AP65/2023)833934

EUROPEAN UNION
CONTRIBUTION AGREEMENT

IPA/2023/451624
(the "Agreement")

The European Union, represented by the European Commission (the "**Contracting Authority**"), first counterparty,
and

United Nations Development Programme (UNDP),
International Organisation
One UN Plaza, 10017 – New York, USA,
hereinafter the "**Organisation**",

second counterparty, (individually a "Party" and collectively the "Parties") have agreed as follows:

SPECIAL CONDITIONS

Article 1 - Purpose

1.1 The purpose of this Agreement is to provide a financial contribution to finance the implementation of the action "*EU for Prespa - Restoration of natural resources and enhancing sustainable agriculture and tourism*" as described in Annex I (the "Action"). This Agreement establishes the rules for the implementation and for the payment of the EU Contribution and defines the relations between the Organisation and the Contracting Authority.

1.2 The Action is fully financed by the EU Contribution.

1.3 The Organisation declares that no substantial changes, which have not already been communicated to the Commission, affect the rules and procedures which have been subject to the Ex-ante Pillar-Assessment.

In the performance of the activities, the Organisation shall:

- Apply its own rules and procedures for the award and management of Procurement Contracts which have been assessed in the Ex-ante Pillar Assessment, and
- Apply its own rules and procedures for the award and management of Grants, which have been assessed in the Ex-ante Pillar Assessment.

1.4 The Action is financed under Instrument for Pre-accession Assistance (IPA III).

1.5 The Organisation shall provide a management declaration in accordance with Articles 3.10 of Annex II with every progress and final report.

1.6 This Agreement is subject to the provisions of the Financial and Administrative Framework Agreement between the European Union, represented by the European Commission, and the United Nations, concluded on 29 April 2003 and amended on 26 February 2014 and on 31 December 2018 (hereinafter referred to as 'the EU-UN FAFA').

Article 2 - Entry into Force and Implementation Period

Entry into Force

2.1 The Agreement shall enter into force on the date when the last Party signs.

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Implementation Period

2.2 The implementation period of the Agreement (the "Implementation Period") shall commence on the day when the last Party signs.

2.3 The Implementation Period of the Agreement is 42 months.

Article 3 - Financing the Action

3.1 The total cost of the Action is estimated at EUR ("Currency of the Agreement") 2 780 000, as set out in Annex III. The Contracting Authority undertakes to provide a contribution up to a maximum of EUR 2 780 000 (the "EU Contribution").

The final amount will be established in accordance with Articles 16 to 18 of Annex II.

Remuneration

3.2 The remuneration of the Organisation by the Contracting Authority for the activities to be implemented under this Agreement shall be 7% of the final amount of eligible direct costs of the Action to be reimbursed by the Contracting Authority.

Interest on pre-financing

3.3 Interest generated on pre-financing shall not be due.

Article 4 - Payment Arrangements and Reporting

4.1 The pre-financing rate is 100%.

4.2 Payments shall be made in accordance with Article 17 of Annex II. The following amounts are applicable, all subject to the provisions of Annex II:

First pre-financing instalment: EUR 608 701.97

Further pre-financing instalments: EUR 2 171 298.03 following the end of the 1st and 2nd reporting periods[1] corresponding to the Contracting Authority's part of the forecast budget for the subsequent 12 and 18 months, respectively.

Forecast balance of the final amount of the EU Contribution, if any (subject to the provisions of Annex II: EUR 0.00

4.3 The Organisation acknowledges that the European Commission intends to progressively introduce an Electronic Exchange System pursuant to the EU Financial Regulation, accessible via the Single Electronic Data Interchange Area (SEDIA) portal, the "EU Funding & Tender Opportunities" portal (the "System"), for the electronic management of this Agreement.

The European Commission shall inform the Organisation at least three months prior to the date on which other documents and processes related to this Agreement (including reports, electronic payment requests and communications) are to be processed via the System.

Notwithstanding the above the Organisation shall submit the information referred to in Article 3.7 b) of Annex II via the System for all reports under this Agreement.

Article 5 – Communication language and contacts

5.1 All communications to the Contracting Authority in connection with the Agreement, including reports referred to in Article 3 of Annex II, shall be in English.

5.2 Subject to Article 4.3, any communication relating to the Agreement shall be in writing, shall state the Contracting Authority's contract number and the title of the Action, and shall be dispatched to the addresses below.

[1] Unless otherwise provided for in the Special Conditions, the reporting period is every 12 months as from the commencement of the Implementation Period.

5.3 Subject to Article 4.3, any communication relating to the Agreement, including payment requests and attached reports, and requests for changes to bank account arrangements shall be sent to:

For the Contracting Authority

Delegation of European Union to the Republic of North Macedonia
For the attention of: Head of Finance, Contracts and Audit Section
Sv. Kiril i Metodij 52b
1000 Skopje, The Republic of North Macedonia
DELEGATION-NORTH-MACEDONIA-OSCAD@eeas.europa.eu

Copies of the documents referred to above, and correspondence of any other nature, shall be sent to:

Delegation of European Union to the Republic of North Macedonia
For the attention of: Head of Cooperation Section
Sv. Kiril i Metodij 52b
1000 Skopje, The Republic of North Macedonia
DELEGATION-NORTH-MACEDONIA-OSCAD@eeas.europa.eu
For the Organisation UNDP Resident Representative
St. Jordan Hadzi Konstantinov Dzinot 23
1000 Skopje, The Republic of North Macedonia
registry.mk@undp.org

5.4 Ordinary mail shall be deemed to have been received on the date on which it is officially registered at the address referred to above.

5.5 The contact point within the Organisation, which shall have the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate the latter's operational activities shall be:

Office of Audit and Investigations, Head of Investigation Section, United Nations Development Programme, One United Nations Plaza, DCI Building 4th Floor, New York, NY 10017, USA.

5.6 All exchanges concerning the Early Detection and Exclusion System shall take place between the Contracting Authority and the authorised person designated by the Organisation, which is:

UNDP Resident Representative, Mr. Armen Grigoryan
St. Jordan Hadzi Konstantinov Dzinot 23, 1000, Skopje
armen.grigoryan@undp.org

Article 6 - Annexes

6.1 The following documents are annexed to these Special Conditions and form an integral part of the Agreement:

Annex I: Description of the Action (including the Logical Framework of the Action)
Annex II: General Conditions for Contribution Agreements
Annex III: Budget for the Action
Annex IV: Financial Identification Form
Annex V: Standard Request for Payment
Annex VI: Management Declaration template

6.2 In the event of a conflict between these Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II and those of the other Annexes, the provisions of Annex II shall take precedence.

Article 7 – Additional specific conditions applying to the Action

7.1 The following shall supplement Annex II:

7.1.1 Where the implementation of the Action requires the setting up or the use of one or more project offices, the Organisation and/or the Partner(s) may declare as eligible direct costs the capitalised and operating costs of the structure if all the following conditions are fulfilled:

a) They comply with the cost eligibility criteria referred to in Article 16.1 of Annex II;

b) They fall within one of the following categories:
   i) costs of staff, including administration and management staff, directly assigned to the operations of the project office. The tasks listed in the Description of the Action (Annex I), undertaken by staff assigned to the project office will be directly attributable to the implementation of the Action.
   ii) travel and subsistence costs for staff and other persons directly assigned to the operations of the project office;
   iii) depreciation costs, rental costs or lease of equipment and assets composing the project office.
   iv) costs of maintenance and repair contracts specifically awarded for the operations of the project office;
   v) costs of consumables and supplies specifically purchased for the operations of the project office;
   vi) costs of IT and telecommunication services specifically purchased for the operations of the project office;
   vii) costs of energy and water specifically supplied for the operations of the project office;
   viii) costs of facility management contracts including security fees and insurance costs specifically awarded for the operations of the project office;

c) Where costs of the project office are declared as actual costs, the Organisation and/or the Partner(s) may declare as eligible only the portion of the capitalised and operating costs of project office that corresponds to the duration of the Action and the rate of actual use of the project office for the purposes of the Action.

d) Costs of the project office not declared as actual costs are only eligible if they have been ex ante-assessed by the European Commission.

7.1.2 VAT/ taxes, duties and charges are not eligible.

Done in Skopje in three originals in the English language, two for the Contracting Authority and one for the Organisation.

For the Organisation		**For the Contracting Authority**	
Name	Armen GRIGORYAN	Name	David GEER
Position	Resident Representative	Position	Head of Delegation
Signature		Signature	
Date	11 Dec. 2023	Date	6/XII/23

Annex I - Description of Action

"EU for Prespa - Restoration of natural resources and enhancing sustainable agriculture and tourism"

Brief Description
The objective of the overall Action "EU for Prespa" is to promote the Green Agenda for the Western Balkans in the transboundary Prespa Lake area in line with the "no persons and regions left behind". The Specific Objective of the Project "Restoration of natural resources and enhancing sustainable agriculture and tourism" is to instigate a significant change in practices and behaviour among policy makers at local level, farmers, private sector, CSO and citizens regarding the management of and the sustainable use of natural resources in the Prespa region which will result in improved quality of life and contribute to economic development by emerging "green" pathways to growth. The EU investments will contribute to the preservation of the natural capital and restore the damaged ecosystem of Macro Prespa Lake to good ecological status, in line with EU standards. The measures will address the pollution of water and soil, protect endangered species and encourage the sustainability of the local economic and agricultural practices. The farmers, households, and small businesses will be supported to apply good agricultural practices, create small chain value, and invest in sustainable tourism services and products respectively. The Project shall also enhance the cross-border cooperation by supporting the creation of a new vision for sustainable development of the Prespa Lakes region. This overall goal of the Project will be achieved through three outcomes: Outcome 1: The ecological system in Prespa Lake area preserved and improved Outcome 2: Sustainable economic activities in Prespa area boosted Outcome 3: Enhanced cross-border cooperation The main Project partners and beneficiaries are the Municipality of Resen, farmers and farmer associations, households and entities engaged in sustainable tourism from the Prespa region. The Project shall be implemented in close collaboration with the Ministry of Agriculture, Forestry and Water Economy, the Ministry of Environment and Physical Planning and the Prespa Park Management Committee.

I. ABBREVIATIONS

ACP- Advisory Committee on Procurement
APDA - Agency for the Promotion and Development of Agriculture
AWP – Annual Work Plan
B&B – Bed and Breakfast
BMWK - German Federal Ministry of Economic Affairs and Climate Action
CAP - Contracts, Assets and Procurement Committee
CBA – Capacity Building Activities
CBC – Cross Border Cooperation
CNVP - Connecting Natural Values & People Foundation
CO – Country Office
CPD – Country Programe Document
CSO – Civil Society Organization
DCM – Data Collection Methods
DIM - Direct Implementation Modality
DOO – Limited Liability Company
DPC - Direct Project Costs
EFWS - Early Forecast Warning System
EIA - Environmental Impact Assessment
ERM - Enterprise Risk Management
EU – European Union
EUD – European Union Delegation
EU4EG – European Union for Economic Growth
FAFA - Financial and Administrative Framework Agreement
FAO – Food and Agriculture Organization
GAP - Good Agriculture Practices
GEF - Global Environment Facility
GEN – Gender Marker
GMS - General Management Services
HACT - Harmonized Approach to Cash Transfer
HBI - Hydrobiological Institute
HQ – Head Quarters
ICP - Integrated Crop Protection
IME - Increasing Market Employability
IPA - Instrument for Pre-Accession Assistance
IPARD - Instrument for Pre-access Rural Development Programmes
IPM - Integrated Pest Management
IT – Information Technology
IUCN – International Union for Conservation of Nature
IWEM – Integrated Water Resources Management
LAG – Local Action Group
MedWet - Mediterranean Wetlands Initiative
M&E – Monitoring and Evaluation
MoEPP – Ministry of Environment and Physical Planning
MSME – Micro Small and Medium Enterprises
NIPAC – National Instrument for Pre-access Coordinator

NPSA - National Personnel Services Agreement
NTFP - Non-timber Forest Products
OAI - Office of Audit and Investigations
PONT – Prespa-Ohrid Nature Trust
PPCC - Prespa Park Coordination Committee
PPMC - Prespa Park Management Committee
PR – Public Relations
PWC - Prespa Women Cooperative
RACP - Regional Advisory Committee on Procurement
SC – Steering Committee
SDC - Swiss Agency for Cooperation and Development
SDG – Sustainable Development Goals
SESP – Social and Environmental Screening Procedure
SES - Social and Environmental Standards
SFSC - Short Food Supply Chains
SIDA - Swedish International Development Cooperation Agency
SRM - Stakeholder Response Mechanism
TOR – Terms of Reference
UNDP – United Nations Development Programme
UNESCO – United Nations Educational, Scientific and Cultural Organization
UNSDCF – United Nations Sustainable Development Cooperation Framework
UNSMS - United Nations Security Management System
WFD - Water Framework Directive
WGWM - Working Group on Water Management

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I. DEVELOPMENT CHALLENGE

Prespa Lake Park consists of two interlinked lakes - Micro and Macro Prespa, shared among 3 countries: Greece, Albania and North Macedonia. Unresolved historical and political issues have impeded for long time the three countries to find sustainable solutions to the common environment and economic challenges. The Prespa Agreement between Greece and North Macedonia, signed on the Prespa Lake's shores on 17 June 2018, has opened an important window of opportunity for reviving transboundary cooperation. It also created a favourable political context for the implementation of the International Agreement for the Protection and Sustainable Development of the Prespa Park Region signed in 2010 between the three countries and the EU. In May 2019, thanks to the new momentum, this Agreement has officially entered into force paving the way for the establishment of operational transboundary institutions. As a signatory of this agreement, the EU has committed to cooperate with the national authorities to ensure an integrated protection of the ecosystem and the sustainable development of the Prespa Park Area[1]. The Action "EU for Prespa" allows the EU, jointly with UNDP, to deliver on this commitment.

Environmental context

The Prespa Lake is among the oldest lakes in Europe and is considered among the most important wetlands in the Mediterranean, featuring very high diversity of habitats and species, high endemism, and hosting important populations of rare and threatened species. At national level, the Prespa Lake catchment encompasses 4 protected areas: the Prespa Lake Monument of Nature, "Ezerani" Strict Nature Reserve (natural wetland entirely within the Prespa basin and designated as Emerald site), the Galichica National Park (included in the boundaries of the World Natural and Cultural Heritage of the Ohrid region, inscribed on the UNESCO World Nature and Cultural Heritage List) and the Pelister National Park (designated as Emerald site, Important Plant Area and Prime Butterfly Area). At international level, a Transboundary Prespa Park was established in 2000 and covers around 1370 km2, half of which within North Macedonia. On the Greek side, a large share of the Prespa Park is designated as NATURA 2000 site. Both the Micro and Macro Prespa Lakes have been declared Ramsar sites. The parts of Albania and North Macedonia of the catchment are included also in the Ohrid-Prespa Transboundary Biosphere Reserve.

Socio-economic context

The population of the Transboundary Prespa Park area reaches 24,000 inhabitants, out of whom about 14,737 (7,190 male and 7, 183 female) are in North Macedonia (Census 2021)[2]. The side of North Macedonia is included administratively in the territory of the Municipality of Resen, which encompasses 1 urban (Resen) and 43 rural settlements. Approximately 23% of the administrative area is agricultural land (arable); 2% is urban areas; 27% is protected area included in the three existing national parks and the remaining 48% is mainly forests and pastures outside the National Parks. Around 500 businesses are registered in the territory of the Municipality of Resen, with the most important being in food processing, the textile industry, tourism and trade.

The major economic activity is agriculture. The sector is dominated by apple orchards (500 ha), cereals (1,200 ha), potatoes (200 ha), peppers (120 ha) and onion and garlic (100 ha). Only a few hectares are under organic farming (less than 10 ha) and only 400 ha are cultivated under integrated crop management. The largest production of apples in the country is in the Municipality of Resen, with more than 60% of the total income in the area and 70% of the population occupied in apple production. here are 456 officially registered farmers (292 male and 164 female) which main income is coming from agriculture, and which are paying contribution to the state pension fund, and 2,500 for which agriculture is additional source of income. Forestry and fishing

[1] The Prespa Park was symbolically declared through a Memorandum of Understanding among the three co-basin states in 2000. Following a decade of extensive support from international organizations and projects, the transboundary Prespa Park concept was further solidified by a legally binding international agreement. This agreement was signed by the respective Ministers of Environment from the three countries and co-signed by the EU.

[2] https://www.stat.gov.mk/PrikaziPublikacija_1.aspx?rbr=862

are other important sectors for the local economy. The tourism sector is small but growing. The positive side of tourism is reflected in the increased consumption from which the region develops, and at the same time encourages employment, development of entrepreneurship and infrastructure, as well as development of the entire destination. At the same time, the interest shown by tourists for a specific destination can strengthen the survival of local heritage and culture as the most important income of the destination. The incomes that are realized from tourism are partly used for increased protection of the environment and nature and increase of standards.

Problem analysis by areas of support

Area of support #1: Biodiversity

The main conservation challenge in the transboundary Prespa basin is the degradation of water quality of both the Micro and the Macro Prespa Lakes, especially the alarming signs of eutrophication. While climate change and the complex basin hydrology have their share of the problem, the biggest impact is anthropogenic. Exceeded water consumption for irrigation, overuse of chemicals, lack of wastewater networks and wastewater treatment facilities especially in the rural areas and villages that promote tourism.

North Macedonia has already put in place a series of ecosystem restoration and management measures for wetlands, including strengthening the legal, regulatory, and planning instruments, mainstreaming ecosystem priorities and piloting practical ecosystem-oriented concepts for the management of resources and protected areas. Nevertheless, a long-term and a multi-sectoral approach, based on extending the base of knowledge, and putting it in practice along with policy work and local stakeholder engagement, is needed to produce a visible change.

Studies carried out in previous decades show that the Lake Prespa, which is declared as a Monument of Nature (IUCN Category III), is at risk to fail the good ecological status. However, insufficient data series of the monitoring of the quality of the water of the Lake, as well as considerable lack of data, constraints in representative fish assemblage samplings, and the absence of an assessment procedure in place, are hindering the proper assessment of the ecological status of the Lake.

The importance of fauna and flora species in Prespa has been highlighted in numerous scientific publications, and several transboundary projects, mainly of CSOs, have tackled the conservation of priority species. Nevertheless, endemic species including fish and plants across the basin, are still under threat due to the changes to water quality, habitat destruction, introduction of non-native invasive fish species, unsustainable fishing practices, and illegal fishing.

The introduction and spread of alien species in Prespa Lakes occur in general by human pathways and they include: escapes from aquaculture, stocking (including authorized and unauthorized attempts), as well as sport fish and baitfish introductions, which may be deliberate or accidental. The fish and fisheries monitoring campaigns conducted in 2010, 2011 and 2013-2015 at Lake Macro Prespa identified that fish assemblage of Lake Prespa is comprised of 20 species, 7 of which are to be classified as neozoa that might compete with native littoral species for food and habitat and thus become a threat for the Lake`s natural biodiversity. There were 5 more neozotic species recorded in the past, but not present anymore. In the course of the standardized multimesh gillnet sampling, 11 species were recorded and three introduced species, namely bitterling, stone moroko and pumpkinseed, made up more than 59% of the total catch. Obviously, the lake`s fish assemblage has been changing recently both in composition and abundance figures. Nevertheless, a considerable lack of data, constraints in representative fish assemblage samplings as well as the absence of an assessment procedure in place do not allow for a full assessment at present.

Area of support #2: Fighting pollution of water and soil

According to the latest census from 2021, the Municipality of Resen has population of 14,737 inhabitants within the Macedonian part of the Prespa Lake catchment. The Municipality consists of 44 settlements, out of which 43 are rural (39 active and 4 abandoned) and one urban settlement – the town of Resen.

The agriculture – the main economic activity in the region - exercises anthropogenic pressure on the basin due to over-abstraction for irrigation purposes, leaching into the lake of nutrients from fertilizers and of

pesticides, as well as dumping in the lake of unsold apples. Progress towards ecologically friendly agricultural practices has not yet produced a measurable impact on the ground.

Area of support #3: Sustainable business and food systems in rural areas

The side of North Macedonia of the transboundary Prespa area faces important development challenges, like many rural and peripheral areas. It is characterised by high unemployment and increased depopulation, particularly amongst younger generations. From 2016 to 2018 the municipality lost about 1% of its population, predominantly young people, 15-29 years old. According to the census in 2021, the Municipality of Resen has 14,373 inhabitants which is 2,452 less than during the previous census in 2002. The biggest decrease of the population throughout the years is observed in 1994 in comparison to 1991, from 23.533 to 17.681 or −24.9%. At the end of 2019, the area counted 1,305 unemployed people, out of whom 40% being women (559), 45% with low education and 67% living in urban areas. In 2020, the percentage of unemployed is the Municipality of Resen is 11,5% or 1663 persons, out of which 43% and women and 57% are men. 22% or 367 persons up to 29 years, 43% or 720 persons between 30 and 59 years, and 35% or 576 persons are above 50 years old[3].

The tourism in Prespa region is small-scale, seasonal, and based on a few small hotels, private accommodation, and restaurants. Also, there is insufficiently designed and developed contents and programs of tourist offers which reflects on the competitiveness and development of Resen and Prespa region as a desired tourist destination. In the last several years, tourism potential is being severely affected by the continued decrease in the water level of the Lake that changed the previously sandy beaches into muddy and shallow coastal area, because of climate change and groundwater over-abstraction for agricultural irrigation. However, potential for natural resource-based tourism is huge and unexploited due to lack of interest for investments. The analysis of the state of tourism in the Prespa region showed numerous advantages for the development of tourism: rich cultural and the historical heritage, biological and natural diversity, and favourable geostrategic status[4].

Agriculture is the main economic activity, dominated largely by apple production. The Municipality of Resen (around 100,000 tons per year) accounts for 84% of the total apple production in North Macedonia. Current practices of apple production include use of pesticides in all stages of cultivation, which results in increased discharge of chemicals in the sub-terrain waters and in the lake as well as in increased concentration of pesticides in the fruits on the market (although still within the limits). Promotion of good agricultural practices in apple production will mitigate the pesticides-related environmental risk of the apple growing and will promote healthier food on the markets, without compromising the main economic activity of the area.

Area of support #4: Enhancing cross border cooperation

Prespa Lake Catchment is a globally unique natural area due to its geomorphology, its rich ecology, and its biodiversity. It is a single catchment basin shared by three countries, which requires a joint management policy to be effectively protected.

The Prespa Park is the first transboundary protected area in the Balkans. It was established in February 2000 with a joint Declaration by the Prime Ministers of Greece, Albania, and North Macedonia. In accordance with the Prime Ministerial Declaration, this collaboration had three broad aims: to safeguard the natural and cultural values of the Prespa catchment with the participation of the local communities; to promote the economic and social welfare of the residents; and to strengthen peace, friendship, and collaboration amongst the three peoples.

A few months after the three Prime Ministers made their Declaration a trilateral Prespa Park Coordination Committee (PPCC) was established, to better organise and promote projects for the protection and

[3] https://www.stat.gov.mk

[4] Local Strategy for Tourism Development in Resen 2019 – 2024, https://resen.gov.mk/wp-content/uploads/2021/02/%d0%a1%d1%82%d1%80%d0%b0%d1%82%d0%b5%d0%b3%d0%b8%d1%98%d0%b0-%d0%b7%d0%b0-%d1%82%d1%83%d1%80%d0%b8%d0%b7%d0%b0%d0%bc-2019-2024.pdf

sustainable development of the area. The committee included representatives from central government (Ministries of Environment), local governments and civil society organizations from the three countries, as well as a permanent observer from the Ramsar Convention on Wetlands and the Mediterranean Wetlands Initiative (MedWet). The Prespa Park Coordination Committee was meeting twice a year in Prespa, in each of the three countries in turn.

Although certain progress in creation and adoption of joint plans and strategies for protection of the Lake and the biodiversity were achieved, the lack of formal state commitment for the content and structure of trilateral collaboration, which is crucial for decision-making, hindered the Coordination Committee's work. On 2nd February 2010, the World Wetlands Day and the 10th anniversary of the Park, the "International Agreement for the Protection and Sustainable Development of the Prespa Park Region" was signed by the Environment Ministers of the three countries and the EU, paving the way for a new era for the Transboundary Prespa Park. Under this agreement, the three states are now legally bound to establish permanent management structure, to develop a joint strategy and implement measures both for the protection of the natural environment, including the measures that will decrease the negative impact of the human activities in the region such as unsustainable farming, fishing, tourism, etc. Upon signing of the Agreement, the Prespa Park Coordination Committee was transformed into the Prespa Park Management Committee.

Even though the formal and informal collaboration exist for more than 20 years, due to unresolved historical and political issues, for very long time, the riparian countries could not agree on a common vision for the region and adopt joint strategic documents that will define sustainable solutions to the common environment and economic challenges. The first Strategic Action Plan for Sustainable Development of the Prespa Park was developed in 2005 and revised in December 2012 as part of the GEF trans-boundary Prespa Lake Project. Since more than 10 years has past, its revision has been identified as one of the priorities by the Prespa Park Management Committee.

II. STRATEGY

The ultimate development impact of the project will be upgraded ecological status of the Prespa Lake to good, enhanced socio-economic development and enhanced transboundary collaboration of the Prespa region.

The ecological system in Prespa lake area will be preserved and improved, and the sustainable economic activities in Prespa area will be boosted by decreasing the pollution from human activities through the increased environmentally friendly agriculture/application of good agricultural practices (GAP) in the region and the promotion of sustainable tourism. The extension of the production areas under GAP, the upgrading of the early warning system for plant protection with irrigation optimization/scheduling practices in apple production, the crop diversification and organic and integrated production certification, shall result in increased income for the farmers in the Prespa region and better possibilities to export their agricultural products. The possibilities for increased income shall also come from the new tourism offer and new tourism products in Prespa. The implementation of a Water Quality Monitoring Programme for the Prespa Lake Ecosystem shall generate reliable and accurate data that will be a basis for determination of the ecological health of the Prespa Lake and the trend of the water quality and shall support the prioritization and budgeting of future action and measures to be taken by the relevant national and local entities. The implementation of set of actions and measures related to control/eradication of alien fish species in the Prespa Lake will lead to the decrease of their population. At the same time, the increased awareness of local population about the negative impact of the invasive alien species on the Lake's population of native species, shall support the overall efforts to protect the valuable ecosystem of the Prespa Lake.

It is assumed that farmers are willing to apply sustainable way of production and utilize modern technology, while tourist operators, individuals, CSOs in the Prespa region are interested in developing sustainable tourism offers and products.

In order to achieve visible improvement of the cross- border cooperation, the PPMC needs to be operational and effectively engaged in the sustainable development and environmental protection of the region.

The knowledge, good practices and lessons learned from previous projects implemented by UNDP and others, in the region and in the country have informed the analysis of available choices and the selected strategy described in detail under each area of support.

Gender perspective will be integrated across all areas of support to ensure that the project considers the different roles, needs, and interests of both women and men in the region. Recognizing that gender norms and roles can influence environmental conservation, sustainable agriculture and tourism, and community development, the project will work to promote gender equality and empower women in various ways, including gender responsive strategic planning, capacity-building and training programs, financial support for women farmers and entrepreneurs, and awareness campaigns targeting specifically women. Regular monitoring and evaluation of gender-related indicators will be crucial to track progress and make necessary adjustments to ensure the project's gender mainstreaming efforts are effective.

Area of support #1: Biodiversity

The Prespa Lake catchment is an area of rich biodiversity that has been subject to intense pressures from human activities over the past decades. Comprehensive investigations of the ecological status of the Lake conducted within the SDC funded project revealed that the most acute problem facing the ecosystem is eutrophication, a process that accelerates the growth of aquatic biomass and upsets the balance of the entire ecosystem. The reasons behind this process are unsustainable farming practices, erosion, and the unregulated disposal of untreated waste. All of them have led to reduced health of the ancient freshwater lake and depleted the habitat of many rare endemic species, endangering a unique ecosystem that has evolved over millions of years. This has a severe impact on key sectors such as tourism, water, and fisheries, negatively affecting the socio-economic wellbeing of the local population.

North Macedonia has already put in place a series of ecosystem restoration and management measures for wetlands, including strengthening the legal, regulatory, and planning instruments, mainstreaming ecosystem priorities and piloting practical ecosystem-oriented concepts for the management of resources and protected areas. Nevertheless, a long-term and a multi-sectoral approach, based on extending the base of knowledge, and putting it in practice along with policy work and local stakeholders' engagement, is needed to produce a visible change.

The importance of fauna and flora species in Prespa has been highlighted in numerous scientific publications, and several transboundary projects, mainly of CSOs, have tackled the conservation of priority species. Yet, endemic species including fish and plants across the basin, are still under threat due to the changes to water quality, habitat destruction, unsustainable fishing practices, illegal fishing, and the introduction of non-native invasive fish species. Therefore, the Project shall engage the Hydrobiological Institute from Ohrid, to develop and implement a Water Quality Monitoring Programme for the Prespa Lake Ecosystem, and to carry out set of actions and measures related to control/eradication of alien fish species in the Prespa Lake.

In the last decades nature conservation has not been a top priority for any of the governments and the management authorities of the protected areas have limited expertise and insufficient funding. Along with investing in preserving the biodiversity in the Prespa Park, this Project aims also to strengthen the capacities of the authorities and the local communities to protect the Park biodiversity.

Local CSOs shall be engaged for the public awareness activities. Selection of the CSOs will be based on expressed interest and assessment of their capacity.

