability of the protected area system in Albania</b>
<b>UNDP Strategic Plan: Integrated Results and Resources Framework</b>	<p><b>Output 2.5</b> <i>Legal and regulatory frameworks, policies and institutions enabled to ensure the conservation, sustainable use, and access and benefit sharing of natural resources, biodiversity and ecosystems, in line with international conventions and national legislation</i></p> <p><b>Indicator 2.5.1</b> <i>Number of countries with legal, policy and institutional frameworks in place for conservation, sustainable use, and access and benefit sharing of natural resources, biodiversity and ecosystems.</i></p> <p>a) <i>Legal frameworks</i> b) <i>Policy frameworks</i> c) <i>Institutional frameworks</i></p>
<b>Government of Albania and United Nations Programme of Cooperation (2012-2016): Outcome(s) and Output(s):</b>	<p><b>Outcome 3:</b> <i>Governance and rule of law - The Albanian State executes major governance processes following internationally agreed democratic principles and practices, while upholding the rule of law and eliminating key factors of exclusion of women</i></p> <p><b>Output 3.4:</b> <i>Line Ministries ensure and enforce the conservation, sustainable use of public goods</i></p>
<b>Executing Entity/ Implementing Partner:</b>	Ministry of Environment (MoE)

Programme Period:	4 years
Atlas Award ID:	TBD
Project ID:	TBD
PIMS #	5602
Start date:	TBD
End Date:	TBD
Management Arrangements:	NIM
PAC Meeting Date:	TBD

Total budget:	USD 8,440,000
GEF:	USD 1,420,000
National Government:	USD 6,920,000
UNDP:	USD 100,000

**Agreed by (Government):** \_\_\_\_\_

**Date/Month/Year** \_\_\_\_\_

**Agreed by (Executing entity/ Implementing Partner):**

**Date/Month/Year**

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**Agreed by (UNDP):**

**Date/Month/Year**

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### Brief Description

The Government of Albania (GoA) has recently gazetted a '*Decision on establishing and organisation and functioning of the national agency for protected areas and regional administration for protected areas*'. The Decision envisages the establishment of a National Agency of Protected Areas (NAPA) as a public state budget entity subordinate to the Ministry of Environment (MoE). The expectation of the GoA is that the establishment of this agency would, over the long-term, result in a significant improvement in the overall management effectiveness of the country's system of protected areas, covering 460,060ha of marine and terrestrial habitats.

While this Decision makes provision for the NAPA to source funding from the state budget, donors, delivery of 'services' and 'other legal sources', the current funding baselines for the PA system, and the capacities to administer and improve PA revenue streams, are still well below the levels required to ensure that the protected area system can properly serve its function as an important tool to protect biodiversity. So, if the NAPA is to fulfil its protected area mandate, it will need to have the ability to: (i) secure sufficient, stable and long-term financial resources for protected areas; (ii) allocate these resources in a timely manner and appropriate form to cover the full costs of protected areas; and (iii) ensure that the protected areas are managed effectively and efficiently with respect to conservation and other complementary objectives.

This project seeks to assist the GoA in reducing existing funding gaps for the system of protected areas, improving the management of individual protected areas, improving cost-efficiencies in individual protected areas and building the financial management capacities of protected area staff in the NAPA.

The project will focus project activities at two levels of support: (i) building the financial management capacities of the agency responsible for administering the system of protected areas; and (ii) demonstrating the efficacy of different financing strategies in a sub-set of individual protected areas. The project is thus divided into two components.

*Component 1* seeks to strengthen the capacity of NAPA to effectively plan, secure and administer funds for the protected area system. Under this component GEF funding will initially be used to develop a national planning framework for the protected area system (Output 1.1). GEF funding will then be used to develop and strengthen financial management capabilities (i.e. financial support services, equipment, communications infrastructure, systems and skills development) of the NAPA (Output 1.2). GEF funds under this component will finally be used to improve the capacity of the NAPA to mobilise funding - at the protected area system level - from different sources (Output 1.3).

*Component 2* seeks to implement a suite of mechanisms to improve revenue streams in individual protected areas. Outputs under this component are spatially focused on three National Parks: (i) Dajti National Park; (ii) Divjaka-Karavasta National Park; and (iii) the Llogara-Karaburuni protected area Complex. Under this component, the GEF funding will be used to negotiate a contribution from commercial enterprises operating in, benefiting from or linked to Dajti National Park (Output 2.1). GEF funding will further be used to secure an income stream from the fishing, farming and forestry activities occurring in the natural resource use zones of Divjaka-Karavasta National Park (Output 2.2). Finally, GEF funding will be used to develop and implement mechanisms to collect revenue from the summer influx of recreational visitors to the Llogara-Karaburuni complex (Output 2.3).

The project will be implemented over a period of four years. The total cost of investment in the project is estimated at US\$8,440,000, of which US\$1,420,000 constitutes grant funding from GEF and US\$7,020,000 comprises co-financing from the Ministry of Environment (US\$6,920,000) and UNDP Albania (US\$100,000).

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## ACRONYMS AND ABBREVIATIONS

APR	Annual Progress Report
ASCI	Emerald Network of Areas of Special Conservation Interest
AWP	Annual Work Plan/Programme
CBD	Convention on Biological Diversity
CO	(UNDP) Country Office
DKNP	Divjaka-Karavasta National Park
DNP	Dajti National Park
ECS	Environmental Cross-Cutting Strategy
EIA	Environmental Impact Assessment
EU	European Union
FC	Field Coordinator
FSD	Forest Service Directorate
GDP	Gross Development Product
GEF	Global Environment Facility
GoA	Government of Albania
HDI	Human Development Index
IPA	Instrument for Pre-Accession Assistance (EU)
IUCN	International Union for the Conservation of Nature
JICA	Japanese International Cooperation Agency
LKC	Llogara-Karaburuni protected area Complex
LOA	Letter of Agreement
M&E	Monitoring and Evaluation
MEA	Multilateral Environmental Agreement
MoE	Ministry of Environment
MP	Management Plan
MPA	Marine Protected Area
NAPA	National Agency of Protected Area
NCSA	National Capacity Self-Assessment
NBSAP	National Biodiversity Strategy and Action Plan
NEA	National Environmental Agency
NGO	Non-Governmental Organization
NIM	National Implementation Modality
NP	National Park
NPEI	National Plan for European Integration
NSDI	National Strategy for Development and Integration
PA	Project Assistant
PAS	Protected Area System
PA	Protected Area
PC	Project Coordinator
PD	Project Director
PES	Payment for Ecosystem Services
PESBLD	PAN-European Strategy on Biological and Landscape Diversity
PIR	Project Implementation Review

PPR	Project Progress Report
PSC	Project Steering Committee
RCU	(UNDP) Regional Coordinating Unit
REA	Regional Environmental Agency
SELEA	Strengthening Environmental Legislation and Enforcement in Albania (project)
SIEFW	State Inspectorate of Environment, Forests and Waters
UNCCD	United Nations Convention to Combat Desertification and Drought
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change

# SECTION I: ELABORATION OF THE NARRATIVE

## Part I: Situation Analysis

### CONTEXT AND GLOBAL SIGNIFICANCE

#### *Environmental context*

1. Albania has a total surface area of 28,748 km<sup>2</sup>. It borders Montenegro to the northwest, Kosovo to the northeast, Macedonia to the north and east, and Greece to the south and southeast. Its coastline, facing the Adriatic and Ionian seas, is around 362 km long (see Map 1 below)



**Map 1: Topographic map of Albania**

2. The 70% of the country that is mountainous, is rugged and often inaccessible. The remainder, an alluvial plain, receives precipitation seasonally, is poorly drained, and is alternately arid or flooded. Much of the plain's soil is of poor quality.

3. Biogeographically, Albania lies at the interface between the mountainous Balkans with a continental European climate (mild temperate and wet winters; hot dry summers) to the east and the Mediterranean ecosystems and climate on the coastal plains to the west.

4. Albania is ranked as one of the most bio-diverse countries in Europe. It is well known for its diversity of ecosystems (marine; coastal; woodland; forest; high mountain; grassland; heathland; shrubland; wetlands; rivers and lakes) and habitats (coastal and inland dunes; coastal and halophytic; temperate heath

and scrub; freshwater; Mediterranean scrub; natural and semi-natural grasslands; raised bogs, mires and fens; temperate forests; and mountainous beech and coniferous forests), as well as its species level diversity.

5. Approximately 3,200 species of vascular plants, 2,350 species of non-vascular plants and 15,600 species of invertebrates and vertebrates have been documented in Albania. Some 30% of the European flora and 42% of European mammals are represented in Albania. Thirty two endemic flowering plant species, and another 110 near-endemics share habitats between Albania, Kosovo, Montenegro, Croatia, and Greece. In comparison with the flora, the Albanian fauna is not as well documented, although a considerable number of endemic and ancient species have been recorded (notably in Lake Ohrid). One hundred and nine animal species and 319 plant species are considered threatened at the national level in Albania<sup>1</sup>. At least 72 vertebrate and 18 invertebrate species of global importance have part of their range in the country and for some of them – such as *Pelecanus crispus*, *Phalacrocorax pygmeus*, *Salmo letnica* and *Acipenser sturio* – Albania is of critical importance. According to the national Red List of wild fauna and flora approved in November 2013<sup>2</sup>, the total number of protected species of Albania is 980; of which 405 are plant species and 575 animal species.

6. The Albanian marine environment is similarly diverse with 186 species and infra-specific taxa of macroalgae and seagrasses belonging to 63 families and 112 genera on record. These include 40 Phaeophyta, 101 Rhodophyta, 39 Chlorophyta and 6 seagrasses or marine phanerogams. A notable species is the Adriatic wrack *Fucus virsoides*, an endemic brown algae with boreal links and thought to be a pre-Messinian relict. It is understood to constitute the only *Fucus* population in the Mediterranean. Six of the 14 endangered species in the Mediterranean (listed in Annex II of the Barcelona Convention, 1995), have been reported from Albania: two Magnoliophyta (*Posidonia oceanica*, *Zostera noltii*), two Phaeophyta (*Cystoseira amentacea* and *C. spinosa*), and two Rhodophyta (*Lithophyllum bysoides* and *L. trochanter* (as *Goniolithon bysoides*).

7. There are currently four Ramsar sites (Karavasta Lagoon, Butrinti Wetland Complex, Prespa Lakes area and Shkodra Lake & Buna River Wetland Complex) totalling 981,8 km<sup>2</sup>, 15 Important Bird Areas (903,1 km<sup>2</sup>), 45 Important Plant Areas (3848,2 km<sup>2</sup>), 25 Emerald Network of Areas of Special Interest<sup>3</sup> (5224,3 km<sup>2</sup>) and 1 trans-boundary Biosphere Reserve in Albania.

8. The country has made significant progress in improving the coverage of its protected area system, effectively doubling the extent of the protected area estate over the last 10 years: from 238,347 ha in 2005 to 460,060 ha in 2015 (see Table 1 below).

**Table 1. Area covered by the different categories of Protected Area in Albania indicating the increase in the past decade.**

National PA Category	2005	2010	2013	
	Area (km <sup>2</sup> )	Area (km <sup>2</sup> )	Area (km <sup>2</sup> )	#
1. Strict National Reserve	145.0	48.0	48.0	2
2. National Park	625.3	1889.4	2105.0	15
3. Natural Monument	34.7	34.7	34.7	750

<sup>1</sup> Red Book of Albanian Flora and Fauna, last updated in 2013.

<sup>2</sup> By Ministerial Order no. 1280 of 20 November 2013.

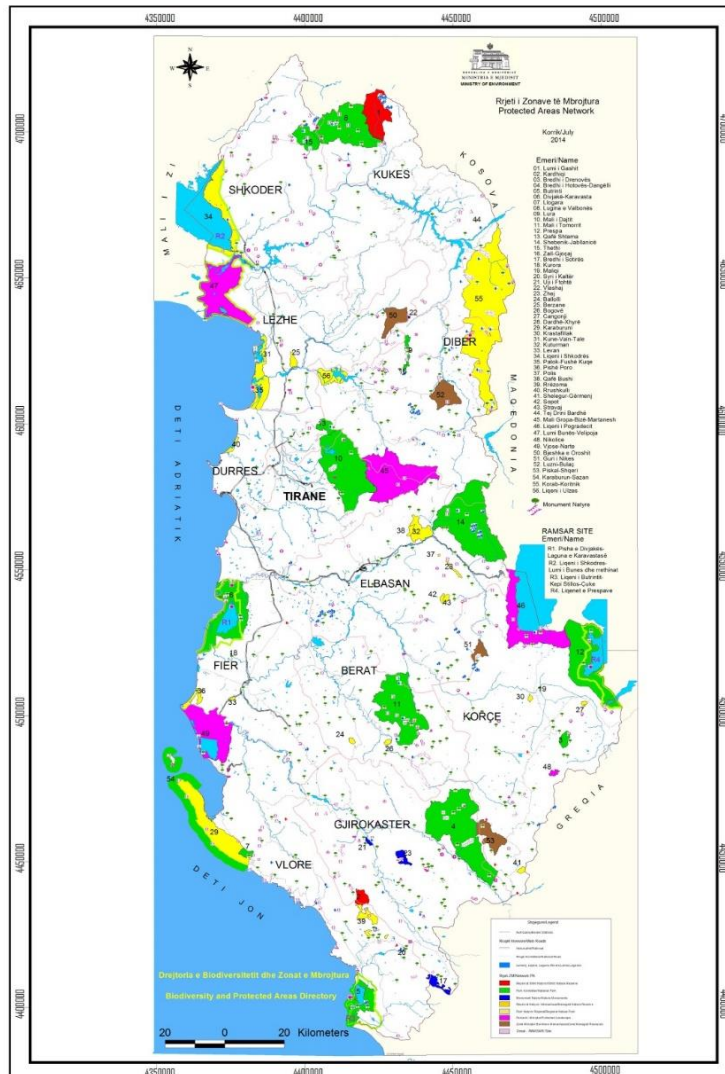
<sup>3</sup> The proposed Emerald Network of Areas of Special Conservation Interest (ASCIs) for Albania, consisting on 25 sites and covering an area of 17.8 % of the country's territory, was approved by the Standing Committee of the Bern Convention in December 2012 and will form the baseline for the establishment of the Natura 2000 ecological network as the country progresses along its route to EU integration.



