EUROPEAN UNION
CONTRIBUTION AGREEMENT

700003920

(the "Agreement")

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

and

Agenzia Italiana per la Cooperazione allo Sviluppo (AICS)
Member State Organisation
Registration number/Fiscal code: 97871890584
Via Cantalupo in Sabina 29, 00191 Rome, ITALY
hereinafter the "**Organisation**"

and

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

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 Forests** 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 a Multi-Donor Action and the EU Contribution is earmarked.

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.

1.3 bis This Agreement is a Multi-Partner Contribution Agreement.

The United Nations Development Programme (UNDP) is a pillar-assessed Partner for the purposes of this Agreement.

In the performance of the activities, UNDP 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.

The pillar-assessed Partner 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.

1.4 The Action is financed under the Instrument for Pre-Accession Assistance (IPA III), Annual Action Plan in favour of the Republic of Albania for 2024.

1.5 The Organisation and UNDP 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 Financial Framework Partnership Agreement (the "FFPA") between the European Commission and Agenzia Italiana per la Cooperazione allo Sviluppo (AICS) signed on 20 May 2019.

This Agreement is subject to the provisions of Financial and Administrative Framework Agreement between the European Union and the United Nations signed on 29 April 2003, as amended by Addendum No. 1 signed on 26 February 2014 and its further consolidated version applicable as of 1 January 2019.

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.

Implementation Period

2.2 The Implementation Period of the Agreement (the "Implementation Period") shall commence on: the indicative date of 01/01/2026. The effective starting date will be set in agreement between the Organisation and the Contracting Authority and notified by the latter, to the Organisation, after the entry into force of the Agreement.

2.3 The Implementation Period of the Agreement is 60 months.

Article 3 - Financing the Action

3.1 The total cost of the Action is estimated at EUR ("Currency of the Agreement") 15 948 900, as set out in Annex III. The Contracting Authority undertakes to provide a contribution up to the maximum amount of EUR 12 690 000 (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 817 229

Further pre-financing instalment(s): EUR 11 872 771 following the end of the 1st, 2nd, 3rd and 4th reporting period, corresponding to the Contracting Authority's part of the forecast budget for the subsequent 12 months.

Forecast balance of the final amount of the EU Contribution, if any (subject to the provisions of Annex II): EUR 0

4.3 The Organisation acknowledges that the European Commission is progressively introducing an Electronic Exchange System pursuant to the EU Financial Regulation. The Single Electronic Data Interchange Area (SEDIA) portal can be accessed via the "EU Funding & Tenders" 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 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.

-may submit the progress and/or final reports referred to in Article 3.1 of Annex II via the System.

The Organisation must keep, at all times, during the Action or afterwards, their information stored in the System, up to date, in particular, their name, address, legal representatives, legal form and organisation type.

4.4 The information required as per Articles 3.7 f), 3.8 b) and c) of Annex II has to be included only for the part of the Action financed by the EU Contribution.

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 of these Special Conditions, 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.

5.3 Subject to Article 4.3 of these Special Conditions, 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

European Commission

Directorate-General for Enlargement and Eastern Neighbourhood

Delegation of the European Union to the Republic of Albania

For the attention of the Head of the Finance, Contracts and Audit

ABA Business Center. Kati 17

Rr Papa Gjon Pali I II, Njesia Bashkiake Nr 2,

Tirana, Albania

DELEGATION-ALBANIA-REQUEST-FOR-PAYMENTS@eeas.europa.eu

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

European Commission

Directorate-General for Enlargement and Eastern Neighbourhood

Delegation of the European Union to the Republic of Albania

For the attention of the Head of Operations 2

ABA Business Center, Kati 17

Rr Papa Gjon Pali I II, Njesia Bashkiake Nr 2,

Tirana, Albania

delegation-albania-hoc@eeas.europa.eu

For the Organisation

Agenzia Italiana per la Cooperazione allo Sviluppo (AICS)

Member State Organisation

Registration number/Fiscal code: 97871890584

Via Cantalupo in Sabina 29, 00191 Rome, ITALY

The Agenzia Italiana per la Cooperazione allo Sviluppo (AICS)

Via Cantalupo in Sabina, 29 – 00189 Rome, Italy

Segreteria.direttore@aics.gov.it

Tel: +390632492242

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

Italian Agency for Development Cooperation (AICS)

Tirana Regional Office

Rruga Abdi Toptani, Torre Drin, 5TH Floor Tirana, Albania

Tel: +35542240881/2/3

Segreteria.tirana@aics.gov.it

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:

The Agenzia Italiana per la Cooperazione allo Sviluppo (AICS)

Via Cantalupo in Sabina, 29 – 00189 Rome, Italy

VICE DIREZIONE AMMINISTRATIVA

Segreteria.direttore@aics.gov.it

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:

The Agenzia Italiana per la Cooperazione allo Sviluppo (AICS)

Via Cantalupo in Sabina, 29 – 00189 Rome, Italy

VICE DIREZIONE TECNICA

Segreteria.direttore@aics.gov.it

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 II.a: Provisions applicable only to Multi-Partner 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 including Annex II.a) and those of the other Annexes, the provisions of Annex II including Annex II.a shall take precedence.

Article 7 – Additional specific conditions applying to the Action

7.1 The following shall supplement Annex II:

For costs of a project office:

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 for the activities as described in Annex I.

7.3 The Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature

Done in Tirana in three originals in the English language, one for the Contracting Authority, one for the Organisation and one for the Partner.

For the Organisation

Name Marco Riccardo Rusconi

Position AICS Director

Signature Marco Riccardo Rusconi AGENZIA ITALIANA PER LA COOPERAZIONE ALLO SVILUPPO 11.12.2025 17:20:53 GMT +02:00

Date

For the Contracting Authority

Name Ritva HEIKKINEN

Position Head of Cooperation Delegation of the European Union to Albania

Signature Ritva Heikkinen

Date 12/12/2025

For United Nations Development Programme (UNDP)

Name Randi Davis

Position Resident Representative

Signature

Date 15/12/2025

ANNEX I – Description of the Action
EU for Forests

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LIST OF ABBREVIATIONS

- AICS – Italian Agency for Development Cooperation
- ASIG – State Authority for Geospatial Information
- CBC – Cross-Border Cooperation
- CREA – Council for Agricultural Research and Analysis of the Agricultural Economy
- DRR – Disaster Risk Reduction
- EEA – European Environment Agency
- EUDR – European Union Deforestation Regulation
- EU – European Union
- FAO – Food and Agriculture Organization
- FLEGT – Forest Law Enforcement, Governance and Trade
- GEF – Global Environment Facility
- GIS – Geographic Information System
- GIZ – German Agency for International Cooperation
- IGEO – Institute of Geosciences
- IPA III – Instrument for Pre-Accession Assistance
- JICA – Japan International Cooperation Agency
- LULUCF – Land Use, Land-Use Change and Forestry
- MDF – Medium-Density Fiberboard
- MARD – Ministry of Agriculture and Rural Development
- MTE – Ministry of Tourism and Environment
- NAPA – National Agency of Protected Areas
- NAPC - National Civil Protection Agency
- NbS-DRR – Nature-Based Solutions for Disaster Risk Reduction
- NFA – National Forestry Agency
- NFFIS – National Forest Fire Information System
- NEA – National Environment Agency
- NGO – Non-Governmental Organization
- PPP – Public-Private Partnership
- RAPA – Regional Administration for Protected Areas
- SFM – Sustainable Forest Management
- SME – Small and Medium Enterprises
- UNDP – United Nations Development Programme
- UNFCCC – United Nations Framework Convention on Climate Change
- UKT – Tirana Water – Sewerage Utility

1. INSTRUCTIONS

1.1. Description of Action

Sector, Country, and Regional Context

Albania, a candidate country for EU accession since July 2022, is at a critical juncture in its journey toward alignment with European Union priorities and standards. The forestry sector is central to this alignment, not only because of its environmental significance but also due to its social and economic contributions to the country. However, for the past three decades, forests in Albania have not received the necessary attention in public discourse or political agendas. When the issue has surfaced, it has typically been in reaction to crises such as forest fires or the destruction of ecologically significant areas, rather than through sustained, proactive governance.

Forests cover over 50% of Albania's total land area, making it a biodiversity hotspot in Europe. The forest extension, encompassing approximately 1.3 million hectares or 46% of the national territory, represents a vital resource for the local economy and society at large. Despite this extensive coverage, Albania's forests are characterized by low timber volume due to an uneven age structure. The forest sector has suffered from decades of unsustainable management practices, which have exerted considerable pressure on the environment and resulted in long-term degradation. Most forests are young and underdeveloped, a direct consequence of practices that have favored immediate exploitation over sustainable management.

Over the last 70 years, Albanian forestry has suffered significant changes, because of which the forest area has been reduced by more than 300,000 ha mostly due to clearance for agriculture. Last 20 years, the volume stock has decreased by 32%. Currently 96% of the forest is owned by the state (municipalities and National Agency of Protected Areas), and about 4% is under private ownership.

The composition of Albania's forests highlights the imbalances in their structure and utilization. High forests, which account for 32.4% of forested areas, hold 73.4% of the country's stock volume, whereas coppices dominate 46.2% of the forest area but contribute only 17.4% of the stock. Shrubs, occupying 21.4% of the forest area, account for 9.2% of the stock volume. This distribution underscores the sector's unrealized potential, as well as the urgent need for restoration, improved management, and strategic interventions to create a more balanced and productive forest system.

In recent years, forests have gained increasing prominence on Albania's political agenda and have become a priority for the government. This shift reflects a growing recognition of their crucial role in enhancing quality of life, supporting economic and social development, and maintaining natural environmental balances. Significant steps have been taken to establish a solid foundation for forest sector management, including key institutional, legislative, and policy reforms.

A major milestone in this transformation has been the decentralization of forest management. This process involved the transfer of ownership rights over forests to municipalities, leading to the creation of a multi-level management system aimed at fostering sustainable and efficient governance. The goal is to build a forest management system that aligns with Albania's long-term environmental and economic aspirations.

Legal and Institutional Framework

Policy and legislative advancements have further reinforced this foundation. The Forest Policy Document, approved by the Council of Ministers on December 31, 2018, sets out the strategic goals and policies for forest sector development through 2030. It provides a roadmap for sustainable forest governance, ensuring that national policies align with EU standards and international commitments. Another key reform was the establishment of the **National Forest Agency (NFA)** under the Ministry of

Tourism and Environment. Approved in July 2019, with its operational structure finalized in February 2020, the agency officially began its work in September 2020. It now serves as the central institution responsible for overseeing the implementation of national forestry policies.

The legal framework for forestry in Albania is relatively new and evolving. The adoption of the new Law on Forests (No. 57/2020) marked a significant step forward, defining the legal framework for forest management and requiring the development and revision of a series of sub-legal acts. These include government decisions, regulations, and instructions to be drafted by the Ministry of Tourism and Environment (MoTE) and the National Forest Agency. The implementation of these legal provisions is essential to ensuring the law's effectiveness and clarifying the roles and responsibilities of all relevant institutions and stakeholders.

Article 18 of the Law on Climate Change (No.155/2020) defines that MoTE, MARD and municipalities design and develop policies and climate change mitigation measures in the field of forestry and agriculture aiming to reduce emissions and absorb carbon from the agriculture, forestry, other land use and ecosystem conservation sectors. MoTE records data on areas that have suffered deforestation and degradation due to the expansion of agricultural lands, return to pastures, infrastructural development, illegal logging and fires.
In parallel, the wood processing industry in Albania has grown, with around 400 small and medium-sized enterprises (SMEs) and three dozen large companies spread across the country. These enterprises rely on both domestic and imported raw materials to produce a wide range of wood-based products. Over the years, the sector has shifted from traditional timber usage toward the production of wood panels and medium-density fiberboard (MDF), reflecting a broader evolution in the industry's structure. While this industry meets a substantial portion of domestic demand, only 15% of its products are currently exported. There has been an emerging trend toward utilizing wood residues for energy production, which demonstrates the sector's potential for innovation in line with circular economy principles.

The "Policy Document for Forests in Albania 2019–2030" serves as a cornerstone for the sector, providing a ten-year roadmap for governance, long-term goals, policy directions, and implementation measures. This document emphasizes the need for structural reforms, sustainable management practices, and coordinated planning to address historical challenges and unlock the sector's potential. Additionally, the "National Strategy for Development and Integration 2022–2030" highlights the importance of aligning national forestry policies with EU regulations, particularly in the areas of biodiversity conservation and ecosystem restoration.

Key Challenges

The forestry sector in Albania faces a multitude of challenges that are deeply intertwined with governance, economic, environmental and climate issues. Among the most pressing concerns is the lack of effective law enforcement. Despite a moratorium on logging, illegal activities continue unabated, fuelled by weak institutional oversight and limited resources for monitoring and enforcement. The issue of forest fires further compounds the problem, with many incidents caused intentionally or through negligence. Prosecution and conviction rates for such cases remain alarmingly low, as highlighted in the 2023 European Commission Report for Albania.

The devolution of forest management responsibilities to local governments has also exposed significant capacity gaps. While the transfer of authority is intended to promote community-based management and local accountability, many local governments lack the expertise, resources, and institutional frameworks needed to fulfil these responsibilities effectively. This has resulted in inconsistent management practices and limited progress in addressing deforestation and forest degradation.

From an economic perspective, the forestry sector remains underutilized. While the wood processing industry has shown promise, its reliance on imported inputs and limited export capacity indicates untapped potential. Moreover, the sector's contributions to carbon sequestration and climate change mitigation and adaptation have not been fully realized, despite Albania's commitment to the Green Agenda for the Western Balkans and its alignment with the EU Biodiversity Strategy for 2030.

RD EP

Context Analysis

The project builds on a comprehensive assessment of the forestry sector's challenges related to climate change and prioritizes key adaptation measures to ensure sustainable forest development in Albania. It is closely linked to the ongoing UNDP National Adaptation Plan (NAP) Process Project, financed by the Green Climate Fund (GCF). This initiative seeks to address institutional gaps in municipal forestry management, where responsibilities are often misplaced within municipal structures, leading to inefficiencies and uncoordinated services.

The National Adaptation Process identifies forest degradation as a key driver of increased vulnerability to natural hazards such as erosion and landslides, especially in steep and deforested areas. Climate-related risks — including more frequent wildfires, rising pest and disease outbreaks, and biodiversity loss — are also intensifying. These findings highlight the urgent need to integrate forest degradation and climate vulnerability into sustainable forest management plans to enhance ecosystem resilience and support climate adaptation efforts.

Many municipalities have yet to finalize their Forests and Pasture Management Plans (2022-2031), and annual planning remains slow due to resource constraints. Additionally, while the Albania Forest Information System (ALFIS) has been operational since 2021, its full potential remains underutilized at the municipal level.

A critical challenge in the sector is the lack of adequate technical and financial resources to support over 600 forestry operations, increasing risks such as wildfires, erosion, and agricultural damage. The workforce is also aging, with an insufficient number of young forestry professionals entering the field, threatening long-term sustainability. Urgent reforestation and infrastructure protection measures are needed to mitigate natural hazards such as floods, droughts, and landslides, which pose a significant risk to urban areas. One positive example comes from Përmet Municipality, the only municipality reinvesting income generated from forest resources, serving as a model that should be expanded under the NAP framework.

At the national level, several priority adaptation measures have been identified to enhance the sector's resilience to climate change. These include aligning forestry regulations with EU standards to improve efficiency and sustainability, establishing an Afforestation Fund to restore degraded forests, and integrating Nature-Based Solutions (NbS) and Ecosystem-Based Adaptation (EBA) approaches to rehabilitate damaged landscapes. Strengthening forest protection and fire management through capacity-building initiatives and additional resources is also essential, alongside developing regional nurseries in Kukës and Vlora to produce drought-resistant tree species for afforestation.

Further measures involve supporting the migration of rare and endemic species to higher altitudes as a response to climate change, implementing erosion and flood control strategies through reforestation and habitat restoration, and enhancing forest health monitoring to track fires, pests, and disease outbreaks. Additionally, integrating forest management into broader climate adaptation strategies is crucial to ensuring long-term resilience.

The project benefits also from the extensive experience of the Italian Council for Agricultural Research and Economics (CREA) and CIMA Research Foundation in sustainable forest management, environmental resilience, and disaster risk reduction.

CREA, through its Research Centre for Forestry and Wood, provides cutting-edge expertise in forest biodiversity conservation, climate adaptation strategies, and precision forestry techniques. It has developed IT-based decision support systems (DSS), advanced genetic monitoring of forest resources, and innovative afforestation techniques that will support Albania's efforts in sustainable forest governance. The centre's prior involvement in projects like "NaturAlbania" and "EU for Nature" highlights its capacity to integrate scientific research with practical field applications, ranging from land use mapping to fire damage assessments and reforestation strategies

CIMA, as a leading institution in early warning systems and disaster risk assessment, brings invaluable insights into wildfire prevention, hydrometeorological forecasting, and risk mitigation strategies. Having played a pivotal role in establishing Albania's National Operations Centre for Civil Protection, CIMA has developed state-of-the-art monitoring platforms and forecasting tools that will directly enhance the project's objectives in fire prevention and environmental resilience.

These interventions directly address the critical challenges facing Albania's forestry and agriculture sectors, promoting climate resilience, biodiversity conservation, sustainable financing, and ecosystem restoration. By enhancing carbon sequestration and protecting forest-based livelihoods, the project contributes to Albania's broader environmental and socio-economic sustainability goals.

Objectives of the action

The Overall Objective (Impact) of this action is the improvement of the quality of the environmental protection and contribution to actions and policies against climate change to accelerate the shift towards a low-carbon economy. In pursue of this overall objective, the main expected specific objectives (outcomes) of the proposed Action are: (i) Improvement of the administrative capacities and alignment of the legal framework of the forestry sector in Albania with the EU acquis; and (ii) Increase the forest coverage and the carbon sink capacities for Albania.

Key stakeholder groups

1. Ministry of Tourism and Environment (MTE) is the responsible central institutions for policy development and regulation concerning the environment and climate change, the sustainable use of natural resources, promotion of renewable resources, protection of nature and biodiversity and the sustainable development and management of forestry and pastures. Also, the MTE is the lead institution in Chapter 27 Negotiating Group, and thus responsible for reporting to the European Commission (EC) on the overall progress in environmental related topics relevant for the accession during EU negotiations process. Moreover, MTE coordinates activities with other institutions involved in environmental and climate change acquis implementation.

MTE, similarly to "EU for Nature", will be actively involved in all phases of drafting and validation of the project actions as member of the Project Steering Committee, given its central role of coordinator and supervisor of both NFA and NAPA - along with the involved municipalities - concerning their respective activities and areas of intervention.

2. National Forest Agency (NFA) is a subordinate agency to the MTE responsible for managing the forestry sector at national level, implement the forestry legislation, take measures for forestry preservation and development, for sustainable and multifunctional use of resources in the national forest fund, as a natural asset of national importance.

NFA, as highlighted in the Action Document, will be the main beneficiary of the Action. The final goal of the project is to provide NFA with the necessary means to effectively manage Albanian forestry capital in terms of staff, technical capacity, monitoring system and financial resources, hence improving its ownership of the project and ensuring continuity and sustainability to the Action. NFA was consulted during the negotiation process, with current criticalities and structural deficiencies being discussed. The Agency showed full collaboration and enthusiasm for the project and already started sharing relevant data from their digital and physical archives with the technical experts, with the aim to improve the quality of the project proposal.

3. National Agency of Protected areas (NAPA) is a subordinate agency to the MTE responsible for preserving and conservation of the biodiversity, through the management of the network of protected areas of national and international interest, the collection and distribution of information, environmental education and public awareness of protected areas and the support of sustainable economic activities within these areas.

NAPA is a long-lasting partner of AICS and UNDP in the frame of environmental initiatives, starting with the project "Strengthening of institutional capacities in nature protection: preparation of the Natura

2000 network (February 2015 - May 2019)". NAPA is the main counterpart of the ongoing IPA III funded project "EU for Nature", implemented by UNDP and AICS. The presence of the same partnership of executing entities for both projects constitute itself an important added value, especially in consideration of the project outputs where evident synergies exist between the two projects.

As more than 20% of Albanian forests are located within Protected Areas, it will be essential to ensure the involvement of NAPA in all the project activities, including reforestation, conservation and restoration measures which will be included in the Management Plans for the protected areas, in the frame of "EU for Nature" foreseen actions.

4. National Environment Agency (NEA) is subordinate to the MTE and responsible for environmental protection. It is a public institution working in the whole territory through the Regional Environmental Directorates. Its main mission is to support law enforcement on environmental protection, implementation of procedures related to environmental licences, and the collection and processing of information and other data on the environment at district and region level, as part of the national monitoring process. The Agency provides quality references and laboratory services on the quality of waters, air, lands, biodiversity and forests components. NEA is also the national institution charged with building and managing the National Environmental Information System, National Forest Inventory and is responsible for the establishment and maintenance of the National Inventory System. Within its responsibilities, the National Environment Agency will support the implementation of the Action.

5. National Civil Protection Agency (NACP) is the central authority responsible for disaster risk reduction, emergency response, and civil protection measures in Albania. Its mandate includes coordinating actions for the prevention, preparedness, and response to natural and human-induced disasters, including forest fires, which pose a significant threat to Albania's forestry sector and biodiversity.

NACP plays a crucial role in the implementation of the forest fire prevention and response component of the Action. Given the increasing frequency and intensity of wildfires due to climate change and environmental degradation, NACP's involvement is essential to strengthening national and local capacities for fire prevention, early detection, and rapid response. The agency will benefit from capacity-building activities, including specialized training for its personnel, the development of fire risk assessment methodologies, and the enhancement of coordination mechanisms between national and local firefighting units.

As part of the Action, NACP will also receive technical and operational support, including improved fire monitoring systems, the provision of essential firefighting equipment, and the establishment of strategic response protocols. The agency will collaborate closely with the National Forestry Agency (NFA) and the National Agency of Protected Areas (NAPA) to integrate fire prevention measures into sustainable forest management plans, particularly in high-risk areas and protected zones.
NACP was actively involved in the project's consultation phase, providing valuable insights into the current gaps and challenges in Albania's fire management framework. Its engagement ensures that the project's outputs align with national civil protection strategies and that the developed measures contribute to the long-term resilience of Albania's forests. By reinforcing NACP's institutional and operational capacity, the Action aims to significantly reduce wildfire risks, protect vital ecosystems, and safeguard local communities that depend on forest resources.