Area of support #2: Fighting pollution of water and soil

The Project builds upon the results of earlier projects for an integrated sustainable management of the Lake Prespa catchment supported by UNDP. UNDP was the first international organization that introduced an integrated management of the Prespa Lake Catchment. The Integrated catchment management promotes coordinated development and management of water, land, and related resources in order to maximize economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems. Throughout the years (more than 18 years) UNDP implemented a set of measures that improved

the Prespa Lake's overall health, strengthen its resilience. Some of the main results achieved, relevant for this Project, are:

1. Establishing a sound basis for long term active management of eutrophication. To ensure the effective alleviation and future management of eutrophication, a comprehensive study was carried out to thoroughly investigate the eutrophication process and its root causes. The study was followed by the development of a lake and watershed eutrophication model leaving a powerful and dynamic tool for adapting management responses to the dynamic changes in the natural and socio-economic conditions.
2. Establishment of long-term capacities for minimizing and controlling the erosion process. A tree nursery was established in partnership with the Public Forest Enterprise 'Makedonski sumi' for production of autochthonous tree species for afforestation of the erosion prone areas in the basin. During the project, 200 hectares afforested land was covered with more than 1,000,000 seedlings of trees planted. Trees from the project-supported native nursery were used throughout the region for preventive afforestation/reforestation activities which effectively reduced inflows of sediment into the lake. In addition, they helped the Public Forest Enterprise make annual savings amounting to almost 20,000 USD due to the planting material at the tree nursery (used for other programmes). The substantial reforestation around Lake Prespa not only provides the filtering of water which reduces phosphorus loading but also enables timber production, carbon sequestration and further nourishment for biodiversity in the future.
3. Reducing the adverse impacts of agriculture production. A demonstration orchard for agroecological farming practices was established on the plots of the agriculture school in Resen. It was used to train members of the accompanying grants program which itself had a constant focus on better control of the usage of pesticides, fertilizers, and irrigation water, to reduce nutrient/pesticide loadings and reduce production costs. A total of 77 grants were given to farmers in Prespa in three cycles. The third cycle was only for women farmers, thus contributing positively towards gender equality. The introduction of new technology has been successful and well-received by the local population. In 2014, a milestone was reached with the first-ever information system for farmers based on the use of social media and mobile telephony being introduced. Already in 2014, a survey showed that over 80% of farmers relied on the new decision-support system to make plant protection decisions (that is over 3,000 farming households out of estimated nearly 4,000 households making living from farming in Prespa). In addition, other modern devices were introduced such as insect monitoring kits, soil/temperature/water sensors with data loggers, as well as efficient dripping systems and planting material. The adverse impacts of apple farming have been ameliorated and the project was welcomed by local farmers. The lessons learned throughout this multi-year effort were summarized in a comprehensive training programme on environmentally friendly agriculture comprising four manuals, a methodology for selection of pilot farms, and on-the-job guidelines for introducing modern farming practices.
4. Strengthening the performance of the authorities for integrated watershed management. Through a large set of measures from organisational restructuring to highly specialized training, the performance, and capacities at the local level for integrated watershed management have improved. The municipality moved towards sustainable management capacities when it created a new Sector on Environment in early 2015. The personnel from the municipal sector of environment received project backed training in a number of disciplines designed to help them successfully manage and monitor independently all newly created systems. The sector currently counts 10 people, including specialized personnel in water quality monitoring, natural resources management, environmental engineering, waste management and industrial pollution control, as well as field personnel responsible for the protected areas and lake/watershed monitoring programme.
5. Strengthening the sustainable monitoring and management capacities at local level. Sustainable monitoring capacities have been advanced throughout establishment of a Lake Monitoring Station in Stenje. The monitoring station is implementing an earlier tested cost-effective water quality monitoring program which relies on the most important and long-term trend evaluation parameters including physio-chemical parameters (temperature, dissolved oxygen, pH, conductivity,

transparency), nutrient and organic status of the water quality (total and dissolved forms of nitrogen and phosphorus) as well as the key biotic parameters revealing processes in the lake water quality.

The success of the Project to a great deal will depend on the commitment of the municipality of Resen as the main beneficiary of the results. The local government of Resen must demonstrate ownership and ensure that the local government actively participates in day-to-day implementation, and timely provide their input whenever required. Therefore, the project team will be in continual contact and coordination with the local government. Regular monthly or bi-monthly meetings will be organized to exchange information on the status/progress of the activities, and agreement on the corrective actions, if needed.

The Mayor of the Municipality of Resen shall contribute to the creation of an enabling environment for smooth implementation of the activities that require involvement of municipal administration, will promote the project results, and together with other relevant stakeholders shall actively participate in the exchange on good practices with the neighbouring partners in Albania and Greece.

Keeping the public involved and informed would be another factor for success of the Project The project team with the support of the Communication Officer shall ensure that the public has accurate and reliable information about the project.

Area of support #3: Sustainable business and food systems in rural areas

The approach taken within the project for Restoration of Prespa Lake ecosystem funded by Swiss Development Agency (SDC) and implemented by UNDP for the introduction of Good Agricultural Practices in the Prespa region[5] and then replicated in the Strumica River Basin[6], shall be applied to the Project for restoration of the natural resource, agriculture and tourism for Prespa as it proved to be successful. Namely, instead of the usual short-term training for the farmers, UNDP engaged a company providing long-term comprehensive capacity building and mentoring programme for the farmers. The type of support through the grants programme was jointly decided by the experts and the recipient farmers. In this project the procurement strategy for the consulting services was changed in comparison to the capacity building and mentoring programmes in previous projects implemented by UNDP and instead of one consulting company, individual consultants will be contracted to deliver the programme. We expect that this will help in getting on board the best experts with the required expertise and experience. The option for engaging one of the Faculties for Agriculture was also assessed but none of the faculties had feasible comparative advantage over the others, and one of them is already engaged by UNDP as a Responsible Party on another project. However, the faculties will be invited to participate in relevant training activities and share their knowledge and experience. The support through the Project that will be provided to the farmers for application of good agricultural practices and for crop diversification and organic and integrated production, will have twofold benefits. One would be the reduced production costs for the farmers while improving the quality of their products, The other one would be the improved quality of the water of the Lake Prespa because of the decreased use of pesticides due to having increased number of hectares under organic production or integrated crop management practises for apple production and more rational use of the underground water for irrigation due to mentoring and training programmes and grant equipment. Furthermore, the support and investments for natural resource-based tourism shall contribute to opening new jobs in this sector and for improvement of the touristic offer in the Prespa region.

Area of support #4: Cross border cooperation

The already established coordination mechanism such as the Prespa Park Management Committee (expected to be revived by the time this Project will commence) and the Working Group on Water Management (WGWM) of the Prespa Park Management Committee shall also be utilized for ensuring that the Project contributes to the overall goal of having an integrated approach for the Prespa Lake Catchment.

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[5] Source: <SDC Project "Restoration of Prespa lake ecosystem" – final report>

[6] Source: <SDC Project "Restoration of Strumica River Basin" – final report>

The Project will also support the creation of a new strategic vision for the Lake Prespa catchment that will reflect the new developments through the revision of the Strategic Action Plan for the Prespa Park.

Crosscutting issues

The Project team will have the right skills and competences that are required for timely implementation of the Project work plan and delivering the expected results. This will be ensured through the incorporation of the appropriate education, experience, and skills in the TOR for each member of the team. The project team will be located in the municipality of Resen, in the premises of the local government, except the Communication Officer that will be based in UNDP office in Skopje. This arrangement will contribute to establishment of close relations with the main Project beneficiaries and building of mutual trust. Moreover, continuous presence in the project area will provide for better understanding of the local context and adjustment of the approaches and methods, if needed.

The Project shall also contribute to gender equality and women's and girl's empowerment, in line with the EU Gender Equality Strategy 2020-2025, the National Strategy on Gender Equality 2022 -2027, and UNDP Gender Equality Strategy 2022-2025. This will be done by collection of sex-disaggregated and gender sensitive indicators, carrying out gender sensitive analysis, training, review of standards, skills development, and information.

Moreover, the Project will actively promote equal opportunities by ensuring the access to funding for women and girls. Special focus is put on engaging women in agricultural activities, and cooperatives of women in sustainable tourism.

Additionally, particular focus will be given to engagement with youth and civil society organizations, including women's organizations. Young farmers and entrepreneurs will be beneficiaries of the support for implementation of sustainable economic activities in the agricultural and tourism sectors. Many young people from the Prespa region are also members of civil society organizations that will benefit from the financial support provided for implementation of sustainable tourism activities and measures. Furthermore, CSOs from the region are represented in the Prespa Park Management Committee thus they will be actively engaged through the process for the development of the revised Strategic Action Plan for the Prespa Park and can share their views for the vision of the region in the next decade.

III. RESULTS AND PARTNERSHIPS

3.1 Expected Results

The all-encompassing result of the activities within the project that are addressing the challenges related to agriculture and tourism shall have a positive impact to the valuable natural resources of the region, especially to the Prespa Lake through the reduced run-off from agriculture and improved capacities of the farmers, entities, and individuals active in tourism, and the local government of the Municipality of Resen. Moreover, the project will also enhance the implementation of the International Agreement for the Protection and Sustainable Development of the Prespa Park Region by advancing the measures included in the Strategic Action Plan for Prespa Park on the development of small-scale tourism and strengthened transboundary cooperation.

The ecological system in Prespa Lake area shall be preserved through the control/eradication of alien fish species and control of main biochemical and physical parameters in the Lake and in the main tributaries. This will be done through regular testing of the quality of the water the lake and in its tributaries that should verify whether the establishment of proper sewerage systems and improvement of agriculture practices results in reduced pollution. Moreover, the monitoring of the assemblage of fish shall indicate whether the number of alien species of fish is increasing or decreasing because of the activities carried out by the project.

The sustainable economic activities in Prespa area shall be boosted by the increased share of Environmentally Friendly Agriculture that will be enabled by strengthening the capacities and modelling the practices of farmers in Prespa region to apply good agricultural practices, certify organic, diversification away from apple orchards and strengthening the early warning system so it can provide for decrease of the water

used for irrigation of apple orchards. Moreover, the farmers will have the increased knowledge for agriculture crop diversification, organic & integrated production certification, as well as for establishment of a supply chain for agricultural products, guaranteeing better prices for fruits, non-timber forest products, honey, and other regional products.

Sustainable tourism product will be promoted and diversified through increased capacities of the households, tourism service providers/operators, protected areas management bodies, and CSO. This will be achieved through targeted trainings for sustainable tourism and direct financial support for implementation of sustainable eco-tourism.

The Project shall result in enhanced cross-border cooperation by strengthened strategic vision on the development of the transboundary Prespa Park and strengthened institutional capacities for trans-boundary management of the Prespa Lakes catchment.

The results of the Project will contribute to the achievement of the following Sustainable Development Goals: Main SDG 15. Life on land, - SDG 8. Decent work and economic growth, - SDG 11. Sustainable cities and communities, - SDG 12. Responsible consumption and production, SDG 5. Gender Equality.

At the national level, the Project will contribute to UNSDCF (UN Sustainable Development Cooperation Framework) Outcome 3, Healthy Environment: People in North Macedonia benefit from ambitious climate action, sustainably managed natural resources and well-preserved biodiversity through good environmental governance and disaster resilient communities, and the Output 3.2: Solutions are identified and scaled-up at central and local levels for integrated, sustainable and inclusive management of natural resources (water, land, forests, biodiversity).

The Project will also support progress towards all other outcomes. Outcome 1 of the UNSDF: The living standard of all people in North Macedonia is improved through equal access to decent work and productive employment generated by an inclusive and innovative business ecosystem, and the Output 1.5: Policies and capacities strengthened for sustainable and competitive rural economy aligned with EU, with focus on small farms and women farmers; as well as the Outcome 4 of the UNSDF: People in North Macedonia benefit from improved rule of law; evidence-based, anticipatory and gender-responsive policies; greater social cohesion; and effective service delivery by transparent, accountable and responsive institutions, and the Output 4.2: Capacities of central and local governments strengthened to: a) better plan, budget, monitor and track expenditure and leverage resources in a gender-responsive manner in support of accelerated sustainable development b) improve design and efficient delivery of quality public services (targeting excluded groups, including refugee /migration management) with improved social accountability and participation in decision-making.

3.2 Project Objectives and Activities

The objective of the overall Action "EU for Prespa" is to promote the Green Agenda for the Western Balkans in the transboundary Prespa Lake area in line with the "no persons and regions left behind".

The Specific Objective of this Project is to instigate a significant change in practices and behaviour among policy makers at local level, farmers, private sector, CSOs and citizens regarding the sustainable use of natural resources in the Prespa region which will result in improved quality of life and contribute to economic development by emerging green pathways to growth.

This overall goal of the Action will be achieved through three outcomes:

Project Outcomes

Outcome 1: The ecological system in Prespa lake area preserved and improved;

Outcome 2: Sustainable economic activities in Prespa area boosted;

Outcome 3: Enhanced cross-border cooperation.

Project Outcome 1:

The ecological system in Prespa lake area preserved and improved

The expected results under the Outcome 1 will be achieved through the following Outputs:

Output 1.2 Natural Resources preserved and protected

Output 1.2:

Natural Resources preserved and protected[7]

Under this Output, the Project shall finance the implementation of actions under the Activity 1.2.2 of the overall Action Document EU for Prespa. The activity is focused on the control/eradication of alien fish species and control of main biochemical and physical parameters in the Prespa Lake and in its main tributaries.

This Output is in line with the Management Plan for the Prespa Lake which is categorized as a Monument of Nature"" protected area, and with delegated management responsibilities to the Municipality of Resen. Particularly it will contribute to the Program 2 of the Plan referring to the "Conservation and Monitoring of the Natural Heritage of the area", Sub-program 2 for "Establishment of Regular Monitoring of the Habitats and Species".

Under this Output, the results will be achieved through the following activity:

Activity 1.2.2: Control/Eradication of alien fish species and control of main biochemical and physical parameters in the Prespa Lake and in the main tributaries

For the implementation of the Activity 1.2.2, UNDP will engage the Hydrobiological Institute (HBI), Ohrid as a Responsible Party. The detailed work plan, budget, and timeline for implementation of the actions shall be part of the Responsible Party Agreement, which will be signed between UNDP and the Hydrobiological Institute. The transfer of funds to HBI will be done in quarterly tranches, upon utilization of 80% of the budget for the previous quarter, and certification of the expenditures by UNDP. For this purpose, HBI shall quarterly submit narrative and financial reports, accompanied by invoices and/or other relevant documents confirming the payments done to individual consultants, or any other eligible costs. UNDP will also perform ad-hoc spot check to confirm that the Responsible Party is performing in accordance with the agreed work plan and budget.
UNDP will report on annual basis to the EU Delegation on the results achieved by HBI under the Output 1.2, Activity 1.2.2 as part of the annual report for the Project.

Under this activity, the following actions will be carried out:

- **Development and implementation of a Water Quality Monitoring Programme for the Prespa Lake Ecosystem and implementation of set of actions and measures related to control/eradication of alien fish species in the Prespa Lake**

Under this activity, the Hydrobiological Institute shall develop and implement a Water Quality Monitoring Programme for the Prespa Lake ecosystem for a period of three years. The Monitoring Programme shall be used to (1) evaluate the ecological health of the Prespa Lake, (2) track changes and trends of the water

[7] The numbering structure of the outputs follows the one from the overall EU Action Document

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quality over time. (3) support the identification and prioritization of measures and actions to improve the water quality and the ecological status of the Lake.

Research team of HBI will perform regular testing (at least once a year on several locations) of the main physio-chemical parameters and the mandatory biological components (benthic diatoms, macrophyte vegetation and macrozoobenthos) in the Prespa Lake and in its tributaries. The main parameters and biological indicators shall be determined in compliance with the European Water Framework Directive (WFD 2000/60/EC). If at the end of the Project, these indicators show improvement in comparison with the baseline year, it will confirm that the implemented activities were successful and made an impact. The results of the Monitoring Programme shall be shared with the Working Group on Water Management in a format that will be subsequently agreed.

The second batch of actions implemented by the Hydrobiological Institute are related to the monitoring of the assemblage of fish, and eradication of the alien fish species in the Prespa Lake. Changes in the composition and abundance of the fish assemblage and the high proportion and abundance of species introduced to the Lake in particular, are most likely showing a deviation from the reference status. Accordingly, the Lake Prespa is at risk to fail the good ecological status. However, considerable lack of data, constraints in representative fish assemblage samplings, as well as the absence of an assessment procedure, are hindering the proper assessment of the ecological status of the Lake.

Options for managing non-native fish species can include no action, control and/or containment, population extirpation, and/or species eradication. Under this activity, Hydrobiological Institute shall apply non-native species eradication. Best practice techniques of selective fishing in compliance with the FAO's Code of Conduct of Responsible Fishery and EU standards shall be used for fish control. In addition, new specific techniques for the Prespa Lake conditions shall be developed to reduce at maximum possible extent, the populations of invasive alien species of fishes thus improving the condition of the native fishes and the ecological and biodiversity status of the Lake and its tributaries. Selective fishing practices will be implemented every year, for three years, from April to November, to drastically reduce the presence of alien species. The monitoring of the assemblage of fish will provide information about the achieved results.

At present, there is no market for non-native fishes and the biggest number of those caught in the professional catch or by recreational fishermen are thrown in the Lake during the cleaning of the fishermen nets. Therefore, HBI shall stimulate the fishermen of the Prespa region to stop the practice of throwing the invasive alien species back in the Lake, by offering them a small compensation for caught invasive fish species and/or buying them adequate fishing tools and gears and organizing "invasive alien fish harvest competitions" for the recreational fishermen. To maximize the results, HBI will organize targeted trainings for the fishermen, and knowledge and experience exchange events for the professional and recreative fishermen. These actions are expected to raise the awareness about the negative impact of the invasive alien species on the Lake's population of native species, involve the wider community and create possibilities for increased income of the fisherman.

The Hydrobiological Institute Ohrid is a well-established scientific institute with a long-term experience in research and monitoring of natural lakes in the country, particularly the Lakes Ohrid and Prespa. In accordance with their mandate, HBI is applying for yearly budget funds in the Ministry of Education and Science for carrying out research, develop studies of the lakes in the country. Moreover, they are also participating on other funding programmes in order to expand their research and ensure reliable and accurate data of the quality of water and status of the eco-systems of the lakes.

Sequencing of the activities

The multi-year work plan prepared by the Hydrobiological Institute and approved by UNDP, shall present the sequencing of the activities, activity-based budget, and the timeline for the implementation of the activities.

Partnerships

Within the overall Action for the EU for Prespa, the following complementary activities will be implemented: a) Ecology-focused scholarships education and training of teachers and students of different age groups in wider Prespa region; b) Research & monitoring of the natural resources by young scientists to allow the systemic study of the ecosystem in Prespa Lakes; c) Conservation, restoration & management of habitats in at least three areas in Prespa; d) Communication and awareness activities dealing with natural resources preservation and protection.

The increased knowledge and awareness of the teachers and students, the new data from the monitoring of natural resources, as well as the conserved/restored habitats in the Prespa region, jointly with the results of the activities implemented within this project implemented by UNDP shall further contribute to overall improvement of the status and protection of the natural resources in the Region.

The above-mentioned activities under "Partnerships" are outside the scope of this EU funded project implemented by UNDP.

Anticipated risks and mitigation actions

Risk Factor	Description of risk	Likelihood	Impact	Risk response
Environmental	No risk identified	Low	Low	The Social and Environmental Screening Procedure (SESP) that will be carried out in the preparatory phase of the project will determine potential risk of the activities related to the control/eradication of alien fish species. If the risk is identified, respective measures will be developed to mitigate the risk and the impact.
Planning, process, and systems	No risk identified	Low	Low	The Hydrobiological Institute (HBI) will be engaged through the Responsible Party Agreement, for which UNDP has defined rules and procedures, including the monitoring of the financial management of the HBI.
People/organizational	No risk identified The Hydrobiological Institute as an educational and scientific research organization of national interest, has 88 years of experience in limnology, with particular focus on the natural lakes in the country. Their scientific and research teams	Low	Low	The performance of HBI shall be monitored through the quarterly narrative and financial reports. Regular spot checks shall be performed

	are highly qualified to perform the activities that will be part of the Responsible Party Agreement.			
Legality and regularity	No risk identified	Low	Low	The activities will be implemented with the respect to the applicable national laws and best international practices.
Financial	No risk identified	Low	Low	/
Information and communication	No risk identified	Low	Low	The Project team in close collaboration with the scientific and research team of the Hydrobiological Institute will regularly inform the key partners and the public about the progress and the results achieved. The results will be communicated through the national and local media, including the social media.

Project Outcome 2:

Sustainable economic activities in Prespa area boosted

The major economic activity in the Prespa region is agriculture. The sector is dominated by apple orchards (4,500 ha), cereals (1,200 ha), potatoes (200 ha), peppers (120 ha) and onion and garlic (100 ha). Only a few hectares are under organic farming (less than 10 ha) and only 400 ha are cultivated under integrated crop management. The municipality of Resen realizes the largest production of apples in the country, with more than 60% of the total income in the area and 70% of the population occupied in apple production. Forestry and fishing are other important sectors for the local economy. The tourism sector is small but growing with new tourism relating business emerging.

The intensive agriculture in the region is a major challenge for the rich biodiversity in the region and is negatively impacting the water quality of the Prespa Lake by the increase load of phosphorous that is direct factor for eutrophication, together with the influx of the wastewater in the Lake. Moreover, the increased underground and Lake water consumption for irrigation, together with the complex basin hydrology (connection to the Ohrid Lake) and the climate variations, are further worsening the situation. Another negative anthropogenic impact in Prespa comes from tourism. Majority of the households and touristic facilities are not connected to the sewerage network and the wastewater treatment facilities. Moreover, the knowledge about modern, sustainable tourism and capacities of the individuals, households, and small business for practicing sustainable tourism are still limited. The other way around, the bad water quality of the Prespa Lake, degraded ecosystems, limited access to water supply and sewerage networks in some of the villages in Prespa are jeopardizing the development of the tourism thus decreasing the income of the households and small business that depend on tourism.

In the last several years, investment in good agricultural practices and sustainable tourism have been made, and they showed positive results which indicates that that is the way to continue.

The EU for Prespa Project will address the identified challenges by providing support for: a) extending the apple production area under good agriculture practices and environmentally friendly agro-ecological measures; b) Upgrading the existing early warning system for plant protection with irrigation optimization/scheduling practices in apple production to reduce agriculture runoff and to ensure more sustainable use of water resources at river basin level; c) improving the agricultural waste management system by expanding the biodegradable waste collection and processing, and awareness raising; d) Support for agriculture crop diversification, organic & integrated production certification and modernisation of farming practises with appropriate equipment; e) Establishment of a supply chain for agricultural products, guaranteeing better prices for fruits, non-timber forest products, honey and other regional products; f) Building local capacities for sustainable tourism; and g) Direct financial support for sustainable eco-tourism tourism.

Capacity building measures and financial support to farmers will facilitate the shift to sustainable agricultural practices in apple and other production, will enhance crop diversification, organic and integrated production certification, will facilitate the establishment of short supply chains guaranteeing better prices for local producers. The exiting early warning system will be upgraded to reduce agriculture runoff and to ensure more sustainable use of water resources at the basin level. In addition, expanding the biodegradable waste collection and processing will improve the agricultural waste management system and offer opportunities for local circular economy to emerge. The support for the sustainable tourism will increase the skills and capacities of the citizens in Prespa thus generating additional income for the families and small business owners.

As a combination of results from the implemented activities, it is expected to have improved quality of the water of the Prespa Lake and upgraded status from "bad" to "good".

The expected results under the Outcome 2 will be achieved through the following Outputs:

Output 2.1 Increased share of Environmentally Friendly Agriculture

Output 2.2 Sustainable tourism product promoted and diversified

Output 2.1 Increased share of Environmentally Friendly Agriculture

Under this Output, the following activities will be implemented:

Activity 2.1.1 Extending the apple production area under Good Agriculture Practices (GAP) and environmentally friendly agro-ecological measures

Activity 2.1.2 Upgrading the early warning system for plant protection with irrigation optimization/scheduling practices in apple production to reduce agriculture runoff and to ensure more sustainable use of water resources at catchment level

Activity 2.1.3 Improving the agricultural waste management system by expanding the biodegradable waste collection and processing

Activity 2.1.4 Support for agriculture crop diversification, organic & integrated production certification

Activity 2.1.5 Establishment of Prespa region supply chain for agricultural products

Activity 2.1.1 Extending the apple production area under Good Agriculture Practices (GAP) and implementing environmentally friendly agro-ecological measure.

Under this activity, the following actions will be carried out:

- **Development and implementation of a comprehensive training and mentoring programme for farmers in Prespa**
- **Support to farmers to shift towards good agriculture practises and environmentally friendly agro-ecological measures**

This activity will build upon the previous experience from the successful implementation of a multi-year programme on introduction and application of Good Agricultural Practices (GAP) in the Prespa region and the past and ongoing projects/initiatives being implemented in the region by other donors and/ or local and national institutions.

The overall aim of this activity will be to address the challenges impacting the valuable natural reaches of the region and to minimize the impact thereof. The specific aim under the Project will be to increase the agricultural area under environmentally friendly agricultural practices by increasing the number of farmers applying GAP and environmentally friendly agricultural measures as key principle in the modern and close to nature-oriented agriculture.

To achieve this, a comprehensive capacity building and mentoring programme that will be prepared and delivered by experienced consultants will be launched to support the farmers to adopt better practices also in line with the innovative concepts of smart and precision agriculture. The programe will also include training and mentoring for agriculture crop diversification, organic & integrated production certification. The focus of the programme will be on farmland in ecologically sensitive areas in the Prespa Lake Catchment e.g. within the protected area of Ezerani Nature Park, Golema Reka River as the major identified point source polluter of the Lake, other river water bodies identified as pressures in the Prespa Lake Watershed Management Plan, as well as on high water demand crops and agrochemicals-intensive crops such as apples.

Public call for farmers for expression of interest for enrolment in the capacity building programme will be announced in the first quarter of the first year of the project implementation. It will be announced in collaboration with the Municipality of Resen. One call for expression of interest to enrol will be announced during the lifetime of the Project. Farmers that will be enrolled at the capacity building programme will be selected through a transparent process and based on eligibility criteria that will be publicly announced in the call. The criteria will encompass environmental aspect such as: size of productive area/orchard subject to implementation of GAP principles, proximity of the land parcels to water body/es, protected areas, etc.), and socio-economic aspects such as status of registered/identified farmer in the formal register, women farmers, young population, total incomes per household, membership in agricultural cooperative/union/ association, organic producers or under organic certification, etc. The call and the criteria will be shared with EUD at least three weeks before they are launched to provide sufficient time for EUD to provide suggestions in order to strengthen the call, if needed. This will ensure complementarity and consistency with other programmes for farmers funded by EUD.

The comprehensive capacity building and mentoring programme ("The Programme") which will be developed and delivered long-term by selected consultants with relevant expertise in different areas is expected to start in the 2nd quarter of the first year of the project implementation. The consultants will be selected on a competitive call. The Programme will be focused on the implementation of a customized theoretical & practical training for farmers. The Programme will be designed to be an interactive capacity building exercise with the ultimate goal of creating sustainable local capacities for the future agricultural development in the basin with a scaling-up and replication potential on a national and regional levels. The programme will have a mentoring component as well, so the consultants that will deliver the training programme will have to advise the farmers that will be selected through the call.

Based on the previous extensive experience in agriculture in the region, the program development will adhere to the knowledge of the present farmers and farmland profiles, current farming practices in terms of use of agrochemicals and irrigation water, level of knowledge and information on good agricultural practices.

Interested teachers and students from the State High School "Car Samoil" Resen and employees of the Agriculture Laboratory will also have an opportunity to participate to the training session and join the mentoring phase of the programme. The local branch of the Agency for Promotion and Development of Agriculture shall be invited to deliver additional training on specific topics that are in their mandate and field of expertise.

For future sustainability of the programme to be used and potentially replicated by national extension services, the selected consultants will have an obligation to liaise with the Ministry of Agriculture, Forestry and Water Economy, the Agency for the Promotion and Development of Agriculture (local branch of their Department of Agriculture and Rural Development in Resen), and National Advisors, as well as organic

services when developing the capacity building programme and selecting the priority topics. Moreover, the consultants shall liaise with the local processing companies and traders in the interest of improving the value chain.

The data repository of materials (guidelines, training materials, publications) prepared within the previous UNDP Project will be utilized, assessed, and updated, as needed. Produced training materials will be shared with the respective Faculties of Agriculture so they can utilize them by incorporating them in the current curricula and/or revision of the curricula for certain faculties' departments.

The use of cutting-edge technology for soil analysis will be promoted to ensure more efficient use of fertilizers and better understanding of the status of nutrients and other elements in soils. In order to reach as many farmers as possible, the programme will also include design of innovative solutions for sharing technical information and knowledge on sustainable agricultural practices (e.g., self-paced online courses, video lectures, mobile/computer applications for decision support in fertilizer application and irrigation practices management). This knowledge based and decision-making tools will be available for all farmers in the region.

The farmers that will complete the programme, will have access to financial support. Between 50 - 80 farmers are expected to benefit from the project. The farmers will receive support by provision of appropriate equipment identified and customized as per the farmers' needs (e.g. fertilizations, tensiometers and irrigation data loggers with sensors for irrigation, mulchers, rotary harrows, etc.). They will also be provided technical advisory support for implementation of good environmental practices in irrigation, fertilization, and plant protection (mentoring by the consultants that will deliver the training). The threshold will be up to 10.000 EUR per farmer. UNDP will be responsible for the procurement of the equipment and will transfer it to the selected farmers following the applicable UNDP procedures. The Project team will monitor the use and maintenance of the equipment till the end of the Project by keeping regular communication with the farmers and performing ad-hoc spot checks.

Partnership

The programme will be complementing the existing IPA assistance such as IPARD programme and IPA grant scheme and will aim to strengthen the capacities of the farmers to better access and utilize these funds with trainings on applications preparation, business plans and other required documents.

UNDP shall establish close coordination and communication with the complementary projects, and regular quarterly meetings will be organized with their teams to exchange information about the beneficiaries and type of support provided to individual farmers from the Prespa region. A List of farmers that get financial support from the project will be shared with the IPARD team. The list will also include the technical specification of the equipment received by the farmers.

Sequencing of the activities

1. Announcement of the Call for Expression of Interest to enrol in The Programme (1st quarter of the first year of the project implementation)
2. Selection of farmers that will participate at The Programme (2nd quarter of the first year of the project implementation)
3. Announcement of tender for selection of individual consultants that will develop and deliver a comprehensive capacity building programme (1st quarter of the first year of the project implementation)
4. Selection of consultants that will develop and deliver the capacity building programme, and signing of contracts (1st quarter of the first year of the project implementation)
5. Carrying out capacity building and mentoring programme to selected farmers - beneficiaries (2nd quarter of the first year of the project implementation – 2nd quarter of the fourth year of the project implementation)

6. Announcement of tenders for purchasing equipment for farmers, delivery of equipment and monitoring its use, as well as purchasing and distribution of seedlings of cherries, plums, hazelnuts, nuts, roots, beans, peas, oil rapes, medicinal herbs and spices and other identified appropriate crops and non-timber crops (4th quarter of the first year of the project implementation – 2nd quarter of the fourth year of the project implementation)

Anticipated risks and mitigation actions

Risk Factor	Description of risk	Likelihood	Impact	Risk response
Environmental	No risk identified at this stage	Low	Low	The Social and Environmental Screening Procedure (SESP) that will be carried out in the preparatory phase of the project will determine potential environmental and social risks of the activities related to the grant programme for farmers and their significance. If the risks are identified, respective measures will be developed to mitigate the risk and the impact, and their implementation will be monitored throughout the project.
Planning, process and systems	Overlapping of the capacity building programme and the grant scheme with other similar initiatives and programs in the Prespa region.	Low	Moderate	Relevant projects that are under implementation or are in pipeline have been identified and initial communication has been established. The project team will continue to exchange information and coordinate with the teams of other complementary projects throughout the project lifetime (including with IPARD Authorities).
People/organizational	Low interest of farmers for participation in the capacity building and financial support programme	Low	Moderate	The capacity building programme and the financial support/engagement with farmers will be broadly promoted on local level among the farmers in Prespa, using different communications channels such as local media, and farmers associations. No co-financing is requested from farmers so the programme should be attractive for them.

