



Part I: Project Information

GEF ID

10676

Project Type

FSP

Type of Trust Fund

GET

CBIT/NGI

CBIT No

NGI No

Project Title

Biodiversity conservation, sustainable land management and sustainable tourism development in North Macedonia

Countries

North Macedonia

Agency(ies)

UNEP

Other Executing Partner(s)

Ministry of Environment and Physical Planning of North Macedonia UNEP, Vienna Programme Office as supporting entity in execution

Executing Partner Type

Government

GEF Focal Area

Multi Focal Area

Sector

Mixed & Others

Taxonomy

Focal Areas, Biodiversity, Protected Areas and Landscapes, Productive Landscapes, Community Based Natural Resource Mngt, Terrestrial Protected Areas, Supplementary Protocol to the CBD, Access to Genetic Resources Benefit Sharing, Mainstreaming, Agriculture and agrobiodiversity, Tourism, Forestry - Including HCVF and REDD+, Financial and Accounting, Natural Capital Assessment and Accounting, Land Degradation, Sustainable Land Management, Sustainable Pasture Management, Income Generating Activities, Sustainable Agriculture, Restoration and Rehabilitation of Degraded Lands, Community-Based Natural Resource Management, Sustainable Livelihoods, Sustainable Forest, Improved Soil and Water Management Techniques, Ecosystem Approach, Land Degradation Neutrality, Carbon stocks above or below ground, Land Productivity, Land Cover and Land cover change, Influencing models, Transform policy and regulatory environments, Convene multi-stakeholder alliances, Demonstrate innovative approaches, Strengthen institutional capacity and decision-making, Deploy innovative financial instruments, Stakeholders, Beneficiaries, Civil Society, Academia, Non-Governmental Organization, Community Based Organization, Local Communities, Type of Engagement, Consultation, Participation, Partnership, Information Dissemination, Private Sector, SMEs, Individuals/Entrepreneurs, Communications, Awareness Raising, Public Campaigns, Behavior change, Education, Gender Equality, Gender Mainstreaming, Gender-sensitive indicators, Women groups, Gender results areas, Participation and leadership, Capacity Development, Knowledge Generation and Exchange, Access and control over natural resources, Integrated Programs, Food Systems, Land Use and Restoration, Smallholder Farming, Integrated Landscapes, Landscape Restoration, Comprehensive Land Use Planning, Capacity, Knowledge and Research, Learning, Adaptive management, Indicators to measure change, Knowledge Exchange, Innovation, Knowledge Generation, Targeted Research

Rio Markers**Climate Change Mitigation**

Significant Objective 1

Climate Change Adaptation

No Contribution 0

Biodiversity

Significant Objective 1

Land Degradation

Significant Objective 1

Submission Date

7/22/2022

Expected Implementation Start

1/1/2023

Expected Completion Date

6/30/2027

Duration

54In Months

Agency Fee(\$)

344,474.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
BD-1-1	Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors	GET	1,734,833.00	11,600,000.00
BD-1-3	Mainstream biodiversity across sectors as well as landscapes and seascapes through Natural Capital Assessment and Accounting	GET	200,000.00	5,000,000.00
LD-1-1	Maintain or improve flow of agro-ecosystem services to sustain food production and livelihoods through Sustainable Land Management (SLM)	GET	550,000.00	12,000,000.00
LD-1-4	Reduce pressures on natural resources from competing land uses and increase resilience in the wider landscape	GET	865,000.00	18,500,000.00
LD-2-5	Create enabling environments to support scaling up and mainstreaming of SLM and LDN	GET	363,589.00	7,774,590.00
Total Project Cost(\$)			3,713,422.00	54,874,590.00

B. Project description summary

Project Objective

Supporting national and local efforts for achieving LDN and Biodiversity Targets in North Macedonia through the application of an integrated landscape approach in Shar Mountains.

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
--------------------------	-----------------------	--------------------------	-------------------------	-------------------	----------------------------------	-----------------------------------

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 1: Practical application of integrated landscape approach to achieving LDN (Land Degradation Neutrality) and BD (Biological Diversity) targets in the pilot area of the Shar Mountains and dependent ecosystems service area (peripheral productive landscape)	Technical Assistance	<p>Outcome 1.1: An Integrated Landscape Management (ILM) plan for the Shar Mountains target area agreed by all key national and local stakeholders, and the enabling environment for its development and implementation established</p> <p>Outcome 1.2 Improved models and approaches for achieving sustainable forestry, pasture and water resources planning and management in the Shar Mountains that integrate sustainable use, maintenance of ES (ecosystem services) and BD, and reversal of land degradation trends are developed and applied</p> <p>Outcome 1.3: Reduced pressure on biodiversity, reversed LD</p>	<p>Output 1.1.1 MOEPP and key stakeholder institutions provided with technical assistance, training and tools needed to undertake a systematic NCA (Natural Capital Accounting) process in Shar Mountains providing usable data to justify and guide forest, pasture, tourism, HPPs (hydropower plants) and other key land use management planning and reforms</p> <p>Output 1.1.2 An Integrated landscape Management plan for the Shar Mountains developed and agreed with all key local and national stakeholders and provides a consensual framework for implementing subsequent forest, pasture and other related land use management actions and pilot for national upscaling</p> <p>Output 1.1.3 Integrated LD and</p>	GET	2,701,000.00	44,448,012.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Component 2: Support to national level adoption and upscaling of ILM and related LD and BD best practices	Technical Assistance	Outcome 2.1: LDN, BD and sustainable rural livelihood of ILM approach benefits recognized by national stakeholders and incorporated into development planning and upscaled nationally	<p>Output 2.1.1 Key benefits and lessons learned from pilot landscape ILM captured through holistic evaluation of the practical effectiveness and impact of innovative approaches developed and tested by the project</p> <p>Output 2.1.2: Support and technical assistance provided to MOEPP (Ministry of Environment and Physical Planning) and key stakeholder institutions to develop guidelines and policy recommendations for upscaling of LD/BD efforts and application of integrated landscape management in other areas of the country</p> <p>Output 2.1.3: Set of national and regional workshops and awareness events for key stakeholders [designed, conducted and results documented and made available, with particular consideration of</p>	GET	755,593.00	6,726,578.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Monitoring and Evaluation (M&E)	Technical Assistance			GET	80,000.00	1,200,000.00
Sub Total (\$)					3,536,593.00	52,374,590.00

Project Management Cost (PMC)

	GET		176,829.00		2,500,000.00
Sub Total(\$)			176,829.00		2,500,000.00
Total Project Cost(\$)			3,713,422.00		54,874,590.00

Please provide justification

n/a.