6. The National IPA Coordinator (NIPAC) which is officially named '**State Agency for Strategic Programming and Assistance Coordination (SASPAC)**', has the mandate for overall coordination of the programming of the IPA, as well as being the main counterpart of the European Commission for overall process of strategic planning, coordination of programming, monitoring of implementation, evaluation and reporting of IPA III assistance at programme level. For overall policy and assistance coordination the Government of Albania has an inter-institutional and operational organisational structure in place for managing the implementation of a broad sectoral/cross-sectoral approach through the Integrated Planning System (IPS), which acts as the main system that sets the tools and mechanisms for integrated public policy planning.

7. **National Territory and Water Council (NTWC)** is a key decision-making body responsible for approving and supervising spatial planning, territorial development, and water resource management in Albania. Given the potential implications of the "Mountain Package" — which encourages investment and tourism in highland areas — NTWC's role is critical in relation to land-use decisions affecting forested and protected areas.

The NTWC will be involved in the project through structured consultations and technical coordination with MTE and NFA, particularly during the mapping and planning stages. Specific safeguards will be put in place to ensure that project-priority areas are protected from conflicting development plans or infrastructure expansion. To this end, the project will adopt a participatory and transparent land-use planning process and will raise potential conflicts to the Project Steering Committee (PSC) for resolution. The PSC will serve as a mechanism for dialogue and mitigation in case NTWC decisions potentially affect forests targeted by the Action.

Other relevant public institutions such as the **Ministry of Agriculture and Rural Development (MARD)** will be consulted in the course of the project, especially in the frame of the project activities with potential repercussions on the key fields such as rural development and fruit trees (MARD), environmental impact assessment and compliance with environmental legislation (NEA).

Unlike NAPA, which can rely on the Regional Administrations for Protected Areas (RAPAs) at a decentralized level for what concerns the management of Albanian Protected Areas, NFA has forestry competency only at central level. Hence, **Municipalities and Local Governments (LG)** are responsible to govern the municipal forests where they have the local level authority, with the coordination and supervision of NFA. Municipalities will be the main beneficiaries of the grant schemes foreseen under the "EU for Forests" project, and they will receive specific guidelines on how to effectively request and manage reforestation and firefighting actions. Municipalities will be also the target groups for tailored capacity buildings, supply of equipment for Sustainable Forest Management and specific management plans for the Municipal forests.

Local Communities living in, around or within forested areas are directly involved by the project. Engagement, interest, and active contribution of local communities to the Action varies from site to site. Special effort will be put to ensure full participation of representatives of local communities during the implementation of the Action. As key players in the effective management of Albanian forests, local communities will benefit from the Action, through training, awareness raising activities, and public-private partnerships.

The **Private sector** also represents a key stakeholder in the implementation of the project, particularly in advancing sustainable forestry practices, enhancing value chains for non-timber forest products, and promoting green business initiatives. Private enterprises, including forestry companies, wood processing industries, will be encouraged to engage in sustainable forest management through responsible sourcing, certification schemes, and investments in reforestation and afforestation activities. Additionally, the involvement of private sector actors will be instrumental in developing innovative solutions for forest fire prevention, monitoring, and early warning systems, as well as in leveraging financial resources for nature-based solutions and climate resilience. Public-private partnerships (PPPs) will be explored to create synergies between government initiatives and business-driven approaches, fostering job creation and economic opportunities in rural areas while ensuring the long-term sustainability of Albania's forest ecosystems.

Finally, **Academia (Universities)** and **Non-Governmental Organisations (NGOs)** will play an important role for research, development and education including the forestry sciences and biological and environmental sciences, and to communicate and involve the local community in transmitting their concerns toward the local and central government while actively participating in advocacy and watchdogging activities related to the forestry sector. Their involvement will be crucial mainly in the frame of the public-awareness campaigns to promote sustainable forest management.

University of Agriculture, Faculty of Forest Sciences is the only institution of high education which according to the Law of Higher Education is responsible for the scientific research in the forestry field. The mission of this entity is education, scientific research and the expertise in forestry.

Intervention logic

The overall objective of the proposed Action is improvement of the quality of the environmental protection and contribution to actions and policies against climate change to accelerate the shift towards a low-carbon economy. The specific objectives of the Action are: improving both the administrative capacities and alignment of the legal framework of the forestry sector in Albania with the EU acquis, as well as increase the forest coverage and the carbon sink capacities for Albania.

It is to be assumed that analysis of actual current level of transposition and the missing EU primary and secondary forestry legislation, directly linked with the forestry law is prepared, as well as the implementation plan for the acquis is in place, then transposition of the EU Forestry acquis and other legislation needed to ensure SFM (**Output 1**) will be significantly improved. Furthermore, the improved regulatory framework shall be complemented with capacity building activities related to the assessment of existing capacities for forestry management, preparation of training plan with specific modules and training equipment, that should contribute to improving the administrative capacity and capabilities for sustainable forest management and data collection and reporting (**Output 2**).

If the protocol for the monitoring and reporting of forest data is prepared and continuous support is given to accounting of emissions and removal in the forestry sector and to the reporting from municipalities and other institutions, then accounting emissions and removals from the forests in line with the LULUCF and related acquis (**Output 3**) will be improved.

If preparation of forestry management plans for municipalities including the reforestation plans and the priority measures will be possible then it will enable the management of protected areas and forestry areas with management plans (**Output 4**).

If specific priority measures are implemented, equipment related to SFM is purchased and used and a central nursing facility managed by the National Forestry Agency is established then forestation/reforestation of priority forest areas and improving management practices and technical capacity for SFM can be implemented (**Output 5**).

If part of activities aimed to provide financial support to the municipalities through Call for Proposals for financing forestation related activities and fight against forest fires, then it is to be expected that a set of sustainable forest management measures will be properly implemented (**Output 6**).

If activities related to public awareness are implemented, then this campaign will be considered as successfully realised (**Output 7**).

Weak sector coordination may slow progress, as the success of many activities relies on effective collaboration between MTE, NAPA, NFA, and municipalities. Limited commitment and buy-in from local communities could hinder participatory management approaches, while insufficient data-sharing among institutions may compromise decision-making processes. Institutional challenges such as limited absorption capacity, inadequate human resources, and frequent staff turnover pose threats to capacity-building efforts and law enforcement initiatives.
On the assumption side, the project is based on the commitment of the Albanian government to advancing the Green Agenda and fulfilling global and regional environmental obligations. Institutional capacity remains a crucial factor, with an assumption that ministries, agencies, and municipalities will maintain adequate human and financial resources. Continued cooperation among stakeholders is expected, along with steady economic conditions that support financial mechanisms for forestry initiatives. The successful establishment of the four Regional Forest Agencies under the National Forest Agency is also a key assumption that will directly impact law enforcement and governance improvements. Maintaining these assumptions while mitigating key risks is essential for the project's success.

Activities

Output 1: A comprehensive assessment of Albania's forestry legislation will be conducted to identify gaps in the transposition and implementation of EU forestry policies. The legal framework will be updated based on findings from the SANE 27 project, ensuring alignment with the EU forestry acquis, including gender-sensitive aspects. Technical guidelines will be developed to support multi-purpose forest management plans and the assessment of ecosystem services. Forest certification and a code of good forestry practices will be introduced following European standards. Additionally, Albania's compliance with the EUDR/EUDR, FLEGT, and LULUCF regulations will be strengthened through new legislative measures and implementation plans, addressing issues such as illegal logging, wildfire management, and carbon sink capacity.

Output 2: Following the decentralization of forest management in 2016, an assessment of administrative capacities at both national and municipal levels will be conducted. The National Forestry Agency (NFA) lacks regional structures, which hampers effective governance. A training strategy and action plan will be developed to enhance the technical and administrative capacity of municipal and national authorities. This will include specialized training modules and tools based on international best practices. Additionally, an inventory of essential equipment and tools (e.g., GIS software, field data collection devices) will be compiled, and a procurement plan will be implemented to support SFM efforts.

Output 3: Efforts will be made to operationalize the Albania Forest Information System (ALFIS) and integrate it with the ZANA application for improved forest data collection. Updated protocols will be developed to enhance reporting on forest management, wildfires, afforestation, and biodiversity. Addressing the lack of species-specific forestry data, the project will engage experts to establish key forestry metrics such as biomass expansion factors and allometric equations. New guidelines and training initiatives will enhance institutional capacity for accurate emissions and removals accounting. Additionally, improved coordination between local and national authorities will ensure better data collection and reporting for LULUCF compliance.

Output 4: Ten municipal forest management plans will be created based on ecological zones, traditional use patterns, and forest structures. To combat deforestation and degradation, a national forestation/reforestation plan will be developed, utilizing climate-adaptive species selection and advanced reforestation technologies. A prioritized list of forest management interventions will be created, integrating biodiversity conservation, ecosystem services, and climate change mitigation.
The methodology for selection of 10 target forest-based municipalities or forest economies will be guided by one or more of the following objectives:

1. Demonstrate high socio-economic vulnerability (e.g., low income, rural dependency)
2. Contain large and valuable forest fund areas
3. Face high exposure to climate-related risks (e.g., fires, erosion, floods)
4. Show strong potential for forest-based green economic development (e.g., eco-tourism, NTFPs)

A Multi-Criteria Decision Analysis (MCDA) approach will be applied, using relevant indicators grouped into four thematic dimensions:

- Socio-Economic Vulnerability (35%): Poverty, unemployment, rural dependency
- Forestry Potential (35%): Forest area, forest quality, accessibility
- Climate Vulnerability (20%): Climate risk exposure, fire frequency, degradation risk
- Green Economy Potential (10%): Tourism potential, NTFPs, local initiatives

Indicators will be normalized to a 0–1 scale and weighted according to their importance. The indicators and their respective weights will be defined in consultation with the **Ministry of Tourism and Environment (MoTE)**, the **National Forestry Agency (NFA)**, and other relevant stakeholders. Each municipality's composite score—Priority Index (PI)—will be calculated using the formula:

$$PI = \sum_{i=1}^{n} (Vi \cdot Wi)$$

Where:

- Vi is the normalized score for each criterion,
- Wi is the assigned weight, and
- n is the number of criteria.

In addition to the composite scores, the final selection of the top 10 municipalities will also consider:

- Geographic balance (e.g., representation from northern, southern, coastal, and mountainous regions)
- A balanced mix of vulnerability and opportunity
- Alignment with national forest and climate priorities

The selection results will be validated through expert consultations, stakeholder engagement, and field verification where feasible. Based on feedback from the Ministry of Tourism and Environment (MoTE), the National Forestry Agency (NFA), and other stakeholders, the methodology will be refined before final analysis.

Output 5: Based on the prioritized management plans, restoration efforts will be implemented in both municipal and protected forests. These efforts will include reforestation, afforestation, and pilot initiatives demonstrating best practices in forest restoration. The procurement of necessary SFM equipment will ensure that municipal and national forestry authorities are adequately resourced. Furthermore, a feasibility study will explore the establishment of a new central nursery and a local nursery to support large-scale reforestation efforts. This initiative will collaborate with universities and leverage international academic partnerships for research and technical expertise.

To reinforce this component, a €3,000,000 parallel financing provided by AICS will be channelled directly to the National Forest Agency (NFA) under Article 7 of Law 125/2014. Through this contribution, the NFA will implement priority measures identified in municipal and national forest management plans, procure specialized equipment and tools for sustainable forest management, and strengthen the national nursery system by operationalizing local structures and establishing four new strategic nurseries. These nurseries will be dedicated to the production of native and climate-resilient species, thereby ensuring a consistent and high-quality supply of seedlings for reforestation and afforestation programmes. Moreover, the parallel financing will support the execution of pilot schemes in fire prevention and the application of sustainable forest management practices, enhancing the technical and operational capacity of the NFA to address key challenges in the sector.

Output 6: A grant scheme will be established to support sustainable forest management initiatives, including reforestation and fire prevention measures. The updated guidelines will build upon previous Environmental Services Project experiences and align with IPARD III funding mechanisms. Fire prevention strategies will include prescribed burning, early warning systems, and the use of AI-based risk assessment models provided by CIMA. High-resolution wildfire risk mapping will identify priority intervention areas, ensuring targeted and effective prevention efforts. Training programs for local emergency response teams and awareness campaigns will complement these measures.

Output 7: Public engagement in sustainable forest management areas will be fostered through a targeted awareness campaign focused specifically on these zones. This initiative will increase local community participation in forest conservation, promote responsible forest use, and enhance accountability of local authorities. The campaign will cover key topics such as fire prevention, biodiversity conservation, and sustainable forestry practices. Stakeholder forums and roundtables will facilitate discussions on forestry policy and best practices, while community outreach activities, including educational workshops and field visits, will help raise awareness at the local level. Awareness campaigns targeting schools and universities will promote the principles of sustainable forestry among youth. Visibility materials such as brochures, reports, and newsletters will document project achievements, while billboards and banners in strategic locations will reinforce public awareness. EU-branded signage at afforestation and conservation sites will ensure that the project's contribution is recognized. A multi-channel communication approach—including TV, radio, social media, and print materials—will be adopted, with a focus on environmentally conscious messaging tailored to the local context.

The 7 outputs are interconnected, forming a cohesive strategy for sustainable forest management in Albania. Legislative alignment (Output 1) lays the foundation for enhanced administrative capacity (Output 2), enabling better implementation of SFM practices. Improved data collection and emissions accounting (Output 3) support evidence-based decision-making for forest management planning (Output 4). Restoration and equipment procurement (Output 5) ensure tangible improvements on the ground, while the grant scheme (Output 6) provides financial incentives for sustainable practices. Finally, public awareness campaigns (Output 7) reinforce the long-term sustainability of these initiatives by fostering community engagement and advocacy. Together, these interventions create a comprehensive framework for Albania's transition towards a EU-aligned, sustainable forest governance.

Cross-cutting issues

Environmental Protection, Climate Change, and Biodiversity

The interventions implemented within this Action will have significant positive environmental impacts, as they are designed to enhance the capacity of national stakeholders to plan and implement sustainable forest management (SFM) measures. This directly contributes to Output 1 by strengthening institutional capacities and policy frameworks for improved forest governance. By fostering better planning and management practices, the action will help ensure the preservation of forest habitats, biodiversity, and ecosystem services. Additionally, it aligns with Output 5, which focuses on afforestation, reforestation, and the protection of ecosystem services.

Activities under this action will enhance environmental conditions in both the short and long term by reducing degradation and promoting sustainable land use practices (Output 3). No activities will have negative environmental impacts, including those related to climate change or vulnerability to disasters. The project's monitoring and evaluation program will address all environmental concerns and opportunities, ensuring alignment with Output 7, which involves knowledge-sharing, data collection, and monitoring to improve decision-making and policy implementation.

By promoting SFM, the Action also contributes to improving Albania's overall resilience to climate change effects (Output 2). Measures such as afforestation and improved management of forest resources will increase carbon sequestration and mitigate land degradation.

The AICS parallel financing, managed directly by the National Forest Agency (NFA), will further amplify the Action's environmental benefits by enabling the implementation of large-scale reforestation and afforestation measures, based on prioritized forest management plans. This contribution will finance the establishment and operationalization of four strategic local nurseries dedicated to the production of native and climate-resilient species, ensuring a sustainable supply of seedlings for restoration activities. Through the provision of specialized SFM equipment and the introduction of pilot schemes for fire prevention and restoration, the parallel financing will directly improve Albania's capacity to protect biodiversity, rehabilitate degraded forest areas, and strengthen the resilience of ecosystems to climate change.

Gender Equality and Empowerment of Women and Girls

Forest-related activities have traditionally been male-dominated, with women primarily engaged in non-timber forest product (NTFP) harvesting. Thus, gender analysis at the project's outset will be crucial (Output 1) to ensure that policies and institutional frameworks account for gender considerations in forest governance. Equal participation of men and women will be ensured across all project activities, thereby supporting Output 2 by fostering inclusive institutional capacity building and training programs. Gender mainstreaming will be integrated into all activities to enhance gender balance and neutrality in decision-making processes (Output 3). Stakeholder decisions will require gender-balanced representation, ensuring women's voices are included in planning processes. The project will also facilitate equal access to resources and opportunities, directly contributing to Output 6 by promoting

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women's involvement in sustainable economic activities, including farming, tourism, and forestry enterprises. Additionally, targeted measures such as gender-sensitive tools and awareness campaigns will align with Output 4, which focuses on strengthening local community engagement in sustainable forest management.

The Action aligns with the EU Gender Action Plan III and Albania's Gender Equality Strategy 2021-2030, particularly in promoting women and youth entrepreneurship in rural and urban settings. A gender-sensitive communication strategy will also ensure that information campaigns under Output 7 effectively reach and engage all demographic groups.

As identified under OECD Gender DAC codes, the action is labelled as G0, meaning gender will be mainstreamed across activities but without a specific gender-focused component.

The National Forest Policy (2019-2030)1, still lacks robust gender integration. A Gender Action Plan (GAP) is prepared alongside with and for the Albania's NAP process to integrate gender considerations into the NAP. It addresses the gender dimensions of climate change across the five priority sectors: agriculture forestry, tourism, urban development, transport, energy and provides a comprehensive framework for integrating gender considerations into climate adaptation efforts, recognizing that climate change impacts affect women and men differently due to existing social, economic, and cultural inequalities. The analysis made revealed significant gender gaps across all sectors, with women facing disproportionate challenges in accessing resources, participating in decision-making processes, and building resilience to climate impacts.

In agriculture, which contributes 18.6% to Albania's GDP, the sector employs 440,872 people (33.9% of total employment), with women comprising 54.4% (239,775 workers) compared to men at 45.6% (201,097 workers). The sector faces specific climate vulnerabilities including floods, droughts, irregular rainfall patterns, declining crop productivity, and increased pest outbreaks. Women are especially affected due to their involvement in climate-sensitive tasks like small-scale farming and post-harvest processing. Women face systemic challenges including limited access to land titles, restricted access to agricultural credit due to lack of collateral, exclusion from agricultural extension services (only 8%), and low participation in agricultural vocational education (16%). Despite constituting most agricultural workers, women's contributions remain largely unrecognized and undervalued, with only 10.8% of officially registered farmers being women (approximately 25,896 women farmers out of the total registered). The declining effectiveness of national support schemes in reaching women (from 22% in 2018 to 16% in 2023, representing a decrease from approximately 52,750 to 38,364 women beneficiaries) further compounds these issues.

Some of the forestry adaptation measures that mainstream the gender perspective include:

- **Enhance forest fire prevention and management** by developing gender-responsive fire management strategies and awareness campaigns that address the specific needs, roles, and knowledge of women and men in fire prevention and response.
- **Draft and implement the national forestry program**, ensuring the integration of gender-responsive strategies that actively promote women's participation and leadership in forestry decision-making.
- **Improve policy and financial instruments** to enhance efficiency in the forestry sector by incorporating gender-responsive budgeting and ensuring equitable access to financial resources for women in forestry.
- **Advance research and innovation in forestry**, fostering equal opportunities for women researchers and actively promoting their participation in forestry-related studies and technological advancements.
- **Establish an afforestation fund** with mechanisms to ensure women-led afforestation initiatives and community groups have equal access to financial and technical support.

[1] Available at: https://www.fao.org/faolex/results/details/es/c/LEX-FAOc204065/

- **Strengthen the capacities of the National Forestry Agency and municipalities** to integrate forestry into development and climate adaptation plans, embedding gender mainstreaming in capacity-building programs and promoting women's participation in forestry planning.
- **Increase national and local capacities** for monitoring forest health (pests and diseases) by providing equal training opportunities for women and ensuring their involvement in forest health monitoring initiatives.
- **Draft and implement integrated forest management plans**, ensuring women's active participation in both the drafting and implementation phases, while considering their specific knowledge, experiences, and needs in forest management.

Human Rights

The proposed action will integrate a human rights-based approach (HRBA) into its planning and implementation, ensuring alignment with Output 1 through the development of inclusive policies and regulatory frameworks that protect the rights of marginalized and vulnerable groups. It will also reinforce Output 3 by ensuring that participatory forest management approaches account for the rights and needs of all community members.
A key component of the action is fostering inclusive participation through extensive, non-discriminatory consultations (Output 4). Special emphasis will be placed on involving vulnerable groups, ensuring they have a voice in forest management decisions and benefit from sustainable development initiatives. This will be reinforced through partnerships with local organizations, enhancing their capacity to advocate for and implement inclusive policies (Output 2).

Additionally, HRBA principles will be applied to the grant scheme under Output 6, ensuring equitable access to funding opportunities for all social groups. This approach will expand democratic ownership over policies and development initiatives, fostering social equity in forest governance.

Conflict Sensitivity, Peace, and Resilience

Forestry communities often experience conflicting interests over resource use, and the project acknowledges the potential for tensions, especially between conservation efforts and local economic activities. To mitigate conflicts, Output 3 will support participatory approaches to sustainable forest management, ensuring that adaptive management plans reflect the needs and priorities of all stakeholders. This will prevent disputes and enhance local ownership of conservation measures.
Drawing from past experiences, the project recognizes the potential for conflicts between local communities and conservation groups. Output 4 will help address these issues by fostering multi-stakeholder dialogues and providing training in mediation and negotiation skills. By integrating conflict-sensitive approaches, the project will ensure that sustainable development initiatives do not exacerbate existing social tensions.

Furthermore, Output 6 will contribute to resilience-building by creating economic opportunities in sensitive sites, reducing the risk of environmental degradation and social unrest. This will be reinforced by Output 7, which will disseminate best practices for conflict resolution and sustainable land management through knowledge-sharing platforms.

Disaster Risk Reduction

A core objective of the Action is to enhance local capacities for afforestation and sustainable forest management, directly supporting Output 5 by restoring degraded lands and preventing soil erosion. This contributes to disaster risk reduction (DRR) by stabilizing ecosystems and increasing their resilience to climate-related hazards such as floods and wildfires.

The Action will also provide incentives for rural communities to engage in forestry activities, aligning with Output 6 by creating economic incentives for sustainable land use. This will lead to increased formal employment opportunities in afforestation and forest management, further contributing to DRR by promoting sustainable livelihoods and reducing reliance on environmentally damaging activities.

Additionally, the Action's capacity-building measures (Output 2) will equip local actors with the skills and resources needed to implement effective DRR strategies. This includes training on fire prevention, watershed management, and climate adaptation techniques. By integrating DRR into forest management practices, the project will ensure that communities are better prepared to withstand environmental shocks and stresses.