Legality and regularity	No risk identified	Low	Low	The purchased equipment will be transferred to the farmers as per applicable UNDP policies. Capacity building programmes will follow the legal requirements for good agriculture practice, organic production and quality and marketing of agriculture products and incorporate to the extent possible any existing mandatory advisory service package/s. The project will in particular consider the recent legal protection of origin of Prespa Apple and consider the farmers group in the short supply chain activities.
Financial	Limited funds for financial support against the available funding might be a risk in case of big interest.	Low	Low	The selection criteria will be carefully drafted in order not to be limiting but also to target the farmers that will have the biggest benefit from the financial support yet with indirect benefits to protection of water sheds, underground and Lake waters and eco-sensitive areas. The estimation of the potential number of farmers is based on previous grant cycles in Prespa and Stumica region
Information and communication	No risk identified	Low	Low	The Project team will regularly inform the key partners and the public about the progress of the activities. The results of the Project will be communicated through the national and local media, including the social media. Visibility events will be organised for the delivery of the equipment to farmers.

Activity 2.1.2 Upgrading the early warning system for plant protection with irrigation optimization/scheduling practices in apple production to reduce agriculture runoff and to ensure more sustainable use of water resources at catchment level

Under this activity, the following actions will be carried out:

- **Upgrade of the Early Forecast Warning System for Plant Protection in the Prespa region**
- **Strengthening the capacities of the Agrochemical Laboratory and the Union of Agriculture Producers in Resen by purchasing small field and laboratory equipment**

Based on UNDP's long-term experience and gained knowledge on agriculture production and its connections with the environmental aspects, a unique and first ever Early Forecast Warning System (EFWS) for plant protection in the Prespa Lake catchment was developed, and later replicated in the Strumica River Basin. The system provides advisory services to farmers on the timely proper use of pesticides for plant protection. According to the information and data provided by the Agrochemical Laboratory in Resen, the system was regularly used by approximately 100 (out of 170) individual farmers in the Prespa region. The EFWS is in line with the requirements of the EU legislation on Integrated Crop and Pest Management (IPM) and therefore, the Ministry of Agriculture, Forestry and Water Economy expressed interest to incorporate it as part of the country policies for agriculture production.

The EFWS is in line with the requirements of the EU Directive 2009/128/EC of the European Parliament and of the Council establishing a framework for Community action to achieve the sustainable use of pesticides. A cornerstone of the Directive is the promotion of Integrated Pest Management (IPM). Along with the promotion of organic farming IPM is one of the tools for low-pesticide-input pest management and IPM must be implemented by all professional users. Integrated pest management means careful consideration of all available plant protection methods and subsequent integration of appropriate measures that discourage the development of populations of harmful organisms and keep the use of plant protection products and other forms of intervention to levels that are economically and ecologically justified and reduce or minimise risks to human health and the environment. 'Integrated pest management' emphasises the growth of a healthy crop with the least possible disruption to agro-ecosystems and encourages natural pest control mechanisms.

Within the Project, the existing early forecast and warning system for irrigation optimization/scheduling practices in agriculture production. For this purpose, a consultant will be contracted at the beginning of the Project, to assess the current features of the EFWS, identify the concrete features for the upgrade of the system based on the additional services to be provided to the farmers, and develop a specification/TORs for the system upgrade. He/she can utilize a user survey and direct contact with the farmers using the system.

It is expected that the system will provide for combination of the monitoring system with soil moisture detection sensors and the time of start/end of irrigation by micro-climate locations in Prespa on each individual farmer's parcel. This is of crucial importance for introducing effective water saving techniques in agriculture. Based on the specification developed by the individual consultant, an IT company will be contracted to upgrade the existing early forecast and warning system with features for irrigation optimization/scheduling practices in apple production.

Based on the knowledge of the region in terms of climate and soil types, and other characteristics obtained on micro locations with the implementation of previous grant programs, the upgrade will intend to provide modelled forecast to be disseminated to the already established early warning system for pest management. The upgraded feature for irrigation forecast will have possibility to be utilized by every farmer in the region. It is expected that additional 200 farmers will use the upgraded system in the Prespa region.

Capacity assessment of the Agrochemical Laboratory and analysis of services offered, and possibilities to expand the services will be carried out. This will also include the assessment of the potential for accreditation of certain methods.

In order to ensure sustainability of the system, and based on the analyses done, an individual consultant will be hired to assess different option and to propose the most feasible long term/cost effective business model for the sustainable functioning of the system e.g., payment modality for the farmers receiving the forecast services, as well as type of additional equipment needed for the Lab to expand the services to the farmers in the Prespa region etc. This will be especially important also from the perspective of the expected reform of the pest management in the country and introducing a mandatory obligation for the farmers in the country for the integrated pest management.

The system will be beneficial for the farmers especially considering the EU Agriculture Policy which calls for mandatory introduction of ICP and IPM systems in the national agriculture legislation, strongly linked with the subsidiaries paying schemes, but also with the EU Green Deal and the WB Green Action Plan.

The second set of actions will be focused on the Agrochemical Laboratory and the Union of Agriculture Producers in Resen as a managing entity of the forecast and early warning system. They will be supported by purchase of small field and laboratory equipment that will allow them to further extend their services to farmers in the Prespa region and broader. The existing Early Forecast and Warning System consist of 9 agrometeorological stations located in the Prespa region, field measurement equipment and appropriate prognostic software. The extension and upgrade of the system will most likely require upgrade of the stations with additional sensors and/or extension with new cost-efficient stations particularly for measuring water usage associated parameters (e.g., moisture sensors/stations, tensimeters, dataloggers, etc.). The type of equipment will be determined based on the outcomes of the expert assessment on the current status of the provided services and respective equipment used by the Lab. The expert will prepare cost benefit analyses for purchasing new equipment, and a business plan for the EWS upgrade in close collaboration with the Laboratory and the project team.

Agrochemical laboratory is owned and being operated by the Union of Agriculture Producers from Resen which is an association of citizens (CSO registered in the national register of legal entities). The association in its code of activities has provision of advisory services in agriculture and conducting pedological analyses with the equipment it poses. There are no recognized reference laboratories on national level for such services. Additionally, the national system of accreditation prescribes provisions for general accreditation of the laboratory and particular accreditation of laboratory methods. Although the existing private and public laboratories (these are the laboratories within the state institutions e.g., Institute for Agriculture) are not accredited for pedological analysis, the possibility for accreditation could be seen as additional financial burden on long term. The accreditation of laboratories is required yearly or bi-yearly so to renew the accreditation certificate imposes financial implication as they will have to ensure sufficient financial resources in their annual budgets. Considering that the Ministry of Agriculture, Forestry and Water Economy recognizes the results of the pedological analyses without having accreditation status, this task of supporting the accreditation standards is considered as unnecessary in the given circumstances. This also counts for the recognition as reference laboratory because there is no such laboratory in the country.

Therefore, the type of support within the project which can be provided is in extending the capacities for early warning and forecast system pest management and support towards reaching the objectives of the IPA twining Project on Improvement of the administrative and operational capacities of the plant protection authorities (MK 19 IPA AG 01 21) for establishment of official recognition of the system as first national valid Integrated Crop Protection (ICP) and Integrated Pest Management (IPM) system.

Sequencing of the activities

1. Engagement of a consultant that will develop technical specification for the upgrade of the existing forecasting and early warning system (2nd quarter of the first year of the project implementation)
2. Announcement of a tender for selection of a company that will develop the upgrade of the EFWS (3rd quarter of the first year of the project implementation)
3. Selection of a company and signing of a contract (3rd quarter of the first year of the project implementation)
4. Development of the upgraded EFWS and testing (3rd quarter of the first year of the project implementation – 3rd quarter of the second year of the project implementation)
5. Selection of a consultant that will do capacity assessment, develop sustainability model and business plan for the Agrochemical Laboratory (2nd quarter of the first year of the project implementation)
6. Announcement of tender for purchasing equipment for the Agrochemical Laboratory in Resen (3rd quarter of the first year of the project implementation)

7. Selection of a company and signing of contract (3rd quarter of the first year of the project implementation)
8. Delivery and installation of equipment and warranty period including training of staff to use the equipment (4th quarter of the first year of the project implementation + 12 months warranty period)

Partnerships

The Project team will closely collaborate with the IPA twining Project on Improvement of the administrative and operational capacities of the plant protection authorities (MK 19 IPA AG 01 21) and with all national relevant authorities and beneficiaries, including the Phytosanitary Directorate, the Ministry of Agriculture, Forestry and Water Economy to prepare the ground for official recognition of the system as first national valid Integrated Crop Protection (ICP) and Integrated Pest Management (IPM) system.

The specific objective of the twining project is to improve the efficiency of the National Plant Protection System, ensuring proper implementation of national policy and legislation in line with the Union Acquis. The twining project shall strengthen capacities of the national authorities responsible for the phytosanitary system, including administrative, inspection, diagnostic and other technical tasks in plant health, plant protection, quality of seed and propagation material and variety rights. This project is done outside the scope of this Project funded by the EU and implemented by UNDP.

Anticipated risks and mitigation actions

Risk Factor	Description of risk	Likelihood	Impact	Risk response
Environmental	No risks identified at this point	Low	Low	The Social and Environmental Screening Procedure (SESP) that will be carried out in the preparatory phase of the project will determine potential environmental and social risks of the activities If the risks are identified, respective measures will be developed to mitigate the risk and the impact, and their implementation will be monitored throughout the project.
Planning, process and systems	No risk identified	Low	Low	/
People/organizational	Limited human capacity of the Agrochemical Laboratory	Medium	Medium	The Laboratory will be supported to establish more close collaboration with the Secondary Agricultural School. Expansion of the services provided by the laboratory might imply increase staffing needs
Legality and regularity	No risk identified	Low	Low	In case in the project duration there is a legal requirement for accreditation of agrochemical laboratory to be able to provide services to farmers, the project will accommodate

				support and guidance to ensure compliance of the both Laboratory and EFWS to the applicable regulations.
Financial	The Agrochemical Laboratory has limited financial resources for maintaining the equipment	Low	Low	The Laboratory will be supported to prepare a business plan for its operation that will ensure sufficient resources for normal operation, maintenance of the equipment and expansion of its services. The type of equipment to be procured will be also sized to as optimal to sustain the provision of extended services with balance to the available staffing resources.
Information and communication	No risk identified			The Project team will regularly inform the key partners and the public about the progress of the activities. The results of the Project will be communicated through the national and local media, including the social media. Visibility events will be organised for the delivery of the equipment.

Activity 2.1.3 Improving the agricultural waste management system by expanding the biodegradable waste collection and processing

Building upon the achievements and lessons learnt from the SDC funded Project on biodegradable waste management, under this activity the Project will implement a comprehensive knowledge and awareness raising campaign with a goal to support the expansion of the biodegradable waste collection and processing, function of the composting plant. Moreover, the knowledge and awareness programme for farmers shall also include training for composting of their bio waste and investment in on-farm facilities, on-farm processing and turning the potential non-marketable products (e.g. apples) into other products. Utilization of the waste from pruning that is usually burnt but can be used for other purposes, shall be explored.

The campaign will target farmers, especially the large apple producers, and small businesses that generate organic waste. The campaign, together with the new equipment acquired under Activity 1.1.2, should help to revive the functioning of the composting plant to the level that was when it was established and operational. The campaign may also promote the high-quality products and its use with some research evidence. Labelling of the organic compost may expand its possibilities for sales to other organic farmers in other regions.

The activity will be implemented once the waste equipment is purchased, and as part of the overall system for establishment of an extended waste management system in the municipality of Resen.

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Sequencing of the activities

- Announcement of tender and selection of a company that will carry out public awareness campaign and signing of contract (3rd quarter of the first year of the project implementation)
- Carrying out public campaign (3rd and 4th quarter of the first year of the project implementation)

Partnerships

The European Bank for Reconstruction and Development (EBRD) is supporting the modernization and expansion of country's waste management system. The Bank is extending a €55 million sovereign loan to allow the country to construct new and rehabilitate existing sanitary landfills, build new transfer stations, waste infrastructure for collection and transport, and a recycling centre, and to close two non-engineered dumpsites. The investment will support the establishment of three regional integrated waste-management systems in accordance with European Union (EU) standards across five regions (Polog, Southwest, Pelagonija, Vardar and Southeast). The project will be implemented by the Ministry of Environment and Physical Planning. This project is complementary to the EU for Prespa project activity aimed at improving the solid waste management in Resen. This activity is done outside the scope of this Project funded by the EU and implemented by UNDP.

Anticipated risk and mitigation measures

Risk Factor	Description of risk	Likelihood	Impact	Risk response
Environmental	No risk identified	Low	Low	The Social and Environmental Screening Procedure (SESP) that will be carried out in the preparatory phase of the project will determine potential environmental and social risks of the activities related to the operationalization of the composting plant. If the risks are identified, respective measures will be developed to mitigate the risk and the impact, and their implementation will be monitored throughout the project.
Planning, process and systems	No risks identified	Low	Low	/
People/organizational	Risk 1: Insufficient interest of relevant stakeholders to participate in the			The targeted campaign should decrease this risk. In addition, the municipality of Resen shall request the communal inspectors to strengthen the control and to ensure that the respective laws are respected.

	management of the agricultural waste i.e. to contribute to the operationalization of the composting plant and use its products.	Moderate	Moderate	
Legality and regularity	No risk identified	Low	Low	Legal requirements for the use for testing and use of the compost will be respected with focus on its use as organic fertilizer. Potential aspects for certification of the compost products will be explored and promoted by the Project.
Financial	No risks identified	Low	Low	/
Information and communication	No risk identified			The Project team will regularly inform the key partners and the public about the progress of the activities. The results of the Project will be communicated through the national and local media, including the social media.

Activity 2.1.4 Support for agriculture crop diversification, organic & integrated production certification

Agriculture and particularly the apple production is the most important economic sector in the region with intensive apple production on area of approximately 4.500 hectares. At the same time, it is identified as the key environmental pressure factor for the vulnerable Prespa Lake ecosystem due to the intensive way of production that requires utilization of huge quantities of artificial fertilizers and pesticides. Moreover, having apple production almost as a monoculture in the Prespa region is causing serious problems to the farmers in terms of the price of the apples, availability of the markets, etc. Unfortunately, there have been only individual attempts to diversify the agriculture production with introduction of other crop varieties (cherries, plums, nuts, etc.) which require less quantities of fertilizers and pesticides and are micro-climate adapted. Therefore, there is a vast opportunity but also a need to work with farmers in the region and help them to diversify the crops and to turn towards organic & integrated production.

Under this Project activity support for agriculture crop diversification, organic & integrated production certification will be provided through the supply of seedlings of cherries, plums, hazelnuts, nuts, etc.; implementation of measures that will provide for extension of organic production; certification of farmers for organic and/or integrated production; as well as through the establishment of at least seven pilot plots with innovative cultivations of at least three types of non-timber forest products in marginal areas.

The implementation of this activity is foreseen to be in very tight connection with the Activity 2.1.1 "Extending the apple production area under Good Agriculture Practices (GAP) and environmentally friendly agro-ecological measures". The funds for implementation of the activity are budgeted under the Output

2.1.1 except the funding allocated to CNVP as a Responsible Party, which are budgeted under the Activity 2.2.1

The focus of the programme for organic certification will be on farmers producing and cultivating orchards on farmland in ecologically sensitive areas in the Prespa Lake Catchment e.g. within the protected area of Ezerani Nature Park, Golema Reka River as the major identified point source polluter of the Lake, other river water bodies identified as pressures in the Prespa Lake Watershed Management Plan, as well as on high water demand crops and agrochemicals-intensive crops such as apples.

The call for farmers to enrol in the capacity building programme under the Activity 2.1.1, will include specific reference for farmers that will be interested in diversification of agriculture crop varieties with less pesticides, fertilizers and irrigation, dedicating apple orchards/parcels/plots to be re-planted with e.g. cherries, plums, raspberries, nuts, etc. or modern apple varieties and others more commercial apple crop varieties instead of the old apple orchard varieties.

Farmers which will be selected within this call will receive two-fold support. One will be the knowledge and technical advice depending on the need identified for each farmer (whether they have applied for introduction or extension of crop varieties diversification on their orchards or for support in certification for organic production or integrated crop management) and the second will be direct support in providing seedlings for crop varieties they have applied to plant. The Project will procure and supply e.g., seedlings of cherries, plums, hazelnuts, nuts, roots, beans, peas, oil rapes, medicinal herbs and spices and other identified appropriate crops and non-timber crops.

Moreover, the farmers that will be selected for diversification on their orchards or for cultivations of non-timber forest products, possibility will also be given for certification of organic and/or integrated production. There are few farmers in the Prespa region which have certified production and the interest for this is growing as they are aware for the potential benefit and added value certified production could have. Therefore, various technical support will be possible for certification in organic including trainings on skills enhancement, etc. with support of accredited experts for organic certification or organic certification companies.

At least seven farmers will be supported to establish pilot plots with innovative cultivations of non-timber forest products. At least 45 farmers will be certified for organic production.
The technical support may be extended to preparation of applications for IPARD III or applying under the national rural development scheme. This support can be provided for a number of farmers thus extending the target group and possible impact.

Sequencing of the activities

The sequencing of the activities is given under the Activity 2.1.1

Partnerships:
This activity will build upon the positive examples in the Prespa region of farmers which have partially or completely changed the crop varieties. Also, it will build upon the results of the EU funded Project in Prespa within the ReLOAD program aiming to promote and enhance "beekeeping as ecological business for the young people in Prespa" whereas a group of young people (up to 40 years old) were trained on basic honey production practices.

Successful pilot examples achieved in Prespa within the Swiss Funded program for Increasing Market Employability (IME) whereas few raspberry and hazelnuts producers-innovative farmers from Prespa were supported in opening alternative business with organic production and certification, will be highly considered for the implementation of the activity 2.1.1 and the activity 2.1.4.

Anticipated risk and mitigation measures

Risk Factor	Description of risk	Likelihood	Impact	Risk response
Environmental	No risk identified at this stage	Low	Low	The Social and Environmental Screening Procedure (SESP) that will be carried out in the preparatory phase of the project will determine potential environmental and social risks of the activities related to the agriculture crop diversification, organic & integrated production certification. If the risks are identified, respective measures will be developed to mitigate the risk and the impact, and their implementation will be monitored throughout the project.
Planning, process and systems	No risk identified No delays are expected in the procurement and delivery processes. No system risk identified	Low	Low	/
People/organizational	Insufficient interest for crop diversification and organic production in the Prespa region	Moderate	Moderate	Promotion of the supply change trough an awareness campaign and providing examples from the European countries. Close collaboration with other donors supporting organic production in the region to create synergies and maximize the impact. involving local processors and traders for crops demanded – and establish a value chain vertically integrating processors and farmers for a certain product variety
Legality and regularity	No risk identified	Low	Low	/
Financial	No risk identified	Low	Low	/
Information and communication	Ni risk identified			The Project team will regularly inform the key partners and the public about the progress of the activities. The results of the Project will be communicated through the

				national and local media, including the social media.

Activity 2.1.5 Establishment of Prespa region supply chain for agricultural products

The EU's rural development regulation (1305/2013) defines a "short supply chain" as a supply chain involving a limited number of economic operators, committed to cooperation, local economic development, and close geographical and social relations between food producers, processors, and consumers. Such a food system is of considerable interest since it responds to several needs and opportunities, both of farmers and consumers. The development of different types of short food supply chains (i.e., direct sales by individuals and/or collective direct sales, partnerships – community supported agriculture) is one of the approaches of the Common Agricultural Policy to improve competitiveness in Europe.

Defining a local food system is more complex. Regulation (EU) No 807/2014 states that the definition of local markets eligible for support by the EAFRD shall be defined in Member States' rural development programmes. Local is often defined in terms of distance between the point of production and the point of sale. It can also be understood in relation to a recognized geographical area such as a county or a national park. A possible definition given in the EU Joint Research Centre includes: 'a food system in which foods are produced, processed and retailed within a defined geographical area' (depending on the sources, within a 20 to 100 km radius approximately). The notion of 'local' food is subjective and depends on the context of the local area: the density of population, accessibility, and urban or rural character. The term 'local' can also refer to the closeness of the relationship between producers and consumers, based on mutual trust and cooperation.

In recent times, short food supply chains and local markets, where farmers sell their products directly to consumers or with a minimum of intermediaries, have flourished in all EU countries, both in rural and urban areas. They represent an alternative to conventional longer food chains where small farmers often have little bargaining power and the consumer cannot trace the food to a known producer or local area.

There is a large variety of SFSC and local food systems across the EU, and nearly all types of organization can be found in every part of the EU. Variations can be found in each organizational type: selling a single type of product or a range of products; cooperatives, voluntary sector or private businesses; selling on the internet; adding products from other farms to one's own supply, etc. The quality of products is perceived differently across Europe. In northern and western Europe, quality criteria tend to concern environmental sustainability and animal welfare, whereas in eastern and central Europe, food quality is associated with rural tradition, local knowledge and culture. In southern Europe, it is more the context of production which determines quality: culture, tradition, climate, soil and local knowledge.

The Prespa region faces major socio-economic challenges such as chronic outward migration especially of young population, high unemployment rate and lack of job opportunities outside the agriculture sector. Moreover, farmers are facing high volatility of prices for apples, many intermediaries and lack of regional processing capacities.

In a situation of uncertainty of agriculture markets and lack of alternative employment, one of alternatives is to support the farmers to seek other opportunities such as development of 'home-made' products, and participation in sustainable tourism activities. Although this approach has some individual initiatives in Prespa, it is far from the potential it has. The farmers do not have enough capacity for adding value to their products and to further develop their features as functional food. They also have weak marketing capacities to promote their product and expand consumer network and they lack financial means for investments in on-farm processing and business expansion.

The main attribute of the Prespa region is the biodiversity richness, potential for apple production diversification (organic production, ongoing trend of different crop varieties utilization) and surroundings of two National Parks rich with forest products (berries, medical herbs and tea. Some households produce

traditional remedies from medical herbs according to unique recipes combined with international recognition of the transboundary Prespa area as UNESCO Biosphere Reserve.

The Project will work towards increasing the market opportunities of the locally produced products and to promote them as functional foods to other consumers. Development of the Short Foods Supply Chain (SFSC) in the region will provide opportunities to the producers to increase their qualifications in food technologies and processing (focusing on food quality, hygiene and safety) and will promote income and job opportunities for the rural population. Product innovations, use of IT technology in marketing strategies and development of distribution channels can engage the young population.

This project will target the potential of short food supply chain of 'healthy' food produced by rural households in Prespa region. Growing awareness of consumers for healthy lifestyle, natural remedies and functional foods is considered as important potential source of income opportunity of the farmers and households in the Prespa region. The region offers variety of products such as apple, juices, syrups and compotes from apples, forest berries, plums, cherries, honey, etc. The activity will consider supporting farmers to promote their products as 'eco', 'bio', 'home-made' etc. or as so called 'functional foods' (foods that provide health benefits beyond the provision of essential nutrients, e.g., vitamins and minerals). Currently, consumers buying these products are usually tourists visiting the region.

The project will address these challenges by offering targeted trainings to the participants and by promoting partnerships. In particular, the Project will focus on establishment of the value chain of fruit products and honey; develop collective marketing and direct sales of the regional products and promote sharing collective facilities, which imply sharing quality and reputation. The Project will bring together farmers including beekeepers and rural households involved in collection of forest products, apple products and processing thereof. The key target beneficiary shall be the Association of Rural Women and the Spirit of Prespa including Local Action Group (LAG) from Prespa. The project will also involve farmers group i.e. association – legal holder of the protection of origin "Prespa apple" for better marketing.

Project actions will start with awareness raising and mapping of stakeholders willing to participate in the short supply chain and assessing their capacity in terms of knowledge and skills, type and quantity of products being produced individually, and facilities/equipment used.

Training will be provided to the stakeholders in different aspects of food processing including food hygiene and safety standards, developing product recipes and its nutritional values, development of marketing strategy and branding, direct sales and collective distribution.

Apart of the knowledge-based training programs which will be provided for the stakeholders willing to be enrolled in this activity, various type of goods and equipment will be provided as support. Depending on the individual capacity and technical assessment of each stakeholder involved in the SFSC, possibility will be given to extend their capacity with equipment (e.g. small food processing lines/equipment, product storage facility, etc.).

This activity will be implemented in very close coordination with Activity 2.1.1 Extending the apple production area under Good Agriculture Practices (GAP) and environmentally friendly agro-ecological measure and Activity 2.1.4 Support for agriculture crop diversification, organic & integrated production certification considering the importance and linkage both activities have on the SFSC Prespa products.

Farmers and stakeholders considering environmentally friendly agro-ecological production with certified organic and/or integrated production will be ultimate objective in selection to be supported with this activity 2.1.5.

Information sessions will be provided for the applicable national regulation and opportunities for support that are provided by the Government and the EU, as well as other donors and financial institutions. In case of collective facilities, the project assistance may be extended to investments in establishing such facilities (e.g., storage, washing, packaging, processing, and distribution or point-of-sale). In case of on-farm processing, the Project, if required, will help interested stakeholders in preparing IPARD applications for investments in farm diversification. The assistance under this activity will be in line with the IPARD III measure requirements in coordination with the Ministry for Agriculture, Forestry and Water Economy.

Sequencing of the activities

1. Mapping of stakeholders willing to participate in the Short Supply Chain (2nd quarter of the first year of the project implementation)
2. Announcing a tender and selection of individual experts that will deliver trainings in different aspects of food processing including food hygiene and safety, standards, nutritional values, developing product recipes, marketing strategy and branding, direct sales and collective distribution. (4th quarter of the first year of the project implementation).
3. Implementation of capacity building and mentoring programme (4th quarter of the first year of the project implementation)
4. Establishing of a Short Supply Chain for the Prespa region (second year of the project implementation)
5. Preparing technical specifications and purchase of various type of goods and equipment (1st quarter of the second year of project implementation)

Partnerships

There is one small individual initiative "Spirit of Prespa" which is opening the mindset of the locals for the potential of local products and development of agro-ecotourism potential of the region, and they could be the leader in boosting this sector. Also, the Association of Rural Women from Prespa have been implemented some small-scale initiative with support by PONT and executed by CNVP. Few implemented projects will be considered in identification of potential preselected and qualified farmers/individuals/initiatives acting as potential flagship successful cases inducing the "Spirit of Prespa" farm and other households initiatives (e.g., Prespino-homemade apple juice and other added value products from Trantalovski farm as registered individual producer authorized to produce and sell products from home). In conceptualization of the details of the support, such examples will be considered which are part of the few implemented or ongoing projects: SIDA funded project for Increasing income and socio-economic strengthening of vulnerable and marginalized groups in rural and suburban environments 2021-2023 (IISEE) implemented by "We Effect"; EU for Economic Growth (EU4EG) project for support in increasing the local economic activity and competitiveness in four target areas including the Prespa region as part of Pelagonia development planning region by improving access of existing MSMEs to high value-added business support services and financing.

All of the above-mentioned activities under "Partnerships" will be done outside the scope of this Project funded by the EU and implemented by UNDP.

Anticipated risk and mitigation measures

Risk Factor	Description of risk	Likelihood	Impact	Risk response
Environmental	No risk identified at this stage	Low	Low	The Social and Environmental Screening Procedure (SESP) that will be carried out in the preparatory phase of the project will determine potential environmental and social risks. If the risks are identified, respective measures will be developed to mitigate the risk and the impact, and their implementation will be

				monitored throughout the project.
Planning, process and systems	No risk identified No delays are expected in the procurement and delivery processes. No system risk identified	Low	Low	/
People/organizational	Insufficient interest for participation in a food supply chain in the Prespa region	Low	Moderate	Promotion of the supply change trough an awareness campaign and providing examples from the European countries. Close collaboration with other donors supporting organic production in the region to create synergies and maximize the impact.
Legality and regularity	No risk identified	Low	Low	/
Financial	No risk identified	Low	Low	/
Information and communication	No risk identified	Low	Low	The Project team will regularly inform the key partners and the public about the progress of the activities. The results of the Project will be communicated through the national and local media, including the social media.

Output 2.2 Sustainable tourism product promoted and diversified

Tourism in the Prespa region is small-scale, seasonal, and based on a few small hotels, private accommodation and restaurants. This sector has been being severely affected by the continued decrease in the water level of the Prespa Lake, which transformed the previously sandy beaches into muddy and shallow coastal area. However, due to the reach biodiversity and pristine nature, the potential for natural resource-based tourism is huge and unexploited due to lack of interest for investments.

The most comprehensive assessment of the potential for the tourism sector development in the Prespa region both from national and transboundary context was done as part of the Trilateral Tourism Strategy and Action Plan prepared within the UNDP trilateral Prespa Project funded by Global Environment Facility (GEF). The Strategy's vision for the Prespa Lake Basin considers Prespa as a model for sustainable and responsible tourism development, building on its superb natural and cultural features. The Strategy recognizes 2 main product areas/theme which Prespa region could offer to meet growing market needs: ecotourism as one theme with nature (bird watching, biking, hiking, etc.), culture and activity tourism and second area/theme including accommodation capacity extension associated with improved tourism products/offers (resorts, spa, and wellness tourism).

Under this Output, the following activities will be implemented

Activity 2.2.1 Capacity building program for sustainable tourism in the Prespa region

Activity 2.2.2 Support for expansion of sustainable eco-tourism offer in the Prespa region

Activity 2.2.1 Capacity building program for sustainable tourism in the Prespa region

Lack of human and financial resources to promote sustainable tourism in the Prespa region has been identified as one of the obstacles for the region to benefit from the touristic development. Also lack of proper marketing is clearly an area of weakness in all three parts of Prespa. The lakes are peripheral to each country's marketing campaigns and despite many donor projects, there remains evidence of a lack of communication and a lack of coordinated effort at national as well as trans-boundary levels. Marketing challenge that needs to be addressed is to create awareness of the Prespa region as a potential holiday destination. This implies the need for a sustained public relations (PR) campaign focusing on new products as they emerge in the three countries. Moreover, there are insufficient tour operators promoting the area. Most of the accommodation bookings for the touristic destinations worldwide are done through the internet but all parts of Prespa are difficult to find on-line.

Based on the above identified weaknesses as well as outcomes and recommendations from other ongoing and past projects/initiatives, the Project shall support the implementation of a targeted capacity building program for tourist operators, owners of small hotels, bungalows and for interested residents of Prespa that are involved in activities and small business related to tourism. The capacity building programme shall include topics such as: 1) Start your own business, 2) Running a bed and breakfast 3) Running a small hotel, 4) Food safety (hazard analysis and critical control points, HACCP), 5) Visitor attraction management, 6) Marketing for small businesses, 7) Customer care, 8) Language courses and cultural awareness program; 9) How to create new touristic products.

The capacity building programme will be developed and delivered by individual consultants with relevant knowledge and expertise, that will be selected trough competitive procurement process. The consultants will be at the same time responsible to provide mentor support to the beneficiaries that will implement activities for sustainable tourism.

Under this component, also a Responsible Party Agreement will be signed with the CSO "Connection Natural values and People" (CNVP). The detailed work plan, budget, and timeline for implementation of the actions shall be part of the Responsible Party Agreement which will be signed between UNDP and CNVP. The transfer of funds to CNVP will be done on quarterly tranches, upon utilization of 80% of the budget for the previous quarter, and certification of the expenditures by UNDP. For this purpose, CNVP shall quarterly submit narrative and financial reports, accompanied by invoices and/or other relevant documents confirming the payments done to individual consultants, or any other eligible costs. Beside the regular reporting, UNDP can do ad-hock spot checks to determine whether the Responsible Party is performing in accordance with the agreed work plan and budget.