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	Ministry of Environment and Physical Planning	In-kind	Recurrent expenditures	22,551,160.00
Recipient Country Government	Ministry of Environment and Physical Planning	Grant	Investment mobilized	6,637,930.00
Recipient Country Government	Public Institution National Park Shar Mountains	In-kind	Recurrent expenditures	100,000.00
Recipient Country Government	Public Enterprise for Pature Management	In-kind	Recurrent expenditures	300,000.00
Donor Agency	Embassy of Switzerland in North Macedonia ? Swiss Cooperation Office	In-kind	Recurrent expenditures	24,135,500.00
GEF Agency	UNEP	In-kind	Recurrent expenditures	500,000.00
Civil Society Organization	Mountaineering Federation of North Macedonia	In-kind	Recurrent expenditures	120,000.00
Civil Society Organization	Mountaineering Federation of North Macedonia	Grant	Investment mobilized	30,000.00
Civil Society Organization	Macedonian Ecological Society	In-kind	Recurrent expenditures	200,000.00
Civil Society Organization	Balkan Foundation for Sustainable Development	In-kind	Recurrent expenditures	300,000.00
Total Co-Financing(\$)				54,874,590.00

Describe how any "Investment Mobilized" was identified

The Ministry of Environment and Physical Planning of North Macedonia (MEPP) will support project activities with a total of US\$ 2,200,000 grant co-finance throughout national contribution to the baseline projects that are detailed in the co-finance letter.

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
UNEP	GET	North Macedonia	Land Degradation	LD STAR Allocation	1,934,833	179,484	2,114,317.00
UNEP	GET	North Macedonia	Biodiversity	BD STAR Allocation	1,778,589	164,990	1,943,579.00
Total Grant Resources(\$)					3,713,422.00	344,474.00	4,057,896.00

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount (\$)

100,000

PPG Agency Fee (\$)

9,499

Agency	Trust Fund	Country	Focal Area	Programmin g of Funds	Amount(\$)	Fee(\$)	Total(\$)
UNEP	GET	North Macedoni a	Land Degradatio n	LD STAR Allocation	52,104	4,949	57,053.00
UNEP	GET	North Macedoni a	Biodiversit y	BD STAR Allocation	47,896	4,550	52,446.00
Total Project Costs(\$)					100,000.0 0	9,499.0 0	109,499.0 0

Core Indicators

Indicator 1 Terrestrial protected areas created or under improved management

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	62,705.00	0.00	0.00

Indicator 1.1 Terrestrial Protected Areas Newly created

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0.00	62,705.00	0.00	0.00

Name of the Protected Area	WDP A ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
Shar Mountain National Park		Wilderness Area		62,705.00		

Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Name of the Protected Area	WDP ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
----------------------------	--------	---------------	----------------------	----------------------------------	----------------------------	---------------------------	--	------------------------------	-----------------------------

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
11500.00	11500.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Rangeland and pasture	700.00	700.00		

Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
2,500.00	2,500.00		

Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Woodlands	8,300.00	8,300.00		

Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
7075.00	7075.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations			

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Indicator 4.3 Area of landscapes under sustainable land management in production systems			

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
7,075.00	7,075.00		

Indicator 4.4 Area of High Conservation Value or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)	17700	710844	0	0
Expected metric tons of CO ₂ e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)	177,000	710,844		
Expected metric tons of CO ₂ e (indirect)				
Anticipated start year of accounting	2025	2025		
Duration of accounting	10	10		

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)				
Expected metric tons of CO ₂ e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	9,400	9,400		
Male	9,000	9,000		
Total	18400	18400	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

The project will contribute to the general global goal of biodiversity conservation and restoration of degraded lands. It will substantially contribute to the 5 strategic goals of the Convention on Biodiversity and it will contribute to the achievement of at least 8 Aichi targets - especially target #11 (17% of terrestrial ecosystems and inland waters protection by 2020), target # 1 (by 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably), target #2 (by 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems). The project will substantially contribute to achieving the Land Degradation Neutrality targets of North Macedonia.

Part II. Project Justification

1a. Project Description

1) GLOBAL ENVIRONMENTAL AND/OR ADAPTATION PROBLEMS, ROOT CAUSES AND BARRIERS THAT NEED TO BE ADDRESSED (SYSTEMS DESCRIPTION):

The analysis provided in the PIF is still valid, but relevant information was updated and amended through intensive stakeholder consultations during the PPG phase. For further details, please refer to the Project Document (ProDoc) ? Sections 2.1-2.4.

Global environmental and/or adaptation problems:?

- The Western Balkans are identified as a key biodiversity hotspot by the IUCN[1]¹. In the Western Balkans in particular these resources are frequently covering the territory of several countries and their effective protection and management require good transboundary cooperation. These areas support significant populations of endemic species, and large carnivores and are of value for migratory birds. The biodiversity of this region is under threat from the impacts of development, particularly for tourism, hydroelectricity, and abandonment and decline of agricultural land. The Shar Mountains is located within one of the 34 global hotspots for biodiversity, namely the Mediterranean Basin.

Thus, recent research has identified 5,502 species in Shar Mountains, out of which 220 are endemic. There are 1,260 vascular plant species, 264 mosses and 324 diatoms, out of which 94 species of diatoms are potentially new for science and 32 vascular plants are endemic. In terms of animal species, one of the major points is that Shar is the home of **Balkan lynx**, a subspecies of the largest European cat, and a critically endangered species according to the IUCN Red List, with no more than 50 specimens left on the Balkans (estimation from Melovski et al. 2018).

There are 128 bird species confirmed for Shar Mountains, and the species with the highest conservation status is the Egyptian vulture (endangered). In addition, there have been identified 11 species of amphibians, 17 species of reptiles, about 50 Orthoptera species, 176 species of butterflies and 787 species of moths, and from the 60 Coleoptera species, 10 are locally endemic. In total, 517 fungi species are known in Shar Mountains, out of which, about 80 are used for human consumption and 160 lichens, out of which 61 are known only in Shar.

Due to the exceptional abundance of plant, animal and fungus species, Shar Mountains are included in the National Emerald Network of Areas of special conservation interest (ASCI), Important Plant Areas (IPAs), Important Bird Areas (IBAs), Important Butterflies Areas. Certain plants, fungi and animals found on Shar have international protection status (conventions, agreements, EU directives and regulations) and are included in the Global IUCN Red List of threatened species. Finally, the Shar Mountains is one of the sites proposed for inclusion in the future Natura 2000 network in the country. In the preliminary National Ecological Network MAK-NEN, it is recognized as a core area for large carnivores. It is a cross border area and as part of the Green Belt, it is recognized as a priority core area.