AICS and UNDP extensive collaboration with the National Agency for Civil Protection (NACP) in the frame of previous and ongoing DRR projects will guarantee a sound and efficient implementation of the related activities, especially in the frame of forest wildfires management, ensuring coordination with all involved stakeholders such as municipalities, NFA and NAPA.

Timeframe of the action

The Action is planned to be implemented over a five-year period (60 months) with a condensed three-month inception phase, ensuring a structured and phased approach to achieving its objectives. This extended timeframe allows for the gradual and sustainable implementation of forestry sector reforms, institutional capacity building, reforestation efforts, fire prevention measures, and public awareness campaigns.

1. **Inception Phase (Months 1-3):**
    a. Establishment of governance and coordination mechanisms among key stakeholders, including the Ministry of Tourism and Environment (MTE), the National Forestry Agency (NFA), the National Civil Protection Agency (NACP), the National Agency for Protected Areas (NAPA), municipalities, and other relevant actors.
    b. Comprehensive assessment of existing forestry legislation, institutional capacities, and available data, leading to an in-depth gap analysis and the development of an implementation roadmap.
    c. Preparation of detailed action plans, procurement strategies, and engagement frameworks for institutional and community stakeholders.
    d. Initial awareness-raising activities to introduce the project's objectives and expected outcomes to the public and key beneficiaries.
    e. Signature of the agreement between AICS and the NFA for the management of the €3 million parallel financing, accompanied by the first preparatory phase by the NFA, including the setup of administrative and financial procedures, designation of focal points, and preparation of technical terms of reference for early procurement processes.
2. **Legislative and Institutional Strengthening (Months 4-36):**
    a. Development and harmonization of Albania's forestry legislation with the EU Forestry Acquis, ensuring compliance with EU environmental and climate policies.
    b. Design and implementation of capacity-building programs for NFA and municipal forestry departments, including specialized training on sustainable forest management, fire prevention, and digital monitoring systems.
    c. Development of forestry management plans for key municipalities, with a focus on conservation, restoration, and sustainable use of forest resources.
    d. Strengthening fire risk management strategies through enhanced coordination between NFA and NACP, as well as investment in fire prevention infrastructure.
3. **Implementation of Sustainable Forestry Practices (Months 12-60):**
    a. Establishment of at least one national and one local nursery to serve as basis for afforestation/reforestation activities.
    b. Execution of afforestation and reforestation activities in priority areas, including degraded forests and protected zones managed by NFA and NAPA, to increase Albania's forest cover and carbon sink capacity.
    c. Procurement and deployment of modern forestry equipment to improve monitoring, enforcement, and sustainable forest management.

d. Strengthening of forest fire prevention and response mechanisms, including the provision of specialized firefighting equipment, training of local emergency response teams, and implementation of community-based fire risk reduction initiatives.
e. Introduction of a grant scheme for municipalities to support sustainable forestry practices, forest restoration, and fire prevention measures.

4. **Public Awareness, Monitoring, and Impact Assessment (Months 24-60):**
   a. Nationwide public awareness campaigns to promote sustainable forestry, climate resilience, and the EU's role in supporting Albania's environmental protection efforts.
   b. Establishment of a systematic monitoring and reporting framework to track progress in reforestation, fire prevention, and institutional capacity improvements.
   c. Internal and external evaluations to assess project effectiveness, ensure alignment with strategic goals, and identify opportunities for scaling up successful initiatives.
   d. Dissemination of best practices and lessons learned through stakeholder engagement, knowledge-sharing events, and policy recommendations for future forestry sector reforms.

Factors Considered in the Timeframe

- **Legislative and Institutional Reforms:** The timeline accounts for the time required for legal analysis and adjustments, stakeholder consultations, and government approvals.
- **Seasonal and Climatic Conditions:** Reforestation efforts are scheduled according to optimal planting seasons to ensure successful forest regeneration.
- **Procurement and Logistics:** The acquisition of technical resources, firefighting equipment, and monitoring tools, which require sufficient time for implementation.
- **Coordination with Other EU and International Programs:** The project is aligned with existing EU-funded initiatives such as "EU for Nature," ensuring synergy and complementarity.
- **Community Engagement and Awareness:** Behaviour change in forest conservation requires continuous and long-term public engagement and education efforts.

1.2. Relevance of the action

1.2.1. Relevance to the objectives/sectors/themes/specific priorities of the call

The proposed Action is highly relevant to Albania's ongoing EU accession process, aligning closely with national and international priorities related to sustainable forest management (SFM), environmental conservation, and climate change adaptation. By strengthening institutional capacities and fostering cross-sectoral coordination, the Action directly supports Albania's commitment to aligning with EU policies, particularly in the areas of biodiversity, environmental sustainability, and economic development.

As Albania progresses in its EU accession journey following the opening of negotiations in July 2022, there is a growing need to harmonize national forestry policies with the EU acquis, particularly under Chapter 27 on the environment. The Action contributes to this alignment by facilitating the implementation of the EU's Forestry and Biodiversity Strategies for 2030 and supporting Albania's compliance with the Forest Law Enforcement, Governance and Trade (FLEGT) and the EU Timber Regulation (EUDR). Additionally, it addresses key recommendations from the 2023 European Commission Report for Albania, which highlighted the need for stricter enforcement of forestry laws and improved measures to combat illegal logging and forest fires.

The Action supports the objectives outlined in the Policy Document for Forests 2019-2030, particularly its four strategic goals: Achieved Administration, Functional Organization. Sustainable Use, and Quality Services. By implementing measures to enhance forest monitoring, restoration, and sustainable harvesting, the Action contributes to reversing environmental degradation while ensuring compliance with the Green Agenda for the Western Balkans.

The devolution of forest management responsibilities to local governments has presented challenges in capacity, coordination, and enforcement. The Action directly addresses these issues by strengthening institutional frameworks and supporting the operationalization of the National Forestry Agency. It also complements existing efforts under the National Strategy for Development and Integration 2022-2030, which prioritizes the full transposition of EU biodiversity laws, improved protection of threatened species, and the harmonization of forestry practices with EU standards.

Forests play a crucial role in carbon sequestration and climate change mitigation. In alignment with Albania's Third National Communication to the UNFCCC and the National Energy and Climate Plan, the Action promotes afforestation, sustainable forest management, and increased efficiency in wood utilization. These initiatives contribute to greenhouse gas reduction and climate adaptation, making Albania more resilient to extreme weather events and natural disasters, including wildfires and floods.

The forestry sector remains a key component of Albania's rural economy, supporting livelihoods through timber and non-timber products, tourism, and agroforestry. However, the sector remains underutilized, with only 15% of wood-based products being exported. The Action aims to unlock economic potential by fostering sustainable value chains, supporting small and medium-sized enterprises (SMEs) in wood processing. It aligns with IPA III Thematic Window III, which emphasizes green growth and sustainable connectivity, ensuring that Albania's forest resources contribute to long-term economic stability and job creation.

The Action builds upon and complements ongoing and past donor-funded projects, ensuring synergy and avoiding duplication of efforts. It will be closely coordinated with the upcoming **EU for Nature Action**, which focuses on protected area management, habitat conservation, and enforcement capacity-building. Additionally, the Action aligns with the IPARD-funded **Measure 11 – Establishment and Protection of Forests**, which supports afforestation and wildfire prevention measures. Other relevant programs include the **Environmental Services Project (2015-2021)**, which introduced payment for ecosystem services, and the **SANE27 Programme**, which strengthens Albania's environmental governance in preparation for EU negotiations under Chapter 27.
The Action is strategically designed to support Albania's environmental and forestry sector reforms while contributing to broader EU integration efforts. By addressing governance gaps, promoting sustainable resource management, and fostering economic opportunities, it represents a critical step towards ensuring that Albania's forests are managed effectively for the benefit of people, biodiversity, and the climate. The Action's multi-dimensional approach ensures that its interventions are not only relevant but also instrumental in achieving long-term sustainability in Albania's forestry sector.

Expected results are addressed in ***Appendix 1*** to ***Annex I "Logical Framework"***.

1.2.2. Relevance to the particular needs and constraints of the target country/countries, region(s) and/or relevant sectors (including synergy with other development initiatives and avoidance of duplication)

Albania is rich in forest resources but faces serious sustainability challenges:

- Forest area covers approximately 1.3 million hectares (46% of national territory).
- Forest stock volume: 57.7 million m³.
- Per capita forest area: 0.4 ha/capita, making Albania one of the most forested countries in Europe.
- Forest types:
  - High forests: 32.4% of forest area, holding 73.4% of total stock volume.
  - Coppices: 46.2% of forest area, but only 17.4% of volume.
  - Shrublands: 21.4% of forest area, holding 9.2% of volume.
- Forests have suffered from degradation due to overexploitation, illegal logging, and poor management practices over the past 60 years.

- Albania is a biodiversity hotspot, but habitat degradation threatens key ecosystems, affecting protected areas and species.

Forests play a crucial role in local livelihoods and economic activities, yet the sector remains underdeveloped:

- 80% of the rural population depends on forests for fuelwood, grazing, and non-timber forest products.
- Forestry contributes less than 1% to GDP, indicating untapped economic potential.
- Limited financial incentives and unclear property rights discourage sustainable forest management and afforestation efforts.
- The wood processing industry consists of:
  - Three dozen large companies.
  - 400+ small and medium enterprises (SMEs) in furniture manufacturing.
  - Wood processing meets a significant portion of domestic demand, but only 15% of products are exported, limiting the sector's competitiveness.

Forests play an important role for water security, serving as 'water towers' in the mountains and performing important roles as water filterers in other areas.

Climate change poses serious threats to Albania's forests, increasing the risk of wildfires, droughts, and biodiversity loss:

- Forest fires have increased in frequency and intensity, with most incidents being human induced (arson, illegal clearing).
- The National Energy and Climate Plan recognizes forests as key for:
  - Carbon sequestration (G-LF1).
  - Environmentally friendly management (G-LF2).
- National Third Communication to UNFCCC calls for:
  - Improving wood exploitation efficiency (from 40% to 86% over 35 years).
  - Afforesting 500-1,000 ha per year to compensate for past deforestation.

Problems Analysis

As a result of several meetings and consultations with the staff of NFA, the following key areas of targeted support emerged, to ensure the effective implementation of recent forestry reforms and further strengthen the sector:

- Implementation and Operation of the Forest Information System (ALFIS): The ALFIS system, designed by the Environmental Services Project with support from the Swedish government and the World Bank, is a crucial tool for digitalizing and modernizing forest management. However, significant support is needed to build the capacity of experts at both the NFA and municipal levels. Additionally, efforts must be made to populate the system with updated data and develop a comprehensive national forest register to improve monitoring and decision-making.
- Financial and Technical Support for Forest Management Plans: both the NFA and local municipalities require funding and technical assistance to design and implement modern forest management plans. This includes investing in digitalization and advanced technologies such as LIDAR mapping, which enhances forest monitoring and planning.
- Standardization and Performance Control in Forest Operations: to ensure consistency and efficiency in forest sector operations, technical documents must be developed and implemented to establish clear standards and performance benchmarks. This will enhance the monitoring and enforcement of planning regulations across the country.
- Establishment of a Unified Forest Inspection and Control System: strengthening forest law enforcement is crucial for tackling illegal logging, fires, and other environmental crimes. The previous online forest control system needs further improvement, including updating checklists and aligning them with the new Law on Inspection and the Law on Forests. Additionally, a clear coordination mechanism must be established among the Central Inspectorate, the NFA, and

municipal inspection bodies. Training programs for inspectors will also be essential to improve enforcement capacity.

- Financial Support for Afforestation and Reforestation Programs: effective afforestation programs should be preceded by scientific research to ensure the use of modern and efficient techniques. Implementing innovative afforestation mechanisms can help restore degraded areas, increase carbon sequestration, and enhance ecosystem resilience.
- Enhancement of the National Forest Monitoring System: strengthening Albania's forest monitoring system is critical for ensuring transparency and accountability. The system must be upgraded to support the drafting of reports for national institutions such as the government and parliament, as well as international organizations, including the European Environment Agency (EEA), UNECE, FRA, and FAO.
- Improvement of Risk Assessment Methodologies: the methodologies used to assess damage caused by forest fires, illegal logging, and floods need to be reviewed and improved. A more comprehensive risk assessment system will allow for better planning and response strategies to mitigate these threats.
- Institutional Strengthening of the National Forest Agency (NFA): the NFA's central structure must be enhanced through targeted capacity-building programs tailored to its specific departments, including performance monitoring, cadastral inventory, and reporting. Infrastructure improvements, better equipment, and the provision of modern tools will further strengthen the agency's operational effectiveness.

The proposed action aligns with several key national, regional, and local strategies and policies that govern sustainable forest management, environmental protection, and Albania's EU accession process. By integrating with these frameworks, the action ensures coherence with existing initiatives, maximizes impact, and contributes to long-term environmental and economic sustainability.

At the national level, the action is closely linked to Albania's **National Strategy for Development and Integration (NSDI) 2021-2030**, which prioritizes environmental sustainability, climate resilience, and EU integration. Within this framework, the project contributes to the objectives of **Albania's National Forest Policy and Strategy (2019-2030)** by promoting sustainable forest management, enhancing reforestation efforts, and improving governance in the forestry sector. The initiative also supports the **National Biodiversity Strategy and Action Plan (NBSAP)**, which aims to protect and restore Albania's rich biodiversity, particularly in forest ecosystems.

Additionally, the action aligns with the **National Climate Change Strategy**, and also part of the National Energy and Climate Plan of Albania, which includes specific targets for increasing carbon sequestration through forest conservation and afforestation. Given that Albania has committed to the EU's **Green Agenda for the Western Balkans**, the project will contribute to meeting the country's obligations under this initiative, including commitments to sustainable land use, biodiversity protection, and emission reductions.

Regionally, the action complements the objectives of the **Western Balkans Environmental Strategy** and the **Regional Action Plan for Sustainable Forestry**, both of which promote sustainable forest governance and cross-border cooperation in biodiversity conservation. The project also contributes to Albania's participation in **EU Cross-Border Cooperation (CBC) Programs**, particularly with neighbouring countries such as Montenegro, North Macedonia, and Greece, where sustainable forestry and watershed management are shared priorities.

Furthermore, the action is in line with the **EU Strategy for the Adriatic-Ionian Region (EUSAIR)** and the **Danube Strategy**, which emphasize environmental sustainability, natural resource management, and climate resilience. By aligning with these regional frameworks, the initiative will facilitate collaboration with other Western Balkans countries facing similar environmental challenges.

At the local level, the project is designed to support the implementation of **municipal forest management plans**, which are essential for ensuring sustainable land use and reforestation efforts in Albania's rural areas. Additionally, the project aligns with the **Protected Areas Management Plans**

for national parks and nature reserves where forest conservation is critical. These management plans, developed by Albania's National Agency of Protected Areas (NAPA), provide a strategic framework for preserving biodiversity while enabling sustainable ecotourism and local economic development.

Coordination with EU-funded technical assistance programs will ensure that reforms in Albania's forestry sector align with EU standards, including those outlined in the **EU Forest Strategy for 2030**. The project aligns closely with and complements various initiatives funded by the European Union, EU Member States, and other international donors aimed at environmental protection, sustainable forestry, climate resilience, and rural development in Albania and the Western Balkans region. This complementarity ensures synergy, avoids duplication of efforts, and maximizes the impact of interventions. The initiative complements the **IPA III (Instrument for Pre-Accession Assistance) 2021-2027**, which provides funding for Albania's EU accession process, including policy alignment with EU environmental and forestry regulations.

As appropriately stated in the Action Document, the action will be in close synergy with the currently ongoing "**EU for Nature**", another IPA III funded project. The presence of the same partnership of potential executing entities – AICS and UNDP – for both projects constitutes an important added value, especially in consideration of the similar structure and complementary outputs distribution of the two initiatives.

In addition, the project aligns with the ongoing "**Project on Capacity Building for National Forest Fire Information System (NFFIS) and Nature-Based Solutions for Disaster Risk Reduction (NbS-DRR) in Albania**," implemented by the **Japan International Cooperation Agency (JICA)**. Given Albania's increasing vulnerability to forest fires and soil erosion due to climate change, JICA's initiative strengthens national disaster risk reduction capacities through the development of an integrated early warning system and the promotion of afforestation and erosion control methods. This complements the project's focus on sustainable forestry by reinforcing institutional frameworks, integrating innovative monitoring technologies, and promoting nature-based solutions for environmental resilience. Furthermore, both initiatives contribute to regional and international cooperation mechanisms, such as the EU Civil Protection Mechanism and the Western Balkans Cooperation Initiative, ensuring a coordinated and impactful approach to sustainable land management and disaster risk reduction.
Furthermore, the project builds on previous EU-supported initiatives in Albania, such as the **EU4Green Albania Program**, which focuses on sustainable environmental policies, and the **Cross-Border Cooperation (CBC) Programs**, which facilitate regional environmental collaboration. By leveraging existing EU-funded forestry and biodiversity projects, the initiative strengthens policy coherence and institutional capacity.

Beyond EU support, the project benefits from complementarity with initiatives financed by EU Member States and other international donors. Germany's **GIZ Sustainable Development Program** has been instrumental in promoting sustainable land-use practices in Albania, and this project will integrate lessons learned from GIZ's interventions.

International organizations, including the **World Bank's** - given the main contribution through "Environmental Services Project" in i) support to sustainable land management practices; and ii) increase of communities' monetary and non-monetary benefits for erosion prone rural upland areas of the country - and the **FAO's Sustainable Land Management Initiatives**, offer complementary technical assistance and policy recommendations that align with this project's objectives. Additionally, the **Global Environment Facility (GEF)** has implemented forestry and climate resilience projects in Albania, and this initiative will coordinate with their ongoing efforts to enhance impact.

A structured coordination mechanism will be established with other EU and donor-funded projects to ensure a harmonized approach to sustainable forestry. Regular consultations with the EU Delegation, donor agencies, and relevant ministries will facilitate knowledge-sharing and prevent overlapping activities. Moreover, the project will leverage existing research, capacity-building programs, and best practices from previous and ongoing interventions to enhance efficiency and effectiveness.

1.2.3. Describe and define the target groups and final beneficiaries, their needs and constraints, and state how the action will address these needs

The proposed Action will involve multiple stakeholders across different levels, including public institutions, private enterprises, and local communities. The selection criteria for each group are based on their role in forestry management, their capacity to contribute to sustainable practices, and their potential to benefit from improved forest governance.

Target Groups (Direct Beneficiaries)

National and Local Government Institutions

- Include the Ministry of Tourism and Environment, National Forestry Agency, National Agency for Protected Areas, National Agency for Civil Protection and municipalities responsible for decentralized forest management.
- Selection criteria: Institutions engaged in forest rep, policy implementation, and EU integration processes.

Forest-Dependent Rural Communities and Smallholder Forest Users

- Includes local communities relying on forest resources for subsistence, energy, and income generation.
- Selection criteria: Households and groups with documented forest use rights or engagement in community forestry initiatives.

Private Sector: Wood Processing Industry and SMEs

- Includes approximately 400 small and medium-sized enterprises (SMEs) and large companies engaged in wood processing and furniture manufacturing.
- Selection criteria: Businesses operating in forest-related industries with potential for sustainable transformation and legal compliance with EU market requirements.

Civil Society Organizations (CSOs) and Environmental NGOs

- Includes advocacy groups, conservation organizations, and research institutions working in environmental protection and forestry governance.
- Selection criteria: Organizations actively engaged in forest conservation, policy advocacy, and public awareness initiatives.

Final Beneficiaries (Indirect Beneficiaries)

General Public and Future Generations

- Entire population of Albania, benefiting from improved environmental conditions, disaster prevention, and climate resilience.
- Selection criteria: National-level impact through better forest management and conservation efforts.

Future Forestry Workforce and Academia

- Includes students, researchers, and institutions engaged in forestry, environmental sciences, and natural resource management.

- Selection criteria: Universities and research institutions involved in forest-related studies and capacity-building programs.

EU and International Community

- Includes EU institutions, international donors, and organizations supporting Albania's environmental reforms and EU accession process.
- Selection criteria: Entities providing technical and financial support for forest sector development and governance improvements.

Needs and constraints

Each target group faces specific challenges that hinder sustainable forest management and compliance with EU environmental regulations.

Target Group	Needs	Constraints
National and Local Government Institutions	Legal and policy alignment with EU Acquis, stronger institutional coordination, capacity-building for sustainable forestry, better enforcement tools.	Weak enforcement mechanisms, lack of technical expertise, budget constraints, decentralization challenges.
Forest-Dependent Rural Communities and Smallholder Forest Users	Alternative livelihoods, improved access to forest resources, training in sustainable practices, resilience to climate change.	Economic dependency on forests, weak governance, low awareness, land tenure insecurity.
Private Sector (Wood Processing Industry and SMEs)	Access to legal timber, investment in modern technology, certification for market expansion, support for bioenergy sector.	Reliance on illegal wood sources, limited financial incentives, low awareness of EU regulations, outdated processing technology.
Civil Society Organizations (CSOs) and Environmental NGOs	Stronger advocacy role, technical capacity for environmental monitoring, increased public engagement.	Limited funding, weak government cooperation, insufficient technical skills.
Final Beneficiaries	**Needs**	**Constraints**
General Public and Future Generations	Clean air and water, disaster prevention, urban green spaces.	Low awareness, limited government prioritization of forestry issues.
Future Forestry Workforce and Academia	Modernized curricula, practical training, research funding.	Outdated education programs, limited research funding.
EU and International Community	Stronger institutional commitment, efficient financial resource allocation.	Implementation gaps, slow policy reforms.

The proposed Action directly addresses the identified needs and constraints through targeted interventions:

- **Strengthening Governance and Enforcement:** Enhancing legal frameworks, monitoring systems, and institutional capacity to combat illegal forest activities and ensure compliance with EU regulations.
- **Capacity-Building and Training:** Providing technical assistance for public institutions, SMEs, and local communities to adopt sustainable forestry practices.
- **Financial and Market Incentives:** Supporting SMEs in accessing certified timber, modernizing processing technology, and improving market competitiveness.
- **Public Awareness and Education:** Engaging civil society and academia in knowledge-sharing, environmental advocacy, and youth training programs.
- **Climate Resilience and Sustainability:** Promoting afforestation, sustainable land use, and climate adaptation measures such as carbon sequestration to mitigate environmental degradation.