4. Managed Natural Reserve	669.6	674.2	1271.8	22
5. Protected Landscape	726.4	958.6	958.6	5
6. Protected Managed Natural Resource Area	182.4	182.5	182.5	4
(Marine Protected Area)	0	124.3	132.6	1
<b>Total Area</b>	<b>2383.4</b>	<b>3787.4</b>	<b>4600.6</b>	<b>799</b>

9. The protected area system covers an area of 460,060ha, some 15.83% of the total surface area of the country. *National Parks* (~46% of the total area of the protected area estate), *Managed Natural Reserves* (~28%) and *Protected Landscapes* (~21%) collectively represent almost 95% (433,545ha) of the total extent of the protected area system. The first Marine Protected Area (MPA) in Albania was designated in 2010 as the “Karaburuni-Sazan” Marine National Park (124.3 km<sup>2</sup>).

10. Map 2 below shows the spatial distribution of the different categories of protected areas, and the four Ramsar sites, in Albania.



## Map 2: Protected Areas (PAs) in Albania

### *Socio-economic context*

11. With a population of almost 3 million, Albania is fairly densely populated for a small country, with 98 people per square kilometer. The country has a high Human Development Index (HDI value of 0.749 and ranking of 39 in 2015) and provides a universal health care system and free primary and secondary education.

12. Albania is an upper-middle income economy with the service sector dominating the country's economy, followed by the industrial sector and agriculture. The Albanian economy is mostly in private hands, but the state continues to control key enterprises, particularly in the energy sector. Although foreign direct investment has increased in recent years - notably to fund development of its oil and natural gas resources - overall levels still remain among the lowest in the region. Its transportation and energy infrastructure remain poor by European standards. While the agricultural sector employs about half of the workforce and accounts for about 21% of GDP, it is primarily driven by small family operations and subsistence farming. Modernization of the agricultural sector is hampered by a lack of modern equipment, unclear property rights, and the prevalence of small, inefficient plots of land. A significant part of Albania's national income also comes from tourism, which accounted for about 10% of its GDP in 2014. Outside of agriculture and tourism the economy is dependent largely on textiles, mining (petroleum, natural gas, coal, bauxite, chromite, copper, iron ore, nickel), lumber and hydro-power as well as remittances from migrant workers residing in largely Greece and Italy.

13. Albania became a candidate for EU accession in June 2014.

### *Legislative and Policy context*

14. Albania is a ratifying party to the three Rio Conventions (the CBD in 1994, the UNFCCC in 1995, and the UNCCD in 2000) as well as to the Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (the Aarhus Convention) in 2001.

15. The primary national policy document guiding economic development in Albania is the *National Strategy for Development and Integration* (NSDI) 2007-2013<sup>4</sup>. This document is currently under review for the period 2014 to 2020. In the NSDI, environmental issues and protection are integrated into the sector plans as a 'cross-cutting strategy'. Although the *Environmental Cross-cutting Strategy* (ECS) of 2007 remains in force until the new NSDI is ratified, the revised strategy has been drafted to ensure that priority areas under ECS reflect Albania's commitments to the ratified Multilateral Environmental Agreements (MEAs) as well as the status of Albania as a candidate for membership in the European Union<sup>5</sup>, specifically the requirements for nature protection "*acquis*". The conditions for nature protection *acquis* include: establishing a NATURA 2000 network of sites; effective implementation of the management plans for protected areas<sup>6</sup>; restructuring and strengthening of management structures for protected areas; as well as the promotion and application of economic incentives in the field of nature protection and protected area management. To date, the existing ECS has not been completely implemented for several reasons, the major one being limitations in financial and human resources. Although the ECS is approved by government decree, the current allocation of funds is not adequate for its complete implementation.

16. There are a number of sectoral policies and strategies, including those on waste (*National Strategy and National Plan on Waste Management*), water (*National Water Supply and Sewerage Services Sector Strategy*), forest and pasture use (*Strategy on Forest and Pasture Sector Development*) and rural development and agriculture (*Strategy for Rural Development and Agriculture*). The biodiversity sector is underpinned by the second revision of the *National Biodiversity Strategy and Action Plan* (NBSAP 2012 – 2020). The NBSAP is the main strategic document guiding the implementation of the Convention on

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<sup>4</sup> Adopted in 2008

<sup>5</sup> The accession agenda is laid out in the National Plan for European Integration (NPEI).

<sup>6</sup> Including action plans for endangered species and habitats.

Biological Diversity requirements in Albania. In addition Albania is a participant in European and regional initiatives related to the CBD – particularly the PAN-European Strategy on Biological and Landscape Diversity (PESBLD). The primary focus for implementing the CBD and PESBLD are:

- Protection and improvement of biological and landscape diversity;
- Incorporation of principles and policies required for sustainable biodiversity use and management into national legislation; and
- Promotion of sustainable development for present and future generations.

17. The legal basis for nature protection in Albania is derived from the *Constitution of the Republic of Albania* (Law 8417 of 1998). In the constitution, Article 59 states that “The state intends a healthy and ecologically suitable environment for current and future generations, and the rational exploitation of natural resources based on the sustainable development principle”. Article 59 is supported by Article 56 which emphasises that “Everyone has a right to be informed on the state of the environment and its protection”.

18. Environmental laws in Albania are formulated to be in harmony with the provisions of the Constitution and together form the national environmental legislation. The national legislation on environment is currently undergoing an intensive phase of reform through inclusion of EU Directives on the environment.

19. Law No. 10431 of June 2011 "*On Environmental Protection*", defines the principles underpinning all environmental protection activities in the country. The Law on Environmental Protection allocates responsibility for environmental policy and management to the Ministry of Environment (MoE). It also outlines the relationship between the MoE, the National Environmental Agency (NEA) and its Regional Environmental Agencies (REAs), and the Environmental Inspectorate. The Law on Inspection in the Republic of Albania (No. 10433, June 2011) determines the structure and organization of the Environmental Inspectorate. Specific national legislation has been developed to regulate aspects of environmental management such as air and water quality management, waste management, environmental impact assessments, chemicals and hazardous waste management, as well as the conservation of biological diversity and the protection of flora and fauna.

20. The planning, administration and use of protected areas in Albania is directed by the *Law on Protected Areas* (Law 8906 of 2002, as amended). The Law on Protected Areas establishes the legal context for the declaration, conservation, administration, management and use of the protected areas and their natural and biological resources as well as facilitating conditions for the development of environmental tourism; public information and education and the generation of direct and indirect economic benefits by the local population as well as the public and private sectors. The Law on Protected Areas makes provision for six categories of protected area – Strict Nature Reserve/Scientific Reserve, National Park, Natural Monument, Managed Natural Reserve, Protected Landscape and Protected Area of Managed Natural Resources<sup>7</sup>.

21. Other relevant legislation promoting nature protection in Albania includes:

- Law No. 9587 "*On Biodiversity Protection*" (as amended);
- Law No. 10006 "*On Wild Fauna Protection*";
- Law No.9867 "*On rules and procedures for international trade of endangered species of flora and fauna*";
- Law No. 10253 "*On hunting*" (as amended); and
- Law No. 7/2014 "*On the declaration of hunting ban in the Republic of Albania*".

### ***Institutional context***

22. The Ministry of Environment (MoE) is the responsible authority for environmental management and policy at the national level (the organisational structure of the MoE is shown in [Section IV, Part I](#) of the Project Document). The MoE’s main tasks include: implementing relevant national policies, defining

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<sup>7</sup> A 2008 amendment to the Law also makes provision (under Article 11) for the establishment of *Regional Natural Parks*.

priority environmental and forestry investments, developing national research programs in the field of environment, and coordinating environmental protection activities with other ministries and local authorities. In terms of organization, the MoE has four structural functions (policy, inspection, permits and support services) along with four sub-sector functions (environment and pollution prevention, forestry and nature and water protection).

23. Nature protection is the responsibility of the MoE through its Directorate of Biodiversity and Protected Areas and, at the operational level, through the regionally-based Sector of Protected Areas and district-based Protected Area Sections. Law enforcement in protected areas is currently undertaken by the Forest Service Police.

24. Recent negotiations with the European Union have raised the issue of the capacity of the MoE to manage the protected area system and the future demands associated with the establishment and administration of a Natura 2000 network.

25. In recognition of some of the capacity constraints affecting the management of protected areas the Government of Albania (GoA) has gazetted a '*Decision on establishing and organisation and functioning of the national agency for protected areas and regional administration for protected areas*'. The Decision (No. 102, dated 4/2/2015) envisages the establishment of a National Agency of Protected Areas (NAPA) as a public state budgeted entity<sup>8</sup> subordinate to the Ministry of Environment (MoE). The NAPA will have the status of a General Directorate in the MoE and will be organised with Regional Protected Area Administrations at the regional level. The intention is that the establishment of this agency will, over the longer-term, result in a significant improvement in the overall management effectiveness of the protected area system. The first General Director of NAPA and other key staff was appointed in February 2015, but the agency is not yet fully staffed or resourced.

26. It is anticipated that, once established, the NAPA will have a total of 204 employees (including support and logistic staff); both the central office and the regional branches will have conservation management and monitoring functions as well as legal, financial management and communications capacity. NAPA is a state budget dependent institution but it will be empowered to supplement its budget through donations as well as other legal sources of income such as generating revenue through providing services to third parties.

27. The National Environment Agency (NEA) is a central public institution that is responsible for functioning as the technical arm of the MoE. It is financed by the state budget and its own revenues, and its jurisdiction extends throughout the territory of Albania through its central office and its regional branches, which are referred to as Regional Environment Agencies (REA).

28. The State Inspectorate of Environment, Forests and Waters (SIEFW) is the competent authority for ensuring state oversight of environmental protection and the utilization of natural resources and enforcement of laws and policies. It has full independence in decision-making and operations. Its functions include: ensuring compliance with the conditions of environmental permits; preparing annual inspection plans and ensuring their implementation; providing information to the public on environmental matters and on the decision-making process for environmental matters; and ensuring the implementation of environmental liability principles. As with the NEA, the SIEFW has regional branches across the country. The regional environmental agency / regional environmental inspectorate network consists of an office in each of the 12 Albanian regional administrative areas (*qarks*).

29. The MoE also works closely with the Ministry of Urban Development on land use decision-making in and around protected areas, the Ministry of Interior on the management of hunting activities in protected areas and the Minister of State for Local Government on the management and use of natural resources on communal lands located within protected areas.

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<sup>8</sup> In terms of Articles 4 and 6 of the Law on the Organisation and Functioning of State Administration (No. 90/2012).

## THREATS, ROOT CAUSES AND IMPACTS

30. Important threats to biodiversity in Albania are habitat loss and transformation (including loss of meadows and pastures and desertification), habitat fragmentation and over-exploitation of certain natural resources. Albania's 5<sup>th</sup> National Report to the CBD (2014) identified industrial development, urbanization, deforestation, soil erosion, uncontrolled pollution, illegal hunting and fishing as the activities most threatening to biodiversity; while agriculture, energy, mining, transport and tourism were identified as being the sectors which contribute most to the negative impacts. Additionally there are issues relating to land-use planning and land tenure that allow for legal conditions to exist which make it difficult to control development. As a result of this, some inappropriate land uses and infrastructural developments are occurring in protected areas and threatening their biodiversity.

31. The topography and shallow soils across much of the country predispose the landscape to being vulnerable to soil erosion. Land and soil degradation, as well as desertification and loss of soil fertility, are widespread and viewed as serious problems in Albania. The annual erosion losses range from 20-30 tons/ha/year to extremes of 150 ton/ha/year in some areas<sup>9</sup>.

32. Habitat loss – primarily as a result of illegal logging in, and overexploitation of, forests - in Albania is ongoing, with an estimated 800 km<sup>2</sup> of forest having been destroyed in the past two decades. Attempts have been made to control this illegal and unsustainable activity by placing a sanction on the export of charcoal from wood and a ban on the export of the raw wood itself, but the levels of law enforcement are low and these controls are not yet having the desired effect. This is further undermined by the lack of reliable and current data on forestry cadastres which creates uncertainty around where certain activities may or may not occur.

33. Hunting of wild animals, mostly mammals and birds, has essentially been uncontrolled over the past two decades resulting in a significant increase in the levels of hunting and a notable decline in target species as well as an impact on the genetic integrity of individual populations. The detected decline includes for those bird species which are migratory and not resident in Albania. A short-term (2-year) ban on hunting was approved by parliament in 2014<sup>10</sup>, but this is a temporary measure and expires in March 2016. This intervention is expected to reduce the impact on the target species for the period of the ban until more sustainable long term measures are in place.

34. The harvesting of fish is an important sector for the economy in Albania, but at the same time it has the potential to have negative impacts on biodiversity. Illegal fishing and the overexploitation of fisheries resources are widespread and common and need to be addressed. In the absence of a reliable fish stock assessment however, together with appropriate management plans for identified species of fish, it is difficult to administer laws in this regard.

## LONG-TERM SOLUTION AND BARRIERS TO ACHIEVING THE SOLUTION

35. The establishment, and effective management, of a representative system of protected areas is an integral aspect of the country's overall strategy to: i) adequately protect its marine, coastal and terrestrial biodiversity; and ii) address the key threats to biodiversity and root causes of biodiversity loss<sup>11</sup>.

36. Albania has made significant progress in the past two decades in expanding the protected areas estate, by almost doubling the total area under conservation management. In addition to this there have been notable reforms in nature protection policy and legislation.

37. However law enforcement, management capacities and financial sustainability in protected areas remain relatively weak<sup>12</sup>. This is attributed to *inter alia*: limited institutional and individual capacities,

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<sup>9</sup> Compared against what is considered an acceptable level of erosion of 1 t/ha/year or even against the average level of soil erosion for much of the Mediterranean region of 15 t/ha/year.