The activities implemented by CNVP shall be complementary to the activities under the project "Non-timber forest products for Prespa Economic Development" funded by PONT. This project provides transboundary and complementary approach to the development of non-timber forest products (NTFPs), farming, as potential for regional economic development and relieving the pressure on Non- Timer Forest Products (TTFP) in the protected areas. The overall objective is to enhance the local economy through sustainable use of NTFPs. The project's main focus is on development of capacities of Prespa Women Cooperative (PWC) by promotion of local values in Prespa such as local food, handcrafts and richness of natural resources in NTFP's. The project is also aimed at supporting the networking among similar organizations in the trans-border region of Prespa, with aim to promote synergy in sustainable development of Prespa area. The project activities will be focused mainly on the young people and women living in the project area, without having a

gender biased approach and without excluding the possibility for man to join the PWC's future activities. The project will provide Increased capacity of land managers, harvesters including women and youth involved in NTFPs cropping and increased awareness of local people. The activities will focus on capacity building on processing, packaging, branding and marketing of NTFPs, establishing and improving relationships among NTFP collectors / producers with the traders, develop catering services that includes local food specialties with NTFP's from the Prespa region and their promotion on the social media, value chain analysis to identify potential market opportunities for NTFPs in transboundary dimension with participation and involvement of stakeholders from all three Prespa riparian countries.

Sequencing of the activities

1. Signing of a Responsible Party Agreement between UNDP and CNVP (2nd quarter of the first year of the project implementation)
2. Implementation of the activities by CNVP as per the signed Responsible Party Agreement (2nd quarter of the first year of the project implementation – 2nd quarter of the third year of the project implementation)
3. Announcement of tenders for selection of individual consultants that will deliver capacity building programme (2nd quarter of the first year of the project implementation)
4. Selection of consultants and signing of contracts (3rd quarter of the first year of the project implementation)
5. Implementation of the capacity building and mentoring programme (3rd quarter of the first year of the project implementation – 3rd quarter of third year of the project implementation)

Anticipated risk and mitigation measures

Risk Factor	Description of risk	Likelihood	Impact	Risk response
Environmental	No risk identified at this stage	Low	Low	The Social and Environmental Screening Procedure (SESP) that will be carried out in the preparatory phase of the project will determine potential environmental and social risks If the risks are identified, respective measures will be developed to mitigate the risk and the impact, and their implementation will be monitored throughout the project.
Planning, process and systems	No risk identified No delays are expected in the procurement and delivery processes. No system risk identified.	Low	Low	/
People/organizational	Insufficient interest for participation in a training programme	Low	Low	Promotion of the training programme through an awareness campaign and providing examples from the European countries.

				Close collaboration with other donors supporting sustainable tourism in the region to create synergies and maximize the impact.
Legality and regularity	No risk identified	Low	Low	/
Financial	No risk identified	Low	Low	/
Information and communication	No risk identified	Low	Low	The Project team will regularly inform the key partners and the public about the progress of the activities. The results of the Project will be communicated through the national and local media, including the social media.

Activity 2.2.2 Support for expansion of sustainable eco-tourism offer in the Prespa region

Direct financial support for sustainable eco-tourism will complement the capacity building activities. Support will be provided for projects but not limited to the enlargement and/or improvement of the reception capacity, birdwatching tours, construction of paths for bicycles and for hiking, promotion of renewable energy and energy efficiency, extension of existing or new accommodation capacities (small hotels, bungalows complexes, eco-camps, etc.) linked to the protected areas (National Parks Pelister, Galicica, Ezerani, Prespa Lake) and the rural communities nearby.

Call for Applications shall be announced for different categories of projects e.g. projects for extension of accommodation capacity; projects for new outdoor touristic infrastructure (hiking and biking trails); etc.) and different categories of applicants CSOs, private sector entities (e.g. owners of small hotels, bungalows complexes, eco-camps, B&B, tourism service providers) and Management Entities of the Protected Areas in the Prespa region. At least 25% co-financing shall be required from local beneficiaries. The average individual financial support will be in the range between 20,000-50,000 Euro, and on exceptional bases, it could go up to 80,000 Euro if there is readiness of the beneficiary to cost share more than 25%. The call will be shared with EUD at least three weeks before they are lunched and leave enough time for EUD to provide suggestions in order to strengthen the call. This will also ensure complementarity with the call for provision of grants managed directly by the EU Delegation.

Depending on the categories of project to be supported in this activity, eligibility criteria will be appropriately refined in the Call for Application. For instance, the physical entities (e.g. owners of small hotels, bungalows complexes, eco-camps, B&B, tourism service providers) have to be owner of the facility for which they apply, with clear private property issues regulated. Legal entities will have to prove the ownership of the facility they apply for and prove the active status of the entity (e.g. not in stage of liquidation, bankruptcy or other conditions determined by the national legislation). The guidelines for the call and the eligibility criteria will be consulted with the EUD before launching the call for provision of suggestion, if any.

Depending on the nature of the selected applications, different management arrangements/modalities will be applied. Low value grant agreements will be signed with CSOs. For individuals, UNDP shall do the procurements of the goods and services in the amount of the financial support while for the private sector entities, UNDP rules for working with the private sector will apply. The engagement process with the private sector entities will be done in line with the POPP (Programme and Operations Policies and Procedures). Due diligence is mandatory for private sector, and it is done in one of the verification steps of the process. Further

operational guidelines will be developed, and they will provide detailed explanation for the procedures to be followed and specific requirements.

The cost-sharing from the beneficiary shall not be transferred to UNDP, but the project team will monitor and collect reliable data and evidence about the co-financing for each of the beneficiaries.

Different options were reviewed for provision of consulting services for the capacity building programme, consulting company vs. individual consultants vs. Responsible Party Agreement with one of the Tourism Faculties. Based on the analyses it was decided to engage individual consultants to deliver the capacity building programme in order to expand the pool of experts and to get on board the best experts with the required expertise and experience. If a tender for a consulting company is announced, experts will most probably go with different companies that will apply to the tender. The option for engaging one of the Faculties for Tourism was also assessed but none of the faculties had feasible comparative advantage over the others.

The activities will be closely coordinated with the EUD in order to ensure complementarity with the grants that will be awarded by EUD to selected entities under their call for tourism and cross-border projects, and to prevent overlapping.

Sequencing of the activities

1. Announcement of the call for applications (2nd quarter of the first year of the project implementation)
2. Selection of the projects/ grantees (3rd quarter of the first year of the project implementation)
3. Implementation of the selected projects (3rd quarter of the first year of the project implementation – 4th quarter of third year of the project implementation)

Anticipated risk and mitigation measure

Risk Factor	Description of risk	Likelihood	Impact	Risk response
Environmental	No risk identified at this stage	Low	Low	The Social and Environmental Screening Procedure (SESP) that will be carried out in the preparatory phase of the project will determine potential environmental and social risks of the activities related to the implementation of the grant shame. If the risks are identified, respective measures will be developed to mitigate the risk and the impact, and their implementation will be monitored throughout the project. For some of the selected projects, there might be a need to prepare EIA or environmental elaborate.
Planning, process and systems	Different modalities for providing support	Low	Low	Specific guidelines shall be developed for each modality for implementation of the

	to individuals, private sector			financial support, based on applicable UNDP rules
People/organizational	Insufficient interest for participation in the grant scheme	Low	Moderate	Promotion of the grant scheme through an awareness campaign and providing examples from the European countries. The project team will organize information sessions with potential grantees and will encourage them to apply.
Legality and regularity	No risk identified.	Low	Low	All activities shall be implemented in accordance with the respective UNDP rules and procedures, and in accordance with the national laws
Financial	Difficulties to ensure co-financing.	Moderate	Moderate	The Project will announce the eligibility criteria, so all potential interested entities will be aware about the co-financing requirement. The project team shall also actively work towards the identification of potential interested entities which will be able to fulfil the co-financing criteria.
Information and communication	No risk identified	Low	Low	The Project team will regularly inform the key partners and the public about the progress of the activities. The results of the Project will be communicated through the national and local media, including the social media.

Project Outcome 3:

Enhanced cross-border

The expected results under the Outcome 3 will be achieved through the following Outputs:

Output 3.1 Strengthened Strategic Vision on the development of Prespa Trans-boundary Area

Output 3.1

Strengthened Strategic Vision on the development of Prespa Trans-boundary Area

Under this output, the following activities will be carried out:

Activity 3.1.1 Support to the institutional trans-boundary cooperation in the Prespa region

Transboundary cooperation among the riparian countries of the Prespa region is the essential mechanism of focusing the conservation and economic development of the region. Therefore, the Project shall provide support to the already established coordinative body which after formal ratification of the Prespa Park Agreement has been transformed into the Prespa Park Management Committee (PPMC) and its transboundary working groups (e.g. Working Group on Water Management (WGWM) of the Prespa Park Management Committee).

Under this activity, the following actions will be carried out:

- **3.1.1.1 Revision of the Strategic Action Plan for the Sustainable Development of the Prespa Park** (SAPSDPP)
- **3.1.1.2 Creation of a web-based tool for storing and sharing transboundary environmental monitoring data (depending on availability founding)**

The Strategic Action Plan for Sustainable Development of the Prespa Park was developed in 2005 and revised in December 2012 as part of the GEF trans-boundary Prespa Lake Project. Since more than 10 years has past, its revision has been identified as one of the priorities by the Prespa Park Management Committee. Therefore, the Project will support the revision/upgrade of the Plan to align it with the latest developments in the region, to determine the new priorities on national and catchment levels, to identify possible sources of funding, and to determine new timeline for implementation of the measures and actions. The revised Strategic Action Plan for Sustainable Development of the Prespa Park shall ensure that future activities will be implemented in a strategic and coherent manner which is a prerequisite for transboundary sustainability.

The Strategic Action Plan will be prepared in a consultative manner, in close cooperation with all transboundary stakeholders. The Plan will be shared with the Donor's Community to ensure that future activities are nor contradicting neither duplicated, but also to raise their interest for supporting the implementation of the priority actions and measures of the Plan.

The draft TOR for the revision of the Strategic Action Plan for Sustainable Development of the Prespa Park will be prepared by the Prespa Park Management Committee (PPMC) and shared with the EUD, and then the EUD will share them with UNDP. The final text will be adopted at the PPMC meeting, which is expected to be held in September 2023. UNDP will review the TOR, adjust them, if needed to respond to the format used for procurement of consultancy services, and announce a Request for Proposals as an international competitive tender for selection of a consulting company that will revise the Strategic Action Plan for Sustainable Development of the Prespa Park. The evaluation of the offer shall be done by an Evaluation Committee established by UNDP, and the contract for provision of consultancy services will be signed between UNDP and the selected Contractor. While developing the revised Strategic Action Plan, the Contractor shall have an obligation to maintain close cooperation with the PPMC and other relevant stakeholders from the Lake Prespa riparian countries. The Contractor shall also have an obligation to take into considerations comments received from the PPMC and other stakeholders, and to incorporate them to the extent possible, in the final version of the document. UNDP shall facilitate the public consultation and support the PPMC to organize a promotional event for the Strategic Action Plan.

The Project will also support the creation of a web-based tool for storing and sharing transboundary environmental monitoring data. This will be done in a close collaboration with the Secretariat of the PPMC, the CSO organization from the Prespa region and academia. The TOR for the development of the web-based tool shall be prepared by UNDP upon consultations with the PPMC Secretariat that will coordinate the input from the CSOs from the region. Datasets from the Monitoring Programme done by the Hydro-biological Institute under the activity 1.2.2 Control/Eradication of alien fish species and control of main biochemical and physical parameters of the water quality of the Prespa Lake and in the main tributaries will be included in the web-based tool for transboundary environmental data.

UNDP shall announce a competitive tender for selection of a specialized IT company that will develop the tool. While developing the tool, the Contractor shall have an obligation to maintain close cooperation with the PPMC Secretariat and other relevant stakeholders from the Lake Prespa riparian countries.

Depending on the availability of the funding, the Project team will also provide other technical, logistical, and advisory support to the Prespa Park Management Body and the related working groups.

Sequencing of the activities:

1. Development of the TOR and their endorsement by the PPMC (1st quarter of the first year of the project implementation)
2. Review of the TOR for revision of the Strategic Action Plan for Sustainable Development of the Prespa Park (1st quarter of the first year of the project implementation)
3. Finalization of the TOR and its announcement (1st quarter of the first year of the project implementation)
4. Evaluation of offers and signing of a contract (2nd quarter of the first year of the project implementation)
5. Development of the Strategic Action Plan for the Sustainable Development of the Prespa Park (12 moths upon signing of the contract, estimated finalization 2nd quarter of the second year of the project implementation)
6. Public consultation for the draft Strategic Action Plan for the Sustainable Development of the Prespa Park (2nd quarter of the first year of the project implementation – 2nd quarter of the second year of the project implementation)
7. Finalization of the Strategic Action Plan (2nd quarter of the second year of the project implementation)
8. Announcement of the TOR for creation of a web-based tool for storing and sharing transboundary environmental monitoring data (2nd quarter of the first year of the project implementation)
9. Evaluation of offers and signing of contract (2nd quarter of the first year of the project implementation)
10. Development of the web-based tool for storing and sharing transboundary environmental monitoring data (3rd and 4th quarter of the first year of the project implementation)
11. Presentation of the web-based tool for storing and sharing transboundary environmental monitoring data (1st quarter of the second year of the project implementation)
12. Promotional event jointly with the PPMC (1st quarter of the second year of the project implementation)

Partnerships

The synergy created with the expected parallel actions in the three countries, will support the enforcement of the International Agreement for the Protection and Sustainable Development of the Prespa Park Region.

The EUD shall also directly implement an activity of improving the participation of local communities in the sustainable development of the region that is composed of the grant scheme "EU for Sustainable Development of Prespa Lake" focussing on youth, green jobs, and people to people actions. The call for proposals "Europeaid 178154 – EU for Sustainable Development of the Prespa Lake", was launched on 13.06.2023 and the deadline for the applications was 15.08.2023. More info on: https://webgate.ec.europa.eu/online-services/#/ (search by reference: 178154). The decision about selected application should be done by the end of 2023.

All of the above-mentioned activities under "Partnerships" will be done outside the scope of this Project funded by the EU and implemented by UNDP.

Anticipated risks and mitigation actions

Risk Factor	Description of risk	Likelihood	Impact	Risk response

Environmental	No risk identified	Low	Low	No risk identified thus no risk response developed
Planning, process and systems	Unsuccessful tendering procedure due to lack of qualified companies that meet the min. qualification criteria, which might delay the commencement of the process for the revision of the Strategic Action Plan	Low	Moderate	UNDP shall ensure that the information about the announced tender is shared broadly through different communications channels and not only announced at the procurement web site. The PPMC shall also share the announcement thorough their network
People/organizational	No risk identified	Low	Low	UNDP Country Office has previous experience in implementation of similar activities on trans-boundary level and has collaborated with the PPMC.
Legality and regularity	No risk identified	Low	Low	/
Financial	No risk identified. The project has sufficient funding to implement the activity	Low	Low	/
Information and communication	No risk identified.	Low	Low	The Project team will regularly inform the key partners and the public about the progress of the activities. The results of the Project will be communicated through the national and local media, including the social media. The Project team will also be in close communication and coordination with the Prespa Park Management Committee.

3.3 Resources Required to Achieve the Expected Results

Adequate resources, human and financial, and inputs from the relevant project partners are required to achieve the expected results.

The project will mobilize funds and finance its activities through a Contribution Agreement signed between the EU Delegation (EUD) in Skopje and UNDP. The programme funds will be used and prioritized in

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accordance with this document, and any changes will be done according to the relevant contractual provisions of the Contribution Agreement upon consultation with the EUD.

The Municipality of Resen shall provide office space for the Project team, except for the Communication Officer, which will be based in UNDP CO in Skopje, and will cover part of the operational costs for the office (electricity, heating) as an in-kind contribution.

PONT (Prespa Ohrid Nature Trust) shall also provide additional funding for the activities of CNVP (Connecting Natural Values and People) and the Hydrobiological Institute. These funds are not part of this EU funded action implemented by UNDP but will be provided separately to CNVP & the Hydrobiological Institute, therefore those additional funds are not under UNDP's oversight and management.

To ensure the effective and timely implementation of the Project, individual consultants and/or consulting companies will be required, and their services will be procured by UNDP as per its own rules, regulations, and policies, and in accordance with the Project procurement plan. The same will apply for equipment, goods, and other materials resources.

This Project will maintain in good order and organization the inventory of all assets purchased for the Programme, as per UNDP's asset management policy.

The UNDP Country Office will provide programmatic and operational support (procurement, IT services, finance, human resources) in line with the project's needs, as well as quality control during the implementation. The costs related to this support will be included in the Project' budget.

All resources and input required are adequately estimated, costed, and included in the project budget.

3.4 Partnerships

Close coordination will be established with other international organisations in the country active in nature protection in the Prespa region (including the Swiss Agency for Development and Cooperation/SDC, PONT, Sida, WB). Synergies will also be sought with other ongoing Projects of similar scope and nature, particularly the ongoing EU IPA and IPARD Projects and additionally, experience and lessons learnt from past implemented projects in the region will be utilized.

Strong partnership and collaboration shall be established with the Prespa Park Management Committee as the main transboundary body.

Other relevant projects/activities include:

- *"EU for Sustainable Development of Prespa Lake"* – call for proposals as part of the overall EU for Prespa Action Document for financial support of small-scale projects addressing environmental, social or economic challenges identified by the local communities. In line with the overall objective of the programme, the call should support the creation of green jobs for young people and women as well as people to people cross-border exchanges with neighbouring countries.
- *"Monitoring, Restoration, Management of Natural Resources"* – call for proposals as part of the overall EU for Prespa Action Document for financial support of implementation of comprehensive Prespa`s biodiversity protection and conservation program in particular supporting Ecology-focused scholarships education and training of teachers and students of different age groups in wider Prespa region; Research & monitoring of the natural resources by young scientists to allow the systemic study of the ecosystem in Prespa Lakes; Conservation, restoration & management of habitats in at least three areas in Prespa; and Communication and awareness activities dealing with natural resources preservation and protection;
- EU *Cross Border Cooperation - CBC ALB/MK 2021-27* program with its priority sectors: 1) Environment protection, climate change adaptation and mitigation, risk prevention and management; 2) Tourism; cultural and natural heritage. The total available budget for the first call in 2023 is 2.89 ml and the size of the grants is between €400,000 to CBC ALB/MK 2021-27. Main target groups are Central and local authorities, National Parks, CSOs, Educational/Research organizations, tourist organizations, Business associations, Cooperatives, and Institutions in cultural heritage.

- The *EU for Economic Growth* project (2021 – 2024) implemented by GIZ in partnership with Area Science Park from Italy and associate partners the German Federal Ministry of Economic Affairs and Climate Action (BMWK) and the Central Europe Initiative. Its objective is to increase local economic activity and competitiveness in the North-East, Polog, South-West regions and Prespa area (Resen municipality) by improving access of start-ups and MSMEs to financing and high value-added services. Targeted activities include circular economy and green economy, innovation and IT, rural development and business development services, highly competitive economic sectors, trade facilitation and business policy and administration. The two windows that are available through the EU for Economic growth are: 1) support for the start-ups through the Accelerator programme (1m EUR, maximum grant amount 50k EUR, maximum percentage of 80 %); 2) support for established businesses with growth potential by advanced services from participating BSOs (4,5m EUR, maximum grant amount 300k EUR, maximum percentage of 50 %).
- EU IPA twining Project *"Improvement of the administrative and operational capacities of the plant protection authorities"* (MK 19 IPA AG 01 21). The specific objective of this project is to improve the efficiency of the National plant protection system, ensuring proper implementation of national policy and legislation in line with the Union acquis. One of the expected results of this project is the establishment of a system of monitoring and prognostic services for plant protection in all regions of the country, which is complementary with the EU for Prespa project activity for the upgrade of the Early Forecast Warning System for Plant Protection.
- IPA CBC MKD-ALB project "Prevention of risks for environmentally sustainable practices for agro producers PRESPA". The project objective is to contribute towards the environment protection of the Pespa Lake basin including the big Prespa Lake in the Municipality of Resen and the small Prespa Lake in the Municipality of Devoll. Specific actions to contribute to the prevention of negative effects of anthropogenic processes on the environment, increased sustainable use of the natural resources and better protection of the environment includes: 1) Development of infrastructural activities i.e building of Waste Water Treatment Plants (WWTP) with sewage systems on the Prespa Lake Basin and introduction of new online monitoring system for water quality, 2) Awareness raising activities with the population and 3) Capacity building activities for waste water management.
- IPA CBC MKD-ALB project "Ecosystem protection of the Ohrid – Prespa transboundary region" implemented by Albanian Local Capacity Development Foundation (ALCDF,) Hunting Federation of North Macedonia (HFM), Federation of Fisheries Organizations of Inbound Waters in Albania (FFOIWA) and SEG Holding. The overall objective of the project is to contribute to balanced and sustainable socio-economic development of the Ohrid-Prespa transboundary biosphere reserve, through introduction of GIS-based system for planning and management of the natural resources and heritage of the target region. Specific objective includes development of a system to map the most important ecosystem services of the Ohrid-Prespa transboundary biosphere reserve, and understand their contribution and their utilization for forestry, tourism, fishing and hunting enhancement.
- IPA CBC MKD-ALB project "Innovative practices in environmental protection phase II" implemented by Center for Civic Initiative (CCI) as the lead applicant and Destination Management Organization (DMO), Association of fruit producers Blagoj A. Kotlarovski and Agrinas-ER as co-applicants. The overall objective set for this action is to stimulate sustainable use of natural resources for protection of the environment. Specific objectives aim to increase the awareness for sustainable use of natural resources for protection of the environment and to reduce the negative effects from usage of pesticides and fertilizers on environment.
- IPA CBC MKD-ALB project "Agricultural Standards and Certifications, Capacity Building for Absorption of Funds and Marketing Strategies to Support Economic Growth and Trade" implemented by CBS Creative Business Solutions, Municipality of Debar and Regional Development Agency from Tirana. The objective is to certify producers and processors of Meat & Dairy, Fruit & Nuts and MAP (Medicinal and Aromatic Plants) with international recognized certification of food

Safety and Standards, incentivize trade in EU markets and increase productivity through enhancement of internal capacities (in terms of production, management, and marketing).

- EU Interreg-IPA CBC Greece-North Macedonia project " Agribusiness innovation: A pathway to sustainable economic development (Acronym: RENAISSANCE) implemented by Institute of Applied Biosciences/Centre for Research and Technology Hellas – Greece in partnership with Faculty of Agricultural Sciences and Food/University Ss. Cyril and Methodius – Republic of North Macedonia, Department of Balkan, Slavic and Oriental Studies/University of Macedonia – Greece and National Extension Agency – Republic of North Macedonia. The overall objective of the project is to create employment opportunities for educated graduates by promoting both entrepreneurship and innovation in the agro food sector, taking into consideration that the CB area possesses competitive advantages in the primary sector. The project aims to link with universities and research centers, business associations and industrial partners and to establish a structure which will monitor developments in the field of promoting entrepreneurship, designing relevant policies, and transferring the results of such monitoring on top of the results of its own research to the CB area and beyond will secure its sustainability.
- EU Interreg-IPA CBC Greece-North Macedonia project " Agro-waste supply chains for sustainable growth (Acronym: aGROWchain)" implemented by Municipal District Heating Company of the Wider Region of Amyntaio, Center for Renewable Energy Source and Saving and Cluster of Bioeconomy and Environment of Western Macedonia from Greece and Municipality of Novaci and National Extension Agency from North Macedonia. The overall objective of the project is to establish a supply chain for green wastes combined with the relevant business model which will secure its sustainability. The supply chain will be customized according to the wastes that are available from both sides of the border and the business model will be adapted to the specific local conditions. The supply chain will serve selected end users in each country and therefore its operability will be tested, and possible problems and barriers will be resolved.
- "Economic Development, Governance and Enterprise Growth Activity" project funded by USAID and implemented by International Development Group, LLC with national partners Customs Administration and Agency for Promotion and Support of Tourism. The project aims to enhance the business enabling environment and reduce barriers to cross-border trade and investment by helping countries to harmonize and converge with the European Union Acquis and the World Trade Organization Trade Facilitation Agreement. The program supports the growth of SMEs in three key value chains: 1) fruits and vegetables; 2) incoming eco/agro/cultural tourism; and 3) textiles and wood processing/furniture production. It helps them improve their business sophistication and enhance their marketing, competitiveness, workforce skills, and compliance with international standards by promoting increased use of local business service organizations as well as digital transformation.
- Increasing Market Employability Programme (IME) funded by Swiss Agency for Development and Cooperation. The program aims at strengthening the business sector in the Republic of North Macedonia with its mission to create an enabling environment for identified high-growth target sectors: Sustainable Agribusiness, Adventure Tourism and Information and Communication Technology (ICT) via expanding markets and boost competitiveness amongst domestic players in these sectors, to catalyze an overall improvement in the quality of products and services and create sustainable jobs for high-skilled labor force in North Macedonia, especially women and youth.
- "We Effect Europe" multi-country programme funded by GIZ primarily focusing on sustainable rural development. The programme functions as a platform to promote sustainable dialogue and regional cooperation with support to local organizations in Albania, Bosnia and Herzegovina, Kosovo, Moldova and North Macedonia. The projects in North Macedonia include "Institutional Support to National Federation of Farmers" and "Institutional Support to Rural Development Network of the Republic of Macedonia and its Members". The first one aims to enhance the capacity of the National Federation of Farmers (NFF) as a national network for lobby and advocacy, representing the farmers' interests in the country. Taking this into consideration the project is structured in four pillars,

including organizational development, business development, lobby and advocacy and gender equality. While the second project aims to increase the institutional and organizational capacities of Rural Development Network and its member organizations. The aim is improved performance for preparation and implementation of agricultural projects and cooperation with other community stakeholders. Important aspect of the programme is promoting gender equality and rural women's rights on national and local level.

3.5 Risks and Assumptions

The implementation of the Project depends on the appropriate identification and mitigation of potential risks which might undermine a successful achievement of the Project results.

The risk and assumptions presented in this section are related to the development outcomes and output, while specific risks and assumptions on the level of activities are presented in the section on project objectives and activities.

UNDP has an Enterprise Risk Management (ERM) Policy and Procedures that defines the scope, methodology and governance of risks. The ERM Policy is the umbrella framework for risk management in the organization. It brings together several prescriptive UN/UNDP policies and procedures which are applied to manage categories of risk when relevant, including: Harmonized Approach to Cash Transfer, Capacity assessments of partners, UNDP Anti-Fraud Policy, UNDP Policy on Due Diligence and Partnerships with the Private Sector, Programme/Project Quality Assurance, Social and Environmental Standards and Screening Procedure; Audits and Evaluations, Procurement Ethics, etc.

Each identified risk is recorded in the online Risk Register and is described in terms of cause, future event/scenario, and impact and assigned a category.

Each risk is assessed in terms of the likelihood of a risk and the potential impact on the objectives. Regular risk monitoring and review is conducted to inform management decisions, enabling adaptive management and course corrections. The results of monitoring and review must be recorded and reported as appropriate and be used as a regular input to programme and Project management decisions, audits, and organizational performance. In addition, the status and effectiveness of mitigation measures needs to be monitored for Moderate, Substantial and High-level risks and included in programme and Project management monitoring plans and budgets.

At the Project level, the Project Risk Register is used for monitoring as often as needed, but no less than once a year. Reporting on Project risk management is included in Project progress reports and reported to the Project Board. The project shall also monitor and report the risks presented at the level of specific activities.

Risks are categorized under the following categories: 1. Social and Environmental; 2. Financial; 3. Operational; 4. Organizational; 5. Reputational; 6. Regulatory; 7. Strategic; 8. Safety and Security.

The general identified risks that might impact the overall implementation of the Project are presented in the table below. For each risk, mitigation actions are developed. Risk management will involve: (a) coordination and partnerships, (b) impartial advocacy and dialogue, (c) regular monitoring and adaptive management.

The criticality is a risk assessment process. The overall risk is determined by the probability/likelihood of failure and the consequence/impact of failure. They both are measured on a 5-point scale as defined in the Enterprise Risk Management (ERM) Policy, Criteria Model.

The key risks to the Project's success, and the corresponding mitigation actions include:

Risk	Level of criticality	Impact	Explanation and mitigation action
Political risk – stalled support for advancement of the EU agenda in the country	Medium	Medium	The country is on the path towards the EU and the process for approximation of the laws with the relevant EU Directives is progressing.

			However, the barriers that are slowing down the progress of the accession process are decreasing the public support and enthusiasm of the population. To mitigate against this risk, the Project will engage closely with the local government of Resen and other key local stakeholders explaining the benefits of the support received from EU. Additionally, targeted public awareness raising programs which are part of the overall EU for Prespa Action shall contribute in mitigation of this risk.
Political instability and elections might slow down the implementation	Medium	High	The next Parliamentarian elections are expected to happen in the second half of 2024, although there might happen earlier than planned. The next local elections should happen in the second half of 2025. Prior, during and a few months after election, the regular work of the public administration and the implementation of projects is slowing, as all attention of the government (central and local) is put on the election process and afterwards, on the establishment of new governance structures. The Project will take into consideration the election cycle and shall plan the activities having in mind potential impact of the elections, and the most critical activities that require involvement of the central and/or local governments. The Project shall closely monitor the development of the political situation and will keep acting on impartial way, taking into consideration only the interest of the citizens as the ultimate beneficiaries of the Project.
Insufficient capacities and/or interest of the local stakeholders/project beneficiaries to change	Medium	High	UNDP will invest in targeted capacity building of the farmers and individuals/entities in tourism industry, and will facilitate potential partnerships

existing practices in agriculture and tourism.			among various stakeholders, including CSOs and private sector.
Overlapping with other similar programmes that support investment in sustainable agriculture and tourism	Medium	Medium	Several ongoing programmes are providing financial support especially to farmers so the Project team will establish close coordination with all ongoing programmes in order to ensure synergies and prevent overlap.

Risk at activity level and corresponding mitigation actions are presented under the section "Project Objectives and Activities" above.

The key assumptions that will underpin the Project's success include:

- The country stays committed to the European Integration path, and continues to approximate its legislation and practices with relevant EU Directives;
- Farmers are willing to apply sustainable way of production and utilize modern technology.
- Tourist operators and individuals in the Prespa region interested in developing sustainable tourism offers and products.
- The management body of the Transboundary Prespa Park is operational and effectively engaged in the sustainable development and environmental protection of the region as it is the main body where the transboundary issues are discussed, and decisions are made. They are also the key entity that will coordinate the revision of the Strategic Plan for the Transboundary Prespa region.

3.6 Stakeholder Engagement

The Project will be implemented in close collaboration with the local government of the Municipality of Resen. The main beneficiaries of the Project are citizens of the municipality of Resen, with particular focus on the citizens in rural areas. The main target groups for the grant scheme are farmers, as well as households and entities that are generating income from tourism. The Prespa Park Management Committee will be the main partner and beneficiary of the support provided on the trans-boundary level.