The Action will adopt a participatory approach to ensure active engagement from all stakeholders:

- **Government Collaboration:** Working closely with national and local authorities to develop policies, improve enforcement, and coordinate actions.
- **Community Involvement:** Facilitating participatory decision-making in forest management, ensuring that local users have a voice in policy implementation.
- **Private Sector Engagement:** Encouraging SMEs to adopt sustainable business models through incentives, training, and certification programs.
- **CSO and NGO Participation:** Strengthening civil society's role in environmental advocacy, monitoring, and public education campaigns.
- **Academic and Research Integration:** Partnership with universities to enhance forestry curricula, support applied research, and develop a skilled workforce for the sector.

By ensuring broad stakeholder participation, the Action fosters long-term ownership and sustainability of interventions, contributing to Albania's forestry sector reform and EU integration process.

1.2.4. Particular added-value elements

The proposed Action brings significant added value by fostering public-private partnerships, introducing innovative approaches, and consolidating best practices in sustainable forestry management. By strengthening collaboration between public institutions, private enterprises, and local communities, the initiative enhances governance and economic opportunities in the forestry sector. This includes supporting community-based forest management, improving legal timber supply chains, and facilitating private investment in sustainable wood processing.

Innovation is a key component of the Action, integrating digital tools such as GIS-based remote sensing and real-time forest monitoring to improve governance and enforcement against wildfires. It promotes sustainable wood processing technologies and afforestation models that enhance ecosystem resilience. By aligning national forestry policies with the "EU Forest Strategy for 2030" and FLEGT/EUDR regulations, the initiative ensures compliance with European environmental standards, contributing directly to Albania's EU accession process.

The Action also consolidates best practices in afforestation, land restoration, and biodiversity conservation, strengthening institutional capacities through training, knowledge-sharing, and policy harmonization.

One of the most important processes in this action is related to the involvement of Municipalities and local communities in the process that will define the focus of the Grant scheme, mixing the input from the scientific part (CIMA/CREA) focused on state-of-the-art knowledge with the specific needs and capabilities of the beneficiaries in the fields of reforestation and wildfire management.

Furthermore, the parallel financing provided by AICS and managed directly by the NFA introduces an additional layer of sustainability and ownership, as it reinforces the operational and institutional capacity of the national authority to plan, implement, and account for large-scale forestry investments. The technical assistance provided by CIMA and CREA to the NFA in managing these funds will ensure sound financial oversight, scientific rigor, and the adoption of innovative solutions in nursery development, reforestation, and fire prevention. Combined with the continuous support of the Project Management Unit (PMU), this arrangement guarantees not only the transparent and efficient use of resources, but also the transfer of know-how that will enable the NFA to autonomously replicate and scale up successful interventions in the future.

1.3. Implementation approach

This Action is financed by IPA-III funds and supported by AICS (3.000.000 EUR) through a parallel initiative and co-financed by UNDP (300.000 USD). AICS will implement the Action in association with UNDP.

Within the scope of its capacity, AICS will include in the yearly budget for 2025 a parallel initiative to the "EU for Forests" initiative of the amount of **3.000.000 EUR**. The proposal, as mentioned above, will include the proposed parallel financing within the Annual Planning of the Italian Cooperation for 2025 in the form of a 3-year initiative that will be subject to the approval of the Joint Committee of the Italian Cooperation in accordance with Law n. 125/2014. These governmental funds will be used to finance a specific initiative that will complement, integrate and enhance the objectives and targets of the EU for Forests action.

While implementing the action, AICS will ensure substantial in-kind support, including offices, office equipment and transportation and will put at the disposal of the different activities' technical experts outside the PMU that will provide, when needed, input and support to the implementation.

UNDP will contribute with parallel co-financing in an amount of **300.000 USD**. UNDP will include in the yearly budget for 2025 and 2026 a parallel co-financing to the "EU for Forests" initiative of the amount of 300.000 USD. The funds will be used to finance Output 1 - EU Forestry acquis aligned, and other legislation prepared and Output 2 - Administrative capacity and capabilities for Sustainable Forest Management and data collection and reporting improved with activities that will complement, integrate and enhance the objectives and targets of the EU for Forests action enhancing the target in the logical framework.

Both funds were committed following an assessment process that considered the needs of the nature sector as a whole and tackling specific issues. As such, all activities to be funded by both sourced are complementary to each other and contribute to the Specific Objective of the Action: AICS parallel financing will aim to support the National Forestry Agency, providing resources to improve their technical equipment and establish 4 additional local nurseries (Output 5) The activities financed were selected based on the needs and requirements expressed by the National Forests Agency during the consultation held in the need assessment phase.

The Action will deploy a combination of technical assistance, on-the-job training/capacity building activities, direct support to implementation, as well as communications initiatives to support the achievement of **Outcome 1** and **Outcome 2** through the respective Outputs and Activities:

Under **Output 1**, consultants will analyze the adequacy and relevance of national forestry legislation, assessing its alignment with EU forestry legislation. This assessment is expected to be completed within the first year of the project. Following this, during the second and third year, they will support the development of primary and secondary legislation to further harmonize national policies with EU requirements. Additionally, the consultants will assist in preparing Implementation Plans for EUDR, FLEGT, and LULUCF to ensure compliance with international forestry standards.

RD SP

To strengthen institutional capacity under **Output 2**, a comprehensive capacity gap and needs assessment will be conducted for 61 local authorities and national forestry-related institutions. Based on these findings, a Training Plan and Strategy, along with a detailed Action Plan, will be developed to enhance administrative capacity for Sustainable Forest Management (SFM) at both national and local levels. Furthermore, the consultants will identify the necessary equipment and tools required for various SFM activities, including forest inventory, monitoring, enforcement, firefighting, GIS mapping, and drone applications. Finally, tailored training modules on SFM will be delivered to competent authorities and relevant stakeholders, equipping them with the knowledge and skills needed for effective forest.

The process of accounting for emissions and removals from forests, in compliance with LULUCF and related acquis, under **Output 3** will be developed through international and national technical assistance. This support will focus on preparing a protocol for monitoring and reporting forest data in alignment with international frameworks (e.g., REDD+, UNFCCC, IPCC), facilitating emissions and removals accounting in the forestry sector, and ensuring standardized reporting through dedicated templates. Additionally, the initiative will include basic training for municipal staff and the development of manuals for data collection and aggregation, accompanied by training programs.

The approach for preparing the 10 Forest Municipal Management Plans (FMPs), the National Afforestation/Reforestation Plan, and the List of Priority Measures, under the **Output 4**, will involve a collaborative and gender disaggregated data-driven process. This will include engaging local stakeholders, assessing forest conditions, and identifying key challenges and opportunities. The FMPs will be tailored to specific municipal needs, integrating sustainable forest management practices and aligned with the expected climate changes in the areas of intervention. The National Afforestation/Reforestation Plan will align with national objectives for forest restoration, and the List of Priority Measures will outline actionable steps for the effective implementation of the management plans, ensuring alignment with environmental, climate, social, and economic goals.

Referring to **Activities 5.1 and 5.2**, the priority measures to be implemented will be defined when the action plans are prepared. Depending on the available budget, the measures will be chosen in close consultation with the relevant stakeholders. To implement priority measures in forest management, a variety of equipment is necessary, categorized based on their specific uses. For forest inventory and monitoring, tools like GPS devices and mapping software are essential for accurate forest mapping and health assessment. These tools need to meet international standards for geospatial data and ensure minimal environmental impact. Similarly, harvesting and extraction equipment such as chainsaws and harvesters must be efficient and eco-friendly, designed to minimize environmental disturbance while complying with forestry standards. Fire prevention and safety gear, including firefighting equipment and personal protective gear, is crucial for forest protection, with all tools meeting safety standards and using sustainable materials when possible. AICS parallel financing entrusted to the NFA will allow the implementation of selected priority measures under municipal and national forest management plans, with particular emphasis on afforestation and reforestation activities in degraded areas. In parallel, the procurement of forestry and firefighting equipment financed by AICS will strengthen NFA's operational capacity, ensuring that national authorities are properly resourced to manage restoration and fire prevention activities.

For remote sensing, drones and satellite imagery are invaluable for monitoring large forest areas, providing aerial views and data for forest management and detecting illegal activities. These tools must be efficient in energy use and environmentally friendly. Finally, data processing software is key for analysing collected forest data, with programs designed to handle complex datasets and promote sustainable management practices.

In the frame of **Activities 5.3** and **5.4**, essential actions and requirements for establishing national forest nurseries include genetic analysis, site selection, infrastructure, and operational logistics. Genetic studies will be performed to identify local ecotypes, particularly in the Balkan region, which has preserved diverse and climate-resistant tree populations since the last Ice Age. Based on these analyses, seed forests will be designated and aligned with European regulations. The collection process will require specialized teams and appropriate equipment, including climbing gear and off-road vehicles.

The establishment of nurseries involves selecting optimal locations based on climatic conditions and historical records. At least one nursery should be placed in a central or mountainous area for high-

altitude species, while another should be in lowland regions for coastal and roadside reforestation. Secure land tenure, stable water supply, and proper certifications will also be essential elements in the frame of the action.

Infrastructure requirements include fencing, security systems, irrigation and firefighting networks, an office, storage facilities for seeds and agricultural materials, a phytosanitary storage area, machinery sheds, and manoeuvring space for trucks. Essential equipment includes a seedling potting machine, greenhouses with automated irrigation and climate control, shaded areas for plant acclimatization, cold storage for seeds, and various handling tools. The layout should support efficient operations, mechanized seedling production, and year-round cultivation.

In addition to complementing the EU-financed components, the four nurseries implemented with AICS parallel financing will be fully managed by the NFA, ensuring that the agency gains direct technical knowledge and practical expertise in all aspects of nursery management – from seed collection and genetic selection to seedling production, maintenance, and distribution. This direct involvement will enable the NFA to progressively consolidate its operational autonomy and managerial capacity, so that, in the medium term, it will be able to manage the entire national nursery network in an integrated and sustainable manner.

In the frame of **Activities 6.1** and **6.2**, reforestation planning will include historical analysis of deforested areas, vegetation and wildlife studies, and assessment of human activities that might impact the project. Site selection should prioritize areas with existing soil coverage and available water sources while considering fire risk and accessibility for intervention and material transportation. In sloped areas, erosion control and terracing techniques should be implemented using local materials, possibly engaging local communities in the process. Different reforestation methods will be explored, including the traditional planting of nursery-grown seedlings, the use of seed balls to simplify logistics and reduce costs, and the Miyawaki method, which involves dense planting of diverse native species to accelerate forest regeneration. These strategies will ensure a sustainable and efficient approach to forest restoration, balancing ecological impact, economic feasibility, and long-term environmental resilience.

In the frame of **Activities 6.1** and **6.3**, based on the experience carried out in previous CIMA projects the methodology for wildfire risk mapping will be applied to Albanian forests. The analysis carried out in 4 European Member States (Croatia, Bulgaria, Romania and Greece) will be extended to Albania under this project to evaluate potential Average Annual Losses in the forest sector, driving the criteria for the Grant scheme. The results will be shared during the inception workshop, and they will be validated locally on the field with the municipalities involved in the Guidance preparation for the Grant scheme.

Potential synergies with other initiatives

As appropriately stated in the Action Document, the action will be in close synergy with the currently ongoing "EU for Nature", another IPA III funded project. The presence of the same partnership of potential executing entities – AICS and UNDP – for both projects constitute itself an important added value, especially in consideration of the similar structure and complementary outputs distribution of the two initiatives.

Specifically, within the EU for Nature project outputs, CREA will identify priority measures for the conservation and/or restoration of degraded habitats/ecosystems, monitor their implementation and draw key lessons learned to share them with relevant stakeholders for joint learning. The identification phase will then lead to the implementation, directly managed by AICS, of forest management and reforestation/afforestation actions to improve adaptation capacities and to mitigate the widespread problem of soil erosion, caused by deforestation, fires, overgrazing and changing rainfall. Mixed techniques will be adopted, mostly based on the use of naturalistic engineering and nurseries, to reduce costs, environmental impact and allow easy implementation and reproducibility. In addition, multifunctional forest management plans will be designed by CREA, with the inclusion of a database of forest and non-timber forest products for PA, mapping, and inventory technical assistance will be provided to ensure that the national forest information system (AlFIS) establishes a standardised approach to ensure harmonised and comparative forest and pasture inventory at national level. Finally, major non-timber forest product producers will be supported and better organised with improved capacity for production and marketing.

Organisational Structure and Governance

A **Project Steering Committee (PSC)** will be established to steer the project implementation. The SC will include key beneficiaries i.e. the Ministry of Environment and National Forest Agency as well as relevant national stakeholders and beneficiaries like SASPAC, representatives of the Contracting authority and donors. The SC will endorse project progress, strategically steer the project and support project team in solving bottlenecks during the implementation phase. The PSC will be chaired by the Ministry of Environment and co-chaired by AICS and UNDP.

It will play a central role in ensuring alignment with national priorities, coordination among institutions, and coherence with EU policy and funding objectives.

With regard to the Steering Committee procedures, the PSC meeting structure will include written decisions that are presented to the Committee before and during each session, allowing for transparent and efficient decision-making. These proposed decisions will be reviewed and formally approved or rejected during the SC meeting. The meetings will be results-oriented and aimed at producing concrete technical and strategic conclusions that guide the project's implementation and future direction.

The **Managing Team** of the Action will include a programme officer of AICS and a programme officer of UNDP, ensuring the smooth joint implementation of the Action and that all reasonable efforts are focused towards the Action objectives, addressing all technical matters outlined (e.g. monitor progress against Action objectives, recommend changes to allocated Activities, consolidate the Action activity reports, flag issues relating to the implementation of the Action to the Project Steering Committee).

Key Long term project staff of the Action

STAFF	TYPE OF DEPLOYMENT	DURATION	TASKS
International staff			
AICS Project Manager (full time)	International recruitment	60 months	A Project Manager will be hired by AICS to plan, organize, supervise, and direct the completion of the Action on time, on budget, and within scope. The TORs are outlined below and will be fulfilled in line with the prevailing AICS rules and procedures: - Ensuring effective project management of the assigned projects by maintaining the delivery of appropriate technical, operational, financial and administrative outputs, while tracking the project progress through monitoring, evaluation, and reporting; - Maintaining collaborative working relationships among key project partners and donors, through effective communication, consultation, and reporting; - Ensure the synergy and

			coordination with other sectorial initiatives, with a special focus on "EU for Nature" project; - Liaise with all project partners and be in continuous contact with the local authorities (e.g.. MTE, NFA and NAPA). - Support the interaction between EU and Project Management Unit in the communication and visibility activities The Project Coordinator appointed by AICS will be a senior expert in forestry, with substantial technical expertise in sustainable forest management and related fields.
AICS Administrative/Procurement Officer (full time)	International recruitment	60 months	An Administrative/Procurement Officer will be hired by AICS to support project implementation ensuring compliance with reporting requirements and administrative procedures. The TORs are outlined below and will be fulfilled in line with the prevailing AICS rules and procedures: - Providing support to project implementation, guaranteeing quality, efficiency, and effectiveness; - Supporting planning, monitoring and evaluation activities of the project, in articulation with the Project Manager; - Take care for the administrative and accounting management of the Project; - Prepare and process the administrative documents necessary for the proper management of the Project; - Collaborate in the drafting of technical Project documents (plans, operations, variants, financing proposals, etc.); • Assist in the preparation of tender documents for the provision of goods, works and services, in compliance

			with EU PRAG.
Local staff			
UNDP Deputy Project Manager (full time)	Local recruitment	60 months	A **Deputy Project Manager** will be hired by UNDP to manage UNDP components. Description of position, inter alia, the following functions in line with the prevailing UNDP rules and procedures: - Ensuring effective project management of the assigned projects by maintaining the delivery of appropriate technical, operational, financial and administrative outputs, while tracking the project progress through monitoring, evaluation, and reporting. - Maintaining collaborative working relationships among key project partners and donors, through effective communication, consultation, and reporting. - Coordinates with all project partners in the field and be in continuous contact with the local authorities (, CSOs, academia, private sector, etc
UNDP Finance Associate (full time)	Local recruitment	60 months	A Finance Associate will be hired by UNDP to support project implementation ensuring compliance with reporting requirements and administrative procedures. Description of position, inter alia, the following functions in line with the prevailing UNDP rules and procedures: - Providing support to project implementation, guaranteeing quality, efficiency, and effectiveness; - Supporting planning, monitoring and evaluation activities of the project, in articulation with the Project Manager; - Take care for the administrative and accounting management of the Project; - Prepare and process the administrative documents necessary for the proper management of the Project;

			- Collaborate in the drafting of technical Project documents (plans, operations, variants, financing proposals. etc.); • Assist in the preparation of tender documents for the provision of goods, works and services.
UNDP Programme Specialist	Local recruitment	60 months (20%) engagement	The UNDP Programme Specialist ensures alignment and synergy across related interventions by leveraging UNDP's technical expertise and global knowledge in forestry and climate change to inform and strengthen project implementation. The Specialist will represent the Action in Technical meetings, ensuring effective communication of results and facilitating discussions on strategic direction and potential adjustments.
Project Driver	Local recruitment	60 months	A driver will be hired by AICS to provide transportation to intended project sites/ and to perform intended project duties.

Short-term experts of the Action

AICS	
AICS Technical Partners CIMA International forest fire key expert 155 days	Experts involved by AICS will be selected by institutional implementing partners, Council for Agriculture Research and Analysis of Agro-economy (CREA) and International Centre for Environmental Monitoring (CIMA). These two public bodies, as mentioned in the Expression of Interest, have been identified by AICS because of their outstanding expertise in their respective fields, and they will enter into institutional agreements with AICS to contribute to specific actions of the AICS project component. The technical partners were selected not only on the base of their renowned expertise and competences, but also in consideration of their deep and long-lasting knowledge of the Albanian forests, consolidated through the involvement in AICS and EU financed initiatives in the last years. The list of experts will include the following positions: **International forest fire key expert** • Conduct the initial assessment of wildfire risk in Albania, providing an overview of current conditions and future challenges. • Review and analyse existing data sources, including past wildfire events and recent related emergencies. • Identify knowledge gaps and propose measures to address them. • Define the methodological framework for risk evaluation in line with European standards and best practices. • Collaborate with stakeholders to assess institutional and operational capacities in fire risk management.

International forest fire risk mapping junior expert 299 days International forest fire risk mapping senior expert 315 days National DRM senior expert 150 days International grant scheme key expert 200 days CREA International forest senior expert: 220 working days (5.3) 74 working days (6.1) International botanist senior	• Support the definition and gradual implementation of Integrated Fire Management strategies. • Actively participate in workshops and training sessions to strengthen national expertise. • Contribute to the design of awareness campaigns aimed at municipalities and local communities. **International forest fire risk mapping junior expert** • Contribute to the development of AI-driven wildfire risk maps adapted to the Albanian context. • Integrate exposure and vulnerability layers to identify communities, ecosystems, and infrastructures most at risk. • Provide technical inputs to highlight priority zones for targeted prevention and reforestation efforts. **International forest fire risk mapping senior expert** • Lead the projection of wildfire risk maps under different climate change and land-use scenarios. • Apply advanced modelling approaches to estimate potential Average Annual Losses in the forest sector. • Deliver scientific evidence to inform long-term forestry and land management planning. • Define criteria that will guide the allocation of grants and ensure evidence-based decision making. **National DRM senior expert** • Ensure the integration of the revised grant scheme with national disaster risk management strategies. • Strengthen early action mechanisms for wildfire prevention and preparedness. • Engage municipalities and local authorities in participatory prevention planning processes. • Take part in training programmes to enhance operational capacities. • Contribute to awareness campaigns targeting communities and stakeholders. **International grant scheme key expert** • Lead the design of the revised grant scheme for sustainable forest management and wildfire prevention. • Align the scheme with IPARD III funding mechanisms and relevant national policy frameworks. • Define eligibility criteria, funding modalities, and monitoring tools to ensure transparency and effectiveness. • Integrate scientific knowledge with local socio-economic needs, ensuring the scheme is both technically robust and locally relevant. **International Forest Senior Expert** • Has extensive experience in identifying environmental criticalities and representing them on thematic maps. • Proficient in the use of GIS, WebGIS, and Web Applications for forest planning and monitoring.

expert: 220 working days International forest junior expert: 120 working day (5.3) International geneticist forest expert: 130 working days International Senior Expert in Environmental and Forestry Law: 60 working days International senior expert in forestry certification: 40 working days International tree climber expert: 180 working days International nursery expert: 110 working days International environmental	• Collaborates with stakeholders and, in agreement with local administrations and authorities, defines actions and interventions to be carried out. • Brings a strategic and synergistic vision to problem analysis and proposes appropriate solutions, based on long-standing professional experience. • Supervises and oversees reforestation interventions. • Supports the definition and gradual implementation of integrated forest management strategies. • Actively participates in workshops and training sessions to strengthen national expertise. • Contributes to the design of awareness campaigns targeting municipalities and local communities. **International Botanist Senior Expert** • Collaborates in defining the distribution areas of the main forest species from which seeds are to be collected. • Carries out detailed systematic botanical identification to classify species, subspecies, and local ecotypes. • Defines the optimal phenological periods for collecting propagation material in different Albanian regions **International Forest Junior Expert** • Supports the collection and processing of forestry data. • Assists in the implementation of reforestation interventions. • Contributes to forestry data research, archiving, and management. • Assists in the development and production of thematic maps. • Helps organize meetings with local stakeholders. • Supports the coordination of mission logistics and field surveys. **International Forest Geneticist Expert** • Identifies the best seasons and periods for collecting plant samples for laboratory analysis. • Defines protocols for the collection, packaging, and shipping of plant samples. • Establishes laboratory procedures for the genetic traceability of collected samples. • Classifies samples and attributes them to the correct forest species based on genetic analysis. • Coordinates and manages all laboratory analysis operations. **International Senior Expert in Environmental and Forestry Law** • Brings proven expertise in international environmental law, supporting local actors in making informed decisions. • Specialist in environmental, forestry, and nursery legislation. **International Senior Expert in Forestry Certification**