<sup>10</sup> Law on the hunting ban in the Republic of Albania, 7/2014, of 30.01.2014.

<sup>11</sup> Key threats to biodiversity and root causes of biodiversity loss in Albania are more fully described in the revised NBSAP 2012-2020 (2015).

notably in respect of protected area operational staff; insufficient staff, equipment and infrastructure; low funding levels; lack of political will to enforce regulations; limited performance monitoring; and poor co-ordination and cooperation between various responsible organs of state.

38. The recent progress in the establishment of a National Agency of Protected Areas (NAPA) represents a significant step towards improving the management of protected areas in Albania. However, until the NAPA is fully constituted, is allocated adequate funding from the state budget and its key permanent personnel are appointed, it will for the time being remain nothing more than a ‘paper institution’. While the *Decision* on the establishment of NAPA defines the basic structure and roles of the agency, it does not yet provide any detail on the organisation, staffing, resourcing, business model, strategic planning and/or operational policies that will guide its operations. When NAPA is established, it is likely that its financial capacities, systems and technologies will need to be developed from the outset if it is to become financially viable into the future.

39. In order for the NAPA to fulfil its protected area mandate it will thus need to have the ability to: (i) secure sufficient, stable and long-term financial resources for protected areas; (ii) allocate these resources in a timely manner and appropriate form to cover the full costs of protected areas; and (iii) ensure that the protected areas are managed effectively and efficiently with respect to conservation and other complementary objectives. This represents the ‘long-term solution’ for this project.

40. There are two key barriers to improving the funding baseline for, and building the financial management capacities of, the protected area system in Albania.

41. Firstly there are weak business planning skills of, and limited financial administration capabilities in, the protected area system.

42. While there is a modern national policy setting, and enabling legislation, in place to support the diversification of the funding base for nature protection in Albania, this still remains a new area of development for the country. There is currently limited use of strategic planning and business-oriented financial planning tools and approaches to ensure optimal use of available financial resources and to source additional funds to fill financing gaps for protected areas. There is an urgent need to identify the applicability of the different financing instruments under different PA management regimes, and to prepare specific policies and regulations to facilitate and direct their implementation. A strong business case needs to be developed to motivate an increase in government funding of the expanded protected area estate, notably through investments in the infrastructure and facilities that could contribute to improving the long-term financial sustainability of the protected area system. Underpinning this business case is a need to better understand the value of the goods and services provided by the protected areas so that decisions about investment in protected areas are made by government with the full understanding of the costs and benefits involved. Currently the protected area system is however considered a financial ‘drain’ on state resources and thus poorly funded from the state budget.

43. The determination of annual appropriations from the state budget for the PA system is currently not based on any objective criteria. Most protected areas have little or no direct control over their budgeting and financial management, with the administration of budgets and funding typically implemented at the level of the parent Ministry and the regional Forest Service Directorates (FSDs). The financial management systems of the MoE and FSDs often tends towards compliance and adherence to procedure rather than to cost and implementation efficiency, and rarely cultivates the requisite business management skills within the protected areas themselves. Protected areas do not fully or accurately report revenues and expenditures, and the flow of reliable and up-to-date financial information is generally weak.

44. While management plans, and linked business planning, processes are under development (or have been completed) in a number of national parks, many of these processes are still donor-driven and are often not fully aligned with the practical and financial constraints faced by the operational staff in the protected

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<sup>12</sup> This was identified and highlighted in the EU Commission progress report for Albania (2014).

areas. The links between aspirational management plans and actual state budget allocations remains somewhat tenuous, with the suite of activities undertaken in each protected area largely still determined by the state budget allocation constraints, and not by any strategic prioritization process. Although management plans for protected areas are adopted by the Ministry, this is however no guarantee of adequate funding for their implementation.

45. Many protected areas are being run by administrators who have limited or no training in budgeting, strategic planning, financial management systems and cost-effective approaches to PA operations. The financial planning capacities/ skills and financial systems and technologies remain in the finance departments of the parent Ministry and/or regional FSDs. There is a dire need for a harmonized and unified format for financial planning and reporting for the protected area system.

46. Secondly there are insufficient and unreliable revenue streams to address the recurrent expenditure costs of protected areas.

47. Management plans, and linked business planning, processes are under development (or have been completed in a few instances) in a number of national parks. However the process is commonly donor-driven and often not fully aligned with the practical and financial constraints faced by the operational staff in the protected areas. The links between aspirational management plans and actual state budget allocations remains somewhat tenuous, and the suite of activities that ultimately get undertaken in each protected area is largely determined by the constraints of the state budget allocation. There is limited opportunity for managers to engage in any strategic prioritization process. This situation is exacerbated by the fact that although management plans for protected areas are formally adopted by the Ministry of Environment, this does not guarantee that adequate funding will be allocated for their implementation.

48. Annual budget allocations (equating to approximately US\$1.75 million/annum in total for 2014) for the human resource (63% of total), operational (8% of total) and capital (29% of total) budgets of most protected areas are not adequate to meet the requirements for even basic standards of management, or sufficient to maintain the existing infrastructure and equipment. Currently the only mechanisms to generate revenue for protected area system is the income accrued from entry fees and rental. In the case of fines issued in protected areas, the protected areas have no control over their administration and collection. In 2014, protected areas generated an income of only US\$12,000, considerably lower than the actual costs of generating that income (let alone the recurrent operational costs of conservation management). There are no incentives for protected areas to improve their revenue streams, as all income is returned to the State Treasury and is not retained for reinvestment in the protected area or protected area system. In the four protected areas that do charge entrance fees, the collection systems are often costly, particularly in respect of the initial capital investment in infrastructure and in the running costs associated with staff salaries. In other protected areas with open access and multiple entry points, there are simply no systems in place to charge and collect entry fees from visitors, with the resultant loss of potential revenue income. The annual funding gap (under a 'functional operational management' scenario calculated at the mid-range for the scenario of US\$15/ha<sup>13</sup>) for the protected area system is conservatively estimated at US\$5.15 million/annum (i.e. three times more than the current investment by the state in the protected area system). There is thus a critical need to increase, diversify and stabilize the financial flows to the protected area system - through the implementation of a more diverse portfolio of financing mechanisms – to address this substantial funding gap.

49. While there is considerable potential to develop nature-based tourism and adventure enterprises in and around protected areas, as a means of generating more sustainable income streams, few objective assessments of the tourism and recreational potential of each protected area have been undertaken and there is no common tourism development strategy for the protected area network. Protected area staff have

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<sup>13</sup> An analysis of national protected area systems from South and Central America, Central Asia, CIS, Eastern Europe, the Caribbean, Indian Ocean Islands, Africa and the Middle East suggests that the average cost/ha for recurrent expenditure (= staff + operating costs + on-cost) falls within the following ranges: low scenario (poor management) of US\$0-5/ha; medium scenario (functional management) of US\$5-25/ha; and high scenario (optimal management) of >US\$25/ha.

extremely limited capacity and expertise to profitably plan, develop and administer tourism facilities and services in protected areas. Although tourism concessioning processes (notably those on a long term, build-operate-transfer modality) have been successfully implemented elsewhere, the competencies to facilitate and administer any tourism concessioning or leasing processes and agreements in protected areas are still very weakly developed in Albania.

50. While sport, recreational and commercial hunting is a popular activity in Albania, the fact that there is no effective management and control of hunting activities - including extensive illegal hunting in protected areas – has resulted in the local extirpation of many wild animals and birds being targeted by hunters, particularly commercial hunters. In response, the GoA has recently imposed a two-year hunting moratorium in order to reform the conservation regulations and effect better controls over the hunting industry. As part of this regulatory and capacity reform process, there is a need to ensure that a portion of the income derived from sustainable hunting activities is allocated to improve the management of, and strengthen enforcement in, protected areas.

51. Access to donor funding for Albania’s protected areas still remains opportunistic, and donor agencies tend to ‘drive’ the priorities for investment in protected areas. There is limited capacity in the Protected Area Sector of the Department of Biodiversity and Protected Areas to secure funding from multilateral development agencies, international conservation organizations and private donors for the protected area system in a coordinated and structured way. Without ongoing donor funding to supplement existing state budget allocations, the planning, expansion, research and monitoring support functions for the protected area system will continue to remain under-resourced, in the absence of other funding options.

## **BASELINE ANALYSIS**

52. Over the next four years, the GoA will continue to invest approximately US\$1-2 million/annum in ensuring the full approximation and implementation of the EU acquis in the field of nature protection (including the protected area system).

53. During the project period, the GoA will also continue to directly finance, and/or source funding for, the costs of establishing and resourcing (staff, infrastructure, equipment, administration) the NAPA, and its Regional Protected Area Administrations. It will additionally allocate at least US\$1.4m/annum from the state budget, for the duration of the project, in support of the ongoing operational management costs of the protected area system. As part of this state budget allocation, it will specifically start to make funding provision for the implementation of management plans that have been adopted, in accordance with the planned recurrent expenditures as well as the capital projects envisaged in those plans.

54. The Ministry will continue to deliver a series of professional and technical training workshops for protected area staff and will facilitate study visits and staff exchange programmes during the project period. The Ministry will further facilitate the continued administration of ‘Management Committees ‘for National Parks, Managed Nature Reserves and Protected Landscapes<sup>14</sup>. Further, the Ministry will continue with the expansion of the protected area system - focusing on the enlargement of Tomorri NP, the designation of the Alps NP (as part of a trans-boundary initiative with Montenegro and Kosovo) and the establishment of the Porto Palermo and Cape of Rodon MPAs - during the period of project implementation.

55. The National Environmental Agency (NEA) will inventorize and profile the fauna and flora located within the entire protected area system, and will develop and implement an environmental monitoring system for protected areas, during the project period.

56. The government’s collective contribution to the protected area system – conservatively estimated at >US\$2.5 million/annum – will, during the period of project implementation, be further supplemented by the following complementary suite of programmes and projects, conservatively estimated at a total of US\$1.4 million/annum:

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<sup>14</sup> As per DCM no. 86, dated 5.10.2005, ‘*On the establishment of management Committees for Protected Areas*’.



- The European Union (EU) Instrument for Pre-Accession Assistance (IPA) funded project *Strengthening environmental legislation and enforcement in Albania* (SELEA) project is supporting the preparation of management plans for six protected areas (Bredhi i Hotovës-Dangëlli National Park; Mali i Tomorrit National Park; Alpet Shqiptare - proposed National Park; Korab-Koritnik Natural Park; Mali me Gropa-Bizë-Martanesh Protected Landscape; and Liqeni i Pogradecit Protected Landscape);
- The Italian Cooperation (in partnership with IUCN) funded project *Institutional Support to the Albanian Ministry of Environment for Sustainable Biodiversity Conservation and Use in Protected Areas and the Management of Waste* is supporting the development of guidelines for participatory park planning, and will assist in the preparation and implementation of management plans for the Lumi Buna-Velipoje protected landscape and Shebenik-Jabllanicë National Park;
- The Japanese International Cooperation Agency (JICA) funded project *Conservation and sustainable use of Divjakë-Karavasta National Park* with the participation of local government and interested stakeholders is supporting the participatory development and implementation of a Management Plan for the Divjake-Karavasta National Park;
- The KfW-funded *Trans-boundary Biosphere Reserve Prespa: Support for Prespa National Park – Albania* is assisting in the preparation and implementation of the management plan for the Prespa National Park; and
- The EU IPA funded project *Governance of the natural and cultural heritage of the Lake Ohrid region* will contribute to the protection of the cultural and natural heritage of the Lake Ohrid cross-border region and its inclusion in the World Heritage list.

## STAKEHOLDER ANALYSIS

57. Inter-governmental cooperation will be an important element of the Project. The table below identifies and describes the major categories of stakeholders and their anticipated roles and responsibilities in the Project.

Stakeholder	Role
<b><i>Government agencies</i></b>	
<b>Council of Ministers</b>	The Council approves all enabling legislative and regulatory frameworks for the functioning of the protected area system; including NAPA.
<b>Ministry of Environment</b>	The Ministry is the focal point institution for the implementation of the CBD, and the implementing partner for this project. It is responsible for preparing the enabling legislative and regulatory framework for project activities and ensuring that they are presented to the Council of Ministers for approval. The Ministry is responsible for creating the enabling conditions for implementation of all project activities and it will facilitate the establishment, staffing and resourcing of the NAPA. The Ministry will develop and present a motivation for an increase in funding from the state budget for the protected area system.
<i>Directory of Forest Services (DFS)/ Administration of Protected Area</i>	The DFS will continue to administer protected areas during the transitional period until the NAPA is operational. The DFS will support the implementation of project activities under Component 2, and will support the enforcement of legislation in relation to forestry, pastures and hunting in protected areas.
<i>National Agency of Protected Areas (NAPA)</i>	The NAPA is the key institution to benefit from the project, and will be responsible for the sustainability of all project activities.
<i>National Environmental Agency/ Regional Environmental Agencies</i>	The NEA will issue any required environmental permits in protected areas during the project and will enforce provisions of environmental legislation relating to EIAs, environmental permitting and coordination of monitoring activities in protected areas
<i>State Inspectorate of Environment, Forests and Water</i>	The SEIFW will support the enforcement of legislation on environmental protection, forest, water and fisheries activities in protected areas.