The Ministry of Agriculture, Forestry and Water Economy and Ministry of Environment and Physical Planning will be the main stakeholders on national level that will create an enabling environment for implementation of the Project activities and will ensure the replication and scaling up of successful models set by the Project, e.g. good agricultural practices, early warning for pests and diseases, sustainable tourism practices.

The Project team will create mechanisms for effective formal and informal stakeholder engagement and will ensure the meaningful participation of the Project beneficiaries and the main targeted groups. Efforts will be made to take into consideration the needs of excluded and marginalized groups which depend on natural resources either for income or directly for their own well-being. Various tools will be used for stakeholder engagement, including collective intelligence, design thinking, behavioural science, and foresight. The Project staff will ensure regular communication with the Mayor of Resen and the relevant departments of the local administration. The project team will also have an open-door policy for all interested citizens who want to get more information and/or advice. Moreover, specific information sessions shall be organized for all interested farmers and citizens/entities that consider getting financial support by the project.

The NIPAC office together with the Ministry of Environment and Physical Planning shall support UNDP in the coordination of the processes with other entities and implementing partners for the Action Document for "EU for Prespa".

The work within the Project shall also be aligned with the work of the transboundary Prespa Park Management Committee (PPMC) and the Working Group on Water Management (WGWM) of the Prespa Park Management Committee. UNDP representatives shall participate at the annual meetings of the PPMC and present the progress of the Project and planned activities.

The table below presents a list of the key stakeholders and their roles.

3.7 Key stakeholders and roles

	Stakeholder	Role
1.	Ministry of Environment and Physical Planning (MoEPP)	• Responsible for creation of policies related to protection of nature, waters, soil, biodiversity, and observing the condition of the environment; restoration of polluted areas of environment. • The Ministry is the lead institution responsible for the approximation and implementation of the EU environmental acquis across the sector and for overall coordination of assistance to the environmental sector. • The Ministry will participate in the Project Board, which is the main governance body of the Project, and in the Steering Committee
2.	Ministry of Agriculture, Forestry and Water Economy	• Responsible for creation of policies related to agriculture, forestry and water economy and supervision of their implementation. • Local branch of the Ministry will be supporting the activities related to implementation of the Good Agricultural Practices and upgrade of the early warning system for plant protection. • The Ministry shall also utilize the lessons learnt and good practices from the Project and scale them up in other agricultural regions in the country. • The Ministry will participate in the Project Board, which is the main governance body of the Project, and in the Steering Committee.
3.	Local Government of Resen	• Main partner on local level. The local government has an overall responsibility for the management of "Lake Prespa" Monument of Nature and "Ezerani" Nature Park. • The local government will also provide premises for the project staff. • The municipality will participate in the Project Board and in the Steering Committee
5.	Hydro-Biological Institute	• State Scientific Institution responsible for water quality monitoring of the surface water bodies in the country. • HBI will have a role as Project Responsible Party that will implement set of activities and generate specific set of deliverables that will be specified in the Responsible Party Agreement.
6.	"Connecting Natural values & People" (CNVP)	• Foundation working on improving livelihoods of rural people through providing quality services in forestry, rural development, environment, and biomass for renewable energy to increase the capacity of local actors to achieve their sustainable development. • CNVP will have a role as Project Responsible Party that will implement set of activities and generate specific set of deliverables that will be specified in the Responsible Party Agreement.
7.	Apple Farmers Association and Cooperatives, and other CSOs	• Key beneficiaries of the introduction of environmentally friendly agro-ecological measures, support for agriculture crop diversification, organic & integrated production certification, establishment of Prespa region supply chain for agricultural products, establishment of sustainable agri-business as form of ecotourism development activities.

		• The association and other CSOs will also participate in targeted awareness raising, communication and education activities. • They have knowledge about conservation and environment protection issues and particular experience in the Prespa region.
8.	Agency for Promotion and Support of Tourism	• Promotion of Prespa region tourist products. • Sharing of knowledge on good practices.
9.	Transboundary Prespa Park Management Committee	• Transboundary coordination body which will provide support in conceptualization and implementation of activities with the basin's wide scope and dimension. • The PPMC shall coordinate and provide input for the revision of the Strategic Action Plan for Prespa Park region, and for the creation of a web-based tool for storing and sharing transboundary environmental monitoring data.
10.	Prespa Ohrid Nature Trust (PONT)	PONT is a trans-boundary conservation trust fund dedicated to the sustainable management of the Prespa-Ohrid eco-region. It will have a crucial role in ensuring complementary co-financing for sustainability and institutional capacity building of the local partners, particularly the Hydrobiological Institute and the foundation CNVP (Connecting Natural values & People), both having a role of a Responsible Parity in the Project.
11.	Agency for the Promotion and Development of Agriculture	The Agency for the Promotion and Development of Agriculture is providing advisory services through practical application of scientific and technical knowledge directed according to market needs; strengthening and cooperation of agricultural associations; support in the implementation of government programs and measures intended for the individual agricultural sector; establishment and application of information systems in order to improve the traceability of agricultural activities and exchange of information with stakeholders in the agro-complex. The branch of the Agency's Department for Agriculture and Rural Development in Resen will be included in the implementation of relevant capacity building activities and will provide support in collecting data for specific indicators.
12.	State High School "Car Samoil", Resen	The main mission of the school is continuous education and professional training of individuals, with the help of modern and staffed teaching, adapted to the needs and interests of students. The students of the agricultural classes have mixture of theoretical and practical education. Practical education is realized throughout the year, with focus on the maintenance of the demonstration apple and cherry orchards, pear or hard and one hectare arboretum plantation – old indigenous apple varieties.

		The teachers and students will be included in the trainings organized by the project, and the project will support the establishment of close collaboration between the school and the Agrochemical Laboratory.
13.	Academia (Faculties of Agriculture and Food and Faculties of Tourism)	These Faculties are leading institutions in the country that provide higher education (Bachelors, Master and Doctoral) in the field of agriculture science and tourism respectively. The main mission of the faculties is quality preparation of university-educated professionals who will be able to respond to modern trends in agricultural production and sustainable tourism, to provide education that will create a profile with academic knowledge and skills necessary for sustainable and profitable agricultural production, natural resource management, and sustainable tourism, and to provide scientific professionals for the successful implementation of scientific work these fields. Respective academic institutions shall be invited to participate in relevant capacity building activities and share their knowledge and experience. Moreover, they will be able to use the training programs and lessons learned from the project to supplement/modify curricula in their relevant departments.

3.8 Compliance and response mechanisms

UNDP shall also ensure that potentially affected people have access to and are aware of mechanisms to submit concerns about the social and environmental impacts of a Project. The key instruments which will be used are UNDP's Social and Environmental Compliance Review and Stakeholder Response Mechanism (http://www.undp.org/content/undp/en/home/operations/accountability/secu-srm.html).

UNDP's Social and Environmental Standards (SES) underpin its commitment to mainstream social and environmental sustainability in its Programmes and Projects to support sustainable development. The objectives of the Social and Environmental Standards Procedure are to: (a) integrate the SES Overarching Principles (human rights, gender equality and environmental sustainability); (b) identify potential social and environmental risks and their significance; (c) determine the Project's risk category (Low, Moderate, High); and (d) determine the level of social and environmental assessment and management required to address potential risks and impacts. The Social and Environmental Compliance Review is mandatory for all UNDP Projects worth more than USD 500,000, and therefore the Project must undergo this process.

The Stakeholder Response Mechanism (SRM), on the other hand, provides a supplemental, formal avenue for stakeholders to engage with UNDP. The SRM will be available to Project-affected stakeholders, government agencies and other partners to jointly resolve concerns and disputes when they believe that the Project may have adverse social or environmental impacts; they have raised their concerns with UNDP through standard channels for stakeholder consultation and engagement; and they have not been satisfied with the response. This mechanism can help the concerned parties to start or restart dialogue, facilitate discussions, mediate disputes, enhance understanding of the facts, and undertake other activities that might help resolve concerns and disputes.

3.9 Digital Solutions

The Project will support the development of several digital tool and solutions that aim to address identified development challenges.

The software for the early warning for pests and diseases shall be upgraded with a new model that will provide information to farmers about the soil humidity and the need for irrigation. This tool shall help in preserving the water in the Prespa region which is of huge importance having in mind the decrease of the water level of the Prespa Lake.

One of the tools is a web-based tool for storing and sharing transboundary environmental monitoring data which is aimed to improve the decision-making about environmental issues in the Prespa region that is based on scientific data. It will also provide for analyses of the trends related to specific environmental media and timely action against identified problems. The main beneficiary of this tool will be the Prespa Park Management Committee.

Set of different innovative tool shall be developed for sharing technical information and knowledge on sustainable agricultural practices (e.g., self-paced online courses, video lectures, mobile/computer applications for decision support in fertilizer application and irrigation practices management).

3.10 Knowledge

Effective knowledge creation and sharing is particularly important given the type of the activities that will be implemented related to agriculture and tourism. In supporting the design of the knowledge products, the Project will draw on the best examples available internationally and encourage peer-to-peer sharing of experience. As the Project proceeds, regular efforts will be made to take stock of what is working well and what is not, to register and share promising ideas and practices for immediate incorporation in the Project. All lessons learned will be captured, evaluated and shared with other relevant stakeholders, particularly the Ministry of Agriculture, Forestry and Water Economy, the Ministry of Environment and Physical Planning, the Agency for Promotion and Support of Tourism, national parks and protected areas, with interested CSOs, as well as with relevant academic institutions (Faculties of Agriculture and Faculties of Tourism). Students from these faculties might be invited to visit the project sites and interact with the farmers and people engaged in tourism activities. This can help them to understand how to apply their academic knowledge to the development works.

Results from the Project will be disseminated both among Project stakeholders and more widely through existing information sharing networks and forums in the country and globally.

3.11 Sustainability and Scaling Up

Sustainability is a core principle of the Project strategy, both at institutional and financial levels. The entire Project is designed in a way to create enabling environment for institutions, structures and processes to have the capacity to continue to perform their functions beyond the life of the project and over the long term.

The Ministry of Environment and Physical Planning and the Ministry of Agriculture, Forestry and Water Economy, on central level and the Municipality of Resen on local level are the key government entities that create and implement policies and invest in measures for environment protection and agriculture development with an aim to improve the wellbeing of the population. Beside them, the Ministry of Economy is responsible for creation of tourism policies which should create an enabling environment for investments in sustainable tourism countrywide. The Prespa Ohrid Nature Trust is another entity which is providing long-term financial help to the local government of Resen, and to the CSO institutions working on nature protection and conservation, as well as sustainable agriculture and tourism.

UNDP team shall include the key beneficiaries, local government of Resen, association of farmers and the extension service office, and CSOs in the planning process for all stages, as well as reporting towards the Project results thus strengthening the ownership of the Project and its results. This will strengthen their capacities for programme/project planning and implementation and shall create conditions for better efficiency and effectiveness.

The Mayor of Resen shall be member of the Project Board, which will provide the municipality an opportunity to actively participate in the decision making, but at the same time, it will accentuate the responsibility of the local government for achieving the Project results.

UNDP will also work together with the local government of Resen to leverage public finances, and to mobilize additional resources from other resources. The private sector is a critical development partner, so UNDP

shall help the municipality of Resen to identify and mobilize private sector capital particularly for improvement of the tourism development in the Prespa region.

By intensifying multi-stakeholder partnerships and collaboration between the local government, CSOs and private sector, UNDP shall further ensure ownership and sustainability of the Project results. UNDP will also work with the local government of Resen to strengthen the capacities of civil society organizations in the Prespa region to help the local government create space and opportunities for civil society to effectively engage in sustainable development.

The creation of possibilities for boosting the economic activities in sustainable agriculture and tourism shall contribute to the wellbeing of the citizens In Prespa and should support to the efforts of the local government to prevent the migration in other bigger cities or outside the country. Moreover, this should be an impetus for the development of tourism in the rural communities and additional source of income generation for these communities.

The eventual negative impact of the Project activities on the natural resources and the broader natural environment shall be prevented by applying the Social and Environmental Screening Procedure (SESP). Project screening and categorization is done at the earliest stage of Project preparation when sufficient information is available for this purpose. Screening is undertaken (i) to identify and reflect the significance of potential impacts or risks that Project activities might present, and (ii) to identify opportunities to enhance benefits and to support stakeholders.

UNDP utilizes its SESP to identify potential social and environmental risks and opportunities associated with the Project. The Projects are screened for all environmental and social risks and impacts associated with the SES Programming Principles (i.e. leave no one behind; human rights; gender equality and women's empowerment; sustainability and resilience; and accountability) and Project-level Standards, including direct, indirect, cumulative, transboundary risks and impacts and those related to associated facilities.

Based on the screening, UNDP categorizes projects according to the degree of potential social and environmental risks and impacts. In some cases, applicability of specific requirements will need to be determined through additional scoping, assessment, or management review. In no case shall Project activities that may cause adverse impacts to be carried out until completion of the assessment and adoption of appropriate management measures and plans.

The Project has big potential for replication and scaling up of the concepts for sustainable agriculture and tourism. Therefore, the municipality of Resen, the association of farmers, individuals and entities in the tourism industry shall commit to share the experience and knowledge gained using the channels that are available for them: ZELS (Association of Local Self-Governments), ATAM (Agency for Tourism Support and Promotion). Knowledge and experience sharing shall also be done on transboundary level with the municipalities of the Greek and Albanian part of Prespa. UNDP will also share the knowledge products and lessons learnt with other Projects implemented in the country and will utilize its global communication channels to reach broader audience.

Sustainability is a core principle of the Project strategy. The entire Project design is based on a thorough analysis of the root causes of the current unsustainable and ineffective management of natural resources and protected areas in the country. By addressing these issues, the Project will contribute directly to overcoming some of the main constraints, thus improving overall sustainability prospects.

IV. PROJECT MANAGEMENT

4.1 Cost Efficiency and Effectiveness

UNDP is negotiating with EU the implementation of two projects that support the EU Action Document for the "EU for Prespa Programme" which consists of two components, Component 1: "EU for infrastructure improvements in Prespa area" and Component 2: "Restauration of the natural resource and enhancing sustainable agriculture and tourism". In that regard, the position of the Project Assistant will be shared by the two projects equally, and he/she will be based in the project offices in Resen, that will also provide better coordination among the team of the two projects, that are implementing activities depended on each other.

The Municipality of Resen shall provide office space for the project team and will cover part of the operational costs for the office (electricity, heating) as an in-kind contribution thus reducing the overall operational costs.

UNDP will engage the Hydrobiological Institute Ohrid (HBI) and the Foundation "Connecting Natural Values & People" (CNVP) as Responsible Parties to implement predefined Project activities. A Responsible Party is an entity which provides goods and/or services to the Project, carries out Project activities and/or produce outputs using the Project budget. This modality is appropriate for engaging organizations in programmatic activities that are uniquely positioned in terms of their value, legitimacy and/or access to particular groups of beneficiaries or geographic areas. The Hydrobiological Institute Ohrid is a well-established scientific institute with a long-term experience in research and monitoring of natural lakes in the country, particularly the Lakes Ohrid and Prespa. They will implement the Activity 1.2.2: Eradication of alien fish species and control of main biochemical and physical parameters in the Prespa lake and in the main tributaries. The Foundation "Connecting Natural values & People" is also a well-known entity present in the Prespa region for a longer period, and with specific previous experience in implementation of Projects related to sustainable agriculture, forestry and tourism. The CNVP will implement the activities under the Specific Objective related to boosting economic activities to improved wealth of people in Prespa and the results expected under the promotion of the environmentally friendly agriculture. HBI and CNVP as responsible parties will be directly accountable to UNDP in accordance with the terms of their agreement with UNDP. Both entities are also recipients of grants provided by PONT (Prespa Ohrid Nature Trust) for implementation of a complementary set of activities within their respective areas of expertise and experience which will maximize the results and the overall impact of the activities. This complementary set of activities funded by PONT are outside the scope of this action and UNDP shall not enter in a co-financing agreement with PONT for the activities implemented by HBI and CNVP as their financing is not channelled through UNDP. However, close collaboration with PONT shall be established to ensure that both entities are delivering the activities within the PONT grant because their successful completion is important for achieving the expected results under this Project. The work plan that will be part of the Responsible Party Agreement with HBI and CNVP shall be also shared with PONT. UNDP shall organize at least two meetings per year with PONT to exchange information and discuss any issue related to implementation of the activities by HBI and CNVP.

4.2 Project Management

Project Office

The Project's day-to-day implementation will be carried out by the Project team composed of a Project Manager, Project Assistant (50% shared with other the project as mentioned above) and Communication Officer (10% shared with other projects). The Project team, except the Communication Officer, shall be based in the premises provided by the Local Government of Resen. The Communication Officer shall be based in UNDP premises in Skopje. The Communication Officer shall travel often to Resen.

The Project positions shall be for the period of 40 months to ensure timely and smoothly implementation of the Project activities. The Project team is expected to be on board two months after the signing of the Contribution Agreement. Having taken into consideration that the project staff will be based in Resen and not in Skopje, there is a risk that the recruitment process may be prolonged if no suitable candidates apply for the position of a Project Manager and/or the Project Assistant. The Programme Associate with the support of the Programme Officer shall ensure smooth start and implementation of the project until the project staff is on board and after that will support the project team and assure quality of project implementation.

The Project Manager's prime responsibility is to ensure that the Project produces the results (outputs) specified in the Project document, to the required standard of quality and within the specified constraints of time and cost. S/he will endure effective Project management by maintaining the delivery of appropriate technical, operational, financial, and administrative outputs, while tracking the Project progress by

monitoring, evaluation, and reporting. S/he shall also maintain collaborative working relationships among key Project partners, through effective communication, consultation, and reporting. In line with the overall responsibility, the position is classified under Project Manager – NPSA 8 in the UN Service Contract salary scale. S/he will devote 100%of her/his time to this Project for 40 months.

The Project Assistant (50% shared with other project) will perform administrative and financial duties related to implementation of the Project (prepare requests of payments, assist in preparation of budget plans, budget revisions, financial reports, organize logistical support for the Project events, etc.). In line with the overall responsibility, the position is classified under Project Assistant – NPSA 5 in the UN Service Contract Salary scale. S/he will devote 50 %of her/his time to this Project for 40 months.

The Communication Officer will support the implementation of the communication activities and will ensure proper visibility of the Project in adherence to the Joint Visibility Guidelines for EC-UN Actions in the Field. The Communication Officer will also cultivate good working relationships with participating entities and ensure a regular exchange of information, as well as promotion of the Project results with a broader public through different communication channels and social media. In line with the overall responsibility, the position is classified under Communication Officer – NPSA 8 in the UN Service Contract Salary scale. S/he will devote 10%of her/his time to this Project 40 months.

UNDP will make sure that the Project staff possess the necessary combination of skills and interdisciplinary expertise in response to the complexity of the Project actions. The requirements regarding the educational background, required experience and the skills for the positions shall be reflected in the TOR which will be publicly announced. The key staff involved in the Project implementation will be compensated for their services in line with UNDP's rules and procedures and their contribution to the implementation of Project activities as elaborated in the budget breakdown.

4.3 Other Project office costs

In order to implement this project, there are other project office costs that are necessary and directly attributed to the implementation of this specific Project.

In addition to the Project staff, described above, depending on the nature of the work and complexity a number of technical and administrative roles and services are covered by the UNDP Country Office and are cost-shared within the office. Based on the needs of the Project and the projected inputs, the following positions are included, on a pro-rata basis for the time spent in carrying out activities related to this project:

The Programme Officer in charge of the Energy, Environment and Disaster Risk Reduction Portfolio will provide strategic guidance, policy advice and technical input essential to deliver the development results and will also create synergies with other complementary interventions which contribute to the achievement of the overall Project goal. The Programme Officer oversees the Project implementation, provides troubleshoots for any issues occurring during the implementation, serves as a quality assurance, and reports to the donor. She also reviews and approves the TOR (programmatic aspects), serves as a Chair of the Evaluation Committee, and facilitates decision making to ensure Project implementation proceeds in a flexible but efficient manner. She will be the key focal point for coordination between the Project, UNDP, EUD and the national partner authorities and other key Project stakeholders. The Programme Officer also ensures that the Project results are reported to UNINFO, a platform that captures the results of all UN agencies within the UN Sustainable Development Cooperation Framework. The Programme Officer shall also ensure smooth start of the project until the full Project team is on board. It is estimated that staff member will work 5% of work time for a period of 42 months.

The Programme Associate will ensure that the Project implementation is in line with UNDP programming and operational rules, regulations and policies, support analysis of the Project implementation, identification of bottlenecks, developing solutions in support of effective financial and substantive monitoring and evaluation of the Project, ensuring full HACT compliance of the Responsible Parties, facilitation knowledge sharing, etc. The Programme Associate shall also ensure smooth start of the project until the full Project

team is on board. It is estimated that staff member will work 5% of her/his work time for a period of 42 months.

The UNDP Operations team will provide administrative support in terms of procurement (Procurement Associate), operations management (**one Operations Manager**), human resources (HR Associate and HR Assistant), financial management (Financial Assistant and Programme Finance Associate), and other required administrative support.

UNDP's direct costs will be charged in line with its rules and regulations, as outlined in the budget. Financial transactions and financial statements will be subject to the internal and external auditing procedures laid down in the Regulations and Rules of UNDP.

The costs for the Project office in Resen (rent, electricity, heating, water) shall be covered by the Municipality of Resen as in-kind contribution to the Project.

The Project office costs shall also include: office furniture for the Project staff (desks, chairs, drawers, shelves); IT Equipment (work stations, including laptops, docking station, monitors, printer/copier/scanner, based on UNDP estimations for similar assets); costs for office supplies for 38 months for the needs of the Project office (printing/copying paper, office stationary); communication costs (mobile telephones, telephone services and e-mail subscription services for Project staff). These costs will be charged to the Project budget.

All equipment purchased with project funds shall be transferred to the beneficiaries in accordance with the relevant contractual provisions of the Contribution Agreement with the EU.

The Project will be implemented during a period of 42 months which is considered as optimal for completion of all Project activities.

V. RESULTS FRAMEWORK

Intended Outcomes as stated in the Action Document for the EU for Prespa: **Outcome 1: The ecological system in Prespa lake area preserved and improved** **Outcome 2: Sustainable economic activities in Prespa area boosted** **Outcome 3: Enhanced cross-border cooperation** (UNSDCF Programme Results and Resource Framework: Outcome 3: People of North Macedonia benefit from ambitious climate action, sustainable managed natural resources and well-preserved biodiversity through good environmental governance and disaster resilient communities)
Relevant Outcome indicator of the Action Document for the EU for Prespa relevant for the Project: Outcome 2 Indicator 1. Number of overnights in the hotels and rented houses in the Macedonian part of the Prespa region Baseline: 30 334 (2019); Target: 40 000 (cumulative 2026) Means of Verification: Municipality of Resen, State Statistical office Indicator 2. Number of farms/households registered to provide agritourist services Baseline: 0 (2020) Target: 10 (cumulative 2026) Means of Verification: Municipality of Resen Outcome 3 Indicator 1. New strategic priorities for the development of Prespa area agreed internationally (qualitative indicator: Yes/No) Baseline: No (2022); Target: Yes (2026) Means of Verification: Prespa Park Management Committee (Undated Strategic Plan for Prespa Park adopted) (Relevant Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and targets: Indicator 3: Degree of integrated water resources management implementation (0-100) Baseline: 33 (2020) Target: 60)
Applicable Output from the UNDP Strategic Plan: 4.1 Natural resources protected and managed to enhance sustainable productivity and livelihoods

Project title and number: EU for Prespa - "Restoration of natural resource and enhancing sustainable agriculture and tourism"

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		DATA COLLECTION METHODS & RISKS				
			Value	Year	Year 1	Year 2	Year 3 (18 months)	FINAL	
Output 1.2 Natural resources preserved and protected	*1.2.1 Average alien fish assemblage sampled as per European Committee for Standardisation 14757 in the lake*	*Hydrobiological Institute – Ohrid Monitoring report*	45	2015	*0*	0	≤ 20	*The average number of alien fished in the Prespa Lake will be reduced to less than ≤ 20*	***DCM:** The data will be collected by the Hydrobiological Institute – Ohrid that will prepare a Monitoring report on annual basis through monitoring of the Lake parameters that influence of the appearance of the alien fish.* ***Risk:** The fishermen are throwing the invasive alien species back in the Lake. The Hydrobiological Institute – Ohrid together with UNDP project team will organize workshop and awareness campaign for education of the fishermen's how to recognize alien species and not to trough them back to the lake.*
	1.2.2 Number of alien species of fish in the Prespa lake	*Hydrobiological Institute – Ohrid Monitoring report*	7	2015	*0*	0	≤ 7	*The number of alien species of fish in the Prespa lake is decreased by ≤ 7*	***DCM:** The data will be collected by the Hydrobiological Institute – Ohrid that will prepare a Monitoring report on annual basis through monitoring of the Lake parameters that influence of the appearance of the alien fish.* ***Risk:** The fishermen are throwing the invasive alien species back in the Lake. The Hydrobiological Institute – Ohrid will organize workshop and awareness campaign for education of the fishermen's how to recognize alien species and not to trough them back to*

Output 2. 1 Increase Share of Environmentally Friendly Agriculture									*the lake and organize invasive alien fish harvest competitions in order to reduce the number of alien species of fish in the lake.*
	2.1.2 Number of hectares of cultivation under transition or certified organic farming	*UNDP Reports*	*10*	*2019*	*0*	*20*	*50*	*Cumulative 50 hectares of cultivation under transition or certified organic farming*	***DCM:** The data will be collected by UNDP project team, trough the granting scheme where all farmers and their lands for certification will be registered.* ***Risk:** Insufficient number of farmers included in the certification program. The UNDP project team trough capacity building activities will ensure proper awareness of the farmers for the program.*
	2.1.3 Number of hectares under extended early warning system for irrigation optimisation	*UNDP Reports*	*0*	*2019*	*0*	*0*	*4500 hectares*	*Early warning system extended for 4500 hectares*	***DCM:** The data will be collected by UNDP project team, trough the activity for upgrade of the early warning system.* ***Risk:** n/a*
	2.1.4 Number of farmers supported to improve their agriculture practices (sex-disaggregated data)	*UNDP Reports*	*77 out of which 10 women*	*2019*	*0*	*20*	*50*	*At least additional 50 out of which at least 10% women*	*DCM: The data will be collected by UNDP project team Risk: n/a*
	2.1.4a Number of farmers certified for organic production in protected areas (sex-	*UNDP Reports*	*5 (certified)*	*2019*	*0*	*20*	*45*	*At least additional 45 farmers certified for organic production*	***DCM:** The data will be collected by UNDP project team, trough the certification program where all farmers and their lands for certification will be registered.* ***Risk:** Insufficient number of farmers included in the certification program. The UNDP project team*

	disaggregated data)								*through capacity building activities will ensure proper awareness of the farmers for the program.*
	2.1.7 Number of Non-Timber Forest products piloted and branded	*UNDP Reports*	*0*	*2019*	*0*	*0*	*3*	*3 types of non-timber products piloted and branded*	***DCM:** The data will be collected by UNDP project team, through the activities for non-timber forest products piloting and branding.* ***Risk:** Insufficient interest for non-timber forest production. The UNDP project team tighter with the responsible party will CNVP trough proper awareness raising campaign and capacity building trainings will ensure proper participation for piloting of non-timber forest products.*
	2.1.8 Number of pilot plots cultivated with Non-Timber Forest Products NTFPs	*UNDP Reports*	*3*	*2019*	*0*	*4*	*7*	*Cumulative 7 plots cultivated with non-timber products*	***DCM:** The data will be collected by UNDP project team, through the activities for non-timber forest products piloting and branding.* ***Risk:** Insufficient interest for non-timber forest production. The UNDP project team tighter with the responsible party CNVP trough proper awareness raising campaign and capacity building trainings will ensure proper participation for piloting of non-timber forest products.*
Output 2.2 Sustainable tourism products promoted and diversified	*2.2.1 Additional Kilometres of cycling trails*	*UNDP Reports*	*0*	*2019*	*0*	*50*	*100*	*Cumulative 100 km of new cycling trails*	***DCM:** The data will be collected by UNDP project team, through the activities for construction of cycling trails.* ***Risks:** Delay of the construction works. The UNDP project team will mitigate the risk through efficient communication with stakeholders and*

									timely planning and efficient execution of the procurement procedures.
	2.2.2 Additional Kilometres of hiking trails	*UNDP Reports*	*0*	*2019*	*0*	*30*	*70*	*Cumulative 70 of new hiking trails*	***DCM:** The data will be collected by UNDP project team, through the activities for construction of hiking trails.* ***Risks:** Delay of the construction works. The UNDP project team will mitigate the risk through efficient communication with stakeholders and timely planning and efficient execution of the procurement procedures.*
	2.2.3 Number of supported hotels/service providers, traditional houses (sex-disaggregated data for women owners/ managers)	*UNDP Reports*	*0*	*2019*	*0*	*5*	*15*	*Cumulative 20 hotels/service providers, traditional houses supported*	***DCM:** The data will be collected by UNDP project team. The number of supported hotels/service providers, traditional houses will be collected. The data will be sex disaggregated.* ***Risk:** Insufficient number of hotels/service providers, traditional houses included in the financial support program. The UNDP project team trough capacity building activities will ensure proper awareness for the program.*
	2.2.4 Number of new sustainable tourism products put in place	*UNDP Reports*	*0*	*2019*	*0*	*5*	*10*	*Cumulative 10 new sustainable tourism products introduced*	***DCM:** The data will be collected by UNDP project team on the sustainable tourism products put in place.* ***Risk:** Insufficient number of hotels/service providers, traditional houses included in the financial support program. The UNDP project team trough capacity building activities will ensure proper awareness for the program.*

Output 3.1 Strengthened strategic vision on the development of Prespa Trans-boundary Area	*3.1.1 Updated Strategic Action Plan (SAP) for the Prespa Park endorsed by the PPMC*	*UNDP Reports Prespa Park Management Committee Reports*	*SAP for the Prespa Park*	*2019*			*Updated SAP endorsed*	*Updated SAP endorsed*	***DCM:** Updated SAP endorsed* ***Risk:** No risks identified.*

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the Project will be monitored through the following monitoring and evaluation plans:

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the Project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by Project management.	UNDP
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by Project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	UNDP
Learn	Knowledge, good practices, and lessons will be captured regularly, as well as actively sourced from other Projects and partners and integrated back into the Project.	At least annually	Relevant lessons are captured by the Project team and used to inform management decisions.	UNDP
Annual Project Quality Assurance	The quality of the Project will be assessed against UNDP's quality standards to identify Project strengths and weaknesses and to inform management decision making to improve the Project.	Annually	Areas of strength and weakness will be reviewed by Project management and used to inform decisions to improve Project performance.	UNDP
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the Project Board and used to make course corrections.	UNDP Project Board
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the	Annually, and at the end of the Project (final report)	Any quality concerns or slower than expected progress on annual basis should be discussed by the Project Board and management actions agreed to address the issues identified.	UNDP Project Board

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)
	annual Project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.			
Project Review	The Project's governance mechanism (i.e. Project Board) will hold regular Project reviews to assess the performance of the Project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the Project. In the Project's final year, the Project Board shall hold an end-of Project review to capture lessons learned and discuss opportunities for scaling up and to socialize Project results and lessons learned with relevant audiences. The Steering Committee of the overall EU Action shall also review the progress of the Project to ensure the coordination with other components of the overall Action	At least annually	Any quality concerns or slower than expected progress should be discussed by the Project Board and management actions agreed to address the issues identified.	Project Board
Site visits	Programmes staff and the M&E Associate will visit the project sites to assess the progress of the project, and to discuss about relevant project issues with the main project partners and beneficiaries on local level	Quarterly	Slower than expected progress and/or problems raised by the project partners/beneficiary will be addressed by the Programme or the management as appropriate.	Programme Officer, Programme Associate and M&E Associate

The monitoring of the Project performance, results, indicators and risks and collection of relevant data is a responsibility of the Project and Programme team, and these costs are incorporated under the Project management costs. In addition, the Programme Team and the CO Monitoring & Evaluation Associate will perform regular visits to the project sites in Resen, and the related costs are indicated in the project budget.