- In terms of agro-biodiversity, there are a number of indigenous breeds and strains of domestic animals in the Shar Mountains area including the ?busha? cattle, the ?Balkan goat? and ?Sharplaninska sheep?. In terms of plant agro-biodiversity the Tetovo region is known for the ?Tetovo beans?, a

¹

landrace which is popular all over the Balkans. Taking into consideration the Country report on agrobiodiversity 2018, the rural areas in the whole country are still rich with agrobiodiversity, although the increasing migration of people to urban areas is contributing to the alarming loss. This is also assumed in Shar Mountain, since with the out-migration of the people from the mountain areas downwards, the existing landraces are probably at risk of being lost (however, there has been no study as yet).

- The most critical ecosystem service provided by the Shar Mountains on a global/regional level is as a source of the Vardar river, the longest river in the Republic of North Macedonia. It flows roughly east through the Polog valley before entering other areas of North Macedonia. The capital of North Macedonia, Skopje, is located on its banks, downstream of the Polog valley. The plain area in the Polog valley, where irrigated arable agriculture is possible due to abundant water and suitable growing conditions, is a highly valuable economic area in the country and supports a significant number of people directly or indirectly. The Vardar River is also a significant resource for drinking water for the capital Skopje, where around 30 % (unofficially probably more) of the country's population live, as well as irrigation and drinking water for other important downstream towns and agricultural areas in the country, and in Greece.

The key environmental threats currently faced in the Shar Mountains are:

- ? Significant deforestation/decline in forest quality, and unsustainable collection of non-timber forest products (NTFPs);
- ? Under grazing^[2] and abandonment of high pastures;
- ? Abandonment of traditional arable and orchards areas around mountain settlements;
- ? Disturbance, destabilization, fragmentation and waste pollution of habitats by the construction of new buildings and roads, and excessive unregulated tourism facilities development and operation;
- ? Destruction and disturbance of rivers and aquatic ecosystems through excessive HPPs construction and operation ?with the establishment of the NP new such development is less likely within the project target area but the threat from the poor operation of existing HPPs remains.

The main impacts of these threats are as follows:

- *Loss of biodiversity of national and global importance:* the above threats impact all Shar Mountain's natural habitats (forest, grasslands and rivers) either through their destruction, disturbance, or change. Deforestation has the greatest direct impact in terms of habitat loss, followed by the excessive development of HPPs and other unregulated construction (tourism facilities, personal
-

dwelling, roads, etc.). Reduced traditional grazing in the high pastures is causing changes in species and diversity. Increased forest and pasture fires, exacerbated by climate change-induced droughts, are resulting from poor agricultural practices (stubble burning) and burning to clear overgrown pastures. Unsustainable hunting, NTFPs (non-timber forest products) collection and the disturbance caused by new developments (HPPs, buildings, roads, tourism structures, etc.) are reducing populations of key fauna and flora. Changes in agriculture and livestock are resulting in the loss of ancient local traditional varieties of crops and livestock. The net result of these pressures is the decline of nationally and globally important biodiversity in the Shar Mountains, and the threat of local extinction of species.

- *Land degradation, loss of potential production, critical natural resources and livelihoods:* The above threats also have a significant impact on the condition and productivity of land and important natural resources in the target area, with long term negative implications for the livelihoods and energy security of the local communities. In particular, the main traditional land use in the mountains, livestock production, is being impacted through the under grazing of highland pastures. Other impacts include knock-on effects of degradation above main settlements, such as erosion and changes in water quality/availability that affect the productivity of village arable/orchard areas. Of most immediate and pressing concern for local communities is the impact on fuelwood availability for heating and cooking as this is a critical energy need.

- Both man and women are equally engaged in collecting non-timber forest products i.e. medicinal plants, berries and mushrooms. However, women are found to have greater engagement in collecting medicinal plants than men, who instead have greater engagement in collecting mushrooms. Hunting and fishing is almost exclusively practiced by man. While forest harvesting is predominantly male activity, women were also found to actively participate in forest harvesting. However, women's activities linked to wood harvest are largely constrained in the immediate surrounding of their villages. Although, none of the women respondents has declared occupation as a farmer, and from respondents that declared their occupation to be in stockbreeding only 12 percentage are women, both men and women in the project area participate in farming and stockbreeding. Actually, 37% of women respondents declared themselves as housewife by occupation, of which 97% were women from Albanian ethnicity. Farming and stockbreeding were largely declared as additional activities practiced by women. In this regard, while farming and mowing are activities in which both women and men were found to engage equally, mowing is an activity that is predominantly practiced by men. Stockbreeding is an activity that is practiced twice as much by men than by women. While women actively participate in stockbreeding activities for farm animals confined in the immediate surrounding of the village, men are almost exclusively in charge of sheep breeding. Here women were noted to aid only when necessary, largely for milking and food preparation.[3]³

- *Loss of important ecosystem services, increased natural disaster risks, water insecurity, and reduced climate change resilience:* As described previously, the Shar Mountains are an important source of water, not just for local populations, but for the densely populated and economically important irrigated agricultural plain areas of the Polog valley, and downstream urban and agricultural areas along the Vardar River. Loss of critical ecosystem provisioning and regulating services in the

Shar Mountains due to deforestation, unsustainable resource use, and inappropriate development, will over time result in significant changes to the seasonal variation in quantity and sediment load of water derived from the mountains. This puts at risk the large previous investments in irrigation infrastructure in the plains areas ? larger variations in water flow will either flood and damage the system or cause insufficient quantity to be available at high demand periods. Increased sediment loads will reduce effectiveness.

Root causes of threats to biodiversity, land productivity and sustainable livelihoods:

- Analysis of the situation in the Shar Mountains project target area suggests three broad root causes are responsible for the threats described above, namely:

1. High levels of rural poverty, combined with rapid population growth in the foothills, and population decline in higher areas of the mountains;
2. The decline of the relevance and functionality of state forestry and pasture management systems under the new post-socialist socio-economic conditions, and their inability to either meet the needs of populations or effectively conserve and manage natural resources (forests and pastures); and
3. Inadequate recognition at all levels (national, regional and local) of the true values of the ecosystem services provided by the Shar Mountains or the wider economic and human security impacts of their loss.