<b>Stakeholder</b>	<b>Role</b>
<b>Ministry of Transport and Infrastructure</b>	The Ministry will support ensuring the compliance of development and construction activities in protected areas with approved management plans.
<i>National Urban and Construction Inspectorate</i>	The Inspectorate will assist protected areas in the development and management of waste management facilities, water supply and sewerage.
<b>Ministry of Finance</b>	The Ministry will be responsible for ensuring the ongoing allocation of funds in the state budget for the protected area system. The Ministry will assist the NAPA in the development of its financial management systems so as to comply with national regulations. The Ministry will assist the NAPA in the establishment and administration of the National Trust Fund for the protected area system.
<b>Ministry of Economic Development, Trade and Entrepreneurship</b>	The Ministry will administer permits for energy supply and mining activities in protected areas.
<b>Ministry of Urban Development and Tourism</b>	The Ministry will support and assist the project in improving the quality and range of tourism and recreational products and services in protected areas.
<b>National Territorial Planning Agency</b>	The Agency will support the coordination of protected area planning efforts with the relevant national and local government planning instruments.
<b><i>Local Government</i></b>	
<b>Local Government Unit (Municipalities, Communes)</b>	The Unit will issue the requisite development and construction permits, in accordance with local planning and construction regulations.
<i>Prefectures</i>	Will provide and maintain municipal public services (water supply, sewerage, waste management) in protected areas.
<b><i>NGOs and Donors/Funders</i></b>	
<b>Environmental NGOs</b>	Selected NGOs will support the implementation of project activities in targeted protected areas, focusing its support on deriving benefits to biodiversity conservation and/or the socio-economic upliftment of local communities.
<b>Donors and Funders</b>	Donors/funders will be sought to collaborate with key project partners in identifying funding opportunities in the protected area system, aligning these funding opportunities with the strategic plan for NAPA and the individual park management plans, and mobilizing funding support to respond to these opportunities.
<b><i>Local enterprises</i></b>	
<b>Local businesses, farmers, fishermen, tour operators etc.</b>	Local enterprises will participate in discussions and negotiations with NAPA (through regional PA administrations and individual PAs) to seek ways to secure more financially equitable returns for reinvestment in the administration of protected areas without compromising their livelihoods.
<b><i>Protected area governance structures</i></b>	
<b>Management Committee</b>	The Management Committee will oversee and facilitate the planning and implementation of project activities at the individual protected area level.

## Part II: Strategy

### PROJECT RATIONALE AND POLICY CONFORMITY

#### *Fit with GEF Focal Area Strategy and Programme*

58. The project is consistent with BD-1 (*Improve Sustainability of Protected Area Systems*) of the GEF's Biodiversity Focal Area Strategy, The project will specifically contribute to Outcome 1.1 of Program 1, as follows:

GEF-6 Biodiversity Results Framework		
Objective and programme	Expected outcome	Expected indicator (and project contribution to indicator)
<p><b>BD1:</b> Improve Sustainability of Protected Area Systems</p> <p><b>Program 1:</b> Improving financial sustainability and effective management of the national ecological infrastructure</p>	<p><b>Outcome 1.1:</b> Increased revenue for protected area systems and globally significant protected areas to meet total expenditures required for management</p>	<p><b>Indicator 1.1:</b> Funding gap for management of protected area systems and globally significant protected areas</p> <p><u>Project contribution to the indicator:</u> <i>Funding gap for protected area system reduced from US\$5.15m/annum to &lt;US\$4m/annum</i></p>

#### *Rationale and Summary of the GEF Alternative*

59. The alternative scenario seeks to reduce existing funding gaps for the protected area system, improve the financing of individual protected areas, improve cost-efficiencies in individual protected areas and build the financial management capacities of protected area staff.

60. The project will focus project activities at two levels of support: (i) building the financial management capacities of the primary agency responsible for administering the system of protected areas (Component 1); and (ii) demonstrating the efficacy of different financing strategies in a sub-set of individual protected areas (Component 2).

61. The incremental value of the alternative scenario is summarized in the table below:

Summary of baseline scenario	Summary of GEF alternative	Increment
<ul style="list-style-type: none"> <li>- Virtually all of the income for protected area management is derived from the state budget allocations.</li> <li>- The current baseline investment from the state budget in the protected area system is wholly inadequate to meet even basic standards of management.</li> <li>- The gap between the protected area funding baseline and the funding that is required is increasing exponentially.</li> <li>- There are no incentives for protected areas to improve their revenue streams, as all income is returned to the State Treasury.</li> <li>- There is little or no financial capacity to increase, diversify</li> </ul>	<ul style="list-style-type: none"> <li>- A planning framework (comprising a strategic plan, financial plan and operational policies and guidelines) is developed for the NAPA.</li> <li>- The basic financial management capabilities (expertise, equipment, communications systems and skills) of the NAPA are developed.</li> <li>- A national revolving Trust Fund for the protected area system is established and operational.</li> <li>- A pricing strategy for protected areas is developed, and the introduction of more cost-effective user fee collection mechanisms initiated in protected areas.</li> <li>- The annual state budget allocation for the protected area system is increased.</li> <li>- Income from fines issued in</li> </ul>	<ul style="list-style-type: none"> <li>- Reduction of threats to, and stabilization of breeding populations of, four globally threatened species: <i>Pelecanus crispus</i>, <i>Phalacrocorax pygmeus</i>, <i>Salmo letnica</i> and <i>Acipenser sturio</i></li> <li>- The NAPA (including its Regional Protected Area Administrations and the individual protected areas) has a basic financial planning and management capability.</li> <li>- The financial scorecard for the sub-system of National Parks, Managed Natural Reserves and Protected Landscapes increases from a baseline of 16% to &gt;30%.</li> <li>- The total funding from all sources for the protected area system</li> </ul>

<p>and stabilize the financial flows to the protected area system</p> <ul style="list-style-type: none"> <li>- There is little practical knowledge of the efficacy of different financial mechanisms and funding tools for protected areas.</li> <li>- The National Agency for Protected Areas (NAPA) is not yet fully established or functional.</li> <li>- Protected areas are consequently very poorly resourced and severely understaffed, leading to an inability to manage threats to the biodiversity in protected areas.</li> </ul>	<p>protected areas is retained for re-investment.</p> <ul style="list-style-type: none"> <li>- Financial support from donors and funders is increased.</li> <li>- The viability of introducing concessioning and PES schemes is assessed.</li> <li>- The feasibility of securing a contribution from large commercial enterprises operating in a protected area is assessed in the DNP.</li> <li>- The potential to generate income from fishing, farming and forestry activities in protected areas is demonstrated in the DKNP.</li> <li>- The cost-benefits of different mechanisms for collecting revenue from large numbers of summer visitors to protected areas is tested in the LNP</li> </ul>	<p>increases from &lt;US\$2m/annum to &gt;US\$5m/annum, with a concurrent reduction in the annual funding gap to &lt;US\$4m/annum.</p> <ul style="list-style-type: none"> <li>- The average METT score for DNP, DKNP and the Llogara-Karaburuni PA complex increases from a baseline of 39% to &gt;47%.</li> <li>- The capacity assessment scorecard for the institution responsible for the protected area system increases from a baseline of 32% to 43%.</li> <li>- The financial management plan for NAPA, and the linked business plans for the individual protected areas, provides the medium-term framework for a gradual reduction in the funding gap for the protected area system.</li> </ul>
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62. By implementing the above-mentioned components, the GEF investment will significantly contribute to strengthening the institutional framework for, and financial sustainability of, Albania’s protected area system. This will in turn improve the overall management effectiveness of the individual protected areas, particularly in respect of reducing the threats to, and improving the conservation status of: (i) Important Bird Areas (IBAs) and important sites for the wintering of migratory species; Important Plant Areas (IPAs); wetlands of international importance (e.g. Karavasta, Narta, Patoku, Viluni, Kune-Vaini and Orikumi); important marine ecosystems; important lake systems (e.g. the trans-boundary lakes of Shkodra, Ohrid, and Prespa); priority habitat types (e.g. the endemic association of Black Pine); priority faunal species (Dalmation Pelican, Ohrid Trout, Pygmy Cormorant and European Sea Sturgeon); viable populations of endangered taxa, many of which are endemic (e.g. *Forsythia europa*, *Pelophylax shqipericus*, *Arctostaphylos alpinus* and *Aster alpines*); and important ecological corridors of the Dinaric Arc eco-region and the Albanian Alps.

## PROJECT OBJECTIVE, OUTCOMES AND OUTPUTS/ACTIVITIES

63. The project objective is ‘*To reduce the funding gap for protected areas in order to improve their management effectiveness, particularly in respect of reducing the threats to, and improving the conservation status of, their biodiversity values*’.

64. In order to achieve the project objective, and to address the barriers (see Section 1, Part 1), the project’s interventions are organized into two components:

Component 1 Improved financial planning and management capacity of the protected area system.

Component 2 Increased revenue from individual protected areas.

### **Component 1: Improved financial planning and management capacity of the protected area system**

65. In component 1, the project will seek to strengthen the capacity of NAPA to effectively plan, administer and manage the financial resources for the protected area system.

66. Implementation of this component will be directed through three outputs as follows:

#### ***Output 1.1: National planning framework for protected area system is prepared***

67. Work under this output will seek to establish a national planning framework for the protected area system which will then serve as an enabling context for the functioning of the NAPA to effectively plan for financial sustainability. GEF funding will be used to develop the *National Planning Framework* for the protected area system. The National Planning Framework will comprise:

- (i) An overarching medium-term *Strategic Plan* for the NAPA;
- (ii) A medium-term *Financial Plan* for the protected area system; and
- (iii) A suite of *Operational Policies and Guidelines* for the protected area system.

68. Once developed and approved, this planning framework will provide the strategic direction and guidance to the future funding, management and development of the protected area system. It will also act as a mechanism for standardizing and coordinating the efforts, and aligning the performance accountability, of the Regional Protected Area Administrations and individual protected areas under the overarching authority of the NAPA.

### ***Output 1.2: Financial planning and management capabilities of the NAPA are strengthened***

69. GEF funding will be used to develop and strengthen financial management capabilities (i.e. financial support services, equipment, communications infrastructure, systems and skills development) of the NAPA. This may include building the institutional and individual capacities in:

- (i) Medium-term financial and business planning;
- (ii) Annual budgeting;
- (iii) Financial controls (including: budget and budgetary control; books of account; accounting process; revenue process; purchasing and expenditure process; fixed asset management process; stock management process; payroll management process; bank account management; financial reporting; internal controls and audit; risk management and procurement);
- (iv) Accounting systems; and
- (v) Financial reporting and auditing.

### ***Output 1.3: Capacity of the NAPA to mobilize funding for the protected area system is developed***

70. GEF funds under this output will be used to improve the capacity of the NAPA to mobilize funding - at the protected area system level - from different sources. This may include:

- (i) Establishing a revolving Trust Fund for the protected area system;
- (ii) Advocating an incremental increase of state budget allocations for the protected area system;
- (iii) Developing and implementing a pricing strategy for the products, services and facilities provided in/by protected areas;
- (iv) Evaluating more efficient user fee collection mechanisms for protected areas;
- (v) ensuring income from fines issued in protected areas is retained for reinvestment in protected areas;
- (vi) Supporting donor management processes (including targeting potential funders for projects, preparing detailed project proposals, liaising with different with different funders, and building working partnerships with funding agencies/ institutions) across the protected area system;
- (vii) Reviewing the efficacy of introducing outsourcing, concessioning, leasing and/or co-management arrangements in order to improve the cost-effectiveness of protected area operations; and
- (viii) Assessing the feasibility of introducing a standardized PES scheme linked to the public services (e.g. flood protection, water catchment supply, coastal erosion protection, hydro-electric power) provided by protected areas.

## Component 2: Increased revenue from individual protected areas

71. Component 2 seeks to implement a suite of mechanisms to improve revenue streams in individual protected areas. Component 2 will be spatially focused on three National Parks: (i) Dajti National Park (DNP); (ii) Divjaka-Karavasta National Park (DKNP); and (iii) the Llogara-Karaburuni protected area complex (LKC).

72. A brief description of the location, extent and biodiversity significance of the three targeted national parks is presented below.

### Dajti National Park

Dajti National Park (DNP) is situated 26 km east of the capital, Tirana. The park, first declared in 1966 and later expanded in 2006, covers an area of 29,384 hectares. It includes Dajti Mountain (1,613 m), along with Priska Mountain (1,353m) to the south and Brari Mountain (~1,200m) to the north. Oak forest is the predominant vegetation in the park at around 1000m, with beech and pine forest predominating on the higher rocky slopes. Broad-leaved forests are typically found in the northwest foothills of the park, while plane forest occurs along the Tirana River and Mediterranean scrub on the dry lower slopes. Some 940 vascular plants (at least 26 of which are considered threatened) – representing 29% of the Albanian flora – have been recorded in the park. The park is also home to a large number of fauna, including 44 mammals (62% of Albania’s species, of which 5 are endangered), 143 birds (43% of Albania’s species, of which 11 are endangered), 25 reptiles (67% of Albania’s species) 12 amphibians (80% of Albania’s species) and 229 insect species (of which 3 are endangered).

DNP hosts 23 species of global conservation interest, including 14 species of mammals (*Rhinolophus ferrumequinum*, *Rh. blasii*, *Rh. euryale*, *Rh. hipposideros*, *Myotis myotis*, *M. capaccinni*, *Miniopterus schreibersi*, *Lutra lutra*, *Mus spicilegus*, *Microtus thomasi*, *Glis glis*, *Dryomys nitedula*, *Muscardinus avellanarius*, *Sciurus vulgaris*); 3 species of reptiles (*Emys orbicularis*, *Testudo hermanni* and *Elaphe situla*), 2 species of amphibians (*Triturus cristatus* and *Hyla arborea*) and 4 species of insects (*Osmoderma aremita*, *Cerambyx cerdo*, *Rosalia alpina*, and *Maculinea alcon*).

DNP is included in the Emerald network of Areas of Special Interest (ASCI) for Albania<sup>15</sup> and will be incorporated into the future Natura 2000 network for Albania as a Special Area of Conservation (SAC). DNP has also been confirmed as an Important Plant Area (IPA) and forms an integral part of the European network of IPA sites. Further, DNP is identified as a Key Biodiversity Area (KBA) in the Mediterranean Basin Hotspot.

### Divjake-Karavasta National Park

Divjake–Karavasta National Park (DKNP) is located along the west coast of Albania, some 90 km from the capital, Tirana. The park was proclaimed in 1966 and later listed as a Ramsar site in 1995. It covers a total area of 22,230 ha. The DKNP is bounded by Shkumbini River in the north, Divjaka hills in the east, Myzeqe canal and Semani River in the south, and abuts the Adriatic Sea in the west. The predominant vegetation of the park - Mediterranean Pine forest - is the last-remaining tract of undisturbed forest in the country. The Karavasta lagoon (4,200ha) harbors the only coastal breeding site of Dalmatian Pelicans (*Pelecanus crispus*), a globally threatened species. The park also hosts the highest concentration of wintering (~51,000 individuals) and nesting (~500 pairs) water birds in Albania.