Moreover, UNDP has an online tool for collection and reporting of the Project monitoring data on annual bases, as part of the reporting of the overall results of the country office. The table below shows what kind of information is collected on annual basis.

UNDP project team will support the EUD to collect data for the indicators of the overall EU for Prespa Action and to upload the data in the Electronic Exchange System (e.g. OPSYS) for the overall Action. The cost that will be incurred for this additional data collection activity for the indicators that are not part of the results framework for this project is reflected in the Project budget.

Table: Format of the UNDP's online tool for collection and reporting of the Project monitoring data on annual bases

EXPECTED OUTPUTS	**INDICATOR**	**DEFINITION** (How is it calculated or measured)	**BASELINE AND TARGET** (What are the baseline and target values?)	**DATA SOURCES** (Indicative on where/how to find data)	**ACTUAL 2023** (Actual results for the year)	**ACTUAL 2024** (Actual results for the year)	**ACTUAL 2025** (Actual results for the year)	**ACTUAL 2025** (Actual results for the year)	***COMMENTS***
			Baseline: Target:						

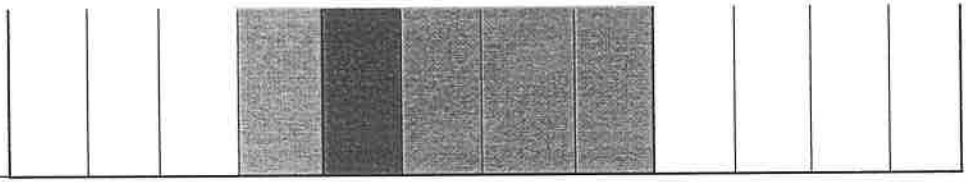
VII. MULTI-YEAR WORK PLAN

			Year 1				Year 2				Year 3 (18 months)			
	Activity	Description	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Output 1.2 Natural Resources preserved and protected	1.2.2 Control/Eradication of alien fish species and control of main biochemical and physical parameters in the Prespa Lake and in the main tributaries with Responsible partie (HBZ)	1.2.2.2 Development and implementation of a Water Quality Monitoring Programme for the Prespa Lake Ecosystem and implementation of set of actions and measures related to control/eradication of alien fish species in the Prespa Lake												

			Year 1				Year 2				Year 3 (18 months)			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Output 2.1 Increased share of Environmentally Friendly Agriculture	2.1.1 Extending the apple production area under Good Agriculture Practices (GAP) and environmentally friendly agro-ecological measures	2.1.1.1 Support to farmers to shift towards good agriculture practises and environmentally friendly agro-ecological measures												
		2.1.1.2 Development and implementation of a comprehensive training and mentoring programme for farmers in Prespa												

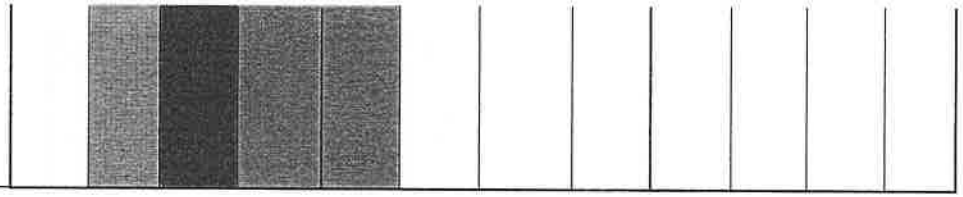
		Year 1				Year 2				Year 3 (18 months)			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2.1.2 Upgrading the early warning system for plant protection with irrigation optimization/scheduling practices in apple production to reduce agriculture runoff and to ensure more sustainable use of water resources at catchment level	2.1.2.1 Upgrade of the Early Forecast Warning System for Plant Protection in the Prespa region												
	2.1.2.2 Strengthening the capacities of the Agrochemical Laboratory and the Union of Agriculture Producers in Resen by purchasing small field and laboratory equipment												

		Year 1				Year 2				Year 3 (18 months)			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2.1.3 Improving the agricultural waste management system by expanding the biodegradable waste collection and processing	2.1.3 Awareness campaign on biodegradable waste												
2.1.4 Support for agriculture crop diversification, organic & integrated production certification	2.1.4 Capacity building of farmers (training, certification, crop diversification, etc.)												

	2.1.5 Establishment of Prespa region supply chain for agricultural products	2.1.5 Establishing of short supply chain (Local foods branding, marketing strategy, awareness raising, etc.)	

			Year 1				Year 2				Year 3 (18 months)			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Output 2.2 Sustainable tourism product promoted and diversified	2.2.1 Capacity building program for sustainable tourism in the Prespa region	2.2.1.1 Responsible parties (CNVP) for services for capacity building for sustainable tourism												
		2.2.1.2 Individual Consultants for capacity building for sustainable tourism in the Prespa region												
	2.2.2 Support for expansion of sustainable eco-tourism offer in the Prespa region	2.2.2 Support for expansion of sustainable eco-tourism offer in the Prespa region												

			Year 1				Year 2				Year 3 (18 months)			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Output 3.1.1 Strengthened Strategic Vision on the development of	3.1.1 Support to the institutional trans-boundary cooperation in the Prespa region	3.1.1.1 Revision of the Strategic Action Plan for the Sustainable Development of the Prespa Park												

Prespa Trans-boundary Area		3.1.1.2 Creation of a web-based tool for storing and sharing transboundary environmental monitoring data	

1	Preparation for tender procedure	
2	Tendering procedure	
3	Delivering of services and goods	
4	Warranty period	

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The Project implementation will be governed by the Contribution Agreement which will be signed between the EU Delegation in Skopje and the UNDP Country Office and will be in line with UNDP's Programme and Operations Policies and Procedures.

Internally, the Project will be implemented under the Direct Implementation Modality (DIM). UNDP Country Office will be responsible for developing and managing the Project and ensuring that the Project results are delivered as planned and that the Project resources are used efficiently and effectively.

As per the Action Document for the "EU for Prespa", a Steering Committee (SC) shall be established for the overall EU Action, to ensure coordination with other EU for Prespa financed actions. The Steering Committee will have an advisory function and composed of EU Delegation, Secretariat for European Affairs, Ministry of Environment and Physical Planning, Prespa Ohrid Nature Trust, Resen Municipality, Representatives of the National Parks and Hydro Biological Institute, apple farmers association, Local Action Group, UNDP and other implementing partners. The SC shall meet at least once per year, to discuss and analyse the progress of the overall Action, including the Project implemented by UNDP. The function of the technical Secretariat of the Steering Committee shall be performed by UNDP project staff. The technical Secretariat shall be responsible for preparing and/or distributing the provisional agenda and working materials, as well as for the preparing and distributing the minutes and supporting the logistics of the meetings.

A Project Board (PB) of the UNDP-implemented Project will be established as it is required by UNDP policies and regulations, and FAFA provides for UNDP to apply its own rules, regulations, policies and procedures which have been assessed positively by the EC.

The Project Board (PB) will be the main decision-making body responsible for the overall direction and management of this Project "Restoration of natural resource and enhancing sustainable agriculture and tourism". It will consist of high-level representatives of the UNDP Country Office, the Ministry of Agriculture, Forestry and Water Economy and the Municipality of Resen. The Project Board will be chaired by UNDP.

The EUD will participate at UNDP's Project Board meeting as an observer.

If the negotiations between the EU Delegation and UNDP regarding the "EU for Infrastructure Improvements in the Prespa Area" are successfully completed and a contribution agreement is signed, the Project Board shall be expanded to include the Ministry of Environment and Physical Planning, and expanded Project Board will serve the two projects implemented by UNDP.

The Project Board is the group responsible for making management decisions by consensus when guidance is required by the Project Manager, including approval of Project work plans and revisions. In order to ensure UNDP's ultimate accountability, the Project Board decisions are made in accordance with standards that ensure management for development results, best value-for-money, fairness, integrity, transparency and effective competition.

Project reviews by the Project Board are made at designated decision points during the running of the Project, or as necessary when raised by the Project Manager or by the Project Assurance. The Project Board meets at least once a year, but it could meet virtually and more often as needed. Based on the approved multi-year or annual work plan (AWP), the Project Board may review and approve Project quarterly plans when required and authorizes any major deviation from these agreed plans. It ensures that required resources are committed and arbitrates on any conflicts within the Project or negotiates a solution to any problems between the Projects and external bodies.

During Project implementation, the Project Board assumes the following specific duties:

- Overall guidance and direction to the Project;
- Review of each stage and approval of progress to the next; and
- Review and approval of work-plans and any exception plan.

At the end of the Project, the PB will:

- Assure that all expected outputs have been delivered in a satisfactory manner;

- Approve the Final Project Report; and
- Approve the Lessons Learnt Report.

The representatives of the Beneficiaries in the Project Board represent the interests of those who will ultimately benefit from the Project. Their primary function within the Board is to ensure the realization of Project results from the perspective of Project beneficiaries.

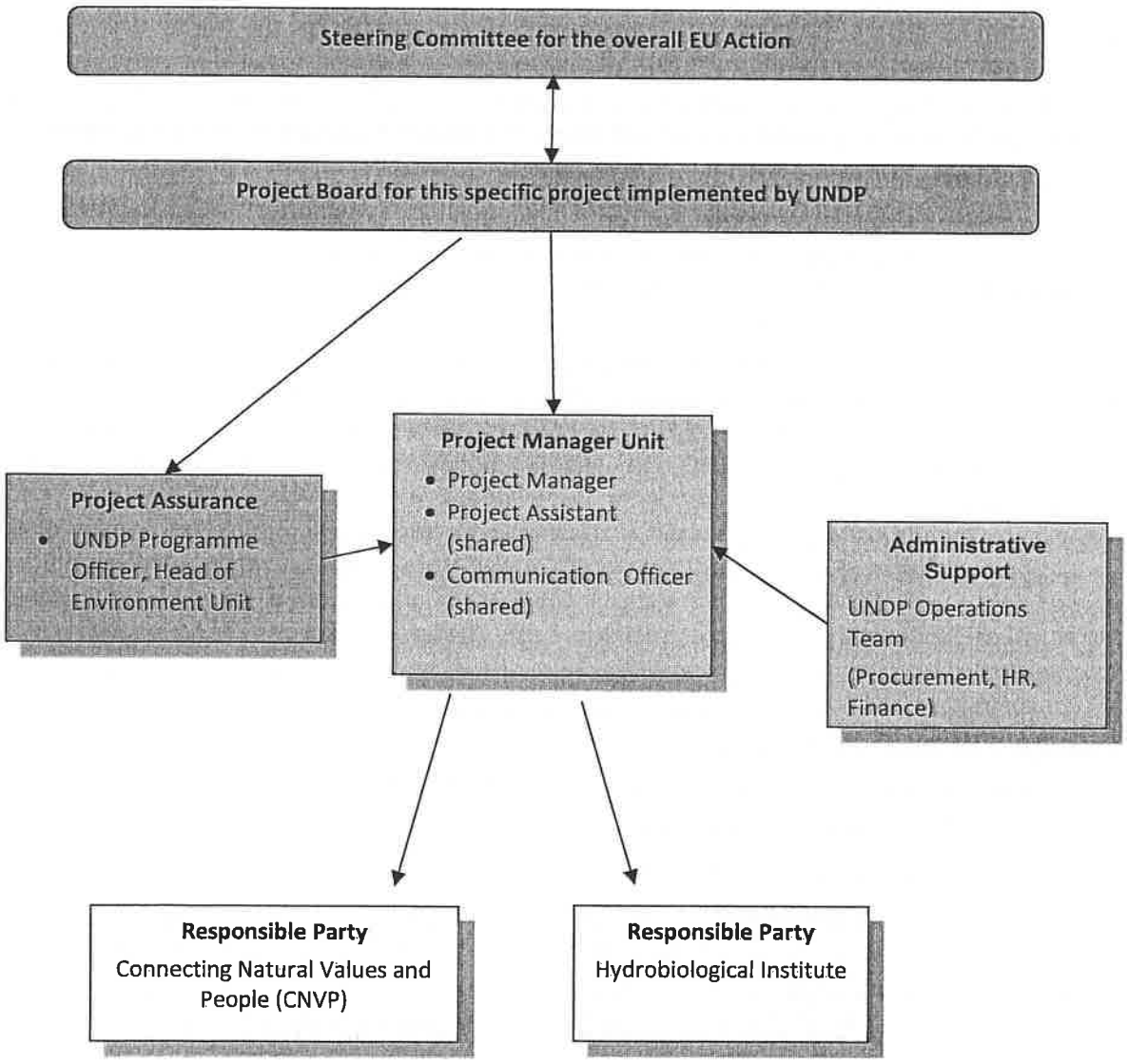
Project Assurance is the responsibility of each Project Board member; however, the role can be delegated. The Project assurance role supports the Project Board by carrying out objective and independent Project oversight and monitoring functions. This role ensures that Project management milestones are met.

The role of UNDP Resident Representative is to ensure that: resources entrusted to UNDP are utilized appropriately; the Project makes progress towards intended outputs; and national ownership, ongoing stakeholder engagement and sustainability are addressed appropriately.

A UNDP Programme Officer holds the Project Assurance role on behalf of UNDP. She/he ensures that funds are made available to the Project and are managed efficiently and in line with their stated purpose; ensures that the Project makes progress towards intended outputs; and performs regular monitoring activities, such as periodic monitoring visits and "spot checks."

Terms of reference for the Steering Committee and for the Project Board will be developed to clarify the roles and responsibilities of both bodies and to avoid any duplication and overlapping.

The Project organization structure is as follows:



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ANNEX II - General Conditions for Contribution Agreements

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Article 1: Definitions

Action:	the cooperation programme or project partly or wholly financed by the EU, which is carried out by the Organisation as described in Annex I. Where reference is made to the Action or part of the Action financed by the EU Contribution, this refers both (i) to activities exclusively financed by the EU Contribution and (ii) to activities jointly co-financed by the EU.
Contractor:	a natural or legal person with whom a Procurement Contract has been signed.
Days:	calendar days.
Early Detection and Exclusion System:	a system set up by Regulation (EU, Euratom) No 2015/1929 of 28 October 2015 on the financial rules applicable to the general budget of the Union (OJ L 286/1, 30.10.2015), which includes information on the early detection of risks threatening the EU financial interests, on the cases of exclusion from EU funding of legal and natural persons and on the cases of imposition of financial penalties.
End Date:	the date by which the Agreement ends, i.e. the moment of the payment of the balance by the Contracting Authority in accordance with Article 17 or when the Organisation repays any amounts paid in excess of the final amount due pursuant to Article 18. If any of the Parties invokes a dispute settlement procedure in accordance with Article 13, the End Date shall be postponed until the completion of such procedure.
EU Financial Regulation	Regulation (EU, Euratom) No. 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Council Regulation (EC, Euratom) No 996/2012 (OJ L 193, 30.7.2018, p. 1).
Ex-ante Pillar-Assessment:	an assessment of the systems, rules and procedures carried out in order to check whether such entity demonstrates a level of protection of the EU financial interests equivalent to that existing when the European Commission implements the budget itself.
Final Beneficiary:	a natural or legal person ultimately benefitting from the Action.
Force Majeure:	any unforeseeable and exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations under the Agreement, which may not be attributed to error or negligence on either part (or on the part of the Grant Beneficiaries, Partners, Contractors, agents or staff), and which could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available cannot be invoked as force majeure, unless they stem directly from a relevant case of force majeure. Labour disputes, strikes or financial problems of the Organisation cannot be invoked as force majeure by the defaulting Party.
Grant:	a direct financial contribution by way of donation given by the Organisation or a Partner to finance third parties activities, including sub-granting and procurement for the implementation of these activities.

Grant Beneficiary:	a natural or legal person to whom a Grant has been awarded.
Grave Professional Misconduct:	any of: a violation of applicable laws or regulations, in particular the Organisation's Regulations and Rules, or ethical standards of the profession to which a person or entity belongs, including any conduct leading to sexual or other exploitation or abuse, or any wrongful conduct of a person or entity which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence.
Impact:	the overall objective of the Action entailing positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
Indicator:	the quantitative and/or qualitative factor or variable that provides a simple and reliable means to measure progress in the achievement of the relevant Results of the Action. An indicator must have an agreed baseline, target and source of data.
Internal Control System:	a process applicable at all levels of management designed to provide reasonable assurance of achieving the following objectives: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; e) adequate management of the risks relating to the legality and regularity of the financial operations, taking into account the multiannual character of programmes as well as the nature of the payments concerned.
International Organisation:	an international public-sector organisation set up by international agreement (including specialised agencies set up by such organisations), or an organisation assimilated to international organisations in accordance with the EU Financial Regulation.
Member State Organisation:	an entity established in a Member State of the European Union as a public law body or as a body governed by private law entrusted with a public service mission and provided with adequate financial guarantees from the Member State.
Multi-Donor Action:	an Action co-financed by the EU Contribution (whether or not earmarked) and other donor(s).
Outcome:	the specific objective of the Action entailing the likely or achieved short-term and medium-term effects of an Action's Outputs. For non-EU external actions "Outcomes" are synonymous of Results.
Output:	the products, capital goods and services which result from an Action's activities.
Partner:	an entity implementing part of the Action and being a party to the relevant Contribution Agreement together with the Organisation.
Procurement Contract:	a contract signed between the Contractor and either the Organisation or a Partner under which the Contractor provides services, supplies or works.

Regulations and Rules: regulations, rules, organisational directives, instructions and other parts of the regulatory framework of the Organisation.

Result: the Output, Outcome or Impact of an Action.

Sound Financial Management: a principle overarching the implementation of this Agreement, namely economy, effectiveness and efficiency (including all aspects of internal control). The principle of economy requires that resources used in the pursuit of the implementation of the Action shall be made available in due time, in appropriate quantity and quality and at the best price. The principle of effectiveness concerns the attainment of the specific objectives and the achievement of the intended results. The principle of efficiency concerns the best relationship between resources employed and results achieved.

Article 2: General obligations

Implementation of the Action

2.1 The Organisation is responsible for the implementation of the Action described in Annex I, regardless of whether the activities are performed by the Organisation itself, a Contractor or a Grant Beneficiary. Both Parties will endeavour to strengthen their mutual contacts with a view to foster the exchange of information throughout the implementation of the Action. To this end, the Organisation and the Contracting Authority shall participate in coordination meetings and other jointly organised common activities, and the Organisation shall invite the European Commission to join any donor committee which may be set up in relation to the Action.

2.2 In the performance of the activities and subject to ad-hoc provisions stipulated in the Special Conditions, if any, the Organisation shall apply its own rules and procedures, which have been subject to the Ex-ante Pillar-Assessment, as regards:

a) internal control;

b) accounting system;

c) independent external audit;

d) exclusion from access to funding;

e) publication of information on recipients;

f) protection of personal data.

The Organisation may apply its own rules and procedures as regards the award and management of Grants and/or Procurement Contracts only if and to the extent provided for by the Special Conditions, including any ad hoc measures.

As regards the publication of information on recipients, the Organisation shall authorise the publication of the website where it publishes the information referred to in Article 3.8 d) on the European Commission's website.

2.3 Where the Organisation has been fully or partially exempted, by the European Commission, from undergoing the Ex-ante Pillar Assessment, it may apply its own rules and procedures in the areas provided for under Article 2.2, subject to ad-hoc provisions stipulated in the Special Conditions, if any.

2.4 The Organisation may use any Regulations and Rules which have not been subject to an Ex-ante Pillar Assessment to the extent that these Regulations and Rules are not in conflict with the provisions of this Agreement and with the rules and procedures which have been subject to the Ex-ante Pillar-Assessment.

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Responsibility

2.5 The Organisation shall be responsible for the performance of the obligations under this Agreement with a due degree of professional care and diligence, which means that it shall apply the same level of duty and care which it applies in managing its own funds. The Organisation shall respect the principles of Sound Financial Management, transparency, non-discrimination and visibility of the European Union in the implementation of the Action.

2.6 The Organisation shall have full financial responsibility towards the Contracting Authority for all funds, including those unduly paid to or incorrectly used by Contractors or Grant Beneficiaries. The Organisation shall take measures to prevent, detect and correct irregularities and fraud when implementing the Action. To this end, the Organisation shall carry out, in accordance with the principle of proportionality and its positively assessed Regulations and Rules, ex-ante and/or ex-post controls including, where appropriate, on-the-spot checks on representative and/or risk-based samples of transactions, to ensure that the Action financed by the EU Contribution is effectively carried out and implemented correctly. The Organisation shall inform the European Commission and the Contracting Authority of irregularities and fraud detected in the management of the EU Contribution and the measures taken. Where funds have been unduly paid to or incorrectly used by Contractors or Grant Beneficiaries, the Organisation shall take all applicable measures in accordance with its own Regulations and Rules to recover those funds, including, where appropriate, by bringing legal proceedings and by endeavouring to assign claims against its Contractors or Grant Beneficiaries to the Contracting Authority or the European Commission. Where the Organisation has exhausted such measures and the non-recovery is not the result of error or negligence on the part of the Organisation, the Contracting Authority will consider the amounts that could not be recovered from Contractors and/or Grant Beneficiaries as eligible costs.

Other obligations

2.7 The Organisation undertakes to ensure that the obligations stated in this Agreement under Articles 2.9-Other obligations, 5-Conflict of interests, 7- Visibility, and Article 15-Archiving, access and financial checks apply, where applicable, to all Contractors and Grant Beneficiaries.

In addition, the Organisation also undertakes to require Contractors and Grant Beneficiaries to: (i) comply with the relevant national laws and regulations as regards protection of personal data and (ii) ensure accurate and regular records and accounts.

2.8 The Organisation shall notify the Contracting Authority and the European Commission without delay of any substantial change in the rules, procedures and systems applied in the implementation of the Action. This obligation concerns in particular (i) substantial changes affecting the Ex-ante Pillar Assessment undergone by the Organisation or affecting the rules and procedures which have been assessed by the European Commission for the purpose of granting an exemption from the obligation to undergo an Ex-ante Pillar Assessment, or (ii) those that may affect the conditions for eligibility provided for in the applicable legal instruments of the EU. The Parties shall use their best efforts to resolve amicably any issues resulting from such changes. The Contracting Authority reserves the right to adopt or require additional measures in response to such changes. In the event an agreement on such measures or other solutions cannot be reached between the Parties, either Party may terminate the Agreement in accordance with Article 12.3.

2.9 The Organisation shall promote the respect of human rights and respect applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards. The Organisation shall not support activities that contribute to money laundering, terrorism financing, tax avoidance, tax fraud or tax evasion.

2.10 Where the European Commission is not the Contracting Authority, it shall not be a party to this Agreement, with the consequence that rights and obligations are conferred upon it only

where explicitly stated. This is without prejudice to the European Commission's role in promoting a consistent interpretation of the terms of this Agreement.

Article 3: Obligations regarding information and reporting

General issues

3.1 The Organisation shall provide the Contracting Authority with full information on the implementation of the Action. To that end, the Organisation shall include in Annex I a work plan at least for the first year of the Implementation Period (or the whole Implementation Period where it is less than one (1) year). The Organisation shall submit to the Contracting Authority progress report(s) and a final report in accordance with the provisions below. These reports shall consist of a narrative part and a financial part.

3.2 Every report, whether progress or final, shall provide a complete account of all relevant aspects of the implementation of the Action for the period covered. The report shall describe the implementation of the Action according to the activities envisaged in Annex I as well as the degree of progress towards the achievement of its Results (Outputs, Outcomes and if possible, Impact) as measured by corresponding Indicators. The report shall be drafted in such a way as to allow monitoring of the Results, the means envisaged and employed. The level of detail in any report shall match that of Annexes I and III.

3.3 Where the overall action of the Organisation lasts longer than the Implementation Period of this Agreement, the Contracting Authority may request – in addition to the final reports to be submitted pursuant to Article 3.8 - the final reports of the overall action, once available. The Special Conditions shall lay down the rules concerning any remaining funds.

3.4 Any alternative or additional reporting requirement shall be set out in the Special Conditions.

3.5 The Contracting Authority may request additional information at any time, providing the reasons for that request. Subject to the Organisation's Regulations and Rules, such information shall be supplied within thirty (30) Days of receipt of the request. The Organisation may submit a duly motivated request to extend the 30-Day deadline.

3.6 The Organisation shall notify the Contracting Authority without delay of any circumstances likely to adversely affect the implementation and management of the Action, or to delay or jeopardise the performance of the activities.

Content of the reports

3.7 The progress report(s) shall relate directly to this Agreement and shall at least include:

a) summary and context of the Action;

b) actual Results: an updated table based on a logical framework matrix (as included in Annex I) including reporting of Results achieved by the Action (Outputs, Outcomes, and if possible, Impact) as measured by their corresponding Indicators, against agreed baselines and targets, and relevant data sources;

c) information on the activities directly related to the Action as described in Annex I and carried out during the reporting period;

d) information on the difficulties encountered and measures taken to overcome problems and eventual changes introduced;

e) information on measures taken to identify the EU as source of financing, in accordance with Article 7;

f) a breakdown of the total costs, following the structure set out in Annex III, incurred from the beginning of the Action as well as the legal commitments entered into by the Organisation during the reporting period;

g) a summary of controls carried out and available final audit reports in line with the Organisation's policy on disclosure of such controls and audit reports. Where errors and weaknesses in systems were identified, an analysis of their nature and extent, as well as information on corrective measures taken or planned, shall also be provided;

h) where applicable, a request for payment;

i) work plan and budget forecast for the next reporting period.

3.8 The final report shall cover the entire Implementation Period and include:

a) all the information requested in Article 3.7 a) to h);

b) a summary of the Action's receipts, payments received and of the eligible costs incurred;

c) where applicable, an overview of any funds unduly paid or incorrectly used which the Organisation could or could not recover itself;

d) the exact link to the website referred to in last subparagraph of Article 2.2;

e) if relevant, details of transfers of equipment, vehicles and remaining major supplies mentioned in Article 8;

f) where the Action is a Multi-Donor Action and the EU Contribution is not earmarked, a confirmation from the Organisation that an amount corresponding to that paid by the Contracting Authority has been used in accordance with the obligations laid down in this Agreement and that costs that were not eligible for the EU Contribution have been covered by other donors' contributions;

g) where applicable, a request for payment.

3.9 The Organisation shall submit a report for every reporting period as specified in the Special Conditions starting from the commencement of the Implementation Period, unless otherwise specified in the Special Conditions[1]. Reporting, narrative as well as financial, shall cover the whole Action, regardless of whether this Action is entirely or partly financed by the EU Contribution. Unless otherwise specified in the Special Conditions, progress reports shall be submitted within sixty (60) Days after the period covered by such report and the final report shall be submitted, at the latest, six (6) months after the end of the Implementation Period.

Management declaration

3.10 Every progress and final report shall be accompanied by a management declaration in accordance with the template included in Annex VI, unless Article 1.5 of the Special Conditions states that a global management declaration shall be sent annually to the European Commission headquarters, separately from the reports provided under this Agreement.

Audit or control opinion for organisations other than International Organisations/Member State Organisations

3.11 In case the Organisation is neither an International Organisation, nor a Member State Organisation, the Organisation shall provide an audit or control opinion in accordance with internationally accepted audit standards, establishing whether the accounts give a true and fair view, whether the control systems in place function properly, and whether the underlying transactions are managed in accordance with the provisions of this Agreement. The opinion shall also state whether the audit work puts in doubt the assertions made in the management declaration mentioned above.

3.12 Such audit or control opinion shall be provided up to one (1) month following the management declaration sent with every progress or final report, unless Article 1.5 of the Special Conditions states that the global management declaration and the global audit or control opinion shall be

[1] By default, the reporting period is every twelve (12) months as from the commencement of the Implementation Period.

sent annually to the European Commission headquarters separately from the reports provided under this Agreement.

Currency for reporting

3.13 The reports shall be submitted in the Currency of the Agreement as specified in Article 3 of the Special Conditions.

3.14 The Organisation shall convert legal commitments, the Action's receipts and costs incurred in currencies other than the accounting currency of the Organisation according to its usual accounting practices.

Failure to comply with reporting obligations

3.15 If the Organisation is unable to present a progress or final report, together with the accompanying documents, by the deadline set out in Article 3.9, the Organisation shall inform the Contracting Authority in writing of the reasons. The Organisation shall also provide a summary of the state of progress of the Action and, where applicable, a provisional work plan for the next period. If the Organisation fails to comply with this obligation for two (2) months, following the deadline set out in Article 3.9, the Contracting Authority may terminate the Agreement in accordance with Article 12, refuse to pay any outstanding amount and recover any amount unduly paid.

Article 4: Liability towards third parties

4.1 The European Commission shall not, under any circumstances or for any reason whatsoever, be held liable for damage or injury sustained by the staff or property of the Organisation while the Action is being carried out, or as a consequence of the Action. The European Commission shall not therefore accept any claim for compensation or increase in payment in connection with such damage or injury.

4.2 The European Commission shall not, under any circumstances or for any reason whatsoever, be held liable towards third parties, including liability for damage or injury of any kind sustained by them in respect of or arising out of the implementation of the Action.

4.3 The Organisation shall discharge the European Commission of all liability associated with any claim or action brought as a result of an infringement of the Organisation's Regulations and Rules committed by the Organisation or Organisation's employees or individuals for whom those employees are responsible, or as a result of a violation of a third party's rights in the context of the implementation of the Action.

Article 5: Conflict of interests

5.1 The Organisation shall refrain, in accordance with its Regulations and Rules, from any action which may give rise to a conflict of interests.

5.2 A conflict of interest shall be deemed to arise where the impartial and objective exercise of the functions of any person implementing the Agreement is compromised.

Article 6: Confidentiality

6.1 The Contracting Authority and the Organisation shall both preserve the confidentiality of any document, information or other material directly related to the implementation of the Action that is communicated as confidential. The confidential nature of a document shall not prevent it from being communicated to a third party on a confidential basis when the rules binding the Parties, or the European Commission when it is not the Contracting Authority, so require. In no case can disclosure put in jeopardy the Parties' privileges and immunities or the safety and security of the Parties' staff, Contractors, Grant Beneficiaries or the Final Beneficiaries of the Action.