- Deforestation: The Shar Mountains, like most areas in North Macedonia, have suffered significant and accelerating deforestation and declines in quality in the last decades. This has primarily been driven by widespread illegal logging, principally for fuelwood, carried out by both individual households, organized criminal groups, and even commercial entities employed by the PE National Forests acting illegally. In short, there is a large fuelwood supply and demand crisis in the Shar Mountains, and this is forcing/incentivizing local populations and entities to undertake unsustainable and unregulated forest cutting. The current state forestry management system fails to adequately consider local forestry social needs, and approaches are not adapted to new conditions and are not capable to address these circumstances or meet mandates to conserve and sustainably use the forestry resources.

- An additional contributing factor is the current weak local governance situation, with state institutions losing capacity and influence on local communities? lives, but robust community level structures that could fill the vacuum still emerging and still without strong direction or authority. Given the lack of ownership over local resources and weak governance, there is little incentive or capacity to self-regulate the collection of fuelwood or other forest resources despite the long-term problems it will create.

- *Under grazing of pastures:* Historically, a semi-nomadic pasture system existed in the Shar Mountains with livestock being moved on a seasonal cycle from lower winter pastures to higher spring and summer pastures before the return in autumn to lower pastures and post-harvest agricultural fields. This system has somewhat declined due partly to the incapacity of the state pasture enterprise to maintain high pasture infrastructure and productivity, but mainly due to out-migration of the population from villages in the higher areas of the mountain and the immigration to and expansion of villages in the foothills. This trend is likely to continue resulting in the continued decline of high mountain pastures.

- Disturbance, destabilization and waste pollution by the construction of new buildings and roads, and excessive unregulated tourism facilities: The immigration and resulting increase of population in the foothills during the last decades, combined with the decline in capacity and investments of the state and local authority, has led to an explosion of unregulated residential construction in and around these expanding settlements. This construction takes into little consideration either the impacts (environmental or aesthetic) or the risks from natural disasters (steep slopes, river flood plains, etc.). Local households and entrepreneurs also construct new buildings and roads higher in the mountains to facilitate natural resource access (fuelwood, NTFPs, pasture, etc.) and for personal summer houses. Tourism has also in recent years become a major driver of such construction as it is one of the few alternative livelihood options for local people. This inappropriate development of tourism is also threatening to undermine this potential local income opportunity by reducing the tourism interest of the area, thus damaging one of the options for sustainable reduction of poverty.

Barriers

Barrier 1: limited experience, know-how and models for the practical application of an integrated landscape approach and reform to current natural resources management systems

A critical barrier to the effective application and upscaling of more integrated approaches to natural resource management, which fully incorporate sustainable livelihoods and recognition of realistic ecosystems values, is the limited practical experience, know-how and models for achieving this in the country.

- Historically, sectoral planning and management have been top-down and with poor inter-sector horizontal linkages. The lack of capacity and experience to undertake meaningful ecosystem service valuation, and thence its systematic application within an NCA framework^[4] to guide decision making, is an important underlying cause of failure to focus adequate attention and investment in the management of forests, pastures and sustainable livelihoods in the Shar Mountains, and in rural landscapes generally in the country. Lack of a clear economic justification, and a recognition that the preservation of ecosystem services is critical not just for populations living in specific localities but also for the country (and economy) as a whole, directly impacts decision making and allocating of resources. As highlighted previously, current approaches and related institutional and legal frameworks

for managing key natural resources, specifically forests and pastures, are outdated under current socio-economic and political conditions.

- In fact, the system has become even further centralized and 'top-down' since independence, while at the same time has been expected to become financially self-sustaining. Above all, there will be a need to conceptualize new management approaches, based on international (and ideally regional) practical experience, which can provide a framework for such a transition. Realistically, these specific challenges are too formidable to apply immediately at a national scale and are better addressed at a pilot landscape scale initially, and the practical experience, know-how and models developed then upscaled into national-level policy, legal and institutional reform and operational practice. Similarly, a new experience in sustainable tourism, livelihood diversification and community natural resources governance, etc. are best tried and tested at a pilot landscape scale, and lessons learned, before efforts to upscale nationally.

Barrier 2: National system inertia and limited capacity to adapt and upscale ILM and related BD and LD practices at a national scale

One of the most difficult challenges facing any development process aimed to introduce and upscale new approaches, methodologies and concepts is the need to overcome the inertia of long-entrenched existing systems, approaches and mindsets. As a result, many successful pilot projects and demonstration activities tend to remain isolated examples and do not successfully transition to national level application and impact. Overcoming these barriers to national uptake and application requires numerous steps, beginning with a process of awareness building based on factual evidence and relevant examples. Most powerful of all in most cases is the presentation of strong evidence on evidence of the economic and socio-economic implications of new approaches.

2) BASELINE SCENARIO AND ANY ASSOCIATED BASELINE PROJECTS:

Baseline:

During the PPG phase and based on the intensive stakeholders consultation and review of the existing planning and other available data and documentation, the baseline has been updated and provides further details and clarifications (please also check the clarifications under Section 2.6-2.7 of the Project Document). Mainly, the Government of North Macedonia, with the support of many donors and interested parties (including the EU) has, and continues to, make significant efforts to address identified gaps and weaknesses. This includes substantial efforts to plan and implement actions to address land degradation and deforestation. However, analysis carried out during the project development has identified several areas where the current baseline activities will not fully address the key threats, root causes and barriers identified.