Twenty five faunal species of global conservation interest have been recorded in the park, including 1 invertebrate (*Hirundo medicinalis*); 2 amphibians (*Triturus cristatus* and *Hyla arborea*); 5 reptiles (*Caretta caretta*, *Dermochelys coriacea*, *Testudo hermani*, *Emys orbicularis* and *Elaphe situla*); 10 birds (*Phalacrocorax pygmeus*, *Pelecanus crispus*, *Aythya nyroca*, *Oxyura leucocephala*, *Haliaeetus albicilla*, *Aquila clanga*, *Falco naumanni*, *Circus macrourus*, *Crex crex* and *Tetrax tetrax*); and 7 mammals (*Rhinolophus blasii*, *Rhinolophus ferrumequinum*, *Miniopterus schreibersi*, *Myotis myotis*, *Microtus (Pitymys) felteni*, *Microtus thomasi* and *Lutra lutra*).

DKNP is included in the Emerald network of Areas of Special Interest (ASCI) for Albania and will be incorporated into the future Natura 2000 network for Albania as a Special Area of Conservation (SAC). DKNP is currently designated as an Important Bird Area (IBA) and will, in future, also be designated (in terms of the Law on protection of wild fauna) as a Special Protected Area (SPA) for birds, according to the provisions of the EU Birds Directive. DKNP is also identified as a Key Biodiversity Area (KBA) in the Mediterranean Basin Hotspot.

### Llogara-Karaburuni complex (LKC)

<sup>15</sup> Approved by the Standing Committee of the Bern Convention in December 2012

Llogara National Park (1,010ha) is located north-west of the mountain range of Çikë – Lungarë. Karaburun-Sazan National Park, (12,428ha) proclaimed in 2010 as the first marine protected area in Albania, covers a marine area stretching 1.9 km along the coastlines of Karaburun Peninsula and Sazan Island near the Bay of Vlora. The Karaburun Peninsula Managed Natural Reserve (20,000ha) directly abuts the Karaburun-Sazan National Park and is designated as a military zone.

Some 1,400 vascular plant species (~42% of the flora of Albania) have been recorded from the complex. Endemic, relicts and rare flora include *Hypericum haplophyloides*, *Leucojum valentinum subsp. vloreense*, *Taxus baccata*, *Aesculus hippocastanum* and *Quercus ithaburensis subsp. macrolepsis*. Two species (*Hypericum haplophyloides* and *Leucojum valentinum subsp. vloreense*) are strictly endemic to the complex. The complex also hosts at least 10 amphibian species (out of 15 species known to Albania), 28 reptile species (out of 37 species), 105 bird species (out of 330 species) and 55 mammal species (out of 71 species).

Twenty eight faunal species of global conservation interest) have been recorded in the park, including: 3 invertebrates (*Cerambyx cerdo*, *Lycaena dispar* and *Hirundo medicinalis*); 2 amphibians (*Triturus cristatus* and *Hyla arborea*); 4 reptiles (*Dermochelys coriacea*, *Caretta caretta*, *Emys orbicularis* and *Elaphe situla*); 2 birds (*Falco naumanni* and *Crex crex*); and 17 mammals (*Rhinolophus euryale*, *Rhinolophus hipposideros*, *Rhinolophus ferrumequinum*, *Rhinolophus blasii*, *Myotis capaccinii*, *Myotis myotis*, *Miniopterus schreibersi*, *Sciurus vulgaris*, *Myoxus (Glis) glis*, *Dryomys nitedula*, *Muscardinus avellanarius*, *Microtus felteni*, *Microtus thomasi*, *Mus spicilegus (abbotti)*, *Lutra lutra*, *Monachus monachus* and *Stenella coeruleoalba*).

LKC is included in the Emerald network of Areas of Special Interest (ASCIs) for Albania and will be incorporated into the future Natura 2000 network for Albania as a Special Area of Conservation (SAC). LKC is identified as a Key Biodiversity Area (KBA) in the Mediterranean Basin Hotspot. The Karaburun-Sazan NP is also currently in the process of being designated as a Special Protected Area of Mediterranean Importance (SPAMI).

#### Summary of KBA criteria applicable to the targeted sites

<i>Protected Area name</i>	<i>National protected area classification</i>	<i>IUCN category</i>	<i>Emerald Network Site (code)</i>	<i>IBA (criteria)</i>	<i>IPA (criteria)<sup>16</sup></i>	<i>Ramsar Site (name and date of designation)</i>	<i>Mediterranean Biodiversity Hotspot (KBA number)<sup>17</sup></i>	<i>KBA Criteria<sup>18</sup></i>
<b>Llogara</b>	National Park	II	AL0000001	-	-	-	18	A1; A2;
<b>Karaburun-Sazan</b>	National Park	II	AL0000014	-	-	-	Vlora Bay,	B1; B2;
<b>Karaburun Peninsula</b>	(marine) Managed Natural Reserve	III	AL0000014	-	-	-	Karaburun Peninsula and Cika mountain	D1; D2
<b>Divjake-Karavasta</b>	National Park	II	AL0000016	A1; A4i; A4iii; B1i; B2	-	Karavasta Lagoon; 29 November, 1995	5 Karavasta Lagoon	A1; B1; B2; D1; D2; D3
<b>Dajti</b>	National Park	II	AL0000007	-	A & B	-	11 Mali i Dajtit	A1; B1; B2; D2

73. The lessons learnt in implementation in these parks will then enable an objective assessment of the viability (i.e. affordability, practicality and efficiency) of introducing these mechanisms in other protected areas or across the entire protected area system. It is envisaged that the income from GEF-supported activities under this component will be ring-fenced as ‘seed’ funding for the national revolving Trust Fund for the protected area system, once established (see Output 1.3 above).

74. The implementation of component 2 will be directed through three outputs as follows:

<sup>16</sup> Refer to the criteria in *A Site Selection Manual for Europe, and a basis for developing guidelines for other regions of the world* (Plant Life International, 2002)

<sup>17</sup> Refer to Annexure 1 of the *Ecosystem Profile: Mediterranean Biodiversity Hotspot* (CEPF, 2010)

<sup>18</sup> Refer to <http://www.kbaconsultation.org/#!kba-criteria/ccw0>

***Output 2.1: Commercial enterprises operating in Dajti National Park (DNP) contribute financially to the operational management costs of the park***

75. Under this output, GEF funding will be used to negotiate a contribution from commercial enterprises operating in, benefiting from, or linked to DNP. Specific activities under this output may include:

- (i) Reviewing current short-term lease or use rights contracts/agreements and fee structures in the park to ensure a more equitable income stream to support park management costs;
- (ii) Assessing the feasibility of introducing a conservation levy (it could be voluntary or compulsory) on to the user fees/charges of large commercial enterprises operating in the park (e.g. Dajti Express, Dajti Tower Belvedere Hotel, etc.);
- (iii) Negotiating a financial contribution from, or the introduction of a water conservation levy on, water supplied by the Tirana Water Supply Enterprise;
- (iv) Targeting specific corporate social responsibility or donor funding support for the park;
- (v) Developing opportunities for the provision of advertising space (in return for a fee) in the park (e.g. on standardized park signage, on park litter bins, on information brochures, on park benches, etc.); and
- (vi) Developing, implementing and monitoring a tariff system for commercial filming or photography in the park.

***Output 2.2: Park income is derived from fishing, farming and forestry activities in the natural resource use zones of Divjaka-Karavasta National Park (DKNP)***

76. GEF funding will be used to secure an income stream from the fishing, farming and forestry activities occurring in the natural resource use zones of DKNP. Specific activities under this output may include:

- (i) Consultatively assess income opportunities from natural resource use in DKNP;
- (ii) Consultatively develop and implement/operate a tariff system for natural resource use in DKNP;
- (iii) Ring-fence income from licenses issued for fishing in the DKNP, including the Karavasta lagoon, the 1km strip of the Adriatic Sea and other water bodies in the park;
- (iv) Collect rental income for the use of forest the sustainable use sub-zone (7,788ha) and traditional use sub-zone (9,262ha) of the DKNP (including silviculture, agro-forestry, wood collection, recreational and tourism purposes, infrastructure, commercial goods and services); and
- (v) Collect rental income for the use of agricultural land for crop farming (fruit, vegetables, cereals, olives and vineyards) and livestock farming (cattle, sheep, pigs, goats and horses) in the sustainable use sub-zone and traditional use sub-zone of the DKNP.

***Output 2.3: Park revenues are collected from the summer influx of recreational users in the Llogara-Karaburuni protected area complex (LKC)***

77. GEF funding will be used in this output to develop and implement mechanisms to collect revenue from the summer influx of recreational visitors to the LKC. Specific activities under this output may include:

- (i) Consultatively assess the feasibility of establishing and administering a summer day-visitor pay pass system, and associated recreational facilities and services, for the LKC;
- (ii) Upgrade large, popular parking areas (e.g. tarring, parking bay demarcation, bollards, toilets, information boards, shade netting) and administering a parking fee system for summer parking;
- (iii) Negotiate a turnover-based levy for restaurants, bars and hotels in the park in return for their regularization; and



- (iv) Implement charges for the provision of basic services (e.g. cold drinks, beach umbrellas, beach chairs, food, mobile toilets, etc.) at popular beach destinations for beach-based visits.

## KEY INDICATORS, RISKS AND ASSUMPTIONS

78. The project indicators are detailed in the [Strategic Results Framework](#) in Section II of this Project Document.

79. Project risks and risk mitigation measures are described in the table below.

IDENTIFIED RISKS AND CATEGORY	IMPACT	LIKELIHOOD	RISK ASSESSMENT	MITIGATION MEASURES
<p><b>FINANCIAL</b> The GoA does not commit adequate funding to support the staffing, development and operational management of the protected area system.</p>	<b>High</b>	<b>Moderately likely</b>	<b>High</b>	<p>The project outputs have been identified, and project activities developed, in close collaboration with the Ministry of Environment in order to incrementally build on the existing (albeit limited) foundation of financial resources and institutional capacities.</p> <p>The project will assess the value of the goods and services provided by the protected areas so that decisions about investment in protected areas are made by the government with the full understanding of the costs and benefits involved. The project will specifically assist the NAPA in advocating an incremental increase of state budget allocations for the protected area system. Careful attention has been paid in project design to improving the long-term financial sustainability of the protected area system so that sufficient funding remains available for effective conservation management.</p> <p>The project will support the preparation of a financial plan for national protected areas. This financial plan will provide the framework for improving cost efficiencies, increasing revenue streams, strengthening financial management systems, and improving business planning capabilities in the protected area system.</p> <p>The project will further support the implementation of selected elements of the financial plan. It is envisaged that collectively these activities will contribute to incrementally reducing the dependency on government grant allocations, and closing the ‘funding gap’ for improving management effectiveness (notably in respect of conservation management) of the protected area system.</p>
<p><b>INSTITUTIONAL</b> There are delays in the full establishment and operationalization of the National Agency of Protected Areas (NAPA), leading to institutional inertia during the transitional period.</p>	<b>Moderate</b>	<b>Low</b>	<b>Low</b>	<p>Albania was granted candidate status (for EU accession) by the European Council in June 2014. In response, the GoA has committed to stepping up the pace of reforms to ensure full implementation of the EU <i>acquis</i> in the field of nature protection. As part of this commitment, the <i>Decision on establishing and organisation and functioning of the national agency for protected areas (NAPA) and regional and regional administration for protected areas</i>’ has recently been gazetted, and a</p>

IDENTIFIED RISKS AND CATEGORY	IMPACT	LIKELIHOOD	RISK ASSESSMENT	MITIGATION MEASURES
				<p>General Director (GD) and other key NAPA staff appointed.</p> <p>The strategic focus for the GD will be to initially appoint, resource and equip a core executive team at the central level. It is anticipated that the subsequent formal transfer of operational staff at the regional and individual protected area level to the employ of the NAPA may take longer to complete.</p> <p>Project activities under component 1 have thus been designed to largely focus on building the strategic and financial planning and management capabilities at the central level, with a limited focus on the regional and individual protected area level (activities at this level are limited to financial skills development and in-house financial training).</p> <p>Further, project activities under component 2 have been designed so that they can be directly implemented by protected area staff (with extensive project support) under the management oversight of either the relevant regional Forest Service Directorate (FSD) or the NAPA Regional Administration for Protected Areas.</p> <p>While it would be desirable for the NAPA to be fully established and operational, most project activities can however be implemented if only the central level of the NAPA is functional during the period of project implementation.</p>
<p><b>ENVIRONMENTAL</b> The cumulative effect of climate change and unsustainable levels of natural resource use (e.g. mining, agriculture, fishing, hunting, commercial forestry, water extraction) exacerbates habitat fragmentation and degradation in the terrestrial and marine ecosystems of the protected area system, further undermining their potential to generate increased revenue streams.</p>	<p><b>Moderate</b></p>	<p><b>Low</b></p>	<p><b>Low</b></p>	<p>During the preparation of the national planning framework for protected areas under component 1, the project will <i>inter alia</i> seek to: (i) more clearly define the roles and responsibilities of the different public institutions/ agencies in protected area planning, management, development and use; (ii) develop guidelines for improving and strengthening the management and enforcement of natural resource use in protected areas; (iii) clarify the roles and responsibilities for the ongoing monitoring of the impacts of natural resource uses, and the effects of climate change, in protected areas; (iv) identify the adaptation and/or mitigation measures required to safeguard protected areas against the undesired effects of climate change; and (v) identify the mechanisms for improving the working relationship between the NAPA and commercial business enterprises operating in protected areas.</p> <p>It is anticipated that the NAPA, once fully constituted, may have stronger political influence and leverage over unsustainable and illegal natural resource uses (mining, forestry, agriculture, fisheries, commercial enterprises, hunting, etc.) currently operating within protected areas. With improved funding support, it may also develop an increased collective capacity and capability for proactively addressing the extrinsic factors (including climate change) affecting the integrity of</p>

IDENTIFIED RISKS AND CATEGORY	IMPACT	LIKELIHOOD	RISK ASSESSMENT	MITIGATION MEASURES
				the entire system of national protected areas.