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6.2 The Parties shall obtain each other's prior written consent before publicly disclosing such confidential information unless:

a) the communicating Party agrees in writing to release the other Party from the earlier confidentiality obligations; or

b) the confidential information becomes public through other means than in breach of the confidentiality obligation by the Party bound by that obligation; or

c) the disclosure of confidential information is required by law or by Regulations and Rules established in accordance with the basic constitutive document of any of the Parties.

6.3 The Parties shall remain bound by confidentiality for five (5) years after the End Date of the Agreement, or longer as specified by the communicating Party at the time of communication.

6.4 Where the European Commission is not the Contracting Authority, it shall nonetheless have access to all documents communicated to the Contracting Authority, and shall maintain the same level of confidentiality.

Article 7: Visibility

Visibility

7.1 Unless the European Commission requests or agrees otherwise, the Organisation shall take all appropriate measures to publicise the fact that the Action has received funding from the EU. Such measures shall be carried out in accordance with the Visibility Requirements for EU External Action[2], as in effect at the time of entry into force of this Agreement or with any other guidelines agreed between the European Commission and the Organisation.

7.2 If, during the implementation of the Action, equipment, vehicles or major supplies are purchased using the EU Contribution, the Organisation shall display appropriate acknowledgement on such vehicles, equipment or major supplies, including the display of the EU emblem (twelve yellow stars on a blue background). Where such display could jeopardise the Organisation's privileges and immunities or the safety of the Organisation's staff or of the Final Beneficiaries, the Organisation shall propose appropriate alternative arrangements. The acknowledgement and the EU emblem shall be of such a size and prominence as to be clearly visible in a manner that shall not create any confusion regarding the identification of the Action as an activity of the Organisation, nor the ownership of the equipment, vehicles or major supplies by the Organisation.

7.3 If, pursuant to Article 8.5, the equipment, vehicles or remaining major supplies purchased with the EU Contribution have not been transferred to the local authorities, local Grant Beneficiaries or Final Beneficiaries when submitting the final report, the visibility requirements as regards this equipment, vehicles or major supplies (in particular display of the EU emblem) shall continue to apply between submission of the final report and the end of the overall action, if the latter is longer. Where the Organisation retains ownership in accordance with Article 8.6, the visibility requirements shall continue to apply as long as the relevant equipment, vehicles or remaining major supplies are used by the Organisation.

7.4 Unless otherwise provided in the Special Conditions, if disclosure risks threatening the Organisation's safety or harming its interests, the European Commission and the Contracting Authority (if other than the European Commission) may publish in any form and medium, including on its websites, the name and address of the Organisation, the purpose and amount of the EU Contribution.

7.5 The Organisation shall ensure that reports, publications, press releases and updates relevant to the Action are communicated to the addresses stated in the Special Conditions upon their issuance.

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[2] Visibility in EU-financed external actions – Requirements for implementing partners (Projects), available at: https://ec.europa.eu/intpa/comm-visibility-requirements_en.

7.6 The Parties will consult immediately and endeavour to remedy any detected shortcomings in implementing the visibility requirements set out in this Article. This is without prejudice to measures the Contracting Authority may take in case of substantial breach of an obligation.

Communication

7.7 In addition to the obligations stipulated under Article 7.1 to 7.6, the Organisation shall implement, if applicable, communication activities as described in Annex I.

Article 8: Right to use results and transfer of equipment

Right to use

8.1 Ownership of the results of the Action shall not vest in the Contracting Authority. Subject to Article 6, the Organisation shall grant, and shall act to ensure that any third party concerned grants the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use free of charge the results of the Action, including the reports and other documents relating to it, which are subject to industrial or intellectual property rights.

8.2 Where the results mentioned in Article 8.1 include pre-existing rights and the Organisation cannot warrant the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use such results, the Organisation shall inform in writing the Contracting Authority (and the European Commission, where it is not the Contracting Authority) accordingly.

Transfer

8.3 The equipment, vehicles and remaining major supplies purchased with the EU Contribution shall be transferred to or remain with local authorities, local Grant Beneficiaries or Final Beneficiaries, at the latest when submitting the final report.

8.4 The documentary proof of those transfers shall not be presented with the final reports, but shall be kept for verification for the duration and along with the documents mentioned in Article 15.1.

8.5 By way of derogation from Article 8.3, the equipment, vehicles and remaining major supplies purchased with the EU Contribution in the framework of actions which continue after the end of the Implementation Period may be transferred at the end of the overall action. The Organisation shall use the equipment, vehicles and remaining major supplies for the benefit of the Final Beneficiaries. The Organisation shall inform the Contracting Authority on the end use of the equipment, vehicles and remaining major supplies in the final report.

8.6 In the event that there are no local authorities, local Grant Beneficiaries or Final Beneficiaries to whom the equipment, vehicles and remaining major supplies could be transferred, the Organisation may transfer them to another action funded by the EU or - exceptionally - retain ownership of the equipment, vehicles and remaining major supplies at the end of the Action or the overall action. In such cases, it shall submit a justified written request with an inventory listing of the items concerned and a proposal concerning their use in due course and - at the latest – together with the submission of the final report. In no event may the end use jeopardize the sustainability of the Action.

Article 9: Monitoring and evaluation of the Action

9.1 Keeping in mind the commitment of the Parties to the effective and efficient operation of the Agreement, the Organisation shall invite representatives of the European Commission and the Contracting Authority (if other than the European Commission) to participate at their own costs to the main monitoring missions and evaluation exercises related to the performance of the Action. Participation in evaluation exercises should be ensured by requesting comments

from the European Commission and the Contracting Authority on the terms of reference before the exercise takes place, and on the different deliverables related to an evaluation exercise prior to their final approval (as a minimum, on the final report). The Organisation shall send all monitoring and evaluation reports relating to the Action to the European Commission and the Contracting Authority once issued, subject to confidentiality.

9.2 Article 9.1 is without prejudice to any monitoring mission or evaluation exercise, which the European Commission as a donor, or the Contracting Authority, at their own costs, may wish to perform. Monitoring and evaluation missions by representatives of the European Commission or the Contracting Authority shall be planned ahead and completed in a collaborative manner between the staff of the Organisation and the European Commission's (or Contracting Authority's) representatives, keeping in mind the commitment of the Parties to the effective and efficient operation of the Agreement. The European Commission (or the Contracting Authority) and the Organisation shall agree on procedural matters in advance. The European Commission (or the Contracting Authority) shall make available to the Organisation the terms of reference of the evaluation exercise before it takes place, as well as the different deliverables (as a minimum, the draft final report) for comments prior to final issuance. The European Commission (or the Contracting Authority) shall send the final monitoring and evaluation report to the Organisation once issued.

9.3 In line with the spirit of partnership, the Organisation and the European Commission (and the Contracting Authority, if applicable), may also carry out joint monitoring and/or evaluation. Such arrangements will be discussed and agreed in due time, planned ahead and completed in a collaborative manner.

9.4 Representatives of the relevant partner country may, whenever possible, be invited to participate at their own costs in the main monitoring missions and evaluation exercises, unless such participation would be detrimental to the objectives of the Action or threaten the safety or harm the interests of Partners, Grant Beneficiaries or Final Beneficiaries.

Article 10: Amendment to the Agreement

10.1 Without prejudice to Articles 10.3 to 10.6, any amendment to this Agreement, including its annexes, shall be set out in writing in an addendum signed by both Parties. This Agreement can only be amended before the End Date.

10.2 The requesting Party shall request in writing any amendment at least thirty (30) Days before the amendment is intended to enter into force and no later than thirty (30) Days before the End Date, unless there are special circumstances, duly demonstrated by it, and accepted by the other Party. The other Party shall notify its decision regarding the amendment proposed in due time and in any case no later than thirty (30) Days after the date when the amendment request was received.

10.3 By way of derogation from Articles 10.1 and 10.2, where an amendment to Annex I and/or Annex III does not affect the main purpose of the Action and the financial impact is limited to a transfer within a single budget heading, including cancellation or introduction of an item, or a transfer between budget headings involving a variation (as the case may be in cumulative terms) of 25 % or less of the amount originally entered (or as amended by a written addendum) in relation to each concerned heading, the Organisation may unilaterally amend Annex I and/or Annex III and shall inform the Contracting Authority accordingly in writing, at the latest in the next report.

10.4 The method described in Article 10.3 shall be used neither to amend the contingency reserve referred to under Article 16.2, the rate for remuneration, nor the agreed methodology or fixed amounts/rates of simplified cost options.

10.5 The Organisation may, in agreement with the Contracting Authority and before the modification takes place, change the following without a formal addendum to the Agreement:

(a) Outputs, the Indicators and their related targets, baselines and sources of verification described in Annex I and in the logical framework if the change does not affect the main outcome of the Action;

(b) Communication activities described in Annex I.

Approved changes must be explained in the next report.

10.6 Changes of address and of bank account shall be notified in writing to the Contracting Authority. Where applicable, changes of bank account must be specified in the request for payment, using the financial identification form attached as Annex IV.

Article 11: Suspension

Suspension of the time limit for payment

11.1 The Contracting Authority may suspend the time limit for payment following a single payment request by notifying the Organisation that either:

a) the amount is not due; or

b) the appropriate supporting documents have not been provided and therefore the Contracting Authority needs to request clarifications, modifications or additional information to the narrative or financial reports. Such clarifications or additional information may notably be requested by the Contracting Authority if it has doubts about compliance by the Organisation with its obligations in the implementation of the Action; or

c) credible information has come to the notice of the Contracting Authority that puts in doubt the eligibility of the reported expenditure; or

d) credible information has come to the notice of the Contracting Authority that indicates a significant deficiency in the functioning of the Internal Control System of the Organisation or that the expenditure reported by the Organisation is linked to a serious irregularity and has not been corrected. In this case, the Contracting Authority may suspend the payment deadline if it is necessary to prevent significant damage to the EU's financial interests.

11.2 In the situations listed in Article 11.1, the Contracting Authority shall notify the Organisation as soon as possible, and in any case within thirty (30) Days from the date on which the payment request was received, of the reasons for the suspension, specifying - where applicable - the additional information required. Suspension shall take effect on the date when the Contracting Authority sends the notification stating the reasons for the suspension. The remaining payment period shall start to run again from the date on which the requested information or revised documents are received or the necessary further checks are carried out. If the requested information or documents are not provided within the deadline fixed in the notification or are incomplete, payment may be made on the basis of the partial information available.

Suspension of the Agreement by the Contracting Authority

11.3 The Contracting Authority may suspend the implementation of the Agreement, fully or partly, if:

a) the Contracting Authority has proof that irregularities, fraud or breach of substantial obligations have been committed by the Organisation in the procedure of its selection, in its Ex-ante Pillar Assessment or in the implementation of the Action;

b) the Contracting Authority has proof that irregularities, fraud or breach of obligations have occurred which call into question the reliability or effectiveness of the Organisation's Internal Control System or the legality and regularity of the underlying transactions;

c) the Contracting Authority has proof that the Organisation has committed irregularities, fraud or breaches of obligations under other agreements funded by EU funds provided that

those irregularities, fraud or breaches of obligations have a material impact on this Agreement.

11.4 Before suspension, the Contracting Authority shall formally notify the Organisation of its intention to suspend, inviting the Organisation to make observations within ten (10) Days from the receipt of the notification. If the Organisation does not submit observations, or if - after examination of the observations submitted by the Organisation - the Contracting Authority decides to pursue the suspension, the Contracting Authority may suspend all or part of the implementation of this Agreement serving seven (7) Days' prior notice. In case of suspension of part of the implementation of the Agreement, upon request of the Organisation, the Parties shall enter into discussions in order to find the arrangements necessary to continue the part of the implementation that is not suspended. Any expenditures or costs incurred by the Organisation during the suspension and related to the part of the Agreement suspended shall not be reimbursed, nor be covered by the Contracting Authority. Following suspension of the implementation of the Agreement, the Contracting Authority may terminate the Agreement in accordance with Article 12.2, recover amounts unduly paid and/or, in agreement with the Organisation, resume implementation of the Agreement. In the latter case, the Parties will amend the Agreement where necessary.

Suspension for exceptional circumstances

11.5 The Organisation may decide to suspend the implementation of all or part of the Action if exceptional and unforeseen circumstances beyond the control of the Organisation make such implementation impossible or excessively difficult, such as in cases of Force Majeure. The Organisation shall inform the Contracting Authority immediately and provide all the necessary details, including the measures taken to minimise any possible damage, and the foreseeable effect and date of resumption.

11.6 The Contracting Authority may also notify the Organisation of the suspension of the implementation of the Agreement if exceptional circumstances so require, in particular:

a) when a relevant EU Decision identifying a violation of human rights has been adopted; or

b) in cases such as crisis entailing a change of EU policy.

11.7 Neither of the Parties shall be held liable for breach of its obligations under the Agreement if Force Majeure or exceptional circumstances as set forth under Articles 11.5 and 11.6 prevent it from fulfilling said obligations, and provided it takes any measures to minimise any possible damage.

11.8 In the situations listed in Articles 11.5 and 11.6, the Parties shall minimise the duration of the suspension and shall resume implementation once the conditions allow. During the suspension period, the Organisation shall be entitled to the reimbursement of the minimum costs, including new legal commitments, necessary for a possible resumption of the implementation of the Agreement or of the Action. The Parties shall agree on such costs, including the reimbursement of legal commitments entered into for implementing the Action before the notification of the suspension was received which the Organisation cannot reasonably suspend, reallocate or terminate on legal grounds. This is without prejudice to any amendments to the Agreement that may be necessary to adapt the Action to the new implementing conditions, including, if possible, the extension of the Implementation Period or to the termination of the Agreement in accordance with Article 12.3. In case of suspension due to Force Majeure or if the Action is a Multi-Donor Action, the Implementation Period is automatically extended by an amount of time equivalent to the duration of the suspension.

Article 12: Termination

12.1 Without prejudice to any other provision of these General Conditions or penalties foreseen in the EU Financial Regulation, where applicable, and with due regard to the principle of proportionality, the Contracting Authority may terminate the Agreement if the Organisation:

a) fails to fulfil a substantial obligation incumbent on it under the terms of the Agreement;

b) is guilty of misrepresentation or submits false or incomplete statements to obtain the EU Contribution or provides reports that do not reflect reality to obtain or keep the EU Contribution without cause;

c) is bankrupt or being wound up, or is subject to any other similar proceedings;

d) is guilty of Grave Professional Misconduct proven by any justified means;

e) has committed fraud, corruption or any other illegal activity to the detriment of the EU's financial interests on the basis of proof in the possession of the Contracting Authority;

f) fails to comply with the reporting obligations in accordance with Article 3.15;

g) has committed any of the failings described in Article 11.3 on the basis of proof in the possession of the Contracting Authority.

12.2 Before terminating the Agreement in accordance with Article 12.1, the Contracting Authority shall formally notify the Organisation of its intention to terminate, inviting the Organisation to make observations (including proposals for remedial measures) within thirty (30) Days from the receipt of the notification. During this period, and until the termination takes effect, the Contracting Authority may suspend the time limit for any payment in accordance with Article 11.2 as a precautionary measure informing the Organisation immediately in writing. If the Organisation does not submit observations, or if, after examination of the observations submitted by the Organisation, the Contracting Authority decides to pursue the termination, the Contracting Authority may terminate the Agreement serving seven (7) Days' prior notice. During that period, the Organisation may refer the matter to the responsible director in the European Commission. Where the Contracting Authority is the European Commission, the termination will take effect if and when confirmed by the director. Where the Contracting Authority is not the European Commission, the referral to the responsible director in the European Commission will not suspend the effects of the decision of the Contracting Authority. In case of termination, the Contracting Authority may demand full repayment of any amounts paid in excess of the final amount determined in accordance with Article 18 after allowing the Organisation to submit its observations. Neither Party shall be entitled to claim indemnity by the other Party on account of the termination of this Agreement.

12.3 If, at any time, either Party believes that the purpose of the Agreement can no longer be effectively or appropriately performed, it shall consult the other Party. Failing agreement on a solution, either Party may terminate the Agreement by serving sixty (60) Days written notice. In this case, the final amount shall cover:

a) payment only for the part of the Action carried out up to the date of termination;

b) in the situations described in Articles 11.5 and 11.6, the unavoidable residual expenditures incurred during the notice period; and,

c) in the situations described in Articles 11.5 and 11.6, reimbursement of legal commitments the Organisation entered into for implementing the Action before the written notice on termination was received by it and which the Organisation cannot reasonably terminate on legal grounds.

The Contracting Authority shall recover the remaining part in accordance with Article 14.

12.4 In the event of termination, a final report and a request for payment of the balance shall be submitted in accordance with Articles 3 and 17. The Contracting Authority shall not reimburse or cover any expenditure or costs which are not included or justified in a report approved by it.

Article 13: Applicable law and settlement of disputes

13.1 The Parties shall endeavour to settle amicably any disputes or complaints relating to the interpretation, application or validity of the Agreement, including its existence or termination.

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13.2 Where the Organisation is not an International Organisation, and the European Commission is the Contracting Authority, this Agreement is governed by EU law, complemented - if necessary - by the relevant provisions of Belgian law. In the absence of an amicable settlement in accordance with Article 13.1 above, the General Court, or on appeal the Court of Justice of the European Union, has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU). Notwithstanding the foregoing sentence, where the Organisation is not established or incorporated in the EU, any of the Parties may bring before the Brussels courts any dispute between them concerning the interpretation, application or validity of the Agreement, if such dispute cannot be settled amicably. Where one party has brought proceedings before the Brussels courts, the other party may not bring a claim arising from the interpretation, application or validity of the Agreement in any other court than the Brussels courts before which the proceedings have already been brought.

13.3 Where the Organisation is not an International Organisation and the European Commission is not the Contracting Authority, the Agreement shall be governed by the law of the country of the Contracting Authority and the courts of the country of the Contracting Authority shall have exclusive jurisdiction, unless otherwise agreed by the Parties. The dispute may, by common agreement of the Parties, be submitted for conciliation to the European Commission. If no settlement is reached within one hundred and twenty (120) Days of the opening of the conciliation procedure, each Party may notify the other that it considers the procedure to have failed and may submit the dispute to the courts of the country of the Contracting Authority.

13.4 Where the Organisation is an International Organisation:

a) nothing in the Agreement shall be interpreted as a waiver of any privileges or immunities accorded to any Party by its constituent documents, privileges and immunities agreements or international law;

b) in the absence of an amicable settlement pursuant to Article 13.1 above, any dispute, controversy or claim arising out of or in relation to this Agreement, or the existence, interpretation, application, breach, termination, or invalidity thereof, shall be settled by final and binding arbitration in accordance with the 2012 Permanent Court of Arbitration Rules for Arbitration, as in effect on the date of entry into force of this Agreement. The appointing authority shall be the Secretary General of the Permanent Court of Arbitration. The arbitration proceedings must take place in the Hague and the language used in the arbitral proceedings will be English. The arbitrator's decision shall be binding on all Parties and there shall be no appeal.

Article 14: Recovery

14.1 Where an amount is to be recovered under the terms of the Agreement, the Organisation shall repay the amount due to the Contracting Authority.

14.2 Before recovery, the Contracting Authority shall formally notify the Organisation of its intention to recover any undue amount, specifying the amount and the reasons for recovery and inviting the Organisation to make any observations within 30 Days from the date of receipt of the notification. If, after examination of the observations submitted by the Organisation or if the Organisation does not submit any observations, the Contracting Authority decides to pursue the recovery procedure, it may confirm recovery by formally notifying the Organisation. If there is a disagreement between the Organisation and the Contracting Authority on the amount to be repaid, the Organisation may refer the matter to the responsible director in the European Commission within thirty (30) Days. Where the Contracting Authority is the European Commission, a debit note specifying the terms and the date for payment may be issued after the deadline for the referral to the director. Where the Contracting Authority is not the European Commission, the referral to the responsible director in the European Commission will not prevent the Contracting Authority from issuing the debit note.

14.3 If the Organisation does not make the payment by the date specified in the debit note, the Contracting Authority shall recover the amount due:

a) by offsetting it against any amounts owed to the Organisation by the EU;

b) by taking legal action pursuant to Article 13;

c) in exceptional circumstances justified by the necessity to safeguard the financial interests of the EU, the Contracting Authority may, when it has justified grounds to believe that the amount due would be lost, recover by offsetting before the deadline specified in the debit note without the Organisation's prior consent.

14.4 If the Organisation fails to repay by the due date, the amount due shall be increased by late payment interest calculated at the rate indicated in Article 17.7(a). The interest shall be payable for the period elapsing from the day after the expiration of the time limit for payment up to and including the date when the Contracting Authority actually receives payment in full of the outstanding amount. Any partial payment shall first cover the interest.

14.5 Where the European Commission is not the Contracting Authority, it may, if necessary, proceed itself to the recovery.

14.6 The European Commission may waive the recovery in accordance with the principle of Sound Financial Management and proportionality or it shall cancel the amount in the event of a mistake.

Article 15: Archiving, access and financial checks

15.1 For a period of five (5) years from the End Date and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim or investigation by the European Anti-Fraud Office (OLAF), if notified to the Organisation, has been disposed of, the Organisation shall keep and make available according to Article 15 all relevant financial information (originals or copies) related to the Agreement and to any Procurement Contracts and Grant agreements financed by the EU Contribution.

15.2 The Organisation shall allow the European Commission, or any authorised representatives, to conduct desk reviews and on-the-spot checks on the use made of the EU Contribution on the basis of supporting accounting documents and any other document related to the financing of the Action.

15.3 The Organisation agrees that OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions laid down by EU law for the protection of the financial interests of the EU against fraud, corruption and any other illegal activity.

15.4 The Organisation agrees that the execution of this Agreement may be subject to scrutiny by the Court of Auditors when the Court of Auditors audits the European Commission's implementation of EU expenditure. In such case the Organisation shall provide to the Court of Auditors access to the information that is required for the Court to perform its duties.

15.5 To that end, the Organisation undertakes to provide officials of the European Commission, OLAF and the European Court of Auditors and their authorised agents, upon request, information and access to any documents and computerised data concerning the technical and financial management of operations financed under the Agreement, as well as grant them access to sites and premises at which such operations are carried out. The Organisation shall take all necessary measures to facilitate these checks in accordance with its Regulations and Rules. The documents and computerised data may include information that the Organisation considers confidential in accordance with its own established Regulations and Rules or as governed by contractual agreement. Such information once provided to the European Commission, OLAF, the European Court of Auditors, or any other authorised representatives, shall be treated in accordance with EU confidentiality rules and legislation and Article 6. Documents must be accessible and filed in a manner permitting checks, the Organisation being bound to inform the European Commission, OLAF or the European Court of Auditors of the exact location at which they are kept. Where appropriate, the Parties may agree to send copies of such documents for a desk review.

15.6 Where applicable, the desk reviews, investigations, on-the-spot checks and inspections referred to in Article 15.2 to 15.5 shall refer to a verification that shall be performed in accordance with the verification clauses agreed between the Organisation and the European Commission. This is without prejudice to any cooperation arrangement between OLAF and the Organisation's anti-fraud bodies.

15.7 The European Commission shall inform the Organisation of the planned on-the-spot missions by agents appointed by the European Commission in due time in order to ensure adequate procedural matters are agreed upon in advance.

15.8 Failure to comply with the obligations set forth in Article 15 constitutes a case of breach of a substantial obligation under this Agreement.

Article 16: Eligibility of costs

16.1 Direct costs are eligible for EU financing if they meet all the following criteria:

a) they are necessary for carrying out the Action, directly attributable to it, arising as a direct consequence of its implementation and charged in proportion to the actual use;

b) they are incurred in accordance with the provisions of this Agreement;

c) they are actually incurred by the Organisation, i.e. they represent real expenditure definitely and genuinely borne by the Organisation, without prejudice to Article 16.6;

d) they are reasonable, justified, comply with the principle of Sound Financial Management and are in line with the usual practices of the Organisation regardless of their source of funding;

e) they are incurred during the Implementation Period with the exception of costs related to final report, final evaluation, audit and other costs linked to the closure of the Action which may be incurred after the Implementation Period;

f) they are identifiable and backed by supporting documents, in particular determined and recorded in accordance with the accounting practices of the Organisation;

g) they are covered by one of the sub-headings indicated in the estimated budget in Annex III and by the activities described in Annex I; and

h) they comply with the applicable tax and social legislation taking into account the Organisation's privileges and immunities.

16.2 A reserve for contingencies and/or possible fluctuations in exchange rates - not exceeding 5 % of the direct eligible costs - may be included in Annex III to allow for adjustments necessary in the event of unforeseeable changes of circumstances on the ground. In such case, the reserve can be used only with the prior written authorisation of the Contracting Authority, upon a duly justified request from the Organisation.

16.3 The following costs may not be considered eligible direct costs, but may be charged as part of the remuneration: all eligible costs that, while necessary and arising as a consequence of implementation, are supporting the implementation of the Action and not considered part of the activities that the European Union finances as described in Annex I, including corporate management costs or other costs linked to the normal functioning of the Organisation, such as horizontal and support staff, office or equipment costs (except when duly justified and described in Annex I, such as a project office).

16.4 The remuneration shall be declared on the basis of a flat-rate which shall not exceed 7% of the total eligible direct costs to be reimbursed by the Contracting Authority. The remuneration does not need to be supported by accounting documents. For Multi-Donor and comparable actions, the remuneration shall not be higher than that charged by the Organisation to comparable contributions.

16.5 The following costs are ineligible for EU financing:

a) bonuses, provisions, reserves or non-remuneration related costs. Employers' contributions to pension or to any other employee insurance funds run by the Organisation shall only be eligible to the extent they do not exceed the cost incurred during the reporting period, calculated following applicable international accounting standards;

b) full-purchase cost of equipment and assets unless the asset or equipment is specifically purchased for the Action and ownership is transferred in accordance with Article 8;

c) duties, taxes and charges, including VAT, that are recoverable/deductible by the Organisation;

d) return of capital;

e) negative remuneration (otherwise referred to as 'negative interest') charged by banks or other financial institutions;

f) debts and debt service charges;

g) provision for losses, debts or potential future liabilities;

h) banking charges for the transfers from and to the Contracting Authority3;

i) costs incurred during the suspension of the implementation of the Agreement except the minimum costs agreed on in accordance with Article 11.8;

j) costs declared by the Organisation under another agreement financed by the European Union budget (including through the European Development Fund);

k) in-kind contributions. The cost of staff assigned to the Action and actually incurred by the Organisation is not an in-kind contribution and may be declared as a direct eligible cost if it complies with the conditions set out in Article 16.1; and

l) costs of purchase of land or buildings, unless otherwise provided in the Special Conditions.

Simplified cost options

16.6 Direct eligible costs may also be declared by using any or a combination of unit costs, lump sums and flat-rate financing.

16.7 The methods used by the Organisation to determine unit costs, lump sums or flat-rates shall comply with the principles provided in Articles 16.1, 16.3 and 16.5, be clearly described and substantiated in Annex III, shall avoid double funding of costs and shall respect the principle of Sound Financial Management. These methods shall be based on the Organisation's historical or actual accounting data, its usual accounting practices, an expert judgment or on statistical or other objective information where available and appropriate.

16.8 Costs declared under simplified cost options do not need to be backed by accounting or supporting documents except if they are necessary to demonstrate that the costs have been declared according to the declared method or cost accounting practices and that the qualitative and quantitative conditions defined in Annex I and III have been respected.

[3] The party causing a repetition of a transfer bears all costs of the repeated transfer.

16.9 Simplified cost options not linked to the achievement of concrete Results shall only be eligible if they have been ex ante-assessed by the European Commission.

16.10 If a verification reveals that the methods used by the Organisation to determine unit costs, lump sums or flat-rates are not compliant with the conditions established in this Agreement, the Contracting Authority shall be entitled to recover proportionately up to the amount of the unit costs, lump sums or flat-rate financing.

Article 17: Payments

17.1 Payment procedures shall be as follows:

a) the Contracting Authority shall provide a first pre-financing instalment as set out in Article 4.1 of the Special Conditions within thirty (30) Days of receiving the Agreement signed by both Parties;

b) the Organisation may submit a request for further pre-financing instalment for the following reporting period in accordance with Article 4 of the Special Conditions; the following provisions apply:

i) the reporting period is intended as a twelve-month period, unless otherwise provided for in the Special Conditions. When the remaining period to the end of the Action is up to eighteen (18) months, the reporting period shall cover it entirely;

ii) if at the end of the reporting period less than 70% of the last payment (and 100% of previous payments, if any) has been paid by the Organisation to its staff or otherwise subject to a legal commitment with a third party, the further pre-financing payment shall be reduced by the amount corresponding to the difference between the 70 % of the immediately preceding pre-financing payment (and 100% of previous payments, if any) and the part of the previous pre-financing payments which has been paid by the Organisation to its staff or has been subject to a legal commitment with a third party;

iii) the Organisation may submit a request for further pre-financing payment before the end of the reporting period, once more than 70 % of the immediately preceding payment (and 100% of previous payments, if any) has been paid by the Organisation to its staff or otherwise subject to a legal commitment with a third party. In this case, the following reporting period starts anew from the end date of the period covered by this payment request;

c) at the end of the Implementation Period, the Organisation shall submit a payment request for the balance, where applicable, together with the final report. The amount of the balance shall be determined according to Article 18 and following approval of the request for payment of the balance and of the final report; and

d) the Contracting Authority shall pay the further pre-financing instalments and the balance within ninety (90) Days of receiving a payment request accompanied by a progress or final report, unless the time limit for payment was suspended according to Article 11 or 12.

17.2 Payment requests shall be accompanied by narrative and financial reports presented in accordance with Article 3. The requests for pre-financing payments and the request for the balance shall be drafted in the Currency of the Agreement as specified in the Special Conditions. Except for the first pre-financing instalment, the payments shall be made upon approval of the payment request accompanied by a progress or final report. The final amount shall be established in line with Article 18. If the balance is negative, the payment of the balance takes the form of recovery.

17.3 Approval of the requests for payment and of the accompanying reports shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information contained therein.

17.4 The Contracting Authority shall make payments in the Currency of the Agreement as specified in the Special Conditions to the bank account referred to in the financial identification form in Annex IV.

17.5 Payment arrangements for financing not linked to costs in accordance with Article 19 shall be set out in Article 4 of the Special Conditions and Annex I.

17.6 If no payment has been made by the Contracting Authority within two (2) years of the entry into force of the Agreement, the Agreement shall be terminated.

Late payment interest

17.7 In case of late payment of the amounts stated in Article 4 of the Special Conditions the following conditions apply:

a) upon expiry of the time limits for payments specified in Article 17.1, if the Organisation is not a Member State Organisation, it shall receive interest on late payment based on the rate applied by the European Central Bank for its main refinancing operations in Euros (Reference Rate), increased by three and a half percentage points. The Reference Rate shall be the rate in force on the first day of the month in which the time limit for payment expires, as published in the C series of the Official Journal of the EU;

b) the suspension of the time limit for payment by the Contracting Authority in accordance with Article 11 or 12 shall not be considered as late payment;

c) interest on late payment shall cover the period running from the day following the due date for payment, up to and including the date of actual payment as established in Article 17.1. Any partial payment shall first cover the interest;

d) by way of exception to point (c), when the interest calculated in accordance with this provision is lower than or equal to EUR 200, the Contracting Authority shall pay such interest to the Organisation only upon request from the Organisation submitted within two (2) months of it receiving late payment;

e) by way of exception to point (c), when the Contracting Authority is not the European Commission, and the European Commission does not make the payments, the Organisation shall be entitled to late payment interest upon its request submitted within two (2) months of it receiving late payment.