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engineer expert: 80 working days	• Specialist in certification of forestry supply chains. • Supports local authorities in initiating forest certification and sustainability processes in line with international standards. **International Tree Climber Expert** • Highly specialized professional for the collection of tree material from the crown. • Provides training in the use of safety devices for rope-based tree climbing. • Collects samples and supports packaging and transportation operations. • Advises on the selection of trees to be sampled. **International Nursery Expert** • Specialist with extensive experience in establishing and managing forest nurseries. • Provides technical advice on the layout and division of nursery spaces. • Supports decision-making in technical and operational implementation. • Supervises the initial phases of nursery construction. • Provides consultancy, in coordination with local stakeholders, on the choice of materials and their site-specific application. • Advises on seedling cultivation techniques and management practices. **International Environmental Engineer Expert** • Provides consultancy and support in selecting areas for soil erosion control. • Supervises pilot construction sites applying naturalistic engineering techniques. • Identifies, in collaboration with forestry specialists, the tree and shrub species to be used in construction works. • Coordinates teams of workers on construction sites. • Oversees the correct execution and compliance of engineering works.
UNDP	
Technical Forestry Expert: National expert/s 1: 239 days National expert/s 2: 320 days International: 100 days	Forestry Data and Climate Risk Assessment - Conduct desk studies and gather forestry data, including climate change risks. - Analyze climate risk data to ensure forestry activities are climate resilient. - Collaborate with stakeholders and other contracted experts to review forestry data and technical specifications. Monitoring, Assessment, and Planning - Assist in developing coordinated forestry monitoring and assessment approaches. - Contribute to project assessments, promoting adaptive management practices. - Assist in developing Forest Municipal Management Plans (FMPs), the National Afforestation/Reforestation Plan, and the List of Priority Measures. Regulatory and Legislative Support - Assist in legislative analyses and drafting forestry-related regulations. - Support the development of Implementation Plans for EUDR, FLEGT, and LULUCF. Technical and Operational Support

	- Specify technical requirements for equipment procurement for SFM. - Support the implementation of priority measures and technical specifications. - Facilitate site visits and assist in operational planning. Capacity Building and Training - Support conducting capacity gap assessments and coordinate with stakeholders. - Develop and deliver training modules on SFM to relevant authorities. Project Management and Compliance - Prepare ToRs for experts and consultants, review deliverables, and provide feedback. - Support emission and removal accounting in line with LULUCF and related regulations.
Legal Expert National legal expert 552 days International legal expert 120 days	- Review existing national forestry legislation and policies. - Identify gaps and inconsistencies in relation to EU forestry legislation. - Provide recommendations for alignment with EU directives and regulations. - Draft primary and secondary legislation required for full transposition of EU forestry policies. - Provide legal analysis and justification for proposed legislative changes. - Conduct stakeholder consultations and incorporate feedback into draft legislation. - Develop an implementation plan for EUDR, FLEGT, and LULUCF. - Define key actions, responsible institutions, and timelines for effective enforcement. - Identify capacity-building needs and propose training programs for relevant stakeholders.
Socio-economic expert National: 200 days International: 170 days	- Analyze the socio-economic conditions of forest-dependent communities, including income sources, employment, and reliance on forest resources. - Identify key drivers of deforestation and forest degradation from a socio-economic perspective. - Assess the impact of existing forest policies and regulations on local livelihoods. - Conduct consultations with key stakeholders, including local communities, government agencies, the private sector, and civil society organizations. - Organize participatory workshops to ensure inclusiveness in decision-making processes. - Synthesize stakeholders input into actionable recommendations for the SFM plan. - Develop strategies to balance economic development with forest conservation. - Identify policy measures to enhance the resilience of forest-dependent communities. - Recommend sustainable livelihood programs that align with SFM principles. - Design and conduct training programs for local institutions and communities on socio-economic aspects of SFM. - Develop knowledge-sharing materials to enhance awareness and participation in sustainable forestry practices.
Forestry Policy Expert International: 190 days	- Review existing national and municipal forest policies, regulations, and management plans. - Identify gaps and opportunities for improvement in current forest management practices and policies. - Assess the alignment of existing forest management frameworks with international best practices (e.g., FAO's SFM guidelines, UNFCCC climate change objectives, etc.).

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National: 290 days	- Develop a comprehensive National Forest Management Plan based on sustainable forest management principles, climate change mitigation strategies, and biodiversity conservation. - Identify forest management zones, including conservation areas, production areas, and ecologically sensitive zones. - Propose a monitoring and evaluation framework to track the success of the SFM plan. - Develop tailored forest management plans for 10 municipalities, considering local forest types, community needs, and regional challenges. - Facilitate stakeholder consultations, including local communities, forest managers, local governments, and other relevant actors, to ensure the plans are inclusive and sustainable. - Provide recommendations on the integration of agroforestry, ecotourism, and non-timber forest products (NTFPs) into the municipality forest plans. - Propose policy frameworks and institutional structures for effective forest governance, ensuring that local municipalities have the capacity to implement forest management plans. - Advise on financial mechanisms to support forest management at both the national and municipal levels, including potential funding sources, incentive schemes, and carbon market opportunities. - Develop a toolkit or guide to support local municipalities in implementing their forest plans.
LULUCF Inventory expert International expert/s: 110 days National expert/s: 121 days	- prepare a Protocol for the monitoring and reporting of forest data in alignment with international frameworks (e.g., REDD+, UNFCCC, IPCC) - Study REDD+, UNFCCC reporting requirements, and IPCC guidelines (particularly the 2006 IPCC Guidelines and any national supplements). - Identify country-specific obligations: Understand the national inventory system, NDCs (Nationally Determined Contributions), and LULUCF sector role within them. - support the process of accounting of emissions and removal in the forestry sector: - Compile activity data: Land-use changes, forest management activities, disturbances - Develop emission factors: Use national or IPCC defaults; refine with country-specific data where possible - Estimate emissions and removals: - Apply equations from IPCC guidelines - Account for natural disturbances and harvested wood products, if applicable - Perform uncertainty analysis - Support documentation for UNFCCC reporting and support the process based on standardized reporting templates - Collaborate with national forestry and environment agencies to Conduct basic training for technical teams on MRV protocols and IPCC methodologies
Capacity Development Expert International: 180 days National: 176 days	- Develop capacity gap and need assessment for 61 local authorities and the national forestry related institutions. - Develop Training Plan and Strategy with Action plan for strengthening administrative capacity at national and local level for SFM. - Design and deliver capacity-building workshops for relevant stakeholders, including government officials, forest managers, and local communities, on sustainable forest management practices and policy implementation. - Organize consultations with various stakeholders, at municipal level including gender experts, to support the development of the municipality forest plans.

	- Organize consultations with various stakeholders, at national level including to support the development of the National forestation/reforestation plan.
Finance and budgeting expert International: 170 days National: 300 days	- Conduct an assessment of current financial resources allocated to forest management. - Identify funding gaps and financial risks associated with SFM. - Analyze cost-benefit aspects of sustainable forestry investments. - Develop a comprehensive budget framework for the implementation of the SFM plan. - Estimate financial requirements for short-term and long-term SFM initiatives. - Identify cost-effective strategies for optimizing resource allocation. - Identify potential funding sources, including government budgets, international donors, and private sector investments. - Develop mechanisms for financial sustainability, such as payment for ecosystem services (PES) and carbon financing. - Provide recommendations for financial incentives to promote sustainable forestry practices. - Conduct training sessions for relevant stakeholders on financial management in forestry. - Develop financial planning tools and guidelines for effective budgeting and fund utilization.
GIS expert International expert/s: 66 days National expert/s: 200 days	- Compile and analyze existing geospatial datasets related to forestry and land use for 10 municipalities. - Process remote sensing imagery to assess forest cover changes and deforestation trends. - Conduct spatial modeling to identify high-priority areas for conservation and sustainable use. - Develop high-resolution maps illustrating forest resources, land use changes, and biodiversity hotspots. - Create interactive GIS tools for stakeholders to access and interpret geospatial data. - Ensure maps and visualizations align with national and international forestry standards. - Provide spatial analysis to support policy recommendations for sustainable forestry practices. - Identify areas suitable for afforestation, reforestation, and conservation initiatives. - Develop geospatial tools for monitoring and evaluating SFM implementation. - Conduct training sessions for stakeholders on GIS applications in forestry. - Develop user manuals and guidelines for utilizing GIS tools in forest management. - Ensure knowledge transfer to local institutions for long-term GIS utilization.
Gender Expert National expert/s: 170 days	- Coordinate to implementation of Gender Equality Plan throughout the project implementation. - Facilitate the develop of the action plan and undertake capacity development activities in the targeted sites. - Provide gender analysis in preparing various reports in general and the Annual Report in particular. - Prepare a gender action plan.

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Licenced engineer 1 National: 363 days Licenced engineer 2 National: 364 days	- Support the preparation of 10 Forest Municipal Management Plans: Provide engineering expertise in assessing forest infrastructure needs (e.g., access roads, firebreaks, drainage systems) and integrate technical specifications into municipal forest management plans. Ensure that proposed interventions comply with national legislation, EU directives, and sustainable forest management standards. Contribute to stakeholder consultations with technical inputs and support capacity-building on engineering aspects of plan implementation. - Support the preparation of the National Forestation/Reforestation Plan: Provide technical input on site selection, soil and hydrological assessments, and species suitability from an engineering perspective. Design cost-effective and climate-resilient technical solutions for planting, irrigation, and erosion control measures to be included in the national plan. - Support the development of a List of Priority Measures for Implementation of Forest Management Plans: Identify priority engineering-related measures (e.g., infrastructure, protective works, and monitoring systems) required for effective implementation of forest management plans. Prepare technical implementation roadmaps, including timelines, resource requirements, and quality assurance measures, to ensure feasibility and accountability.
Translator National: 200 days	- Translation of documents and interpretation during bilingual workshops: Provide accurate translation of project-related documents and ensure professional interpretation services for two bilingual workshops, facilitating clear communication and understanding among all participants.

The amounts of the working days for the short-term experts described in this table are indicative. Any modification will be reflected in annex III, subject to the flexibility provided under Article 10.3 of the General Conditions.

A dedicated office will be set up at AICS premises in Tirana to coordinate the EU for Forests activities.

AICS will provide a dedicated office for the Joint Implementation Team, where experts from both AICS and UNDP will work together. This co-location will facilitate continuous communication, strengthen joint planning efforts, and allow for efficient resolution of any issues that may arise.

Furthermore, the Project Coordinator appointed by AICS will be a forestry expert, combining both technical and managerial responsibilities. As already mentioned, this person will act as a unifying figure, coordinating the project as a single integrated action, and representing it externally.

In this regard, the Action budget (Project Management) includes the cost for necessary human resources, equipment, supplies and logistics. These include: (i) equipment (computers, printers, camera and projector), (ii) furniture calculated for 5 staff positions as well as other local office costs such as: vehicle costs (including maintenance and fuel costs), travels, office rent, utilities, consumables, communication equipment and other services. AUDIT and Evaluation services will be also covered respectively for AICS and UNDP procedures.

The implementation of the project involves a range of actors, each assigned specific roles based on their expertise, mandate, and capacity to contribute to the overall objectives.

- **Partners:** The main entities responsible for coordinating the project are AICS and UNDP, which will oversee project execution, financial management, compliance with EU requirements, and reporting.
- **Technical partners and Affiliated Entities:** Technical partners such as Council for Agriculture Research and Analysis of Agro-economy (CREA) and International Centre for Environmental

Monitoring (CIMA) and affiliated entities, including forestry experts, research institutions, and NGOs, will provide technical assistance, capacity building, and knowledge transfer. These partners were chosen for their expertise in sustainable forestry, biodiversity conservation, and climate resilience.

- **Government Institutions and Local Authorities:** The Ministry of Tourism and Environment, the National Forestry Agency, and municipalities play a crucial role in policy alignment, regulatory enforcement, and local engagement. Their involvement ensures that project outcomes are integrated into national and regional development plans and that policy reforms are implemented effectively.
- **Local Communities and Forestry Enterprises:** Local communities, including small-scale forestry enterprises and cooperatives, are direct beneficiaries and active participants in sustainable forest management initiatives. Their role involves engaging in afforestation activities, adopting sustainable practices, and benefiting from capacity-building programs. Their participation ensures long-term local ownership and socio-economic benefits.

Monitoring arrangements

AICS and UNDP will assume, towards their respective components, the full responsibility and accountability for the overall management of the Action, including monitoring and evaluation of interventions, achieving of the objectives and specified results, and the efficient and effective use of resources.

The **Steering Committee (SC)** will be established to oversee and coordinate the operations. Based on the project's initial plan and budget as well as on monitoring data, the SC oversees the project implementation and takes all the necessary strategic decisions. It will provide policy guidance and recommendation regarding the Action strategy and objectives, receive, and comment semi-annual reports, approve annual plans of operation and reports. The SC will convene at least once a year, and upon necessity. As stated previously, Steering Committee procedures will include the presentation and formal approval of written decisions, ensuring meetings are results-oriented and focused on technical and strategic conclusions.

A comprehensive monitoring framework will be established to track project progress, evaluate impact, and ensure accountability. The framework includes:

- **Internal Monitoring System and Coordination between IPs**: AICS and UNDP will establish a Joint Implementation Team with clearly defined roles, responsibilities, and communication flows. AICS will provide a dedicated office for joint work and coordination. The Project Coordinator, a forestry expert, will lead internal monitoring efforts, facilitate regular coordination meetings between the IPs, and ensure consistency in methodologies, timelines, and reporting standards across both entities. A joint Monitoring Plan will be developed, aligning indicators and monitoring tools.
- **Regular Progress Reviews:** 6-month progress reports will be prepared, assessing key performance indicators (KPIs) such as reforestation rates, biodiversity improvements, and community engagement metrics. These reports will be shared with EU Delegation representatives and national authorities. Regular presentations of the project progress by the Project team either in person or online will be held.
- **Field Monitoring and Site Visits:** Project teams will conduct regular site visits to assess the effectiveness of implemented activities, ensure compliance with environmental and technical standards, and engage with local stakeholders.
- **Stakeholder Consultations and Feedback Mechanisms:** Periodic meetings and workshops will be held with beneficiaries, local authorities, and civil society organizations to gather feedback and make necessary adjustments to project implementation.
- **Joint Monitoring Missions with Authorities and EUD**: The monitoring framework will incorporate formal joint monitoring missions, involving the EUD, relevant ministries, and

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agencies (e.g., Ministry of Tourism and Environment, Municipalities etc), ensuring ownership, transparency, and alignment with EU expectations.

- **Adaptive Management Strategy:** Based on monitoring results, adaptive measures will be introduced to refine methodologies, reallocate resources if needed, and address emerging challenges in real time.

To ensure transparency and effectiveness, the project will incorporate both internal and external evaluation mechanisms.

- **Internal Evaluations:** An internal assessment will be conducted at mid-term and project completion to measure progress against expected outcomes. Internal evaluation teams will analyse data, document lessons learned and recommend improvements.
- **External Evaluations:** An independent external evaluation will be carried out by EU-appointed experts to assess project impact, efficiency, and sustainability. The external review will provide an objective assessment of results, validate financial and operational performance, and suggest best practices for future interventions.
- **Performance Benchmarking:** The project outcomes will be compared with similar forestry initiatives in other countries to assess efficiency and identify replicable best practices.

By involving the EUD and relevant authorities directly in field monitoring, reporting cycles, and evaluation processes, the monitoring system will reinforce transparency, accountability, and coordinated decision-making, ultimately ensuring effective implementation and stronger ownership of results.

Visibility

Ensuring high visibility for EU funding is a critical component of the project. A multi-channel communication strategy will be implemented, in accordance with EU provisions on communication and visibility, and in line with the FAFA and Art. 7 of the General Conditions, including:

- **Branding and Acknowledgment:** All project materials (reports, training materials, signage, and websites) will prominently display the EU emblem alongside a funding statement ('Funded by the European Union').
- **Media Engagement:** Press releases, media briefings, and interviews with key stakeholders will be conducted to highlight the project's impact and EU's role. Feature articles will be published in national and international environmental and policy magazines.
- **Digital and Social Media Campaigns:** social media will regularly share updates, success stories, videos, and infographics to engage the public and stakeholders. Digital storytelling through beneficiary testimonials and case studies will showcase the EU's contribution.
- **Public Events and Awareness Campaigns:** Community outreach programs, educational workshops, and stakeholder forums will emphasize the importance of sustainable forestry and the EU's involvement. High-profile events, including project launches and policy roundtables, will involve EU representatives.
- **Audiovisual Productions:** Promotional videos, TV spots, and radio programs will be produced to raise awareness about forest protection and EU support. These will be broadcast through national media channels and online platforms.

1.4. Indicative action plan for implementing the action

FIRST YEAR PLAN

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Activities	YEAR 1												
	1 Semester						2 Semester						
	1	2	3	4	5	6	7	8	9	10	11	12	Implementing body
Inception phase													
Set up of project office and necessary logistics, hire project team members and relevant consultants for Year 1 activities													AICS and UNDP
Output 1													
A. 1.1 Assessment of the current level of transposition and implementation of the EU forestry legislation													UNDP
A. 1.2 Develop primary and secondary legislation to fully transpose EU forestry legislation and policy													UNDP
A. 1.3 Preparation of EUDR, FLEGT and LULCF Implementation Plan													UNDP
Output 2													
A. 2.1 Assessment of the administrative and technical capacity of national and local authorities for SFM													UNDP
A. 2.2 Developing of Training plan and Strategy with Action plan for Strengthening administrative capacity at national and local level for SFM													UNDP
A. 2.3 Preparation of a Technical specification of needed equipment and tool for SFM													UNDP
A. 2.4 Deliver training for SFM to competent authorities and relevant stakeholders													UNDP
Output 3													
A. 3.1 Preparation of Protocol for the monitoring and reporting of forest data													UNDP
A. 3.2 Supporting the process of accounting of emissions and removal in the forestry sector													UNDP
A. 3.3 Support for the reporting from municipalities and other institutions for the forestry required data													UNDP
Output 4													
A. 4.1 Preparation of 10 forest municipal management plans													UNDP
A. 4.2 Preparation of National forestation/reforestation plan													UNDP
A. 4.3 Develop a List of priority measures for implementation of the forest management plans with implementation plans													UNDP
Output 5													
A. 5.1. Implementation of specific priority measures included in the forest management plans													UNDP
A. 5.2 Purchasing of equipment for SFM													UNDP
A.5.3 Preparation of central forest nursing facility within NFA													AICS
A. 5.4 Establishing central forest nursing facility within NFA													AICS

Output 6												
A 6 1 Preparation, evaluation and monitoring of Guidance for Grant application for implementing forest management activities												AICS
A 6 2 Implementing forestation/reforestation of areas managed by municipalities through grant scheme												AICS
A 6.3 Implementing of activities for preventing forest fires through grant scheme												AICS
Output 7												
A 7 1 Implementation of public-awareness campaigns to promote sustainable forest management												AICS

FOLLOWING YEARS PLAN

Activities	For the following years								
	Semester								
	3	4	5	6	7	8	9	10	Implementing body
Output 1									
A 1.1 Assessment of the current level of transposition and implementation of the EU forestry legislation									UNDP
A 1 2 Develop primary and secondary legislation to fully transpose EU forestry legislation and policy									UNDP
A 1 3 Preparation of EUDR, FLEGT and LULCF Implementation Plan									UNDP
Output 2									
A 2 1 Assessment of the administrative and technical capacity of national and local authorities for SFM									UNDP
A 2 2 Developing of Training plan and Strategy with Action plan for Strengthening administrative capacity at national and local level for SFM									UNDP
A 2 3 Preparation of a Technical specification of needed equipment and tool for SFM									UNDP
A 2 4 Deliver training for SFM to competent authorities and relevant stakeholders									UNDP
Output 3									
A 3 1 Preparation of Protocol for the monitoring and reporting of forest data									UNDP
A 3 2 Supporting the process of accounting of emissions and removal in the forestry sector									UNDP
A 3 3 Support for the reporting from municipalities and other institutions for the forestry required data									UNDP
Output 4									
A 4 1 Preparation of 10 forest municipal management plans									UNDP
A 4 2 Preparation of National forestation/reforestation plan									UNDP
A 4 3 Develop a List of priority measures for implementation of the forest management plans with implementation plans									UNDP
Output 5									
A 5 1 Implementation of specific priority measures included in the forest management plans									UNDP
A 5.2 Purchasing of equipment for SFM									UNDP
A 5.3 Preparation of central forest nursing facility within NFA									AICS

A. 5.4 Establishing central forest nursing facility within NFA									AICS
Output 6									
A. 6.1 Preparation, evaluation and monitoring of Guidance for Grant application for implementing forest management activities									AICS
A. 6.2 Implementing forestation/reforestation of areas managed by municipalities through grant scheme									AICS
A. 6 3 Implementing of activities for preventing forest fires through grant scheme									AICS
Output 7									
A 7 1 Implementation of public-awareness campaigns to promote sustainable forest management									AICS

AICS COFINANCING – 36 MONTHS

	1 Year												2 Year		3 Year	
	Months												Semesters			
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	1	2
Inception phase																
Output 5																
A. 5.1. Implementation of specific priority measures included in the forest management plans																
A. 5.2 Purchasing of equipment for SFM																
A.5.3 Preparation of central forest nursing facility within NFA																
A. 5.4 Establishing central forest nursing facility within NFA																

UNDP COFINANCING - 24 MONTHS

	1 Year												2 Year	
	Months												Semesters	
	1	2	3	4	5	6	7	8	9	10	11	12	1	2
Inception phase														
Output 1: EU Forestry acquis aligned, and other legislation prepared														
A1.1 Assessment of the current level of transposition and implementation of the EU forestry legislation and policies														
A1.2 Develop primary and secondary legislation to fully transpose EU forestry legislation and policy														
A.1.3 Preparation of EUDR, FLEGT and LULCF Implementation Plan														
Output 2: Administrative capacity and capabilities for Sustainable Forest Management and data collection and reporting improved														
A.2 1 Assessment of the administrative and technical capacity of national and local authorities for SFM														
A 2 2 Developing of Training plan and Strategy with Action plan for strengthening administrative capacity at national and local level for SFM														
A 2 3 Preparation of a Technical specification of needed equipment and tool for SFM														

A.2 4 Deliver training for SFM to competent authorities and relevant stakeholders														
Project management														
8.2 UNDP Deputy Project Manager(local)														
8 8 UNDP Programme Specialist														

Activity A.1.2: Develop Primary and Secondary Legislation to Fully Transpose EU Forestry Legislation and Policy

Task	Description	Timeline
Legal Gap Analysis	– Review in detail the national forestry legislation against EU directives and policies (EU Forest Strategy, EU Timber Regulation, Natura 2000, other related forestry). – Prepare a Table of Concordance (ToC). – Identify proposals for necessary legal transpositions to ensure full transposition.	Jan – Apr 2026
Drafting Primary Legislation	– Develop draft amendments or new law to align with EU requirements	Mar – Aug 2026
Drafting Secondary Legislation	– Develop implementing regulations, guidelines, and procedures (existing adoption of 7 DCMs and 10 Ministerial Guidelines) or new ones	Mar 2026 – Apr 2027
Stakeholder Consultation	– Conduct consultations with ministries, private sector, NGOs, and local communities	Sep 2026– June 2027
Legal Review & Approval	– Submit drafts for government approval, parliamentary review, and legal vetting	May – Sep 2027
Capacity Building	– Train government officials and stakeholders on the new legal framework	Oct – Dec 2027

Activity A.1.3: Preparation of EUDR, FLEGT, and LULCF Implementation Plan

Task	Description	Timeline
Situational Analysis	Assess current national implementation status of EUDR, FLEGT, and LULCF commitments	Jan 2026 – Feb 2026
Stakeholder Mapping	Identify relevant government agencies, private sector operators, and civil society actors	Jan – Apr 2026
Define Objectives & Targets	Set specific goals for implementation, enforcement, monitoring, and reporting	Feb – Apr 2026

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Draft Implementation Plan	Prepare draft plan with actions, timelines, responsible entities, and possible monitoring indicators	Apr– Oct 2026
Monitoring & Evaluation Framework	Develop M&E framework to track progress and compliance and indicators passport	Oct 2026 – March 2027
Stakeholder Consultation	Validate draft plan with stakeholders and incorporate feedback	Oct – March 2027
Finalization & Approval	Submit finalized plan for government approval	March – September 2027

1.5. Sustainability of the action

Expected Impact of the Action

The action is expected to have a significant impact on its target groups and beneficiaries across multiple dimensions. At the technical level, the project will lead to improved forest management practices by introducing innovative monitoring tools, capacity-building programs, and data-driven decision-making processes. This will enhance the ability of national and local forestry agencies to manage resources efficiently. Economic benefits will arise from the promotion of sustainable forestry practices, leading to increased employment opportunities, the development of local enterprises, and the establishment of market linkages for non-timber forest products. On a social level, the project will foster community engagement and participation, ensuring that local populations benefit from sustainable forestry initiatives while also contributing to their long-term protection. Policy-wise, the action is designed to support Albania's alignment with EU environmental standards, leading to improved legislation, the adoption of best practices, and strengthened institutional frameworks for forest conservation.