Type	Gap (in baseline 'status quo' scenario)
------	---

Policy framework	Although N. Macedonia has recognized the importance of biodiversity and land degradation issues and pursued efforts to improve forestry and pasture use improvements, the current policy fails to adequately recognize and incorporate the linkages and synergies between forest management, pasture management and sustainable rural development. As a result, there is a continued narrow sectorial approach that fails to integrate these efforts with the result that they fail to effectively address the root causes of threats and are inefficient and even counterproductive. The policy framework additionally lacks any significant recognition of natural capital concepts and the economic, rural livelihood, CC resilience and cultural values of ecosystem services to the country and which, in a mainly rural and mountainous country, underpin future sustainable development. This is reflected in the irrational policy support for SHPPs and the lack of policy support for strengthening integrated approaches to rural development, natural resources management and biodiversity conservation.
Legislative context	N. Macedonia has since independence establish a comprehensive set of generalized environmental and natural resource use and monitoring legal documents but has progressed less effectively with more sectoral legislation related to natural resource use (forestry, pasture, etc.) which remains strongly orientated to the past communist era centralize planning systems. These have proven in recent decades to not be ?fit for purpose? but reforms to introduce new approaches have been partial due to a lack of national-level relevant experience that could provide models and limited awareness of international best practices.
General institutional issues	As a consequence of the communist legacy and insufficient policy and legal reforms, state natural resource management institutions retain outdated centralist planning and management approaches, a narrow focus, while at the same time being required to increasingly self-generate operational budgets. As a result, they are increasingly ineffective at achieving sustainable conservation and use of natural resources under new socio-economic circumstances. Poor recognition at the policy level of the wider economic, CC resilience, natural disaster risk reduction, and social needs of functional ecosystems means that NR and environmental protection institutions are underfunded. There are few if any institutional mechanisms for integrating efforts of key institutions and a weak awareness/capacity at central level to conceptualize and apply adaption to on-ground realities.
Specific Technical issues	Technical capacity is constrained in the key NR institutions both at central and project target area levels in terms of new approaches to NR management, and in particular in terms of more sustainable management approaches, and more holistic and synergistic approaches. The Shar NP Management Authority requires extensive technical capacity development in order to effectively meet its multi-sector sustainable use and conservation objectives.
Data	Although efforts to strengthen natural resources and biodiversity monitoring have been initiated this remains currently rather theoretical and only partially developed with limited benefit to situational evaluation or decision making. Weak field-level data collection of key NR institutions, combined with narrow sector focus, results in data of limited depth and which provides an inadequate picture of the interrelated NR, socio-economic, NDRM and biodiversity reality in the country.
Research and development	There is limited (or no) research and development in the application of ecosystem service values concepts to economic planning, sustainable forest and pasture management practices, fuel wood substitution/rural renewable energy options and other key NR issues in N. Macedonia.

Management practices	There are significant constraints in N. Macedonia with both knowledge of international best practices in NR management, rural development and biodiversity conservation, and a limited systematic analysis of traditional best practices that are being lost but provide a basis for locally relevant sustainable use. Examples of poor practices still applied to include clear-fell forestry, construction on high-risk flood sites, stubble burning, poor agro-chemical use, waste management practices, etc. There is a priority need to improve land management and land user knowledge and know-how on improved practices at a field level and extension systems for upscaling and replication.
-----------------------------	---

- Linkages with other GEF and non-GEF interventions:

North Macedonia has so far implemented a number of projects and initiatives as an intervention based on laws and regulations related to biodiversity conservation, land management, pastures, forestry and tourism. Some of these projects' outputs and results can serve as a beneficial platform for this GEF project. The baseline projects (that were additionally identified in the PPG phase) with whom active coordination needs to be maintained are presented below:

Name of the project, Duration	Description of activities and envisaged outcomes
Improving Resilience to Floods in the Polog Region. (2019-2023) Amount: 10,000,000 \$	The project's goal is to instigate transformational change in managing flood risk in the region, accelerating the shift from purely reactive responses to floods to integrated systems to manage hazards, vulnerabilities and exposure of communities and assets to prevent/mitigate losses and alleviate the impact of future floods. The project is implemented by UNDP and financed by the Governments of North Macedonia and Switzerland, as well as the State Secretariat for Economic Affairs SECO.
Anti-erosion planning, landscaping and engineering design (2020-2022)	Anti-erosion planning, landscaping and engineering design for watershed management on mountain Skopska Crna Gora. The project is implemented by UNDP and financed by the City of Skopje.
The project for Underground water scoping and zoning	SDC contracted SKAT (CH) for the scoping phase until mid-2022 with Plan to be developed a 10-year project for monitoring, mapping, and sustainable interventions at pilot sites for drinking water.
Advancing environment and climate change education (Dec. 2020-Nov 2023) Amount: 1,800,000\$	Implemented by UNICEF and funded by the Swedish International Development Cooperation Agency (Sida), the programme is an inter-sectoral effort, involving all relevant institutions, to advance environmental and Climate change education for future generations. The programme consists of two pillars. The first pillar of the programme is establishing foundations for the relevant and consistent environment and climate change education and strengthening the system and services offered to students, parents and teachers to nurture knowledge and skills for problem-solving and environmental sustainability. The second pillar is going to provide children, young boys and girls, with contemporary knowledge and skills, and empower them to actively contribute to and enhance the community's response to environmental impact and climate change. Results of this project can serve as a useful platform for this GEF intervention.

<p>Programme for Nature conservation ? II Phase (2017-2021) and exit (III) phase (2021-2024)</p>	<p>The long-term Nature Conservation Programme (NCP) in North Macedonia, financed by SDC aims at assisting the country in the conservation of its exceptional biological diversity and natural ecosystems by promoting sustainable management and use. The holistic approach of the programme allows to design and implement activities related to nature conservation and sustainable use of resources on a national, regional (Bregalnica watershed) and local level. Some of the important results are: the proclamation of 2 protected areas Osogovo and Maleshevo, prepared a spatial plan for the East planning region, identified Natura 2000 sites, prepared regional forest management plan, support of rice and honey producers, restored riparian vegetation, etc.</p>
<p>Capacity Building for Ecosystem-Based Disaster Risk Reduction through Sustainable Forest Management in North Macedonia (2018 ? ongoing) Amount: 1,500,000\$</p>	<p>The project started in 2018, funded by Japan International Cooperation Agency (JICA) and implemented by the Crisis Management Centre, Public Enterprise National Forests and MAFWE. The overall goal of the project is the development of Ecosystem-based Disaster Risk Reduction (Eco-DRR) measures and activities in synergy with sustainable forest management, disaster risk of floods, landslides, soil erosion and forest fire in North Macedonia.</p>
<p>Ohrid ? Prespa Nature Trust Fund Programme (2015 - 2032)</p>	<p>Ohrid ? Prespa Nature Trust Fund (PONT) enables protected areas management authorities in the wider Prespa-Ohrid region to develop and implement their management plans and to conserve the environment through sustainable co-financing of operational costs. PONT?s Mission is to conserve nature for a sustainable future in the Prespa-Ohrid ecoregion through long-term partnerships and financing?. By the end of 2021, PONT focus region was expanded and covers also Korab-Shar and Albanian Alps regions as well as ecological corridors thus providing effective long-term funding support to the parks and conservation organizations in the region and fostering their participation and collaboration.</p>
<p>Protected areas for nature and people II (2019-2022) Amount: 2,000,000\$</p>	<p>Protected areas for nature and people II are a project implemented by WWF and Dinaric Arc Parks (financed by SIDA), involving civil society organizations and local people with a vision and passion for nature protection, helping improve management and enhance interaction with people living in or around these sites.</p>