Article 18: Final amount of the EU Contribution

18.1 The Contracting Authority shall determine the final amount of the EU Contribution when approving the Organisation's final report. The Contracting Authority shall then determine the balance:

a) to be paid to the Organisation in accordance with Article 17 where the final amount of the EU Contribution is higher than the total amount already paid to the Organisation; or

b) to be recovered from the Organisation in accordance with Article 14 where the final amount of the EU Contribution is lower than the total amount already paid to the Organisation.

18.2 The final amount shall be the lower of the following amounts:

a) the maximum EU Contribution referred to in Article 3.1 of the Special Conditions in terms of absolute value;

b) the amount obtained after reduction of the EU Contribution in accordance with Article 18.3.

18.3 Where the Action (i) is not implemented, (ii) is not implemented in line with the Agreement or (iii) is implemented partially or late, the Contracting Authority may, after allowing the Organisation to submit its observations, reduce the EU Contribution in proportion to the

seriousness of the above mentioned situations. If there is a disagreement between the Organisation and the Contracting Authority on the reduction, the Organisation may refer the matter to the responsible director in the European Commission.

Article 19: Financing not linked to costs

19.1 The payment of the EU Contribution may be partly or entirely linked to the achievement of Results measured by reference to previously set milestones or through performance Indicators. Such financing not linked to costs is not subject to Article 16. The relevant Results and the means to measure their achievement shall be clearly described in Annex I.

19.2 The amount to be paid per achieved Result shall be set out in Annex III.

19.3 The Organisation shall not be obliged to report on costs linked to the achievement of Results. However, the Organisation shall submit any necessary supporting documents, including where relevant accounting documents, to prove that the Results triggering the payment as defined in Annex I and III have been achieved.

19.4 Articles 3.7 f), 3.8 b), 3.8 f), 10.3 and 10.5 do not apply to the part of the Action supported by way of financing not linked to costs.

Article 20: Contracting and Early Detection and Exclusion System

Contracting

20.1 Unless otherwise provided for in the Special Conditions, the origin of the goods and the nationality of the organisations, companies and experts selected for carrying out activities in the Action shall be determined in accordance with the Organisation's relevant rules. However, and in any event, goods, organisations, companies and experts eligible under the applicable regulatory provisions of the European Union shall be eligible. Without prejudice to the foregoing or to the Organisation's assessed Regulations and Rules, the Organisation shall promote the use of local contractors when implementing the Action.

Early Detection and Exclusion System

20.2 The Organisation shall inform the European Commission if, in relation to the implementation of the Action, it has detected a situation of exclusion pursuant to its rules and procedures referred to in Article 2.2 d) and any ad hoc measure stipulated in the Special Conditions or if it has detected a fraud and/or an irregularity pursuant to Article 2.6. This information may be used by the European Commission for the purpose of the Early Detection and Exclusion System. The Organisation shall inform the European Commission when it becomes aware that transmitted information needs to be rectified updated or removed. The Organisation shall ensure that the entity concerned is informed that its data was transmitted to the European Commission and may be included in the Early Detection and Exclusion System and be published on the website of the European Commission. These requirements cease at the end of the Implementation Period.

20.3 Without prejudice to the power of the European Commission to exclude a person or an entity from future procurement contracts and grants financed by the EU and/or to impose financial penalties according to the EU Financial Regulation, the Organisation may impose sanctions on third parties according to its own Regulations and Rules ensuring, where applicable, the right of defence of the third party.

20.4 The Organisation may take into account, as appropriate and on its own responsibility, the information contained in the Early Detection and Exclusion System, when implementing the EU Contribution. Access to that information can be provided through the authorised persons

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or via consultation with the European Commission as referred in Article 5.6 of the Special Conditions.

ANNEX III - Budget EU for Prespa – "Restoration of the natural resource and agriculture and tourism"

OUTPUTS	ACTIVITIES	Budget for the Action	All Years				Year 1 (12 months) Planed Expenditure (in EUR)
		Costs	Unit	# of units	Unit value (in EUR)	Total Cost (in EUR)	
Project Management costs		0.1.1 Staff Services - Programme Officer 5%	Per month	42.00	253.15	10,632.30	3,037.80
		0.1.2 Staff Services - Programme Associate 5%	Per month	42.00	198.50	8,337.00	2,382.00
		0.1.3 Staff Srevices - Projet Manager 100%	Per month	40.00	2,583.00	103,320.00	25,830.00
		0.1.4 Staff Services - Project Assistant 50%	Per month	40.00	968.00	38,720.00	9,680.00
		0.1.5 Staff Services - Communications Officer 10%	Per month	40.00	258.30	10,332.00	2,583.00
		0.1.6 IT Equipment	Per procurment	1.00	5,000.00	5,000.00	5,000.00
		0.1.7 Communication Services	Per month	40.00	100.00	4,000.00	1,000.00
		0.1.8 Office Furniture	Per procurment	1.00	2,250.00	2,250.00	2,250.00
		0.1.9 Stationary - Office supplies	Per month	40.00	103.95	4,157.89	1,247.40
		0.1.10 Data Collection and Validation (for OPSYS)	Per month	42.00	47.62	2,000.00	564.00
		Subtotal Project Management				**188,749.19**	**53,674.20**
Output 1.2 Natural Resources preserved and protected	**1.2.2 Control/Eradication of alien fish species and control of main biochemical and physical parameters in the Prespa Lake and in the main tributaries with Responsible partie (HBZ)**	1.2.2.2 Development and implementation of a Water Quality Monitoring Programme for the Prespa Lake Ecosystem and implementation of set of actions and measures related to control/eradication of alien fish species in the Prespa Lake	Per procurment	1.00	210,000.00	210,000.00	30,000.00
		Subtotal Output 1.2				**210,000.00**	**30,000.00**
Output 2.1 Increased share of Environmentally Friendly Agriculture	**2.1.1 Extending the apple production area under Good Agriculture Practices (GAP) and environmentally friendly agro-ecological measures**	2.1.1.1 Support to farmers to shift towards good agriculture practises and environmentally friendly agro-ecological measures	Per farmer	55.00	10,000.00	550,000.00	50,000.00
		2.1.1.2 Development and implementation of a comprehensive training and mentoring programme for farmers in Prespa	Per day	200.00	250.00	50,000.00	10,000.00
	2.1.2 Upgrading the early warning system for plant protection with irrigation optimization/scheduling practices in apple production to reduce agriculture runoff and to ensure more sustainable use of water resources at catchment level	2.1.2.1 Upgrade of the Early Forecast Warning System for Plant Protection in the Prespa region	Per day	40.00	250.00	10,000.00	10,000.00
			Per procurment	1.00	40,000.00	40,000.00	15,000.00
		2.1.2.2 Strengthening the capacities of the Agrochemical Laboratory and the Union of Agriculture Producers in Resen by purchasing small field and laboratory equipment	Per procurment	1.00	60,000.00	60,000.00	30,000.00
	2.1.3 Improving the agricultural waste management system by expanding the biodegradable waste collection and processing	2.1.3 Awareness raising campaign	Per procurment	1.00	40,000.00	40,000.00	20,000.00
	2.1.4 Support for agriculture crop diversification, organic & integrated production certification	2.1.4 Capacity building of farmers (training, certification, crop diversification, etc.)	Per day	256	250.00	64,075.50	10,000.00
	2.1.5 Establishment of Prespa region supply chain for agricultural products	2.1.5 Establishing of short supply chain (Local foods branding, marketing strategy, awareness raising, etc.)	Per day	260.00	250.00	65,000.00	10,000.00
		Subtotal Output 2.1				**879,075.50**	**155,000.00**

Output 2.2 Sustainable tourism product promoted and diversified	**2.2.1 Capacity building program for sustainable tourism in the Prespa region**	2.2.1a Responsible parties (CNVP) for services for capacity building for sustainable tourism	Per procurment	1.00	115,000.00	115,000.00	35,000.00
		2.2.1b Individual Consultants for capacity building for sustainable tourism in the Prespa region	Per day	129	250.00	32,306.15	22,306.15
	2.2.2 Support for expansion of sustainable eco-tourism offer in the Prespa region	2.2.2 Support for expansion of sustainable eco-tourism offer in the Prespa region	Per procurment	1.00	1,000,000.00	1,000,000.00	150,000.00
		Subtotal Output 2.2				**1,147,306.15**	**207,306.15**
Output 3.1 Strengthened Strategic Vision on the development of Prespa Trans-boundary Area	**3.1.1 Support to the institutional trans-boundary cooperation in the Prespa region**	3.1.1.1 Revision of the Strategic Action Plan for the Sustainable Development of the Prespa Park	Per procurment	1.00	130,000.00	130,000.00	100,000.00
		3.1.1.2 Creation of a web-based tool for storing and sharing transboundary environmental monitoring data	Per procurment	1.00	43,000.00	43,000.00	23,000.00
		Subtotal Output 3.1				**173,000.00**	**123,000.00**
		Total direct eligible costs of the Action EU				**2,598,130.84**	**568,880.35**
		Total indirect costs (maximum 7% of the total eligible direct costs to be reimbursed by the Contracting Authority)				**181,869.16**	**39,821.62**
		Total eligible costs of the Action				***2,780,000.00***	***608,701.97***

***For the purpose of interpreting clause 10.3 of the General Conditions, the budget heading is understood as 'subototal" Project Management, Outputs 1.2, 2.1, 2.2 & 3.1**

2. Justification of the Budget for the Action	All Years	
Costs	Clarification of the budget items	Justification of the estimated costs
	Provide a narrative clarification of each budget item demonstrating the necessity of the costs and how they relate to the action (e.g. through references to the activities and/or results in the Description of the Action).	*Provide a justification of the calculation of the estimated costs. Note that the estimation should be based on real costs or on simplified cost options if allowed, as described in section 2.1.5 of the Guidelines for Grants Applicants*
0.1.1 Staff Services - Programme Officer	The CO Programme Officer (PO) will provide quality assurance in terms of expected project results, and create synergies with other complementary interventions which contribute to the achievement of the overall project goal. PO will oversee the project implementation, monitor and report to the donor, review and approve of the TOR (programmatic aspects), serve as a Chair of the Evaluation Committee, provide a forum for discussion of issues arising, and enable decisions to ensure project implementation proceeds in a flexible but efficient manner. PO will be the key focal point for coordination between the Project, UNDP, EUD and the national partner authorities and other key Project stakeholders.	Direct Project Costs attributable to the Action. It is estimated that staff member will work 5% of work time for period of 42 months. Calculation is based on the estimated gross salary for this position in accordance with UN National Officer salary scale at NOB level in amount of 5,063 EUR/month.
0.1.2 Staff Services - Programme Associate	The CO Programme Finance Associate (FA) will provide support in preparation of the budget, budget revisions, support to overall financial monitoring and reporting for the overall action; will assist the project team in preparation of financial transactions and appropriate reports.	Direct Project Costs attributable to the Action. It is estimated that staff member will work 5% of work time for period of 42 months. Calculation is based on the estimated gross salary for this position in accordance with UN General Service salary scale at GS 6 level in amount of 3,971 EUR/month.
0.1.3 Staff Services - Project Manager	The Project Manager (PM) will be responsible for smooth implementation of the Project activities in the soft component, providing technical inputs in regards to the Action. PC will be responsible for the day-to-day management of the project activities and delivery of the expected results.	In line with the overall responsibility, the position is classified under Project Manager - NPSA 8 in the UN Service Contract Salary scale. Costs are calculated at the rate of 100% of work time for period of 40 months. Calculation is based on the estimated gross salary for this position in accordance with UN Service Contract salary scale of 2,583 EUR/month.
0.1.4 Staff Services - Project Assistant	The Project Assistant (PA) will be responsible for administrative support in project implementation including project finance, procurement and general administration. The PA will also provide implementation support as required. The PA will support drafting of narrative and financial reports.	In line with the overall responsibility, the position is classified under Project Assistant - NPSA 5 in the UN Service Contract Salary scale. Costs are calculated at the rate of 50% of work time for period of 40 months. Calculation is based on the estimated gross salary for this position in accordance with UN Service Contract salary scale of 1,936 EUR/month.
0.1.5 Staff Services - Communications Officer	The Communication Officer's (COMM) primary role will be to support the implementation of the Project Communication and Visibility activities. COMM will facilitate the communication and knowledge management activities that will strengthen the promotion of interventions, raise awareness and improve information sharing among stakeholders by using suitable communication tools. COMM will also coordinate the activities related to carrying out surveys, consultations, organization of events, publication and related. In addition, COMM will facilitate partnerships among the project beneficiaries, and will create opportunities for collaboration with other relevant stakeholders.	In line with the overall responsibility, the position is classified under Communication Officer - NPSA 8 in the UN Service Contract Salary scale. Costs are calculated at the rate of 10% of work time for the period of 40 months. Calculation is based on the estimated gross salary for this position in accordance with UN Service contract salary scale of 2,583 EUR/month.
0.1.6 IT Equipment	IT Equipment	Costs for IT Equipment for the Project Manager and Project Assistant that will include 2 working stations (Laptop Docking Station Monitor with 3 years warranty), printer/copier/scanner, and one-time cost for installation, based on UNDP estimations for similar assets.
0.1.7 Communication services	Mobile Telephone Services and e-mail subscription services for staff assigned to the action (Project Manager, 50% of costs for the Project Assistant and 10% of costs for the Communication Officer)	Costs are estimated on the basis of anticipated e-mail subscription services and prices of mobile telecommunication operators for three staff assigned to the action (Project Manager, 50% of costs for the Project Assistant and 10% of costs for the Communication Officer) pro rated
0.1.8 Office furniture	Office furniture for the needs of the project office/staff that will implement the Action.	Costs for office furniture for the Project Manager and Project Assistant, that will include desks, chairs, drawers, shelves,2 units of each.
0.1.9 Stationary - Office supplies	Office supplies for the needs of the project office for implementation of the Action.	Costs for office supplies for 40 months for the needs of the project office. (printing/copying paper, office stationary).
0.1.10 Data Collection and Validation (for OPSYS)	The UNDP Project Team will be responsible for collecting the data for the indicators for the overall EU for Prespa Action programme as described in Annex 1. In that regard the costs will be charged for data gathering and compilation, meetings with entities that possess and/or generate data, travel costs and data validation workshops.	The cost estimation is made on the bases of UNDP's records for similar services and on online market analyses made by the UNDP procurement team in total budget of 2,000.EUR.
1.2.2.2 Development and implementation of a Water Quality Monitoring Programme for the Prespa Lake Ecosystem and implementation of set of actions and measures related to control/eradication of alien fish species in the Prespa Lake	The planed funds are for responsible party that needs to implement activities for Control/Eradication of allen fish species and control of main biochemical and physical parameters in the Prespa Lake and in the main tributaries.	The cost estimation is made based on the proposed budget by the Responsible Party NBZ in accordance with the activities that NBZ needs to undertake during the project implementation. The allocated budget is in line with the value for money practices.
2.1.1.1 Support to farmers to shift towards good agriculture practises and environmentally friendly agro-ecological measures	In the project document a financial support scheme is planed that will identify the needs of the grantees and the project will directly support by purchasing of appropriate equipment identified and customized as per the farmer/grantee requests. The planed funds are for detecting the needs of the grantees and procurement of goods and services for them.	The project needs to support from 50 to 80 farmers with a financial support at maximum scale of 10,000 EUR per farmer. In accordance with that the financial support at maximum scale per farmer 10,000EUR x 55 farmers equals a total budget of 550,000 EUR. As all farmers will not use the maximum financial support the number of farmers that will receive support will grow depending on the saving's in the budget line.
2.1.1.2 Development and implementation of a comprehensive training and mentoring programme for farmers in Prespa	The planed funds are for engaging of individual consultant that will develop and implement a comprehensive training and mentoring program for farmers in Prespa to support them with adoption of better practices in line with the innovative concepts of smart and precision agriculture.	Costs for services for the national consultant are calculated as 250 EUR per day for 200 working days. This includes consultancy daily fee and security costs of 4.25 % Security costs to optimally meet General Assembly–mandated security requirements associated with participation in the UNDSS field security Programme. The consultancy price for the consultancy days is estimated based on analyses within UNDP for the prices of the national consultants for the last two years.
2.1.2.1 Upgrade of the Early Forecast Warning System for Plant Protection in the Prespa region	Engagement of two individual consultants for preparation an assesment and business model for the Lab as well as development of technical specification for upgrading of the existing forecasting and early warning system. One will prepare the specification for the upgrade of the system for EFWS and the other will be responcible for developing of the assesment of curent status and development of a business model.	Costs for services of the national consultant are calculated as 250 EUR per day for 40 working days. This includes consultancy daily fee and security costs of 4.25 % Security costs to optimally meet General Assembly–mandated security requirements associated with participation in the UNDSS field security Programme. The consultancy price is estimated based on analyses within UNDP for the prices of the national consultants for the last two years.The total budget for the activity is 10,000.00 EUR
	Procurement of services from IT company for upgrading of the existing early forecast and warning system with features for irrigation optimization/scheduling practices in apple production. The upgraded forecasting system will utilize existing infrastructure and will further advance the data source and capacities.	The cost estimation is made on the bases of UNDP's records for similar services and on online market analyses made by the UNDP procurement team in total budget of 40,000.EUR
2.1.2.2 Strengthening the capacities of the Agrochemical Laboratory and the Union of Agriculture Producers in Resen by purchasing small field and laboratory equipment	Procurement of goods/equipment that will strengthen the capacities of the Agrochemical Laboratory and the Union of Agriculture Producers.. The technical specification for the equipment will be define by an individual consultant that will prepare a business plan and capacity assessment.	The cost estimation is based on a previous experience of UNDP for purchasing of the equipment for the capacities of the Agrochemical Laboratory in total budget of 60,000 EUR.

2.1.3 Awareness campaign for the Public Communal Enterprise	The planed funds are for procurement of a company that will implement a comprehensive knowledge and awareness raising campaign with a goal to support the expansion of the biodegradable waste collection and processing, as function of the composting plant. The campaign will target farmers, especially the large apple producers, and small businesses that generate organic waste.	The cost estimation are made on the bases of UNDP's procurements in the past two year for awareness raising campaign for similar services like awareness campaign for use of arm fire, awareness campaign for informal economy etc.
2.1.4 Capacity building of farmers (training, certification, crop diversification, etc.)	The planed funds are for engagement of individual consultants that will provide capacity building/technical advisory support to farmers interested in crop diversification and certification of organic production.	Costs for services for the national consultant are calculated as 250 EUR per day for 260 working days. This includes consultancy daily fee and security costs of 4.25 % Security costs to optimally meet General Assembly–mandated security requirements associated with participation in the UNDSS field security Programme. The consultancy price is estimated based on analyses within UNDP for the prices of the national consultants for the last two years.
2.1.5 Establishing of short supply chain (Local foods branding, marketing strategy, awareness raising, etc.)	The planed funds are for engagement of individual consultants that will deliver trainings in different aspects of food processing including food hygiene and safety, standards, nutritional values, developing product recipes, marketing strategy and branding, direct sales and collective distribution. Within these funds activities for mapping of stakeholders willing to participate in the short supply chain and establishing a short supply chain for the Prespa region will be implemented.	Costs for services for the national consultant are calculated as 250 EUR per day for 260 working days. This includes consultancy daily fee and security costs of 4.25 % Security costs to optimally meet General Assembly–mandated security requirements associated with participation in the UNDSS field security Programme. The consultancy price is estimated based on analyses within UNDP for the prices of the National Consultants for the last two years.
2.2.1a Responsible parties (CNVP) for services for capacity building for sustainable tourism	The planed funds are for activities that should be implemented by hte responsible party CNVP. The activities are connected to a capacity building program for sustainable tourism in the Prespa region including NTF products.	The cost estimation is made based on the proposed budget by the Responsible Party CNVP in accordance with the activities that CNVP needs to undertake during the project implementation. The allocated budget is in line with the value for money practices.
2.2.1b Individual Consultants for capacity building for sustainable tourism in the Prespa region	The planed fuds are for engagement of individual consultants that will work on development and implementation of capacity building trainings for developing sustainable eco truism products and services.	Costs for services for the national consultant are calculated as 250 EUR per day for 129 working days. This includes consultancy daily fee and security costs of 4.25 % Security costs to optimally meet General Assembly–mandated security requirements associated with participation in the UNDSS field security Programme. The consultancy price is estimated based on analyses within UNDP for the prices of the National Consultants for the last two years.
2.2.2 Support for expansion of sustainable eco-tourism offer in the Prespa region	The planed funds are for implementation of a Financial Support Programme for sustainable tourism. The planed funds in amount of 1,000,000 EUR will cover the costs for announcement for grants, selection and grant implementation. Additional 25% of the budget for the sub granting will be secured trough co-financing of the grantees.	The cost estimation is developed in order to financially support at least 20 tourism entities to develop sustainable tourism products. One call will be published with maximum budget of 1,000,000 EUR.
3.1.1.1 Revision of the Strategic Action Plan for the Sustainable Development of the Prespa Park	The planed funds are for engagement of a consultancy company that will make a revision of the Strategic Action Plan for the Sustainable Development of the Prespa Park.	The cost estimation are made on the bases of UNDP's records for similar services in the past two years where UNDP has developed strategic plans trough engagement of consultancy company.
3.1.1.2 Creation of a web-based tool for storing and sharing transboundary environmental	The planed funds are for procurement of a company that will develop a web-based tool for storing and sharing transboundary environmental monitoring data.	The cost estimation are made on the bases of UNDP's records for similar services and online market research developed by the UNDP procurement team.
Indirect costs	These are calculated as a flat-rate of 7% of the total eligible direct costs to be reimbursed by the Contracting Authority in line with article 16.4 of the General Conditions and 3.2 of the Special Conditions	The GMS fee encompasses costs incurred in providing general management and oversight functions of the organization and relates to corporate level costs and embrace e.g. corporate legal support, corporate legal management, policy guidelines on procurement and logistic support, programme and policy advisory service,s independent corporate oversight functions, etc.

3. Expected sources of funding & summary of estimated costs[1]

	Amount EUR
Expected sources of funding	
EU/EDF contribution sought in this application **(A)**	€ 2,780,000.00
Other contributions (Applicant, other Donors etc)	
Name / *Conditions* [6]	
Cofinansing	
Revenue from the Action	€ -
To be inserted if applicable and allowed by the guidelines:	
In-kind contributions [5]	€ -
Expected TOTAL CONTRIBUTIONS	€ 2,780,000.00
Estimated Costs	
Estimated TOTAL ELIGIBLE COSTS [4] **(B)**	€ 2,780,000.00
To be inserted if applicable and allowed by the guidelines:	
Taxes/In-kind contributions [5]	
Estimated TOTAL ACCEPTED COSTS [3] **(C)**	€ 2,780,000.00

FINANCIAL IDENTIFICATION

PRIVACY STATEMENT http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm#en

Please use CAPITAL LETTERS and LATIN CHARACTERS when filling in the form.

BANKING DETAILS ①

ACCOUNT NAME ②	UNDP CONTRIBUTIONS EURO ACCOUNT
IBAN/ACCOUNT NUMBER ③	CH2200240240FP1030940
CURRENCY	EUR
BIC/SWIFT CODE	UBSWCHZH80A
BRANCH CODE ④	
BANK NAME	UBS S.A. (SWITZERLAND)

ADDRESS OF BANK BRANCH

STREET & NUMBER	RUE DES NOIRETTES 35, P.O BOX 2600
TOWN/CITY	CH-1211 GENEVA 2
POSTCODE	
COUNTRY	SWITZERLAND

ACCOUNT HOLDER'S DATA

AS DECLARED TO THE BANK

ACCOUNT HOLDER	UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
STREET & NUMBER	1 UN PLAZA, DC 1 BUILDING
TOWN/CITY	NEW YORK
POSTCODE	10017
COUNTRY	USA

REMARK

BANK STAMP + SIGNATURE OF BANK REPRESENTATIVE ⑤

UBS Switzerland AG / Geneva

Nathan Ramadoo
Associate Director

UBS Switzerland AG
Régis Baumgartner
Executive Director

DATE (Obligatory) 22/03/2022

SIGNATURE OF ACCOUNT HOLDER (Obligatory)

Paul Gravenese, Treasurer, UNDP

Paul Gravenese

① Enter the final bank data and not the data of the intermediary bank.

② This does not refer to the type of account. The account name is usually the one of the account holder. However, the account holder may have chosen to give a different name to its bank account.

③ Fill in the IBAN Code (International Bank Account Number) if it exists in the country where your bank is established

④ Only applicable for US (ABA code), for AU/NZ (BSB code) and for CA (Transit code). Does not apply for other countries.

⑤ It is preferable to attach a copy of RECENT bank statement. Please note that the bank statement has to confirm all the information listed above under 'ACCOUNT NAME', 'ACCOUNT NUMBER/IBAN' and 'BANK NAME'. With an attached statement, the stamp of the bank and the signature of the bank's representative are not required. The signature of the account-holder and the date are ALWAYS mandatory.

IPR2023/451624

KG AS

ANNEX V

Request for payment for Contribution Agreement

Date of the request for payment <.....>

For the attention of
<Address of the Contracting Authority>
<Financial unit indicated in the Contribution Agreement>[1]

Reference number of the Contribution Agreement: ...

Title of the Contribution Agreement: ...

Name and address of the Organisation: ...

Request for payment number: ...

Period covered by the request for payment: ...

Dear Sir/Madam,

I hereby request payment of pre-financing/interim payment/balance[2] under the Contribution Agreement mentioned above.

The amount requested is [in accordance with Article 4 of the Special Conditions of the Contribution Agreement/the following: ...][3]

Please find attached the following supporting documents:

- narrative and financial progress report (for pre-financing / interim payments)
- final narrative and financial report (for payment of the balance)[4]

The payment should be made to the following bank account: .[5]

Please when making the payment indicate the following communication: …

I hereby certify on honour that the information contained in this request for payment is full, reliable and true, that the costs incurred can be considered eligible in accordance with the Agreement and that this request for payment is substantiated by adequate supporting documents that can be checked.

Yours faithfully, <signature>

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1 If applicable, please do not forget to address a copy of this letter to the European Union Delegation mentioned in Article 5 of the Special Conditions of the Contribution Agreement.
2 Delete the options which do not apply.
3 Delete the option which does not apply.
4 Delete the items which do not apply.
5 Indicate the account number shown on the financial identification form annexed to the Contribution Agreement. In the event of change of bank account, please complete and attach a new financial identification form as per model.

N.B.: Instalments of pre-financing, interim payments and final payments shall be made upon approval of the payment request accompanied by a progress or final report (see Articles 17 of the General Conditions of Contribution Agreement).

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Annex VI **[Global] Management Declaration**

I, the undersigned, <insert forename and surname>, in my capacity as <insert function in the entrusted entity or person>, confirm that in relation to the Insert/complete in case an individual Management Declaration for one Contribution / Guarantee Agreement is submitted: [[Contribution Agreement] [Contribution Agreement for Financial Instruments] [Guarantee Agreement] <insert reference of the concrete Agreement>, (the "Agreement")] Insert in case a global Management Declaration covering all the Contribution Agreements and/or Contribution Agreements for Financial Instruments and/or Guarantee Agreement(s) between the Contracting Authority[1] and the Organisation is presented:[Agreements listed below], based on my own judgement and on the information at my disposal, including, inter alia, the results of the audits and controls carried out:

1. The information submitted For Contribution Agreements/Contribution Agreements for Financial Instruments insert: under Article 3 of the General Conditions of the Agreement[s] For Guarantee Agreements, if applicable, insert: [and] pursuant to the financial reporting requirements of the Guarantee Agreement[s] for the financial period dd/mm/yyyy to dd/mm/yyyy is properly presented, complete and accurate Insert/complete in case a global Management Declaration covering all the Contribution Agreements and/or Contribution Agreements for Financial Instruments and/or Guarantee Agreement(s) between the Contracting Authority and the Organisation is presented: [for the following Agreements:

   1. <insert references of the Agreement>; add below as necessary
   2. <...>.]

   If at the time of signature of this Management Declaration, there were ongoing Agreements for which there was not yet reporting obligation; insert: [To be noted that at the time of signature of this Management Declaration, the following Agreements were not yet subject to submission of reporting in accordance with the contractual conditions:

   1. <insert references of the Agreement>; add below as necessary
   2. <...>.]

2. In case this Management Declaration covers Contribution Agreement(s) and/or Contribution Agreement(s) for Financial Instruments, insert: The [expenditure] [and] In case this Management Declaration covers Guarantee Agreement(s), insert: [amounts made available under the Guarantee] [were] [was] used for [its] [their] intended purpose as defined in the Agreement[s].

3. The control systems put in place give the necessary assurances that the underlying transactions were managed in accordance with the provision of the Agreement[s].

4. The Organisation performed the activities in compliance with the obligations laid down in the Agreement[s] and applying its own rules and procedures, where applicable, subject to the ad hoc measures agreed upon with the European Commission, as regards:
   a) internal control;
   b) accounting system;
   c) independent external audit;
   d) exclusion from access to funding;
   e) publication of information on recipients;
   f) protection of personal data;

   Add one or more of the following options, as applicable:

   g) [award and management of Grants;]

[1] For the avoidance of doubt, references to 'Contracting Authority' in this annex shall be understood as referring to the European Commission for the purpose of Contribution Agreements for Financial Instruments and Guarantee Agreements.

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h) [award and management of Procurement Contracts;]

i) [Financial Instruments] In case any the optional sub pillars 6b and/or 6c have been assessed and if applicable, add as required: [, including [Tax Avoidance and Non-Cooperative Jurisdictions][and][Anti-Money Laundering and Countering Terrorism Financing]].

5. No substantial changes, which have not already been communicated to the European Commission, affect the rules and procedures which have been [subject to the Ex-ante Pillar-Assessment] / [assessed by the European Commission for the purpose of granting an exemption to the obligation to undergo the Ex-ante Pillar Assessment].

6. The Organisation has informed the European Commission and the Contracting Authority, in relation to the management of the EU Contribution provided under the Agreement[s], if it has detected irregularities or fraud and, if so, of the measures taken.

7. The Organisation has informed the European Commission, in relation to the implementation of the Agreement[s] and during [its] [their] implementation period, if it has detected a situation of exclusion, pursuant to its rules and procedures and any ad hoc measure stipulated in the Agreement[s] or become aware that transmitted information needs to be rectified, updated, or removed.

Furthermore, I confirm that I am not aware of any undisclosed matter which could harm the interests of the European Union.

[*However, the following reservation(s) should be noted:*
<present and explain reservation(s)>][2]

<insert place and date>

.....

(signature)

<Insert forename and surname>

[2] Option to be used in case of reservations.