Risk Analysis and Contingency Plan

Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Weak sector coordination may hinder progress, since implementation of several activities relies on the inter-institutional coordination between MTE and other institutions such as MARD and municipalities.	Medium	High	MTE (NEA, NAF, NAPA) have a clear mandate for nature conservation policy, sustainable forest management and transposition of legislation. Their intention is to involve municipalities early in the process and to secure their commitment to the Action. MTE will be supported to strengthen coordination mechanisms composed by relevant stakeholder's representatives that will ensure policy regular exchange of information, stable dialogue and knowledge management in particular between central and sub-national levels.
Limited commitment/buy -in from local	Medium	Medium	A stakeholder engagement plan shall be developed to ensure engagement and buy- in. The Action shall actively engage

communities.			local communities during implementation with targeted communication.
Limited data and information sharing among institutions may jeopardize the decision making.	High	Medium	At the beginning of action implementation desk research shall be conducted to gather all available data and will be systematically organized. Information technologies implemented or used throughout the project which are best suited to the local context and do not restrict the transfer and communication of information. A knowledge platform will be created during the project to share data and information.
Limited absorption capacity, lack of human resources to carry out technical and organizational processes, and frequent staff turnover may impact project implementation	Medium	Medium	Alternative representatives within the institutions will be recommended at inception to ensure that sufficient membership continuity is available. Technical guidelines will be developed in English and Albanian for implementation of forestry legislation. These guidelines will guide new staff that become involved
Change of government in September 2025 following the national elections may lead to shifts in political priorities, institutional leadership or reduced ownership of the Action.	High	High	The project will actively engage a wide spectrum of institutional stakeholders at both technical and political levels from the outset to foster broad-based ownership. Regular engagement and communication with both technical departments and political leadership will ensure continuity. The PSC will serve as a stabilizing structure to maintain strategic oversight regardless of political changes. IPs will maintain close contact with the EU Delegation and relevant ministries to adapt the workplan if institutional mandates change. A flexible implementation plan and contingency budget lines will support rapid realignment in case of political shifts.
Accelerated investment and tourism development in Albania's mountainous regions, driven by the "Mountain Package" may lead to increased pressure on forest	High	Medium	A participatory land-use planning process shall be established in collaboration with the National Forestry Agency and the involved municipalities to identify forest parcels and high conservation value areas that will be excluded from private development. This process shall include mapping, ecological assessments, and stakeholder consultations, ensuring that local development incentives under the "Mountain Package" do not overlap with protected or vulnerable forest zones. In case the project activities will be affected

ecosystems due to unregulated deforestation and infrastructure expansion in ecologically sensitive areas			by this new legislation, further discussion is also foreseen at Steering Committee level in order to better assess how to proceed in the project areas.

The project recognizes a range of risks that could affect its implementation and has developed mitigation strategies accordingly. **Physical risks** include natural disasters such as wildfires or extreme weather events, which will be managed through early warning systems and fire prevention programs. **Environmental risks**, such as deforestation and biodiversity loss, will be addressed through strict conservation measures, reforestation initiatives, and sustainable land-use planning. **Political risks** include potential shifts in government priorities or policy frameworks that could impact project continuity; these will be mitigated through close collaboration with policymakers and alignment with national and EU environmental strategies. **Economic risks**, such as funding shortages or market volatility, will be managed by diversifying funding sources and promoting public-private partnerships. **Social risks** include resistance from local communities or conflicts over land use; these will be mitigated through stakeholder engagement, participatory decision-making, and awareness campaigns.

Risk Management System

To manage risks proactively and effectively, a Risk Management System will be implemented with the following features:

- Joint Risk Monitoring: The Implementing Partners (AICS and UNDP), in coordination with the Ministry of Tourism and Environment and other relevant national institutions, will jointly monitor risks on a quarterly basis.
- Risk Register: A regularly updated Risk Register will track the evolution of identified risks, emerging issues, and mitigation actions. The Register will be shared with the Project Steering Committee.
- Early Warning Mechanisms: Each IP will designate a risk focal point responsible for identifying early signs of risk escalation. Risk alerts will be raised in monthly coordination meetings and addressed through adaptive management.
- Escalation Procedures: In case of major risks or changes in the external environment (e.g., new legislation, changes in institutional mandates), the issue will be discussed at the PSC level to decide on course correction or additional safeguards.
- Crisis Response Protocol: A short set of pre-agreed crisis response steps (e.g., temporary freezing of certain activities, accelerated consultations with EUD and authorities, budget reallocation proposals) will be developed at project inception.

Sustainability of the Action

A. **Financial Sustainability:** The project incorporates mechanisms to ensure long-term financial viability. Follow-up activities will be financed through a combination of government funding and contributions from private sector stakeholders. Revenue-generating activities and sustainable forest product markets will help cover future operational and maintenance costs. Capacity-building efforts will ensure that local forestry agencies can secure additional funding and manage resources effectively beyond the project's timeframe.

In this regard, the AICS parallel financing, directly managed by the National Forest Agency (NFA), significantly strengthens financial sustainability by enabling the agency to acquire hands-on experience in planning, implementing, and managing forestry investments. By directly handling the establishment and operation of four new local nurseries, the NFA will build the capacity to independently manage its own financial and technical resources, ensuring that once the project ends,

the agency will retain both the skills and the operational infrastructure to continue activities without reliance on external support.

B. **Institutional Sustainability:** The project will strengthen existing institutional frameworks and governance structures, ensuring that results are maintained after the project concludes. By embedding sustainable forest management practices within government policies and training public officials, the initiative will build long-term institutional capacity. Local ownership will be fostered through partnerships with municipalities, community-based organizations, and private enterprises, ensuring a decentralized and participatory approach to forestry management. Specific framework agreements will be signed to ensure the ownership and responsibilities for the management of the implemented structures (e.g. Nurseries, reforestation sites).

The parallel financing provided by AICS, implemented directly through the NFA, is a key sustainability factor as it ensures that the agency itself takes full responsibility for the new infrastructure and activities. This direct involvement consolidates NFA's operational independence, equipping it with the technical, managerial, and organizational expertise necessary to autonomously maintain and expand forestry interventions well beyond the project's timeframe.

C. **Policy Level Sustainability:** The action aligns with Albania's EU accession process and environmental policy reforms, ensuring that project outcomes contribute to long-term regulatory improvements. The adoption of EU forestry management standards will enhance legislative consistency, while the development of best practice guidelines, codes of conduct, and monitoring frameworks will support ongoing policy implementation. The project will also promote regional and international cooperation in forestry governance, reinforcing Albania's role in global environmental initiatives.
D. **Environmental Sustainability:** The action will have a net positive impact on the environment by promoting sustainable forestry practices, afforestation efforts, biodiversity conservation and carbon sequestration. To minimize negative effects, strict environmental safeguards will be implemented, including impact assessments and sustainable resource management plans. The project will also educate communities and stakeholders on the importance of preserving forest ecosystems, ensuring that conservation efforts continue beyond the project's lifespan.

A **dissemination plan** will aim to maximize the visibility and impact of the project's outcomes. Knowledge-sharing will be facilitated through workshops, conferences, and publications, ensuring that best practices and lessons learned are accessible to a wide audience. The project will leverage multiple communication channels, including digital platforms, traditional media, and policy briefings, to reach different stakeholders effectively. Additionally, the action will promote the replication and scaling-up of successful interventions in other regions of Albania and beyond. By engaging with regional and international partners, the project will contribute to broader efforts in sustainable forestry management and environmental conservation. The multiplier effect will be achieved through capacity-building programs, stakeholder collaboration, and knowledge exchange, ensuring that the impact extends well beyond the initial implementation phase.

1.6. Logical framework and Communication and Visibility Plan

Logical Framework and **Activity Matrix** are included in ***Appendix 1*** to ***Annex I***

Strategic Communication Plan

The Strategic Communication Plan aims to enhance visibility and awareness of the EU's support for Albania's forestry sector reform, aligning with the country's EU accession process and the Green Agenda for the Western Balkans. Communication activities will highlight the project's contribution to sustainable forest management, forest biodiversity conservation, climate resilience, and socio-economic development. Furthermore, the plan seeks to inform stakeholders and the general public about best practices, innovations, and policy advancements driven by the project.

A wide range of audiences will be engaged through the communication strategy. Primary audiences include government institutions such as the Ministry of Tourism and Environment, the National Forestry Agency, and local municipalities, as well as EU institutions, other relevant agencies (NAPA, AKMC), donor agencies, and key forestry sector stakeholders. Secondary audiences encompass local communities, forestry enterprises, environmental NGOs, academia, media outlets, and the general public. At an international level, the plan will also target environmental organizations, investors in sustainable forestry, and EU citizens interested in Albania's environmental policies and EU integration progress.

The communication plan will include targeted and coordinated actions by both Implementing Partners (AICS and UNDP) to ensure consistent and direct messaging. These actions will be designed to clearly reflect the EU's contribution to the programme and to reinforce the visibility of the joint implementation mechanism. Each Implementing Partner will integrate specific communication deliverables into their work plans, ensuring alignment with the overall project strategy and the EU's communication objectives and in line with art. 7 of the General Conditions.

A special focus will be placed on ensuring that key stakeholders' social media communications explicitly reflect the involvement of all partners, including the EU, AICS, UNDP, and relevant national institutions. Joint editorial calendars and co-branded content (e.g. social media posts, short videos, infographics) will be developed and promoted across the official channels of each partner, as well as through institutional websites. All posts will include the EU emblem and funding acknowledgement, and highlight the role of the EU in supporting Albania's forest reform process.

The key messages conveyed will emphasize the EU's role as a key partner in Albania's efforts toward sustainable forest management and biodiversity conservation, supporting the country's alignment with EU environmental standards and accession requirements. The plan will also highlight the importance of strengthening public-private partnerships and community engagement to ensure long-term benefits for Albania's forests and economy. Innovation and digital tools will be presented as essential for improving governance, enforcement, and monitoring of forest resources, while the EU's commitment to transparency, sustainability, and capacity building in Albania's forestry sector will be underscored throughout all communications.

To ensure broad and effective dissemination, communication activities will leverage both digital and traditional media. Online platforms, including social media channels, will be used to share updates and successful stories through digital storytelling, videos and reels, infographics, and case studies featuring local beneficiaries. Constant dialogue with policymakers and experts will be guaranteed, providing opportunities for engagement. Press releases, media briefings, and interviews with project leaders and EU representatives will ensure coverage in national and international media, while feature articles in environmental and policy magazines will further enhance visibility.

All communication materials will comply with applicable guidelines and the respective framework agreed with EU, with the EU emblem and funding statement included in every output.

Monitoring and evaluation will play a vital role in assessing the impact of communication efforts. Key performance indicators will track digital engagement through website traffic, social media interactions, and video views. Media coverage, attendance at events, and stakeholder feedback will provide further insight into the effectiveness of outreach efforts. Public perception surveys will measure awareness of EU support in Albania's forestry sector, and regular reports will be shared with the EU Delegation to ensure alignment with broader EU strategic communication objectives.

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In addition to meeting visibility requirements, the action will play a significant role in raising public awareness about the importance of forest protection in Albania. The project will support responsible authorities in effectively communicating the special qualities of protected areas to potential visitors. A strong emphasis will be placed on ensuring that Albanian citizens widely recognize the EU's significant role in supporting forest conservation. This will help foster a better understanding of the added value of EU funds and the benefits of implementing EU forest protection objectives.

Finally, the EU will be actively involved in the development and implementation of major communication activities, including press engagement, events, and audiovisual productions. By ensuring a comprehensive and engaging communication strategy, this plan will maximize the impact and visibility of the EU's support for Albania's forestry sector. It will reinforce the country's path towards sustainable environmental governance and EU integration, while also fostering a deeper public appreciation for the role of EU assistance in preserving Albania's forests for future generations.

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Logical framework and Activity matrix (annex E3d)

Results	*Results chain*	*Indicator*	*Baseline (value & reference year)*	*Target (value & reference year)*	*Current value* (reference year) (* to be included in interim and final reports)*	*Sources of data*	*Assumptions*
Impact (Overall objective)	Improvement of the quality of the environmental protection and contribution to actions and policies against climate change to accelerate the shift towards a low-carbon economy.	GHG emissions Land use, Land Use Change and Forestry sector (in kT CO2e)	1319 (2016)	598 (2030)	NA	National Determined Contribution Report	*Not applicable*
Outcomes	Outcome 1 - Improvement of the administrative capacities and alignment of the legal framework of the forestry sector in Albania with the EU acquis.	1.1 Alignment of EU legislation related to nature protection and forestry	Partial (2022)	Complete (2030)	NA	EC Annual Progress Report	The government is committed technically and financially in advancing the implementation of the Green Agenda and the related Action Plan
	Outcome 2 - Increase the forest coverage and the carbon sink capacities for Albania.	2.1 Greenhouse gas emissions reduced with EU support	Albania (2025): 0	Albania (112.5% of final 2020 results) (2030)	NA	European Environmental Agency	
Outputs	Output 1 related to Outcome 1 EU Forestry acquis aligned, and other legislation prepared	1.1 Number of implementing legal acts related to forestry sector 1.2 Number of reports assessing the level of transposition of EU forestry legislation	10 (2022) 1 (2022)	55 (2027) Co-financing UNDP 2 (2026) Co-financing UNDP	NA	Official Gazette	There are no large- scale changes in the national and EU legislative framework related to forestry sector

Results	*Results chain*	*Indicator*	*Baseline (value & reference year)*	*Target (value & reference year)*	*Current value* (reference year) (* to be included in interim and final reports)*	*Sources of data*	*Assumptions*
	Output 2 related to Outcome 1 Administrative capacity and capabilities for Sustainable Forest Management and data collection and reporting improved	2.1 Number of municipal reports 2.1 Number of national reports	2.1. 0 Municipality reporting (2021) 2.1 0 National reporting on gap and need assessment	2.1. 61 Municipality reporting (2028) 2.1. 1 National report gap and need assessment for the national forestry related institutions Co-financing UNDP	NA	National Forestry Agency (NFA) reporting system	Municipalities and central institutions have a consolidated human and financial capacities to complete the reporting obligations
	Output 3 related to Outcome 2 Accounting emissions process and removals from the forests in line with the LULUCF and related acquis supported	3.1 Emissions and removal standard data	3.1 Not available (2022)	3.1 Available (2028)	NA	UNFCC reporting data	There are sufficient capacities in the MTE and National Environmental Agency to implement the procedures for the accounting of emissions. There is sufficient fund and technical capacities available for maintaining of the electronic platform
		3.2 No. Persons trained for accounting emissions and removals	3.1 0 (2022)	3.2 30 (2028)	NA	NFA reports	
	Output 4 related to Outcome 1 and 2 Forestry management plans prepared and their implementation supported	4.1 No. of municipalities having SFM plans with adaptation measures	4 1. 9 Municipality with SFM plans (2022)	4.1 19 Municipalities with SFM plans (2028)	NA	Municipality reports	Municipalities and NFA are open toward preparation and implementation of

Results	*Results chain*	*Indicator*	*Baseline (value & reference year)*	*Target (value & reference year)*	*Current value* (reference year) (* to be included in interim and final reports)*	*Sources of data*	*Assumptions*
		4.2 No. of trainings for the implementation of SFM plans	4.2 0 trainings dedicated (2022)	4.2 20 trainings (2028	NA	4.2 Training reports	sustainable municipal forestry management plans
	Output 5 related to Outcome 2 Forestation/reforestation of priority forest areas and improving management practices and technical capacity for SFM implemented	5.1 Afforested / reforested land with EU support	5.1 4 km2 (2022)	5.1 8 km2 (2028) 2 km2 with priority measures implemented (Parallel financing AICS)	NA	NFA report	NFA and NAPA are providing sufficient support for implementation of forestation/reforestation activities
		5.2 Number of forest nursery facility	5.2 0 (2022)	5.2 2 (1 small local and 1 big national) (2028) 4 local nurseries (Parallel financing AICS)	NA		
	Output 6 related to Outcome 1 Grant scheme for implementing sustainable forest management measures including for forest fire and erosion prevention implemented	6.1 Number of km2 of forests managed in a sustainable way with EU support	6.1 0 (2025)	6.1 6 To be quantified (baseline and targets to be quantified after the launch of the calls for	NA	Grants implementation reports	NFA is dedicated and have sufficient staff to support implementation of the grant scheme. There are sufficient capacities to absorb and implement the grants

Results	*Results chain*	*Indicator*	*Baseline (value & reference year)*	*Target (value & reference year)*	*Current value* (reference year) (* to be included in interim and final reports)*	*Sources of data*	*Assumptions*
				proposals and award of the sub-grants)			locally from relevant stakeholders
	Output 7 related to Outcome 1 and 2 Public awareness campaigns targeting the local communities for the sustainable forest management implemented	7.1 Number of persons reached by campaigns on SFM	7.1. 0 (2022)	7.1. 150.000 (2028)	NA	Communication Strategy monitoring report	Local communities are willing to participate and be involved in the awareness campaign

Activity Matrix

What are the key activities to be carried out to produce the intended outputs? *(*activities should be linked to corresponding output(s) through clear numbering)*	***Means*** *What are the political, technical, financial, human and material resources required to implement these activities, e.g. staff, equipment, supplies, operational facilities, etc.* ***Costs*** *What are the action costs? How are they classified? (Breakdown in the Budget for the Action)*	***Assumptions*** *External, necessary and positive conditions for implementing the intervention that are outside of its management's control.*

Activities	**Description**	**Means**	**Costs (EUR)**	**Assumptions**
Output 1 - EU Forestry acquis aligned, and other legislation prepared				
A. 1.1 Assessment of the current level of transposition and implementation of the EU forestry legislation	An assessment will be made for all legislation (primary and secondary) related to the field of forestry, through the screening process and the tables of concordances. The legal gap analysis conducted in the frame of SANE 27 project will be further considered. The new legislation will be drafted and aligned with the EU forestry legislation	Desk research with the use of technical expertise	28.500	No radical changes in the institutional structure responsible for the forestry policy making and implementation will happen during the project duration. The EU Accession process is a positive condition for the Activity
A 1.2 Develop primary and secondary legislation to fully transpose EU forestry legislation	Based on the findings of the SANE 27 project as well as the assessment conducted in the frame of this project A1.1, interventions in primary and secondary legislation will be proposed, in order to be fully transposed with the EU forestry legislation, including the gender sensitive aspects. As necessary, additions to the existing legislation will be proposed. Another issue that will be considered is forest certification, based on the best European practices and standards. A code of good practices in forestry will be drafted as well, considering the best management practices in Europe	Desk work with use of IT, legal and forestry expertise	192.250	The Ministry has the necessary readiness and capacities to follow the approval process. The EU Accession process is a positive condition for the Activity
A. 1.3 Preparation of EUDR, FLEGT and LULCF Implementation Plan	Support will be provided in drafting of the DCM for the implementation of EUDR/EUDR and FLEGT in Albania, as well as other acts necessary for their implementation. Further, the relevant plans for their implementation (EUDR/EUDR, FLEHT and LUCF) will be prepared by the project, in such a way that they are applicable and with measurable indicators	Desk work with use of IT, legal and forestry expertise	60.000	There are no large- scale changes in the national and EU legislative framework related to forestry sector. The EU Accession process is a positive condition for the Activity
Output 2 – Administrative capacity and capabilities for Sustainable Forest Management and data collection and reporting improved				
A 2.1 Assessment of the administrative and technical capacity of national and local authorities for SFM	A full evaluation of the capacities of the municipalities that administer the forests, but also of the national authorities (NFA, MoTE) related to SFM in Albania will be done. The cooperation of forest structures at the local and central level with other vital institutions such as ASIG (State Authority for Geospatial Information), state inspectorate etc will also be evaluated	Desk research with the use of technical expertise	63.000	Municipalities and central institutions have a consolidated human and financial capacities to complete the reporting obligations