<p>Integrated climate-resilient transboundary flood risk management in the Drin river basin in the Western Balkans.</p> <p>(2019-2024)</p> <p>Amount 2,360,000\$</p>	<p>The objective of the "Integrated climate-resilient transboundary flood risk management in the Drin River basin in the Western Balkans (Albania, the Former Yugoslav Republic of Macedonia, Montenegro)" project is to assist the riparian countries in the implementation of an integrated climate-resilient river basin flood risk management approach in order to improve their existing capacity to manage flood risk at regional, national and local levels and to enhance the resilience of vulnerable communities in the DRB to climate-induced floods. The countries will benefit from a basin-wide transboundary flood risk management (FRM) framework based on: improved climate risk knowledge and information; improved transboundary cooperation arrangements and policy framework for FRM and; concrete FRM interventions.</p> <p>Expected Outcomes</p> <p>Component 1: Hazard and Risk Knowledge Management Tools</p> <p>Component 2: Transboundary institutional, legislative and policy framework for FRM (Flood Risk Management)</p> <p>Component 3: Community-based climate change adaptation and FRM interventions.</p> <p>The project is implemented by UNDP and financed by Adaptation Fund.</p>
<p>Enhancing Environmental Performance and Climate Proofing of Infrastructure Investments in the Western Balkan Region from an EU integration perspective ? CLIMA PROOF</p> <p>(2016-2022)</p> <p>Amount: 1,500,000 EUR</p>	<p>The project aims to improve the capacities of the countries of the Western Balkans countries concerning climate proofing investments in the infrastructure sector. This shall be achieved through the integration of EU best practices with regards to climate-proofing and green infrastructure in the development of road infrastructure.</p>
<p>Strengthening institutional and technical Macedonian capacities to enhance transparency in the framework of the Paris Agreement (CBIT Project)</p> <p>(2018 ? 2022)</p> <p>Amount: 2,730,000 \$</p>	<p>The project contributes to the PSD outcome 4: ?By 2020, individuals, the private sector and state institutions base their actions on the principles of sustainable development, and communities are more resilient to disasters and environmental risks?, and the CPD Output 4.2. ?Public and private actors have improved capacities to implement, monitor and evaluate policies related to the environment, climate change and nature protection?. Moreover, it will assist the country in achieving the SDG 13 by supporting the integration of climate change measures into national policies, strategies and planning; building knowledge and improving education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning, and promotion of mechanisms for raising capacity for effective climate change-related planning and management in the country.</p>

<p>Upgrade of institutional and administrative capacities in line with Common Agricultural Policy requirements (2017 - 2022)</p> <p>Amount: 2,830,000 \$</p>	<p>This project is implemented by FAO in cooperation with the Ministry of Agriculture, Forestry and Water Economy (MAFWE). FAO has been providing technical assistance to the MAFWE to develop its capacity to implement a National Land Consolidation Programme. The project enables the Ministry to gain practical experience with different approaches to land consolidation, allowing farmers to consolidate the fragmented parcels of their land, which is considered a barrier for applying modern practices of soil and water conservation one of the factors of unsustainable and inefficient land use.</p>
<p>Green Climate Fund Readiness and Preparatory Support Programme (2020-2022)</p> <p>Amount: 500,000 \$</p>	<p>?Support for the management of an effective national coordinative mechanism regarding the Green Climate Fund?</p>
<p>Sustainable Future for Sharr/ Korab-Koritnik Project (2021 ? 2023)</p> <p>funded by the DBU, Jensen-Funds, and EURONATUR</p> <p>Amount: 520.000 EUR</p>	<p>The project aims for sustainable regional development, combined with the reduction of threats to biodiversity in the Sharr/Korab-Koritnik region with the local population as the main driver.</p> <p>Project activities include model projects by local actors for forestry, beekeeping, tourism, and livestock from different sectors with the aim to support sustainable livelihood and at the same time ? reduce threats to biodiversity, such as:</p> <ul style="list-style-type: none"> -capacity building of sustainable practices and improvement of production, -support diversification of products, -improvement of conditions and market options for cultivation, -awareness-raising of ecosystem services of forests to the local public, -improvement of infrastructure, and -cooperation between tourism providers/offers.

Regular coordination and communication meetings shall be arranged with the project teams of all above-mentioned projects and other identified projects and all activities will be facilitated with the Ministry of Environment and Physical Planning. Synergy activities will be initiated and coordinated among projects in order to have a wide success and sustainability of results.

3) PROPOSED ALTERNATIVE SCENARIO WITH A BRIEF DESCRIPTION OF EXPECTED OUTCOMES AND COMPONENTS OF THE PROJECT

The overall project objective is therefore to ?Support national and local efforts for achieving LDN and Biodiversity Targets in North Macedonia through the application of an integrated landscape approach in the Shar Mountains?.

In order to achieve this overall objective, the project has two components: the first is aimed at systematically supporting national and local stakeholders to plan and implement an interlinking set of actions, related to forestry, pasture, water resources, agriculture, sustainable livelihoods, community awareness and capacity in the Shar Mountains, within the framework of an integrated plan. The project

will seek to initiate both an improved understanding of the inter-linkages of social, economic, biodiversity and land degradation issues and as a result behavioural change at all levels (resource use agencies, municipalities, local communities, etc.). These actions will be aimed at avoiding, reducing or reversing land degradation, loss of biodiversity and ecosystem functions. Within this component, the project will also support the capacity for natural capital accounting, a functional integrated LDN/BD monitoring and reporting system and, based on this, participatory ILM planning for the Shar Mountains target area. In the process, the project will build the national capacity and practical know-how for applying NCA and integrated LDN/BD monitoring in other parts of the country. Component 1 has three outcomes aimed collectively to enable, plan and support the initial implementation of an Integrated Landscape Management (ILM) approach in the Shar Mountains target area. The overall ILM plan timeframe for Shar Mountains should be not less than 10 years, and thus the project's role is to support the development and initiation of the ILM plan in the first 4 years through capacity building and support to the development of the innovative tools and mechanisms for achieving its goals.

The three outcomes under Component 1 are designed to systematically achieve this aim and ensure the national and local stakeholders have a sound basis for ongoing ILM in the target area thus providing a basis to address a key root cause for unsustainable use of natural resources in the project area (forests, pastures and waters on Shar Mt) while considering the social and livelihood needs of local populations. In doing so the project will help bring about a significant shift in the approach to natural resources management and sustainable rural development in the Shar Mountains, and the capacity, experience and know-how to facilitate its wider replication nationally (see Component 2).