## COST EFFECTIVENESS

80. The project will seek to achieve a catalytic investment in securing the long-term financial sustainability of the network of Albania’s protected area system.

81. Costs incurred in project implementation will focus only on those additional actions required to provide key incremental assistance to the government in undertaking strategic interventions to improve the financial status of the protected area system.

82. To accomplish this, the project will seek to complement and build upon the current baseline activities already underway in the sector (e.g. legislative and regulatory reforms; establishment and operationalization of the NAPA and its Regional Protected Area Administrations; preparation of new, and updating of existing, management and business plans for protected areas; continued expansion of the protected area estate; deployment of a basic staff complement in protected areas; etc.).

83. Project resources will be used to improve income streams from activities already occurring in the protected areas (e.g. supporting the development and implementation of park management and business plans; deriving income streams from existing businesses operating in protected areas; leveraging income from existing high use destinations in protected areas; reviewing the pricing structure for user fees; ring-fencing income from fines already being issues; etc.) rather than incur the high costs of establishing new facilities and services.

84. Where new/additional income sources and financial mechanism are being supported by the project (e.g. Trust Fund, PES scheme, corporate funding and new concessioning opportunities) these will be developed at the protected area system level in order to realise economies of scale.

85. Additional co-financing support for the introduction, scaling up and/or replication of viable financial mechanisms will continue to be targeted by the project during the project implementation phase.

86. Wherever possible, the project will use the competencies and technical skills within the mandated government institutions and other national agencies to implement project activities.

## PROJECT CONSISTENCY WITH NATIONAL PRIORITIES/PLANS

87. The project is fully aligned with the National Biodiversity Target 2 (‘provide adequate resources for biodiversity’) of the *National Biodiversity Strategy of Albania* for the period 2012-2020. It will specifically contribute to the Objective 2.1 ‘By 2020 at the latest, the financial resources for biodiversity from all sources should double compared to the average annual biodiversity funding for the years 2006-2010’ of the strategy.

88. The project will assist the GoA in responding to the critical need for ‘administrative capacity building of staff of protected areas administrations’ as identified in Albania’s *Fifth National Report to the CBD* (2014).

89. The project responds to a number of the key ‘financial and institutional challenges’ that are identified in the Albanian Rio + 20 Report, *A new path for the sustainable development: a green economy for Albania*.

90. Finally, the project will contribute to addressing one of the main priority issues for the successful implementation of the CBD – ‘little capacity to ...manage ... protected areas without external financial and technical support’ – that was identified in the *National Capacity Self-Assessment* (NCSA) Report for Albania (2006).

## **SUSTAINABILITY AND REPLICABILITY**

91. While the project may not be innovative at the regional or global scale, it will however introduce a portfolio of new, and currently untested, approaches at the national level to increase revenues for, and improve cost-efficiencies in, protected areas. These approaches will include; (i) ring-fencing income from fines, rental fees, usufruct fees, hunting fees and license fees collected by other organs of state in protected areas; (ii) negotiating conservation levies and/or turnover-based contributions from commercial enterprises operating in protected areas; (iii) securing biodiversity offsets (cash or in-kind) from fishing, farming and forestry activities taking place in protected areas; (iv) assessing the feasibility of a PES scheme linked to the value of public utility services provided by protected areas; (v) introducing seasonal income-generating opportunities (parking, seasonal pass, public facilities) at high use destinations (e.g. recreational beaches) in protected areas; and (vi) introducing more cost-effective fee collection mechanisms in protected areas.

92. Sustainability will be promoted by building the financial capabilities of the newly established National Agency of Protected Areas, specifically its capacity for budget management, financial control, performance management and financial accountability. This will be further supplemented by project support for: (i) preparing a Financial Plan for the protected area system; (ii) establishing a revolving Trust Fund for the protected area system; (iii) advocating an increase in government funding for protected areas; (iv) targeting additional focused donor funding support for protected areas; (v) reviewing and updating the pricing strategy and structure for protected area products and services; and (vi) developing a regulatory and institutional framework for the future concessioning/outsourcing of appropriate commercial developments and activities in protected areas. Finally, the project will promote the adoption of business planning processes in the ongoing preparation of protected area Management Plans (MP) and Annual Work Programs/Plans (AWP).

93. The selection of the portfolio of approaches to increase revenues for, and improve cost-efficiencies in, protected areas was premised on their realistic potential for scaling up. While it is plausible that a number of these approaches may either not be feasible or will take longer to develop because of their complexity, it is envisaged that all viable approaches will either be scaled up across the entire protected area system or will be replicated in a sub-set of protected areas where the approach is viable.

94. Each project output will include the documentation of lessons learnt from implementation of activities under the output, and a collation of the tools and templates (and any other materials) developed during implementation. The Project Coordinator will ensure the collation of all the project experiences and information. This knowledge database will then be made accessible to different stakeholder groups in order to support better future decision-making processes in protected areas and more consistent adoption of best practice.

## **Part III: Management Arrangements**

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### **PROJECT IMPLEMENTATION ARRANGEMENT**

95. The project will be implemented over a period of four years.
96. The UNDP Country Office (CO) will monitor the implementation of the project, review progress in the realization of the project outputs, and ensure the proper use of UNDP/GEF funds.
97. The project will be nationally implemented (NIM) by the Ministry of Environment (MoE) - and its subordinated public entities - in line with the Standard Basic Assistance Agreement (SBAA of 17 June, 1991).
98. The MoE will have the overall responsibility for achieving the project goal and objectives. The MoE will be directly responsible for creating the enabling conditions for implementation of all project activities. The MoE will designate a senior official to act as the Project Director (PD). The PD will provide the strategic oversight and guidance to project implementation.
99. The day-to-day administration of the project will be carried out by a national Project Coordinator (PC), with the support of part-time Field Coordinator (FC). The PC will liaise and work closely with all partner institutions to link the project with complementary national programs and initiatives. The PA will provide project administration support to the PC, as required.
100. The PC will be technically supported by contracted national and international service providers. Recruitment of specialist support services and procurement of any equipment and materials for the project will be done in accordance with relevant recruitment and procurement rules and procedures.
101. A Project Steering Committee (PSC) will be constituted to serve as the executive decision making body for the project.
102. The PC will produce an Annual Work Plan (AWP) to be approved by the PSC at the beginning of each year. These plans will provide the basis for allocating resources to planned project activities. Once the PSC approves the AWP, this will be sent to the UNDP Regional Technical Advisor for Biodiversity at the GEF Regional Coordinating Unit (RCU) for clearance. Once the AWP is cleared by the RCU, it will be sent to the UNDP/GEF Unit in New York for final approval and release of the funding. The PC will further produce quarterly operational reports and Annual Progress Reports (APR) for review by the PSC, or any other reports at the request of the PSC. These reports will summarize the progress made by the project versus the expected results, explain any significant variances, detail the necessary adjustments and be the main reporting mechanism for monitoring project activities.

### **FINANCIAL AND OTHER PROCEDURES**

103. The financial arrangements and procedures for the project are governed by the UNDP rules and regulations for National Implementation Modality (NIM). All procurement and financial transactions will be governed by applicable UNDP regulations under NIM.

## Part IV: Monitoring and Evaluation Plan and Budget

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### MONITORING AND REPORTING

104. The project will be monitored through the following Monitoring and Evaluation (M&E) activities.

#### *Project start-up:*

105. A Project Inception Workshop will be held within the first 2 months of project start with those with assigned roles in the project organization structure, UNDP Country Office (CO) and where appropriate/feasible regional technical policy and programme advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan.

106. The Inception Workshop should address a number of key issues including:

- a) Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of UNDP CO and the UNDP/GEF Regional Office vis-à-vis the project team. Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff will be discussed again, as needed.
- b) Based on the project results framework and the relevant GEF Tracking Tool, if appropriate, finalize the first AWP. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
- c) Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The Monitoring and Evaluation work plan and budget should be agreed and scheduled.
- d) Discuss financial reporting procedures and obligations, and arrangements for annual audit.
- e) Plan and schedule Project Steering Committee meetings. Roles and responsibilities of all project organization structures should be clarified and meetings planned. The first Project Steering Committee meeting should be held within the first 12 months following the inception workshop.

107. An Inception Workshop report is a key reference document and must be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

#### *Quarterly:*

108. Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.

109. Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high.

110. Based on the information recorded in Atlas, a Project Progress Report (PPR) can be generated in the Executive Snapshot.

111. Other ATLAS logs can be used to monitor issues, lessons learned etc. The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

#### *Annually:*

112. Annual Project Review/Project Implementation Reports (APR/PIR): This key report is prepared to monitor progress made since project start and in particular for the previous reporting period. The APR/PIR combines both UNDP and GEF reporting requirements.

113. The APR/PIR includes, but is not limited to, reporting on the following:

- Progress made toward project objective and project outcomes - each with indicators, baseline data and end-of-project targets (cumulative)
- Project outputs delivered per project outcome (annual).
- Lesson learned/good practice.
- AWP and other expenditure reports
- Risk and adaptive management
- ATLAS QPR
- Portfolio level indicators (i.e. GEF focal area tracking tools) are used by most focal areas on an annual basis as well.

*Periodic Monitoring through site visits:*

114. UNDP CO and the UNDP RCU will conduct visits to project sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Other members of the Project Steering Committee may also join these visits. A Field Visit Report/BTOR will be prepared by the CO and UNDP RCU and will be circulated no less than one month after the visit to the project team and Project Steering Committee members.

*Mid-term of project cycle:*

115. If deemed necessary, the project will undergo an independent Mid-Term Evaluation at the mid-point of project implementation. The Mid-Term Evaluation will determine progress being made toward the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Center (ERC).

116. The relevant GEF Focal Area Tracking Tools will also be completed during the mid-term evaluation cycle.

*End of Project:*

117. An independent Final Evaluation will take place three months prior to the final Project Steering Committee meeting and will be undertaken in accordance with UNDP and GEF guidance. The final evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The final evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/goals. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

118. The Final Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to PIMS and to the UNDP Evaluation Office Evaluation Resource Centre (ERC).

119. The relevant GEF Focal Area Tracking Tools will also be completed during the final evaluation.

120. During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

*Learning and knowledge sharing:*

121. Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums.

122. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

123. Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

*Communications and visibility requirements*

124. Full compliance is required with UNDP's Branding Guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>. Amongst other things, these guidelines describe when and how the UNDP logo needs to be used, as well as how the logos of donors to UNDP projects needs to be used. For the avoidance of any doubt, when logo use is required, the UNDP logo needs to be used alongside the GEF logo. The GEF logo can be accessed at: [http://www.thegef.org/gef/GEF\\_logo](http://www.thegef.org/gef/GEF_logo). The UNDP logo can be accessed at <http://intra.undp.org/coa/branding.shtml>.

125. Full compliance is required with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at: [http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08\\_Branding\\_the\\_GEF%20final\\_0.pdf](http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf). Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.

*Audit Clause:*

126. The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted according to UNDP financial regulations, rules and audit policies by the legally recognized auditor of the Government, or by a commercial auditor engaged by the Government.

## MONITORING AND EVALUATION BUDGET AND WORK PLAN

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Inception Workshop and Report	<ul style="list-style-type: none"><li>PC</li><li>UNDP CO, UNDP GEF</li></ul>	Indicative cost: 6,000	Within first two months of project start up
Measurement of Means of Verification of project results.	<ul style="list-style-type: none"><li>UNDP GEF RTA/PC will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members.</li></ul>	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"><li>PC</li></ul>	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans



Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
ARR/PIR	<ul style="list-style-type: none"> <li>▪ PC</li> <li>▪ UNDP CO</li> <li>▪ UNDP RTA</li> <li>▪ UNDP EEG</li> </ul>	None	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> <li>▪ PC</li> </ul>	None	Quarterly
Mid-term Evaluation <sup>19</sup>	<ul style="list-style-type: none"> <li>▪ PC</li> <li>▪ UNDP CO</li> <li>▪ UNDP RSC</li> <li>▪ External Consultants (i.e. evaluation team)</li> </ul>	Indicative cost: 22,000	At the mid-point of project implementation.
Final Evaluation	<ul style="list-style-type: none"> <li>▪ PC</li> <li>▪ UNDP CO</li> <li>▪ UNDP RSC</li> <li>▪ External Consultants (i.e. evaluation team)</li> </ul>	Indicative cost: 22,000	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> <li>▪ PC</li> <li>▪ UNDP CO</li> <li>▪ local consultant</li> </ul>	0	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> <li>▪ UNDP CO</li> <li>▪ PC</li> </ul>	Indicative cost: 5,000	At MTE and FE
Visits to field sites	<ul style="list-style-type: none"> <li>▪ UNDP CO</li> <li>▪ UNDP RSC (as appropriate)</li> <li>▪ Government representatives</li> </ul>	For GEF supported projects, paid from IA fees and operational budget	Yearly
TOTAL indicative COST <i>Excluding project staff (PC and PA) time and UNDP staff and travel expenses</i>		US\$ 55,000	

<sup>19</sup> The MTE is not a mandatory requirement, and will only be undertaken if considered necessary. If the MTE is not deemed necessary, the budget will be re-allocated to the implementation of activities under outcomes 1 and 2.

## Part V: Legal Context

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127. This document constitutes the ‘Project Document’ as referred to in the *Standard Basic Assistance Agreement* (SBAA dated 17 June, 1991). All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner”, as such term is defined and used in this document.

128. Consistent with the Article III of the Standard Basic Assistance Agreement (SBAA), the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

- put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- assume all risks and liabilities related to the implementing partner’s security, and the full implementation of the security plan.

129. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.