A. 2.2 Developing of Training plan and Strategy with Action plan for Strengthening administrative capacity at national and local level for SFM	An assessment of training needs related to SFM in Albania will be performed. Based on that, a detailed training plan with the strategy and an action plan for its implementation will be prepared. The training will be for both forest administration and other relevant institutions (e.g. ASIG) who are potential supporters of NFA in providing necessary data for ALFIS	Desk work with the use of technical expertise Trainers and case studies Workshops	105 000	Municipalities and central institutions have a consolidated human and financial capacities to complete the reporting obligations
A. 2 3 Preparation of a Technical specification of needed equipment and tool for SFM	Based on the analysis of the forestry sector's performance, the project will assess the equipment and tool requirements for forest administration to ensure sustainable forest management in Albania. As a first step, a priority list of essential equipment and tools will be created, followed by the development of detailed technical specifications for each item on the list	Desk research with the use of technical expertise	88 500	Municipalities and central institutions have a consolidated human and financial capacities to complete the reporting obligations
A. 2 4 Deliver training for SFM to competent authorities and relevant stakeholders	Based on the strategy and action plan, thematic trainings (theoretical and field trainings) will be developed for the staff of 61 municipalities in the country, as well as for the NFA and forest inspection based on the specific needs of each municipality and entity, based on the local circumstances. Also, theoretical and field trainings will be carried out for other stakeholders who deal with planning and/or implementation of activities in the field of forests (private companies, NGOs, etc.)	Desk work with the use of technical expertise Trainers and case studies Workshops logistics	86 000	Municipalities and central institutions have a consolidated human and financial capacities to complete the reporting obligations
Output 3 – Accounting emissions process and removals from the forests in line with the LULUCF and related acquis supported				
A. 3 1 Preparation of Protocol for the monitoring and reporting of forest data	The Albania Forest Information System (ALFIS) will be fully activated and integrated with the ZANA application, which collects forest inventory and management data. Protocols will be reviewed and updated to cover various forest management aspects like wildfire monitoring, afforestation, forest health, climate change impacts, and biodiversity. National reporting on sustainable forest management will also be improved by updating manuals and integrating new methodologies	International and local Experts IT expertise Meetings	27 500	There is sufficient fund and technical capacities available for maintaining of the electronic platform
A. 3 2 Supporting the process of accounting of emissions and removal in the forestry sector	Allometric equations will be developed for at least the 10 main forest species in the country, as well as to establish other necessary variables for emissions and removals. Furthermore, protocols and guidelines will be prepared for central and local institutions on the proper accounting of emissions and removals, and relevant staff will receive training to ensure proper implementation	International and local Experts IT expertise Meetings	69 000	There are sufficient capacities in the MTE and National Environmental Agency to implement the procedures for the accounting of emissions
A. 3.3 Support for the reporting from municipalities and other institutions for the forestry required data	This activity will be made possible by; (i) improving the data collection system through the ZANA application, (ii) operationalizing the National Forest Registry and ALFIS, (iii) preparing and approving the relevant protocols for data reporting (iv) training relevant staff and (v) improve cooperation with other relevant stakeholders (ASIG, AKSHI, NAPA, NFA, MoTE, MoARD, municipalities etc.)	International and local Experts IT expertise Meetings	35 250	There is sufficient fund and technical capacities available for maintaining of the electronic platform
Output 4 – Forestry management plans prepared and their implementation supported				
A. 4.1 Preparation of 10 forest municipal management plans	The drafting of forest management plans based on the re-drafted manual and ALFIS, will be done in the municipalities that represent different forest situations in Albania. This, taking into consideration the traditional use of forests, the situation of the forest structure, the ecological zones and the geographical distribution	International and local Experts Technical assistance Meeting logistics Printing Travel	900 000	Municipalities and NFA are open toward preparation and implementation of sustainable municipal forestry management plans
A. 4.2 Preparation of National forestation/reforestation plan	To mitigate the impacts of deforestation and wildfires, such as soil erosion and land degradation, a detailed plan will be prepared at the national level for forestation/reforestation based on; climatic zones, forest species, methodologies to be used for forestry/reforestation for each case and specific area, costs, and technologies to	International and local Experts Technical assistance Meeting logistics	100 000	Municipalities, MOTE, NAPA and NFA are open toward preparation and implementation of sustainable National forestry management plans

	be used. Priority will be given to the innovations and best practices that exist in this field, as well as the latest technologies that are being used (drones, machinery etc.), so that the effectiveness is maximum and the costs as well	Printing Travel		
A. 4.3 Develop a List of priority measures for implementation of the forest management plans with implementation plans	The management plans that will be drafted will have to include their management measures. These measures will have to be consulted in advance with local actors (municipalities, forest owners and users, NGOs, private companies, forest experts, etc.). After preparing the list of management measures, their prioritization will be done, based on new and innovative approaches such as NbS, biodiversity conservation, ecosystem services, adaptation and mitigation to climate changes, forest resilience, support for species migration etc. as well as the urgency and need of such interventions. Priority in this case will have those measures focused on forestation/reforestation with local species (considering the red list species)	International and local Experts Technical assistance	20 000	Municipalities and NFA are open toward preparation and implementation of sustainable municipal forestry management plans
Output 5 – Forestation/reforestation of priority forest areas and improving management practices and technical capacity for SFM implemented				
A. 5.1 Implementation of specific priority measures included in the forest management plans	Based on the list of priority measures in accordance with activity *A.4.4 Develop a List of priority measures for implementation of the forest management plans with implementation plans* that will result in each MP-FMPs (in 10 municipalities and those in 10 protected areas), their implementation will be based on the newest methodologies and approaches that exist in the country, region and the world, in such a way that they will also serve as pilot measures for such projects in the future. To be noted that coordination and synergies will be sought with "EU for Nature" project for the forest management plans in protected areas	Investments	2.350 000	NFA and NAPA are providing sufficient support for implementation of forestation/reforestation activities
A. 5.2 Purchasing of equipment for SFM	Based on the technical specifications for each equipment and tools and in accordance with provisions of *A.2.3 Preparation of a Technical specification of needed equipment and tool for SFM,* the equipment for SFM will be purchased and distributed accordingly ensuring that maintenance is budgeted for in the beneficiary institutions/entities	Equipment	2.200 000	NFA and NAPA have the administrative, financial and staff capacities to ensure sound management and maintenance to the equipment
A.5.3 Preparation of central forest nursing facility within NFA	To establish the nursery, a suitable land will be identified based on elevation, exposure, water availability, and accessibility for trucks and other necessary equipment. The process requires certification of the origin and provenance of both seeds and young plants.	Int and national expertise (CREA)	900 000	NFA has the administrative, financial and staff capacities to ensure ownership of the nurseries
A. 5.4 Establishing central forest nursing facility within NFA	Given Albania's climate, at least two nurseries will be necessary: one at a lower elevation for species adapted to coastal climates, and another at a higher elevation for mountain and continental species. National Forest Agency will run the tree nurseries which will directly contribute to the forestation/reforestation activities. Nursery specialists will be hired for quick and effective problem-solving in plant cultivation. Additionally, a network will be created with Albanian universities, leveraging Italy-Albania academic agreements to involve local professors and students	Investments	2 125 000	NFA has the administrative, financial and staff capacities to ensure ownership of the nurseries
Output 6 Grant scheme for implementing sustainable forest management measures including for forest fire and erosion prevention implemented				
A. 6.1 A 6.1 Preparation, evaluation and monitoring of Guidance for Grant application for implementing forest management activities	The existing guide used in the framework of the Environmental Services Project and drafted at that time will be reviewed and updated to match the grant application schemes creating synergies with IPARD III. The Guidance for grantees will be based on the wildfire smart policy to ensure adapting to current and future changes in wildfire risks and building a system of five interlinked: review and analysis, risk reduction, readiness, response, and recovery (5Rs)	International and National expertise IT services Meetings Design and printing (CREA CIMA)	450 000	NFA is dedicated and have sufficient staff to support implementation of the grant scheme

A. 6.2 Implementing forestation/reforestation of areas managed by municipalities through grant scheme	A Grant program will be designed and implemented in collaboration with NFA to identify and implement activities dedicated to forestation and reforestation. The grants and respective funds will be equally distributed geographically among the selected municipalities. Criteria for selection of grantees will include actions for carbon sink and carbon offsetting, biodiversity, conservation, fire prevention aim and climate adapting measures	International and National expertise Investments	1 325 000	NFA is dedicated and have sufficient staff to support implementation of the grant scheme There are sufficient capacities to absorb and implement the grants locally from relevant stakeholders
A. 6.3 Implementing of activities for preventing forest fires through grant scheme	A Grant program will be designed and implemented in collaboration with NFA to identify and implement activities to prevent forest fires. The grants and respective funds will be equally distributed geographically among the selected municipalities. Criteria for selection of grantees will include actions for carbon sink and carbon offsetting, biodiversity, conservation, fire prevention aim and climate adapting measures	International and National expertise Investments	1.325 000	NFA is dedicated and have sufficient staff to support implementation of the grant scheme There are sufficient capacities to absorb and implement the grants locally from relevant stakeholders
Output 7 Public awareness campaigns targeting the local communities for the sustainable forest management implemented				
A. 7.1 Implementation of public-awareness campaigns to promote sustainable forest management	The campaign will focus on critical topics such as forest fire prevention and management, forest protection, care for forests and trees, land conservation, and the promotion of sustainable forestry practices. Various communication channels, including TV, radio, social media, flyers, and posters, will be utilized to maximize outreach and impact being mindful of using environment friendly approaches	Int and national expertise Communication agencies	250 000	Local communities are willing to participate and be involved in the awareness campaign

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) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules appliable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024).
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 and/or sexual harassment, 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. However, for the purpose of Article 13, 'International Organisation' shall not be construed as encompassing 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.

System: the Electronic Exchange System used for the electronic management of this Agreement, pursuant to the EU Financial Regulation, the "Single Electronic Data Interchange Area" (SEDIA), accessible via the "EU Funding & Tenders" portal.

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 and specific conditions 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 and specific conditions.

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 and specific conditions 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.

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 without delay of cases of established fraud and irregularities and their follow-up as well as of any information relating to suspected cases of fraud, corruption or any other illegal activity affecting the financial interests of the Union. 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 Article 2.9, the second and third subparagraphs of Article 2.10, and Article 2.11-Other obligations, Article 5-Conflict of interests, Article 7-Visibility, Article 8.7 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 respect the 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 The Contracting authority and the Organisation have a zero tolerance for inaction approach to tackling sexual exploitation and abuse, as well as to sexual harassment.

The Organisation shall take all reasonable steps to prevent sexual exploitation and abuse and/or sexual harassment (hereinafter referred to 'SEA-H') and will respond appropriately when reports of SEA-H arise, in accordance with the legal framework applicable to it, including its Regulations and Rules.

When the Organisation becomes aware of reasonable suspicions, complaints or reports of SEA-H in relation to the implementation of the Action, it will, as appropriate under the legal framework applicable to it, including its Regulations and Rules, take reasonable, swift and appropriate action to stop harm occurring, investigate and report to relevant authorities, as appropriate and when safe to do so, after considering the wishes of the victim/survivor.

The Organisation shall promptly report to the Contracting Authority all allegations of SEA-H, credible enough to warrant an investigation, that are directly related to the activities funded under this Agreement or would have a significant impact on the partnership between the Organisation and the Contracting Authority. Upon request by the Contracting Authority, the Organisation shall provide all available information concerning such allegations, including information on the subsequent measures taken by the Organisation.

The Organisation shall report and provide all available information in accordance with the legal framework applicable to it, including its Regulations and Rules, in particular those on disclosure of information and confidentiality, with due care not to compromise the safety, security, privacy and due process rights of any concerned persons.

Any information or documentation provided in accordance with these provisions will be treated by the Contracting Authority with the utmost discretion in order to ensure, *inter alia*, the probity of any investigation, protect sensitive information, ensure the safety and security of persons and respect the due process rights of all involved. The Contracting Authority will presume information/documentation to be confidential, deliberative, and investigatory and will ensure that information/documentation provided to the Contracting Authority will be available solely to those who strictly require access to such information/documentation according to its own regulations, rules and procedures. Any disclosure of such information/documentation beyond such personnel will require notification and consultation with the Organisation. The Contracting Authority will obtain the express written authorisation of the Organisation before disclosing any such information/documentation in a judicial proceeding or to the public, unless disclosure is otherwise required by the regulations, rules and procedures applicable to the Contracting Authority. It is understood that, for this purpose, the Organisation shall require Contractors and Grant Beneficiaries to report such allegations and provide all available information to the Organisation.

2.11 The Organisation shall ensure that the Action is implemented with respect for human dignity, freedom, democracy, equality, the rule of law and human rights, including the rights of persons belonging to minorities.

2.12 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.

2.13 The Organisation acknowledges that the European Commission is progressively introducing 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 electronic payment requests and communications) are to be processed via the System.

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. Progress and final reports, as referred to in this Article, shall be submitted through the System.

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, including any credible allegations of violations of human rights.

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 V, 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

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

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 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 2 of the Main 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.

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

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

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.

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.

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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.

8.7 The equipment, vehicles and remaining major supplies purchased with the EU Contribution shall be used, including after the End Date, with respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.

Where the equipment, vehicles and remaining major supplies purchased with the EU Contribution are transferred to any of the entities referred to in Article 8.3 the Organisation undertakes to require such entity(ies) to comply with the obligations set forth in the preceding subparagraph.

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 concluded electronically in the System. This Agreement can only be amended before the End Date.

10.2 The requesting Party shall request through the System 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 approve or reject, through the System, the amendment proposed in due time and in any case no later than thirty (30) Days after the date when the amendment request was initiated in the System.

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 an amendment concluded in the System) 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 made by the Organisation through the System. The Organisation shall be responsible for ensuring that its address and bank account present in the System are accurate and up to date.

Any change of the bank account referred to in Article 4 of the Main Conditions shall be processed through an amendment as described under Article 10.2.

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, corruption or any other illegal activities 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, corruption or any other illegal activities 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, corruption or any other illegal activities or breaches of obligations under other agreements funded by EU funds provided that those irregularities, fraud, corruption or illegal activities 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) fails to comply with the reporting obligations in accordance with Article 3.15;

f) 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.

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) or the European Public Prosecutor's Office (EPPO), if notified to the Organisation, has been disposed of, the Organisation shall keep and make available according to this Article 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, EPPO 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, EPPO, 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, EPPO 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 or EPPO 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 Authority[3];

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.

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. If the Implementation Period starts later than the entry into force of the

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

Agreement, the Contracting Authority shall provide the first pre-financing instalment within thirty (30) Days of receiving a payment request from the Organisation. The Organisation shall not send such payment request before the effective starting date of the Implementation Period;

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 Article 2 of the Main 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 Article 2 of the Main Conditions to the bank account referred to in Article 4 of the Main Conditions.

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 2 of the Main 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 in case of established fraud and irregularities or if it has any information relating to suspected cases of fraud, corruption or any other illegal activity affecting the financial interests of the Union 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 or via consultation with the European Commission as referred in Article 5.5 of the Special Conditions.

ANNEX II.a – Provisions applicable only to Multi-Partner Contribution Agreements

Article 1: Parties to Multi-Partner Contribution Agreements

Where the Organisation implements the Action in association with Partners, the Partners become Parties to the Agreement together with the Organisation. The provisions contained in Annex II apply to Partners *mutatis mutandis*, subject to the provisions of this Annex, and Annex IIb as regards non-pillar-assessed Partners[1].

Article 2: Additional obligations of the Organisation

In addition to the obligations set out in Annex II the Organisation shall:

a) perform the activities as described and assigned to it in Annex I;

b) ensure coordination with all Partners in the implementation of the Action;

c) be the intermediary for all communications between the Partners and the Contracting Authority;

d) be responsible for supplying without delay all documents and information to the Contracting Authority which may be required under this Agreement, in particular in relation to the narrative reports, the requests for payment and the relevant management declarations and audit opinions - where applicable - from all Partners. Where information from the Partners is required, the Organisation shall be responsible for obtaining and consolidating this information before passing it on to the Contracting Authority. Any information given, as well as any request made by the Organisation to the Contracting Authority, shall be deemed to have been given in agreement with all Partners;

e) inform the Contracting Authority of any event likely to affect or delay the implementation of the Action, including as regards allegations of sexual exploitation and abuse and/or sexual harassment, in accordance with Article 2.10 of Annex II;

f) inform the Contracting Authority as soon as the information is available, of any change in the legal, financial, technical, organisational or ownership situation of any of the Partners, as well as of any change in the name, address or legal representative of any of the Partners;

g) be responsible in the event of monitoring and evaluations, as described in Article 9 of Annex II, for collecting and providing all the necessary documents;

h) establish the payment requests in accordance with the Agreement;

i) be the sole recipient, on behalf of all the Partners, of the payments of the Contracting Authority. The Organisation shall ensure that the appropriate payments are then made to the Partners without unjustified delay;

j) where relevant, repay funds to the Contracting Authority in line with Article 14 of Annex II without prejudice to Article 6;

k) not delegate any, or part of, the tasks listed above to the Partners or other entities.

Article 3: Obligations of the Partners

The Partners shall:

a) perform the activities as assigned to each Partner in Annex I, taking all necessary and reasonable measures to ensure that the Action is performed in accordance with the description of the Action in Annex I and the terms and conditions of this Agreement;

b) ensure that the Organisation has or obtains the data needed to draw up the reports,

[1] It is reminded that non-pillar-assessed Partners are only possible in the context of Contribution Agreements awarded, by the Commission or by a Partner Country, further to calls for proposals or as a direct award of a grant, without a call for proposals. Such scenarios only applies to EU external actions.

financial statements and other information or documents required by this Agreement and the annexes thereto, including any information needed in the event of monitoring or evaluations, as described in Article 9 of Annex II, as well as the relevant management declarations and audit or control opinion referred to in Articles 3.10 to 3.12 of Annex II (this does not apply to those documents and Partners that fall within an arrangement with the European Commission to provide either of them globally, on an annual basis);

c) ensure that all information to be provided and requests made to the Contracting Authority are sent via the Organisation, including information related to allegations of sexual exploitation and abuse and/or sexual harassment, in accordance with Article 2.10 of Annex II, as well as allegations of violations of human rights, in accordance with Article 3.6 of Annex II;

d) agree with the Organisation upon appropriate internal arrangements for the internal coordination and representation of the Partners vis-a-vis the Contracting Authority for any matter concerning this Agreement, consistent with the provisions of this Agreement and in compliance with the applicable legislation(s);

e) be responsible - in the event of audits, checks and investigations, as described in Article 15 of Annex II - for full cooperation in the protection of the Union's financial interests and, in particular, for providing all the necessary access, information and documents in accordance with Article 15.5 of Annex II, without prejudice to Article 5.

Article 4: Termination and suspension

4.1 Article 12 of Annex II is amended as follows:

a) in the first paragraph of Article 12.1 of Annex II, "may terminate" shall be replaced by "may terminate or partially terminate" and "the Organisation" shall be replaced by "the Organisation or a Partner". In addition to Article 12.1 and in respect thereof, the Contracting Authority shall discuss prior to termination the possible reallocation of the tasks and responsibilities of the Partner or of the Organisation whose participation is terminated, in case of partial termination, among the remaining Partners and/or the Organisation, or on its possible replacement by a third party. If the Contracting Authority agrees, the Agreement shall be amended accordingly in accordance with Article 10. If the Contracting Authority does not agree, either Party may terminate the Agreement in accordance with Article 12.3.

b) In duly justified cases, the Organisation may propose to terminate its participation or the participation of a Partner to this Agreement. For this purpose, the Organisation shall communicate to the Contracting Authority the reasons for the proposed termination and the date on which it should take effect, as well as a proposal on the reallocation of the tasks and responsibilities of the Partner or of the Organisation whose participation is terminated, or on its possible replacement. The proposal shall be sent in due course before the termination is due to take effect. If the Contracting Authority agrees, the Agreement shall be amended accordingly in accordance with Article 10. If the Contracting Authority does not agree, either Party may terminate the Agreement in accordance with Article 12.3.

4.2 In the case of termination of the participation of a Partner or of the Organisation pursuant to Article 4.1 a) or b), the final payment regarding the activities allocated to the Partner concerned or to the Organisation shall be included in the next payment request following the amendment of the Agreement.

Article 5: Financial framework partnership agreements and special arrangements

Where the Organisation and one or more pillar-assessed Partners have each concluded a financial framework partnership agreement with the European Commission, the financial framework partnership agreement of the Organisation and each Partner shall apply for the purpose of this Agreement, except in relation to obligations on reporting and payments, to which only the Organisation's financial framework partnership agreement shall apply.

Article 6: Financial responsibility

The Organisation and each pillar-assessed Partner shall be financially responsible solely for the part of the Action to be implemented by it (including by its Contractors and Grant Beneficiaries), as set out in Annex I, or for the activities assigned to it during the implementation of the Action in

case these are not defined in Annex I. The Contracting Authority shall recover any unduly paid or incorrectly used funds directly from the Organisation, unless the Organisation can demonstrate that amounts to be recovered under this Agreement only relate to activities that have or should have been implemented by a pillar-assessed Partner pursuant to Annex I. In such case, the Contracting Authority will recover directly from the concerned defaulting pillar-assessed Partner.

Article 7: Dispute settlement

Where either the Organisation or at least one of the pillar-assessed Partners is an International Organisation, Article 13.4.b of Annex II shall apply to the entire Agreement. In case a dispute does only concern one or more Partners or only the Organisation, the dispute settlement mechanism foreseen in Article 13.4.b will apply between the Contracting Authority and the relevant pillar-assessed Partner or the Organisation only.