Outcome 1.1 is intended to provide an enabling framework for allowing different stakeholders to improve the coordination and synergistic planning and implementation of activities under an agreed planning 'umbrella' that ensures the individual sectorial interests are better balanced (resource management agencies, local government, local communities, tourism and other users, etc.).

Outcomes 1.2 and 1.3 are intended to strengthen the basis in the Shar Mountains for the actual implementation of ILM through improvements in the natural resource management systems, plus local community capacity to cooperate and collaborate as part of those systems: Outcome 1.2 is thus targeted to reforming and pragmatically adapting the management methods and approaches used by natural resource management agencies (NP, PENF, PEMP) to be more effective and sustainable under current socio-political conditions, and more responsive to both biodiversity/LD threats and the needs of the local population; Outcome 1.3 is targeted to strengthening local population awareness and capacity to play a positive role and achieve sustainable livelihoods. Thus, in combination, the 3 outcomes are expected to allow a fundamental adjustment in approach to natural resources management that leads to benefits for all parties and ensures both better conservation of biodiversity and preservation of nationally important ecosystem services.

The second component of the project focuses on capturing the experience and lessons learned from the Shar Mountains demonstration site and ensuring that this is effectively packaged and disseminated in a way that ensures the maximum internalization of the findings within the key national institutions, and enables national replication and upscaling. It will further support the initial steps needed to bring about the upscale of key innovative mechanisms/tools developed (LDN/BD monitoring and reporting system, natural capital accounting, adapted forest and pasture management systems, diversified rural incomes and energy options, etc.) through targeted policy recommendations and followup to replication. Outcome 2.1 of the project will be based on a pragmatic impact evaluation (Output 2.1.1), providing

clear and factual validation of the benefits of the ILM approach for achieving synergistic impacts for both rural sustainable livelihoods, and directly linked ecosystem services, and meeting LDN and biodiversity targets. This will include the relevant experience and lessons learned of the key role local land users must play, and in particular women, and the lessons learned in terms of practically incorporating gender actions into sustainable natural resource management activities and LDN models. It will also ensure the overall lessons learned (both positive and negative) can be fed back into adaptive management of the Shar Mountains, and incorporated into the replication and upscaling of ILM approaches and the LDN concept and principles elsewhere in the country. This will include gathering factual evidence to support the benefits of the overall ILM approach, and the specific thematic innovative approaches to resource management in order to provide solid evidence for their adoption into wider national planning and development frameworks.

The project will then leverage this evidence to ensure national-level recognition, acceptance thence adoption of more integrated approaches into national and regional planning and development process through concrete planning/policy recommendations (Output 2.1.2) and a set of events (workshops) and publications/media events to build understanding and commitment of stakeholders (Output 2.1.3) ensuring adequate representation of all stakeholders (including typically underrepresented groups and gender balance). In addition, a set of practical 'how-to?' manuals will be developed to facilitate replication of the most successful aspects of the project and support practical upscaling in the future.

Finally, Outputs 2.1.4 and 2.1.5 will go further by a). Supporting the further 'roll out?' of a refined / streamlined version of the integrated LDN and BD Monitoring and reporting system developed and applied in Shar Mountains through support to its replication in other areas of the country and targeted capacity building as required to ensure is an ongoing sustained function (output 2.1.4). The utilization of the information being generated will also be followed through in order to ensure it can directly support and enable improved decision making on the application of the LDN concept and the need for integrated approaches at landscape scales, and; b). developing concrete recommendations on how the application of natural capital accounting can be meaningfully incorporated into existing national economic planning and management (output 2.1.5).

4) ALIGNMENT WITH GEF FOCAL AREA AND/OR IMPACT PROGRAM STRATEGIES;

The proposed project is fully aligned with the following GEF strategic long-term BD and LD focal areas and objectives:

BD-1-1: Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors

BD-1-3: Mainstream biodiversity across sectors as well as landscapes and seascapes through Natural Capital Assessment and Accounting

LD-1-1: Maintain or improve the flow of agro-ecosystem services to sustain food production and livelihoods through Sustainable Land Management (SLM)

LD-1-4: Reduce pressures on natural resources from competing land uses and increase resilience in the wider landscape

LD-2-5: Create enabling environments to support scaling up and mainstreaming of SLM and LDN/

5) INCREMENTAL/ADDITIONAL COST REASONING AND EXPECTED CONTRIBUTIONS FROM THE BASELINE, THE GEFTF, LDCF, SCCF, AND CO-FINANCING AND 6) GLOBAL ENVIRONMENTAL BENEFITS (GEFTF) AND/OR ADAPTATION BENEFITS (LDCF/SCCF);

A tabular summary of the incremental reasoning for the project is presented below, based on the baseline analysis and the elaboration of the intervention strategy detailed in Sections 2 and 3 of the Project Document. It compares the likely outcomes of the current baseline (business as usual scenario) with the expected outcomes of the alternative scenario (with project interventions), thus distilling environmental benefits at global and national levels that can be attributed to the project as its incremental contribution.

<p>Baseline Scenario B (Business as Usual)</p>	<p>Alternative Scenario A (with project interventions)</p>	<p>Local/National and Global Environmental Benefits (A - B)</p>
--	---	---

Component 1: Practical application of integrated landscape approach to achieving LDN (Land Degradation Neutrality) and BD (Biological Diversity) targets in the pilot area of the Shar Mountains and dependent ecosystems service area (peripheral productive landscape)

Baseline: Despite the significant efforts to improve the conservation and sustainable resource use of the Shar Mountains through the establishment of the NP there remain serious gaps in a). capacity and know-how to implement new and better-integrated approaches in the NP, b). only partial coverage of the functional landscape and population that impact/depend on it, and thus gaps in addressing the root causes of threats

Probable results:

- ? National Park and other local stakeholders within the NP initiate sectorial initiatives within the framework of the NP management plan but the impact is limited due to a lack of awareness and knowledge of new approaches, limited technical and material capacity, and financial constraints. Potentially, transferring the complex and highly challenging process of natural resource management to the newly established NP Authority will cause a decline in effective management. The restrictions on accessing resources such as firewood will increase conflict in communities, which may cause an increase in illegal activities within the boundaries of the national park.
- ? The absence of an over-arching mechanism for integrating planning, coordination and synergistic management of the whole Shar landscape will result in not addressing the root causes of threats.
- ? Although the NP Authority is willing to closely work with communities in a collaborative way, barriers such as limited awareness and capacity will hamper these consultation processes.