130. The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document.

## SECTION II: STRATEGIC RESULTS FRAMEWORK (SRF)

PROJECT OBJECTIVE AND OUTCOMES	INDICATOR	BASELINE	END OF PROJECT TARGETS	SOURCE OF INFORMATION	RISKS AND ASSUMPTIONS
<p><b>Project Objective:</b> To reduce the funding gap for protected areas in order to improve their management effectiveness, particularly in respect of reducing the threats to, and improving the conservation status of, their biodiversity values</p>	Financial sustainability score card for the PA system	16%	>30%:	Project review of Financial sustainability Scorecard.	<p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Government continues to view protected areas as a key investment strategy for meeting biodiversity conservation (and selected socio-economic development) targets.</li> <li>The MoE and NAPA ensure that a balance is maintained between the core biodiversity and heritage conservation mandate for protected areas and the sustainable use of these protected areas for tourism, recreation and natural resource harvesting purposes.</li> <li>The NAPA maintains independently audited annual financial statements</li> </ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>There are delays in the full establishment and operationalization of the National Agency of Protected Areas</li> <li>The GoA does not commit adequate funding to support the staffing, development and operational management of the protected area system</li> <li>The cumulative effect of climate change and unsustainable levels of natural resource use exacerbates habitat fragmentation and degradation in the terrestrial and marine ecosystems of the protected area system, further undermining their potential to generate increased revenue streams</li> </ul>
	Funding gap (of the 'functional management scenario') for the PA system	US\$5.15 million/ annum	<US\$4 million/ annum	Audited financial statements	
<p><b>Outcome 1:</b> Improved financial planning and management capacity of the protected area system.</p>	<p><b>Outputs:</b></p> <p>1.1. National planning framework for the PA system is prepared. 1.2. Financial planning and management capabilities of the NAPA are strengthened. 1.3. Capacity of NAPA to mobilize funding for the PA system is developed</p>				
	Capacity development score for the institution responsible for protected areas.	Systemic: 37% Institutional: 27% Individual: 31%	Systemic: 42% Institutional: 45% Individual: 42%	Project review of Capacity Development Scorecards	<p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Responsibilities for financial planning and management is delegated to protected area</li> </ul>

PROJECT OBJECTIVE AND OUTCOMES	INDICATOR	BASELINE	END OF PROJECT TARGETS	SOURCE OF INFORMATION	RISKS AND ASSUMPTIONS
	Strategic plan and financial plan for the PA system drafted and adopted	Strategic Plan: No Financial Plan: No	Strategic Plan: Yes Financial Plan: Yes	Formal record of approval and adoption	institutions. – Income from protected areas is retained (in part or in full) for re-investment back into the management of the protected area system. – The protected area institution maintains independently audited annual financial statements <b>Risks:</b> – There are delays in the full establishment and operationalization of the National Agency of Protected Areas – The GoA does not commit adequate funding to support the staffing, development and operational management of the protected area system
	Number of protected area staff trained in the financial policies and guidelines of the NAPA	0	>100	Annual report of NAPA	
	Number of protected area staff completing specialised, targeted short-course financial training and financial skills development programmes	0	15	Project training records Training reports of NAPA and the MoE	
	Total annual funding available for the planning and management of the PA system.	US\$ 2 million	>US\$ 5 million	Audited financial statements	
	Establishment of a protected area Trust Fund	No	Yes	Founding document/s of Trust Fund	
<b>Outcome 2:</b> <i>Increased revenue from individual protected areas.</i>	<b>Outputs:</b> 2.1. Commercial enterprises operating in DNP are contributing financially to the operational management costs of the park. 2.2. Park income is derived from fishing, farming and forestry in the natural resource zone of the DKNP. 2.3. Park revenue is collected from the summer influx of recreational users in the LKC.				
	Additional contributions from commercial enterprises operating in, benefiting from or linked to Dajti National Park	N/A	>US\$ 30,000/annum	Audited financial statements of DNP	<b>Assumptions:</b> – The protected area institution has the delegated legal authority to enforce payments for the use of, and delivery of services in, protected areas and the natural resources located in the protected areas. – The MoE will ensure that land tenure and use right arrangements in protected areas are not compromised by project activities. <b>Risks:</b> – The GoA does not commit adequate funding to support the staffing, development and operational management of the protected area
	Additional income from the fishing, farming and forestry activities in Divjaka-Karavasta National Park (DKNP)	N/A	>US\$ 10,000/annum	Audited financial statements of DKNP	
	Additional gross revenue from recreational visitors to the Llogara-Karaburuni complex (LKC)	N/A	>US\$ 20,000/annum	Audited financial statements of LKC	

PROJECT OBJECTIVE AND OUTCOMES	INDICATOR	BASELINE	END OF PROJECT TARGETS	SOURCE OF INFORMATION	RISKS AND ASSUMPTIONS
	Average METT score for three focal protected areas (DNP, DKNP, LKC)	39%	>47%	Project review of METT Scorecard	<p>system</p> <ul style="list-style-type: none"> <li>- The cumulative effect of climate change and unsustainable levels of natural resource use exacerbates habitat fragmentation and degradation in the terrestrial and marine ecosystems of the protected area system, further undermining their potential to generate increased revenue streams</li> </ul>

## SECTION III: TOTAL BUDGET AND WORKPLAN

GEF Outcome/ Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	ATLAS Budget Code	ATLAS Budget Description	Amount YEAR 1 (USD)	Amount YEAR 2 (USD)	Amount YEAR 3 (USD)	Amount YEAR 4 (USD)	TOTAL	#
<b>Component 1</b> Strengthen the capacity of NAPA to effectively plan, secure and administer funds for the PA system	NIM	62000	GEF- 10003	71200	International Consultants	12 000	12 000	12 000	12 000	48 000	1
				71300	Local Consultants	16 000	16 000	13 000	13 000	58 000	2
				71400	Contractual Services - Individuals	27 000	27 000	27 000	27 000	108 000	3
				71600	Travel	13 000	13 000	13 000	13 600	52 600	4
				72100	Contractual Services - Companies	50 000	80 000	80 000	57 000	267 000	5
				72400	Communic. & Audio Visual equip.	1 000	1 000	1 000	1 000	4 000	8
				72800	Information Technology equip.	14 000	38 000	12 000	0	64 000	9
				73100	Rental and Maint. - premises	5 000	5 000	5 000	5 000	20 000	10
				74100	Professional Services	0	2 500	2 500	2 500	7 500	11
				74200	Audio visual and printing prod.	6 000	12 000	4 000	3 000	25 000	12
				75700	Conference & events	6 000	11 500	17 000	2 000	36 500	13
<b>TOTAL COMPONENT 1</b>						<b>150 000</b>	<b>218 000</b>	<b>186 500</b>	<b>136 100</b>	<b>690 600</b>	
<b>Component 2</b> Implement a suite of mechanisms to improve revenue streams in individual protected areas	NIM	62000	GEF- 10003	71200	International Consultants	0	6 000	6 000	6 000	18 000	14
				71300	Local Consultants	23 000	25 000	26 000	26 000	100 000	15
				71400	Contractual Services - Individuals	27 000	27 000	27 000	27 000	108 000	16
				71600	Travel	3 500	4 000	4 000	2 500	14 000	17
				72100	Contractual Services -Companies	42 000	53 000	60 000	42 000	197 000	18
				72400	Communic. & Audio Visual equip	1 000	1 000	1 000	1 000	4 000	21
				72600	Grants	0	10 000	12 000	12 000	34 000	22
				72800	Information Technology equip.	0	36 000	48 000	12 000	96 000	23
				73100	Rental and Maint. - premises	5 000	5 000	6 000	6 400	22 400	24
				74100	Professional Services	0	2 000	2 500	2 500	7 000	25
<b>TOTAL COMPONENT 2</b>						<b>100 500</b>	<b>170 000</b>	<b>192 500</b>	<b>137 400</b>	<b>600 400</b>	
<b>Project Management</b>	NIM	62000	GEF- 10003	64398	Direct Project Cost	30 000	32 000	33 000	30 000	125 000	26
				74500	Miscellaneous expenses	1 000	1 200	1 000	800	4 000	31
				<b>TOTAL PROJECT MANAGEMENT</b>						<b>31 000</b>	<b>33 200</b>
<b>TOTAL PROJECT</b>						<b>282 500</b>	<b>420 200</b>	<b>413 000</b>	<b>304 300</b>	<b>1 420 000</b>	

<b>Summary of Funds:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>TOTAL</b>
<b>GEF</b>	<b>281 500</b>	<b>421 200</b>	<b>413 000</b>	<b>304 300</b>	<b>1 420 000</b>
<b>CO-FINANCING</b>					
Ministry of Environment	1 900 000	2 100 000	2 120 000	800 000	6 920 000
UNDP	20 000	30 000	30 000	20 000	100 000
<b>SUB-TOTAL (Co-financing)</b>	<b>1 920 000</b>	<b>2 130 000</b>	<b>2 150 000</b>	<b>820 000</b>	<b>7 020 000</b>
<b>TOTAL (Co-financing + GEF)</b>	<b>2 201 500</b>	<b>2 551 200</b>	<b>2 563 000</b>	<b>1 124 300</b>	<b>8 440 000</b>

**Budget Notes:**

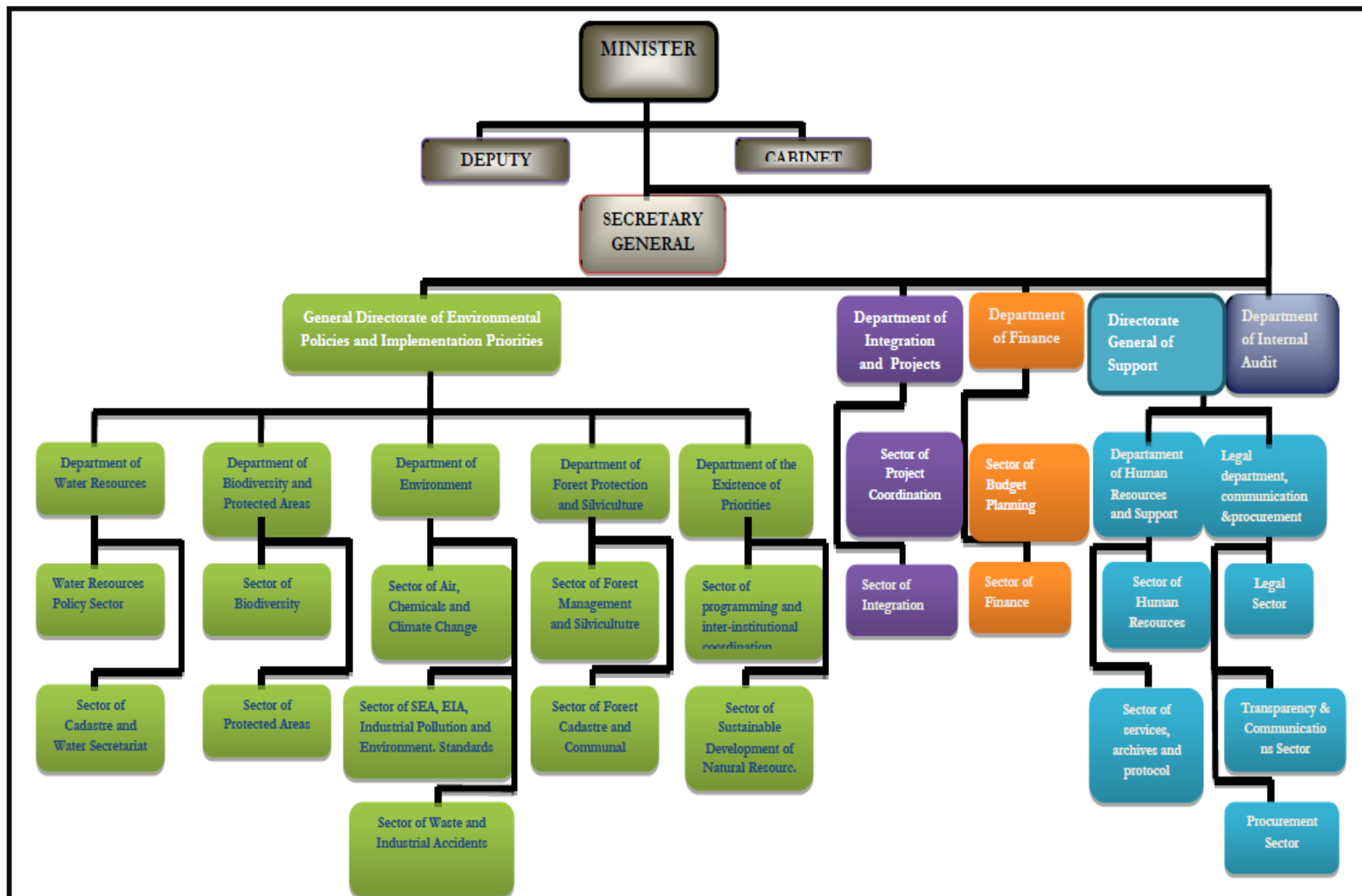
<b>Budget #</b>	<b>Budget notes</b>
1	Contractual appointment of: (i) an international expert to assist in the development of National Planning Framework for the PA system in Albania (Output 1.1); (ii) an international expert to assist in the establishment of a PA Trust Fund (Output 1.3); (iii) <i>pro rata</i> (50%) costs of an international mid-term evaluation consultant (M&E); and (iv) <i>pro rata</i> (50%) costs of an international final evaluation consultant (M&E).
2	Contractual appointment of: (i) a local expert on financial planning systems (Output 1.2); (ii) a local expert on Trust Fund establishment (Output 1.3); (iii) <i>pro rata</i> (50%) costs of a local mid-term evaluation consultant (M&E); and (iv) <i>pro rata</i> (50%) costs of a local final evaluation consultant (M&E).
3	<i>Pro rata</i> costs of the contractual appointment of a Project Coordinator, local Field Coordinator and a Project Assistant.
4	Travel costs (DSA, fuel, car hire, etc.) associated with: (i) the participation of administrative PA staff in the preparation strategic financial plan (Output 1.1); (ii) the preparation of TNA and training courses (Output 1.2); and (iii) stakeholder consultations (Output 1.3). <i>Pro rata</i> (50%) local travel costs and DSA of international consultants (M&E). Travel costs (DSA, car hire, car subsidy, fuel, etc.) of the field coordinator and Project Coordinator to support implementation of outputs under component 1.
5	Contractual appointment of companies/ service providers/ consortia to: (i) develop the National Planning Framework for the PA system (Output 1.1); (ii) support the development and implementation of a financial training program for PA staff (Output 1.2); (iii) organize exchange programmes and study visits for PA staff (Outputs 1.2 and 1.3); (iv) profile the products, services and facilities provided in/by PAs and develop the pricing strategy (Output 1.3); (v) conduct a feasibility assessment of outsourcing, concessioning, leasing and/or co-management in PAs (Output 1.3); and (vi) assess the efficiency of fee collection mechanisms and implementing the pricing strategy for products/ services in PAs (Output 1.3).
8	Costs of cell phone contracts and call costs of the local Field Coordinator and Project Coordinator in supporting implementation of outputs under component 1.
9	Costs of equipment for NAPA to implement the financial strategy (hardware, software, networking) (output 1.2). <i>Pro rata</i> (50%) costs of procuring laptops, software licenses, portable hard drive, router, printers, 3G cards, data projector and ISP contract for project Field Coordinator.
10	<i>Pro rata</i> (50%) costs of rental of dedicated office space for Project Coordinator.
11	<i>Pro rata</i> (50%) costs of: (i) translation and meeting costs for inception meeting (M&E); and (ii) annual audits of project (M&E).
12	Costs to design, print and/or publish: (i) resource materials (manuals, maps, presentations, reports, etc.) associated with strategic and financial plan for NAPA (Output 1.1); and (ii) financial training materials and/or manuals (Output 1.2).
13	Costs of meetings and stakeholder consultations (including venue hire, equipment hire, printed materials, meals, drinks, etc.) (Outputs 1.1 – 1.3).