Annex III: Budget for the Action

OUTPUT	ACTIVITIES	UNIT RATE (EUR)	N.OF UNITS	TYPE OF UNIT	COST Total (EUR)	AICS	UNDP	AICS PARALLEL FINANCING	UNDP COFINANCING	YEAR 1 (EU Funds) UNIT RATE (EUR)	N.OF UNITS	Cost Year 1	Budget Notes
1. EU Forestry acquis aligned, and other legislation prepared	A.1.1 Assessment of the current level of transposition and implementation of the EU forestry legislation and policies	250.00	50	Working days	12,500		12,500		12,500	250.00	50.00	12,500	**A 1.1 National Consultants:** 1 legal expert (50 working days)*(250 Eur/day) = 12 500 Eur). This consultant will assist on the level of legislation transposition assessment. This assignment is expected to be carried out during the first year of the project.
		800.00	20	Working days	16,000		16,000		16,000	800.00	20.00	16,000	**A 1.1 International Consultant:** 1 International legal expert (20 working days)*(800 Eur/day) = 16 000 Eur). This consultant will do the analysis of adequacy and appropriateness of relevant national legislation, the assessment of the level of transposition with EU forestry legislation . This assignment is expected to be carried out during the first year of the project
	A.1.2 Develop primary and secondary legislation to fully transpose EU forestry legislation and policy	250.00	449	Working days	112,250		112,250		47,500	250.00	62.00	15,500	**A 1.2 National Consultants:** 1 legal expert (449 working days)*(250 Eur/day) = 112 250 Eur This consultant will assist on the preparation of the primary and secondary legislation. This assignment is expected to be carried out during the second and third year of the project.
		800.00	100	Working days	80,000		80,000		80,000	800.00	65.00	52,000	**A 1.2 International Consultant:** 1 International legal forestry expert (100 working days)*(800 Eur/day) = 80 000 Eur). This consultant will support the preparation of the primary and secondary legislation. This assignment is expected to be carried out during the second and third year of the project.
	A.1.3 Preparation of EUDR, FLEGT and LULCF Implementation Plan	20,000.00	3	Implementation Plans	60,000		60,000						**A 1.3 International /National Consultant** The cost for preparing one implementation plan—respectively for EUTR, FLEGT, and LULUCF—is Eur 20 000. The total cost for all three plans includes the following consultancy fees -1 International Forestry Policy Expert 50 working days × Eur800/day = Eur40,000 -1 National Technical Forestry Expert 27 working days × Eur250/day = Eur6,750 -1 Legal Expert 53 working days × Eur250/day = Eur13 250
	Subtotal 1				**280,750**		**280,750**	-	**156,000**			**96,000**	
2. Administrative capacity and capabilities for Sustainable Forest Management and data collection and reporting improved	A.2.1 Assessment of the administrative and technical capacity of national and local authorities for SFM	800.00	50	Working days	40,000		40,000		24,000	800.00	30.00	24,000	**A 2.1. International /National Consultants** 1 International Expert on Capacity Development (50 working days)*(800 Eur/day)= 40,000 Eur 1 National Expert on Capacity Development (65 working days)*(250 Eur/day)= 16 250 Eur 1 technical forestry expert (27 working days)*(250 Eur/day) = 6 750 Eur) These consultants are expected to do the capacity gap and need assessment for 61 local authorities and the national forestry related institutions
		250.00	92	Working days	23,000		23,000		23,000	250.00	92.00	23,000	
	A.2.2 Developing of Training plan and Strategy with Action plan for strengthening administrative capacity at national and local level for SFM	800.00	100	Working days	80,000		80,000						**A 2.2 International /National Consultants** 1 International Expert on Capacity Development (100 working days) *(800 Eur/day) = 80 000 Eur 1 National Expert on Capacity Development (73 working days) *(250 Eur/day)= 18 250 Eur 1 technical forestry expert (27 working days)*(250 Eur/day) = 6 750 Eur). These consultants are expected to do develop Training Plan and Strategy with Action plan for strengthening administrative capacity at national and local level for SFM
		250.00	100	Working days	25,000		25,000						
	A.2.3 Preparation of a Technical specification of needed equipment and tool for SFM	800.00	70	Working days	56,000		56,000						**A 2.3 International /National Consultants** 1 International technical forestry expert (70 working days)*(800 Eur/day) = 56,000 Eur); 1 national technical forestry expert (27 working days)*(250 Eur/day) = 6,750 Eur) 1 National Expert on Capacity Development (103 working days)*(250 Eur/day)= 25 750 Eur. These consultants are expected to Identify the required equipment and tools for different SFM activities (e.g., forest inventory, monitoring, enforcement, firefighting, GIS mapping, drones, etc.).
		250.00	130	Working days	32,500		32,500						
	A.2.4 Deliver training for SFM to competent authorities and relevant stakeholders	800.00	70	Working days	56,000		56,000						**A 2.4. International /National Consultants** 1 International Expert on Capacity Development (30 working days)*(800 Eur/day)= 24,000 Eur. 1 International forestry policy expert (40 working days)*(800 Eur/day) = 32 000 Eur) 1 National Expert on GIS (43 working days)*(250 Eur/day)= 10 750 Eur. 1 National technical forestry expert (77 working days)*(250 Eur/day) = 19 250 Eur). These consultants are expected to deliver training modules for SFM to competent authorities and relevant stakeholders
		250.00	120	Working days	30,000		30,000						
	Subtotal 2				**342,500**		**342,500**	-	**47,000**			**47,000**	
		250.00	30	Working days	7,500		7,500			250.00	30.00	7,500	**A 3.1. International /National Consultants**

Annex III: Budget for the Action

3 Accounting emissions process and removals from the forests in line with the LULUCF and related acquis supported	A.3.1 Preparation of Protocol for the monitoring and reporting of forest data	800.00	25	Working days	20,000		20,000			800.00	25.00	20,000	1 International LULUCF inventory expert (25 working days)*(800 Eur/day) = 20 000 Eur); 1 National LULUCF inventory Expert (30 working days)*(250 Eur/day)= 7,500 Eur. These consultants are expected to prepare a Protocol for the monitoring and reporting of forest data in alignment with international frameworks (e.g. REDD+, UNFCCC, IPCC)
	A.3.2 Supporting the process of accounting of emissions and removal in the forestry sector	800.00	60	Working days	48,000		48,000						**A 3.2. International /National Consultants** 1 International LULUCF inventory expert (60 working days)*(800 Eur/day) = 48,000 Eur); 1 national technical forestry expert (27 working days)*(250 Eur/day) = 6,750 Eur), 1 National LULUCF inventory Expert (57 working days)*(250 Eur/day)= 14,250 Eur. These consultants are expected to support the process of accounting of emissions and removal in the forestry sector
	A.3.3 Support for the reporting from municipalities and other institutions for the forestry required data	250.00	84	Working days	21,000		21,000						**A 3.3. International /National Consultants** 1 International LULUCF inventory expert (25 working days)*(800 Eur/day) = 20 000 Eur); 1 national technical forestry expert (27 working days)*(250 Eur/day) = 6,750 Eur); 1 National LULUCF inventory Expert (34 working days)*(250 Eur/day)= 8,500 Eur. These consultants are expected to support the process of reporting based on standardized reporting templates, basic training for municipal staff, developing and training on manual data collection and aggregation.
		800.00	25	Working days	20,000		20,000						
		250.00	61	Working days	15,250		15,250						
	Subtotal 3				**131,750**		**131,750**					**27,500**	
4 Forestry management plans prepared and their implementation supported	A.4.1 Preparation of 10 forest municipal management plans	90,000.00	10	Municipal Management Plans	900,000		900,000						**A4.1; A4.2; A4.3.** In compliance with the Decision of the Council of Ministers No. 361, dated 12.05.2010 "On the approval of service fees for professional activities carried out in the public forest and pasture fund", the cost for preparing 10 Forest Municipal Management Plans (FMPs) is calculated based on a per-hectare cost—approximately Eur 40/ha (or 4,000 ALL/ha). These plans are expected to cover around 25 000 hectares of economic forest area. •The estimated cost for preparing the National Forestation/Reforestation Plan is Eur 100 000. •The estimated cost for preparing 1 Municipal Forestation/Reforestation Plan is Eur 90,000. •The estimated cost for the priority list of measures is Eur 20 000 Experts to be engaged include: 1. International Forestry policy expert; 1 International technical forestry expert;1. National Forestry policy expert; 2 licenced Forestry Engineers. 2 National Technical Forestry Expert. 1 International Socio-Economic expert. 1 national Socio-Economic expert; 1 National Financing and Budgeting expert ; 1 International Financing and Budgeting expert; 1 GIS national expert . 1 GIS International expert 1 gender expert . 1 Translater The total cost of this assignment is Eur 1,020,000.
	A.4.2 Preparation of National forestation/reforestation plan	100,000.00	1	National Management Plans	100,000		100,000						
	A.4.3 Develop a List of priority measures for implementation of the forest management plans with implementation plans	20,000.00	1	List of priority measures	20,000		20,000						
	Subtotal 4				**1,020,000**		**1,020,000**						
5. Forestation/reforestation of priority forest areas and improving management practices and technical capacity for SFM implemented	A.5.1 Implementation of specific priority measures included in the forest management plans			N/A	1,550,000		1,550,000	800,000	13,500				The priority measures and their cost of implementation will be defined when the action plans to be prepared. AICS Cofinancing (800,000 Euro) will allow the implementation of additional specific priority measures by the NFA
	A.5.2 Purchasing of equipment for SFM			N/A	1,500,000		1,500,000	700,000					Equipment for the SFM may include: Forest Inventory and Monitoring Tools (GPS Devices & Mapping Tools); Harvesting and Extraction Equipment; Transport and Road Maintenance Equipment; Fire Prevention and Safety Equipment. AICS Cofinancing (700 000 Euro) will allow the supply of additional equipment for the NFA
	A.5.3 Preparation of central forest nursing facility within NFA	300	1,000	Working days	300,000	300,000		600,000		330.00	200.00	66,000	Consultancy for preparation activities to the implementation of the national and local nurseries (CREA). International forest senior expert: 220 working days × Eur350/day = Eur 77,000 International botanist senior expert: 220 working days × Eur350/day = Eur 17,500 (International forest junior expert: 120 working days × Eur250/day = Eur 30,000 International geneticist forest expert: 130 working days × Eur300/day = Eur 39,000 International forest senior expert in law: 60 working days × Eur350/day = Eur 21,000 International senior expert in forestry certification: 40 working days × Eur300/day = Eur 12,000 International tree climber expert: 180 working days × Eur350/day = Eur 63,000 International nurseryman: 110 working days × Eur300/day = Eur 33,000. The unit rate of 330 Euro is calculated as an average of the different daily fees. AICS cofinancing (600 000 Euro) will allow the NFA to hire collaborators to locally manage the implementation of the nurseries and provide sustainability and improved ownership of the agency.
	A.5.4 Establishing central forest nursing facility within NFA	1,225,000.00	1	National + Local Nursery	1,225,000	1,225,000		900,000					One national (1,000,000 Euro) and one local (225,000 Euro) nursery implemented, respectively on the 3rd and 4th year of the project. AICS Cofinancing (900,000 Euro) will allow the implementation of 4 additional local nurseries (225,000 Euro)
	Subtotal 5				**4,575,000**	**1,525,000**	**3,050,000**	**3,000,000**				**66,000**	

Annex III: Budget for the Action

6. Grant scheme for implementing sustainable forest management measures including for forest fire and erosion prevention implemented	A.6.1 Preparation evaluation and monitoring of Guidance for Grant application for implementing forest management activities	360	1.250	Working days	450,000	450,000				350.00	300.00	105,000	Consultancy for implementation of the Grant programs on reforestation and firefighting (CREA and GIMA) GIMA -1 International Forest fire key Expert: 155 working days × Eur550/day = Eur 85,250 -1 International Grant scheme key Expert: 200 working days × Eur550/day = Eur 110 000 -1 International Forest fire risk mapping junior Expert: 299 working days × Eur180/day = Eur 53 820 -1 National DRM senior Expert 150 working days × Eur250/day = Eur 37 500 -1 International Forest fire risk mapping senior Expert: 315 working days × Eur360/day = Eur 113 400 CREA -1 International Forest senior Expert 74 working days × Eur350/day = Eur 25,900 -1 International environmental engineer expert: 80 working days × Eur300/day = Eur 24 000 The unit rate of 350 Euro is calculated as an average of the different daily fees
	A.6.2 Implementing forestation/reforestation of areas managed by municipalities through grant scheme	1 325,000.00	1	Grant Schemes	1,325,000	1,325,000						-	1 grant scheme of 1 300 000 Euro awarded for reforestation/afforestation activities in the 3rd year of project
	A.6.3 Implementing of activities for preventing forest fires through grant scheme	1,325,000.00	1	Grant Schemes	1,325,000	1,325,000						-	1 grant scheme of 1 300 000 Euro awarded for firefighting activities in the 2nd year of project
	Subtotal 6				**3,100,000**	**3,100,000**							
7. Public awareness campaigns targeting the local communities for the sustainable forest management implemented	A.7.1 Implementation of public-awareness campaigns to promote sustainable forest management	50,000.00	5	Years	250,000	225,000	25,000			50,000.00	1.00	50,000	A communication company/expertise will be hired to perform the public awareness campaigns throughout the project
	Subtotal 7		5		**250,000**	**225,000**	**25,000**					**50,000**	
	Subtotal activities				**9,700,000**	**4,850,000**	**4,850,000**	**3,000,000**	**216,500**	**Total**		**286,500**	
8. Project management	8.1 AICS Project Manager (international)	170,000.00	5	Years	850,000	850,000				14,167	12.00	170,000	
	8.2 UNDP Deputy Project Manager(local)	42,000.00	5	Years	210,000		210,000		30,400	3,500.00	12.00	42,000	
	8.3 AICS Administrative/Procurement expert	120,000.00	5	Years	600,000	600,000				10,000.00	12.00	120,000	
	8.4 UNDP Finance Associate	30,000.00	5	Years	150,000		150,000			2,500.00	12.00	30,000	
	8.5 AICS Logistics expert/ Driver	18,000.00	5	Years	90,000	90,000				1,500.00	12.00	18,000	
	8.4 Office running costs	22,500.00	2	Years	45,000	45,000				1,875.00	12.00	22,500	The remaining 3 years of costs will be covered with AICS internal funds
	8.5 Purchase of vehicle	45,000.00	1	Vehicles	45,000	45,000				45,000.00	1.00	45,000	
	8.6 Fuel and maintenance	5,000.00	2	Years	10,000	10,000				416.67	12.00	5,000	The remaining 3 years of costs will be covered with AICS internal funds
	8.7 Audit and evaluation (AICS)	12,000.00	5	Years	60,000	60,000				12,000.00	1.00	12,000	
	8.8 UNDP Programme Specialist	12,600.00	5	Years	63,000		63,000		12,000	1,050.00	12.00	12,600	
	8.9 Audit and evaluation (UNDP)	6,850.00	5	Years	34,250		34,250						
	Subtotal management costs				**2,157,250**	**1,700,000**	**457,250**		**42,400**			**477,100**	
	9. Total Eligible costs of the Action				11,857,250	6,550,000	5,307,250	3,000,000	258,900			763,600	
	10. Remuneration (7% of 9.Total Eligible costs of the Action)				832,750	460,015	372,735					53,629	
	COST OF THE ACTION (9+10)				**12,690,000**	**7,010,015**	**5,679,985**	**3,000,000**	**258,900**			**817,229**	

IDENTIFICATION FORM
PUBLIC LAW BODY

PRIVACY STATEMENT https://commission.europa.eu/document/download/2230f5f6-9b83-45f3-b591-3b9258559a34_en?filename=lef_baf_privacy_notice-en.pdf
By submitting this form, you acknowledge that you have been informed about the processing of your personal data by the European Commission for accounting and contractual purposes

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

PUBLIC LAW BODY DETAILS
National denomination and its translation in EN or FR if existing.

Public law body WITH LEGAL PERSONALITY, meaning a public entity being able to represent itself and act in its own name, i.e. being capable of suing or being sued, acquiring and disposing of property, entering into contracts. This legal status is confirmed by the official legal act establishing the entity (a law, a decree, etc.)

Official name: MINISTERO DELL'ECONOMIA E DELLE FINANZE
MINISTRY OF ECONOMY AND FINANCE

Abbreviation: MEF

Address of Head office

Address: VIA XX SETTEMBRE, 97

Postal code: 00187 City: ROMA

P.O. BOX: Country: ITALIA

E-mail: rgs.ragionieregenerale.coordinamento@pec.mef.gov.it

PUBLIC LAW BODY IDENTIFIER

Main registration number: 80415740580
Registration number in the national register of companies. See table with corresponding denominations by country

Secondary registration number
(If applicable)

Place of Main registration: ROMA Issuing Country: ITALIA

Date of Main registration:

VAT number: 80415740580

BANKING DETAILS
Enter the final bank data and not the data of the intermediary bank

Account name: MINISTRY OF ECONOMY AND FINANCE REVOLVING FUND COMMUNITY POLICIES
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.

IBAN/Bank account number: IT30G0100004306CC0000000754
Fill in the IBAN code (International Bank Account number) if it exists in the country where your bank is established

Bank name: CENTRAL STATE TREASURY BANK OF ITALY

BIC/SWIFT code: BITAITRRENT Branch code:
Only applicable for US (ABA code), for AU/NZ (BSB code) and for CA (Transit code). Does not apply for other countries.

Remark - Payment reference

Address of the bank branch

Address VIA DEI MILLE, 52

Postal code 00185 City ROMA

P.O. BOX _____ Country ITALIA

Account holder's data

Account holder's name PAOLO ZAMBUTO

Legal owner of the bank account

To complete if the address declared to the bank is different to the head office address

Address VIA XX SETTEMBRE, 97

Postal code 00187 City ROMA

P.O. BOX _____ Country ITALIA

AUTHORISED REPRESENTATIVE'S SIGNATURE AND STAMP

Date: 24/03/2025

BANK REPRESENTATIVE'S SIGNATURE AND BANK'S STAMP

Please complete and sign this form and attach copies of official supporting documents (Resolution, law, register(s) of companies, official gazette, VAT registration, etc.)

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

ISO CODE	MAIN REGISTRATION NUMBER
AT	Firmenbuchnummer (FN) ZentraleVereinregister (ZVR-Zahl) Ordnungsnummer
BE	Numéro d'entreprise - Ondernemingsnummer - Unternehmensnummer
BG	Булстат (Bulstat Code) Единен идентификационен код (ЕИК/ПИК) Unified Identification Code (UIC)
CY	Αριθμός Εγγραφής Αριθμός Μητρώου
CZ	Identifikační číslo (IČO)
DE	Handelsregister Genossenschaftsregister (Nummer de Firma) Vereinsregister (Nummer des Vereins) Nummer der Partnerschaft (Partnerschaftsregister)
DK	Det centrale virksomhedsregister (CVR-nummer)
EE	Registrikood
ES	HOJA number
FI	Yritys-ja yhteisotunnus (Y-tunnus) Företags- och organisationsnummer (FO-nummer) Business identity code (Business ID)
FR	Immatriculation au Registre de Commerce et de Sociétés (RCS) Système informatique du Répertoire des Entreprises (SIRENE)
GB	Company number
GR	ΑΡΙΘΜΟΣ Γ.Ε.ΜΗ (Γενικού Εμπορικού Μητρώου) Δικηγορικός Σύλλογος Αθηνών (Δ.Σ.Α)
HR	Matični broj subjekta (MBS) Registarski broj Matični broj obrta (MBO) Registarski broj zakladnog uloška

ISO CODE	MAIN REGISTRATION NUMBER
HU	Cégjegyzékszám
IE	Company number Grouping registration number in Ireland
IT	Repertorio Economico Amministrativo (REA)
LT	Kodas
LU	Registre de commerce et des sociétés RCS Numéro d'immatriculation Handelsregisternummer
LV	Vienotais Reģistrācijas Numurs
MT	Registration number Register of Voluntary Organisation (identification number)
NL	Kamer van Koophandel (KvK-nummer) Dossiernummer
PL	REGON
PT	Numero de identificaçao de pessoa colectiva (NIPC)
RO	Numar de ordine in registrul comertului Numarul inscrierii in registrul special
SE	Organisationsnummer
SI	Matična številka
SK	Identifikačné číslo (ICO)

RD

ANNEX <INSERT HERE THE NUMBER OF THE ANNEX>

Request for payment for Contribution Agreement

Date of the request for payment <insert date>

For the attention of
<insert address of the Contracting Authority>
<financial unit indicated in the Contribution Agreement>[1]

Reference number of the Contribution Agreement: <insert reference number>

Title of the Contribution Agreement: <insert title >

Name and address of the Organisation: <insert address >

Request for payment number: In case this request for payment is sent to the Contracting Authority for the purpose of receiving the **first pre-financing payment**, insert: [1] in all other cases: <insert the sequential number of the payment request>

Period covered by the request for payment: <insert period>

In case this request for payment is sent to the Contracting Authority for the purpose of receiving the **first pre-financing payment**, please insert:

[Dear Sir/Madam,

I hereby request payment of the first pre-financing under the Contribution Agreement mentioned above.

The amount requested is select the appropriate option: [,in accordance with Article 4 of the Special Conditions of the Contribution Agreement, <insert the requested amount>] [<insert the requested amount>.]

The payment should be made to the following bank account: <insert bank account>.[2]

Please when making the payment indicate the following communication: <insert bank account>.]

In all other cases, please insert:

[Dear Sir/Madam,

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

---

1 If applicable, please do not forget to address a copy of this letter to the address mentioned in the Special Conditions of the Contribution Agreement.

2 Indicate the account number shown on the financial identification form annexed to the Contribution Agreement or indicated in the Main Conditions. In the event of change of bank account, please process such change in line with the General Conditions of the concerned Contribution Agreement.

N.B.: Payment of further pre-financing and of the balance shall be made upon approval of the payment request accompanied by a progress or final report (see Article 17 of the General Conditions of Contribution Agreement).

ANNEX <INSERT HERE THE NUMBER OF THE ANNEX>

The amount requested is select the appropriate option: [,in accordance with Article 4 of the Special Conditions of the Contribution Agreement, <insert the requested amount>] [<insert the requested amount>]

Please find attached the following supporting documents:

- for further pre-financing payments, insert: [narrative and financial progress report]
- for the balance payment, insert: [final narrative and financial report]

The payment should be made to the following bank account: <insert bank account>.[3]

Please when making the payment indicate the following communication: <insert bank account>.

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>

[3] Indicate the account number shown on the financial identification form annexed to the Contribution Agreement or indicated in the Main Conditions. In the event of change of bank account, please process such change in line with the General Conditions of the concerned Contribution Agreement.

N.B.: Payment of further pre-financing and of the balance shall be made upon approval of the payment request accompanied by a progress or final report (see Article 17 of the General Conditions of Contribution Agreement).

Annex <insert here the number of the annex> [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 provisions 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;]
    h) [award and management of Procurement Contracts;]

[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.

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 without delay, in relation to the management of the EU Contribution provided under the Agreement[s], of cases of established fraud and irregularities and their follow-up as well as of any information relating to suspected cases of fraud, corruption or any other illegal activity affecting the financial interests of the Union.

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.