14	<i>Pro rata</i> (50%) costs of contracting the services of: (i) an international mid-term evaluation consultant (M&E); and (ii) an international final evaluation consultant (M&E).
15	(a) Costs of the contractual appointment of financial advisors to support the development and implementation of a user tariff system in the three target PAs (Outputs 2.1 – 2.3); and (b) <i>pro rata</i> (50%) costs of contracting the services of: (i) a local mid-term evaluation consultant (M&E); and (ii) a local final evaluation consultant (M&E).
16	<i>Pro rata</i> costs of the contractual appointment of a Project Coordinator, three local Field Coordinator and a Project Assistant.
17	<i>Pro rata</i> (50%) of local travel costs and DSA of international consultants (M&E). Travel costs (DSA, car hire, car subsidy, fuel, etc.) of the project Field coordinator and Project Coordinator to support implementation of outputs under component 2.
18	Contractual appointment of companies/ service providers/ consortia to: (i) consultatively assess/ review the current contracts/ agreements and fees in DNP (Output 2.1); (ii) consultatively identify opportunities for income from advertising activities in DNP (Output 2.1); (iii) consultatively assess/ review income opportunities from natural resource use in DKNP (Output 2.2); (iv) consultatively assess the feasibility of implementing a day-visitor pay pass system, and associated recreational facilities and services, for L-K PA complex (Output 2.3); (vi) upgrade the large parking areas in the L-K PA complex (Output 2.3).
21	Costs of cell phone contracts and call costs of the Project Coordinator and field coordinator in supporting implementation of outputs under component 2.
22	The legal and administrative costs of negotiating a grant agreement with Tirana Water Supply Enterprise to pilot a water conservation levy (Output 2.1).
23	Costs of equipment (hardware, financial software, network infrastructure, etc.) to support the implementation of user tariff systems in DNP (Output 2.1), DKNP (Output 2.2) and the L-K PA complex (Output 2.3).
24	<i>Pro rata</i> costs (50%) of rental of dedicated office space for the Project Coordinator.
25	<i>Pro rata</i> (50%) costs of: (i) translation and meeting costs for inception meeting (M&E); and (ii) annual audits of project (M&E).
26	UNDP CO costs for the provision of administrative support (part-time administrative assistant) and professional financial, procurement and human resource management services to the project
31	Miscellaneous expenses, including bank charges.



## SECTION IV: ADDITIONAL INFORMATION

### Part I: Organogram of the Ministry of Environment



## **PART II: Terms of Reference for project staff**

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### **PROJECT COORDINATOR (FULL-TIME)**

#### Background

The Project Coordinator will be locally recruited, based on an open competitive process. He/she will be responsible for the overall management of the project, including the mobilization of all project inputs, supervision over project staff, consultants and sub-contractors. The Project Coordinator will report to the UNDP Environment and Energy Programme Officer. From the strategic point of view of the project, the Project Coordinator will report on a periodic basis to the Project Steering Committee (PSC). Generally he/she will be responsible for meeting government obligations under the project, under the national implementation modality (NIM). The incumbent will perform a liaison role with the Government, UNDP, implementing partners, NGOs and other stakeholders, and maintain close collaboration with any donor agencies supporting project activities.

#### Duties and Responsibilities

- Supervise and coordinate the production of project outputs, as per the project document;
- Mobilize all project inputs in accordance with procedures for nationally implemented projects;
- Coordinate the recruitment and selection of project personnel;
- Supervise and coordinate the work of all project staff, consultants and sub-contractors;
- Prepare and revise project work and financial plans;
- Liaise with UNDP, relevant government agencies, and all project partners, including donor organizations and NGOs for effective coordination of all project activities;
- Facilitate administrative backstopping to subcontractors and training activities supported by the project;
- Oversee and ensure timely submission of the Inception Report, Combined Project Implementation Review/Annual Project Report (PIR/APR), Technical reports, quarterly financial reports, and other reports as may be required by UNDP, GEF, MoE and other oversight agencies;
- Disseminate project reports and respond to queries from concerned stakeholders;
- Report progress of project to the PSC, and ensure the fulfilment of PSC directives;
- Oversee the exchange and sharing of experiences and lessons learned with relevant community based integrated conservation and development projects nationally and internationally;
- Ensure the timely and effective implementation of all components of the project;
- Assist relevant government agencies and project partners - including donor organizations and NGOs - with development of essential skills through training workshops and on the job training thereby upgrading their institutional capabilities;
- Coordinate and assist the NAPA with the initiation and implementation of project activities; and
- Carry out regular, announced and unannounced inspections of all sites and project-funded activities.

### **LOCAL FIELD COORDINATOR (PART-TIME)**

#### Background

The Field Coordinator will be locally recruited, based on an open competitive process. He/she will be responsible for supporting the implementation of all field-based project activities in the targeted protected areas. The Field Coordinator will report to the Project Coordinator for all of the project's substantive and

administrative issues. Generally he/she will be responsible for assisting the field staff of the protected area in meeting their field-based obligations under the project. The incumbent will perform a communication and liaison role with the user groups, tenure holders, NGOs, research institutions, academic institutions and all other key stakeholders, and maintain close collaboration with any complementary local initiatives and programs. The Field Coordinator will assist the Project Coordinator in reporting, on a periodic basis, to the PSC.

### Duties and Responsibilities

- Support the work of all field-based project staff, consultants and sub-contractors;
- Liaise with all relevant field-based government agencies, and all project partners, including donor organizations and NGOs for effective coordination of all project activities;
- Facilitate technical backstopping to field-based subcontractors, stakeholder consultation processes and training activities supported by the Project;
- Provide inputs into the Project Implementation Review/Annual Project Report (PIR/APR), Technical reports, quarterly financial reports, and other reports as may be required by the PC;
- Report progress of project to the PC;
- Document all field-based experiences and lessons learned;
- Ensure the timely and cost-effective implementation of all components of the project;
- Assist relevant government agencies and project partners - including donor organizations and NGOs - with development of essential skills through training workshops and on the job training thereby upgrading their institutional capabilities;
- Coordinate and assist scientific and academic institutions with the initiation and implementation of any field studies and monitoring components of the project; and

## PROJECT ASSISTANT (PART-TIME)

### Background

The Project Assistant (PA) will be locally recruited based on an open competitive process. He/she will be responsible for the overall administration of the project. The Project Assistant will report to the Project Coordinator. Generally, the Project Assistant will be responsible for supporting the Project Coordinator in meeting government obligations under the project, under the national implementation modality (NIM).

### Duties and Responsibilities

- Collect, register and maintain all information on project activities;
- Contribute to the preparation and implementation of progress reports;
- Monitor project activities, budgets and financial expenditures;
- Advise all project counterparts on applicable administrative procedures and ensures their proper implementation;
- Maintain project correspondence and communication;
- Support the preparations of project work-plans and operational and financial planning processes;
- Assist in procurement and recruitment processes;
- Assist in the preparation of payments requests for operational expenses, salaries, insurance, etc. against project budgets and work plans;
- Follow-up on timely disbursements by UNDP CO;
- Receive, screen and distribute correspondence and attach necessary background information;

- Prepare routine correspondence and memoranda for Project Coordinator’s signature;
- Assist in logistical organization of meetings, training and workshops;
- Prepare agendas and arrange field visits, appointments and meetings both internal and external related to the project activities and write minutes from the meetings;
- Maintain a project filing system;
- Maintain records over project equipment inventory; and
- Perform other duties as required.

## OTHER CONSULTANTS/ CONTRACTED INDIVIDUALS

<i>Post</i>	<i>Indicative \$/person/ week</i>	<i>Estimated person weeks</i>	<i>Tasks to be performed</i>
<b>National</b>			
Financial specialist	1000	36	<u>Output 1.2</u> – Provide professional financial systems management advice and support to NAPA in the development of its medium-term financial and business plans, annual budgets, financial controls and accounting systems.
Trust fund development expert	1000	18	<u>Output 1.3</u> – Provide technical support to, and administrative assistance in, the establishment of a revolving Trust Fund for the protected area system.
Financial technical advisors (3)	1000	96	<u>Outputs 2.1, 2.2 and 2.3</u> – Support the development and implementation of a user tariff system – lease and use rights fees in DNP; natural resource use in DKNP; and tourism and recreational use in LK PA complex) - in the three target PAs
Evaluation experts for mid-term <sup>20</sup> (1) and final (1) evaluation	1000	8	<u>M&amp;E</u> The standard UNDP/GEF project evaluation TOR will be used. This will include: supporting the mid-term and the final evaluations; assisting the international evaluation consultant in order to assess the project progress, achievement of results and impacts; supporting the drafting of the evaluation report and discussing it with the project team, government and UNDP; and as necessary, participating in discussions to extract lessons for UNDP and GEF.
<b>International</b>			
Protected Area system planning expert	3000	8	<u>Output 1.1</u> – Based on the information provided by the national experts and workshops held with staff, compile (i) an overarching medium-term strategic plan for the NAPA, (ii) a medium-term financial plan for the PAS and (iii) a set of operational policies and guidelines for the PAS.
Trust Fund development expert	3000	2	<u>Output 1.3</u> – Provide professional leadership in, and technical support to, the establishment of a revolving Trust Fund for the protected area system.
Evaluation experts for mid-term <sup>21</sup> (1) and final (1) evaluation	3000	12	<u>M&amp;E</u> The standard UNDP/GEF project evaluation TOR will be used. This will include: leading the mid-term and the final evaluations; working with the local evaluation consultant in order to assess the project progress, achievement of results and impacts; developing the draft evaluation report and discussing it with the project team,

<sup>20</sup> A MTE is not mandatory and will only be undertaken if it is considered necessary.

<sup>21</sup> A MTE is not mandatory and will only be undertaken if it is considered necessary.

			government and UNDP; and as necessary, participating in discussions to extract lessons for UNDP and GEF.
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Complete and more thorough ToRs for these positions will be developed by the Project Coordinator, once recruited.

### **PART III: Letters of co-financing commitment**

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*[Refer to separate files for individual letters]*

<i>Name of Co-financier</i>	<i>Date</i>	<i>Amounts mentioned in letters</i>	<i>Amounts considered as project co-financing (USD)</i>
Ministry of Environment (MoE)	17 June, 2015	US\$6,920,000 (EUR 6 million + US\$200,000)	6,920,000
UNDP Albania	25 June, 2015	US\$100,000	100,000
<b>TOTAL</b>			<b>7,020,000</b>

## PART IV: GEF-UNDP Scorecards

[Refer to separate files for individual scorecards]

<b>Scorecard</b>
1. Capacity Assessment Scorecard - Department of Biodiversity and Protected Areas (in the MoE)*
2. Financial Sustainability Scorecard
3. Management Effectiveness Tracking Tool (METT) - Dajti National Park (DNP); Divjaka-Karavasta National Park (DKNP); and (iii) the Llogara-Karaburuni protected area Complex (LKC)

\* Summary table of Capacity Assessment Scorecard

Strategic Areas of Support	Systemic			Institutional			Individual			Average %
	Project Scores	Total possible score	%	Project Scores	Total possible score	%	Project Scores	Total possible score	%	
(1) Capacity to conceptualize and develop sectoral and cross-sectoral policy and regulatory frameworks	3	6	50%	1	3	33%	N/A	NA	NA	42%
(2) Capacity to formulate, operationalise and implement sectoral and cross-sectoral programmes and projects	3	9	33%	5	27	19%	3	12	25%	26%
(3) Capacity to mobilize and manage partnerships, including with the civil society and the private sector	2	6	33%	1	6	17%	1	3	33%	28%
(4) Technical skills related specifically to the requirements of the SPs and associated Conventions	1	3	33%	1	3	33%	1	3	33%	33%
(5) Capacity to monitor, evaluate and report at the sector and project levels	2	6	33%	2	6	33%	1	3	33%	33%
<b>TOTAL Score and average for %'s</b>	<b>11</b>	<b>30</b>	<b>37%</b>	<b>10</b>	<b>45</b>	<b>27%</b>	<b>6</b>	<b>21</b>	<b>31%</b>	<b>32%</b>

## **PART V: Social and Environmental Screening Template**

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## **SIGNATURE PAGE**

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### **Country: Albania**

(To be completed after GEF CEO Endorsement)