Under the GEF funded Alternative scenario the following key results will be achieved:

- ? Improved capacity of Shar Mountains stakeholders to plan and collaborate more effectively to achieve synergistic BD, sustainable natural resource use, and sustainable livelihoods,
- ? Improved forestry management that meets conservation and social needs
- ? Improved pasture management that maintains traditional practices and landscape/BD, and reverses negative livelihood trends
- ? More sustainable development of tourism that minimizes negative impacts brings equitable benefits and generates income for management
- ? Strengthened awareness and capacity of local communities play an important role in sustainable use of the natural resource that underpins livelihoods and a reduction in potential conflicts.
- ? Preservation of hydro-ecological ecosystem services

Local/national benefits:

- ? Introduction and capacity building to better evaluate natural capital values
- ? Basis and capacity to undertake landscape-scale integrated landscape management
- ? An improved picture of natural resources and needs provides a basis for the more rational and better-integrated management and effective collaboration to achieve synergies
- ? Reduced illegal logging activities in the project target area
- ? Reduced land abandonment in the project target area
- ? Technical support for practical initiation of new natural resource and BD management approaches (forest, pasture, arable)
- ? The strengthened basis for monitoring LD/BD indicators and thus management impact
- ? Increased capacity and role of local communities to constructively play a role, meet self-determined

Component 2. Support to national level adoption and upscaling of ILM and related LD and BD best practices

Baseline: At a national level, there have been significant efforts to improve policy and legal frameworks but there remains a continued lack of models or awareness for achieving more synergistic and environmentally/economically sustainable rural development, and thus significant gaps in this regard within policy, legislation and institutions. LD and BD monitoring remains weak and not used to inform planning and decision making. Understanding and capacity to apply natural capital accounting approaches to develop and apply more rational economic planning is absent.

Probable results:

- ? In the absence of examples and practical experience on ILM and sustainable natural resource use and rural development approaches, N. Macedonia will continue to make partial and unsystematic adjustments and reforms on a narrow sectorial basis, which will continue to have limited on-ground benefits to the conservation of BD, sustainable natural resource use and reducing land degradation
- ? Limited recognition of NC values will lead continued lack of recognition of the economic importance of maintaining key ecosystem services and functional landscapes, not only for specific areas/population, but for the country as a whole.
- ? Weak capacity to monitor changes in key BD/LD and other environmental parameters will prevent an accurate picture of ongoing trends and reduce the efficiency of policies and plans to respond to these changes.

Under the GEF funded Alternative scenario the following key changes in situation will be achieved:

- ? A well-documented national example and experience of applying ILM approaches and more integrated and sustainable BD/LD/ and rural development interventions in practice will provide a basis for legal, policy and institutional reforms and upscaling of these approaches in the country.
- ? Awareness, increased national know-how and practical example on NCA approaches and their application will provide a basis for NCA increased acceptance within key national stakeholder institutions and decision-making bodies.
- ? A strengthen and functionally operating national environmental monitoring system, that effectively collects, processes and disseminates data on BD/LD trends will improve the informational basis for future effective natural resources planning, policy and management

Local/national benefits:

- ? Model and example of ILM approach
- ? NR examples and experience of direct value to wider resource management policy, legal and institutional reforms
- ? A functional national environmental monitoring system and capacity to manage and develop it.
- ? Increase knowledge and

Global benefits:

- ? Support to North Macedonian LDN target/s for:
- ? Development of national capacities for continuous and comprehensive monitoring of LDN indicators and the effects of implemented SLM practices
- ? Development of a national system for monitoring drought and drought effects and implementation of mitigation measures in the most vulnerable areas in the country to LDD
- ? Conservation and sustainable use of globally important

The incremental costs and benefits of the proposed project are summarized in the following incremental cost matrix. The incremental cost of the project, USD 58,588,012, is required to achieve the project's global environmental benefits. Of this amount, USD\$ 3,713,422 (representing 6% of the total) is being requested from GEF. The remaining amount of USD 54,874,590 (94%) of the total cost will come from the Government of North Macedonia and other national and international donors. The figure includes both in-kind and cash contributions. The table below describes the above in more detail.

Sources of Co-financing	Name of Co-financier	Type of Cofinancing	Investment Mobilized	Amount (\$)
Recipient Country Government	Ministry of Environment and Physical Planning	In-kind	Investment mobilized	22,551,160
Recipient Country Government	Ministry of Environment and Physical Planning	Cash	Investment mobilized	6,637,930
Recipient Country Government	Public Institution National Park Shar Mountains	In-kind	Recurrent expenditures	100,000
Recipient Country Government	Public Enterprise for Pature Management	In-kind	Recurrent expenditures	300,000
Donor Agency	Embassy of Switzerland in North Macedonia ? Swiss Cooperation Office	In-kind	Investment mobilized	24,135,500
Donor Agency	UNEP	In-kind	Recurrent expenditures	500,000
Civil Society Organization	Mountaineering Federation of North Macedonia	In-kind	Recurrent expenditures	120,000
Civil Society Organization	Mountaineering Federation of North Macedonia	Cash	Recurrent expenditures	30,000
Civil Society Organization	Macedonian Ecological Society	In-kind	Recurrent expenditures	200,000
Civil Society Organization	Balkan Foundation for Sustainable Development	In-kind	Recurrent expenditures	300,000
Total Co-financing				54,874,590

7) INNOVATIVENESS, SUSTAINABILITY AND POTENTIAL FOR SCALING UP. ?

Innovativeness: The project is highly innovative in the context of N. Macedonia in a number of significant ways. Firstly, it is introducing and attempting to embed in future development through demonstration in a pilot target area, the concept of an integrated landscape management approach that better balances the different needs and demands of all stakeholders while ensuring maximization of inter-sectoral synergies. This is a major departure in approach from the past, but critical if future rural development, LD/BD and sustainable rural development goals are to be achievable. Secondly, the project intends to introduce a number of entirely new conceptual tools and methodologies to natural resources planning and management. Perhaps the potentially most significant of these is the pilot demonstration/application of the Natural Capital Accounting approach, something never previously

applied in N. Macedonia. Others include the development of mechanisms for SHPPs impact mitigation, sustainable tourism, fuelwood needs assessment and supply, etc.

In terms of monitoring, the project will attempt to introduce a cost-effective and synergistic application of integrated BD and LD indicators as a basis for tracking both impacts of the project in the Shar Mountains, and for upscaling nationally as a means to monitor and respond to trends in the status of these interlinked issues. The project will also be pursuing the greater integration and role in the development process by actual land users and local communities dependent on natural resources and ecosystem services in the project's target territory. This will be done through both support to the local community's capacity to play a role, combined with their greater involvement and representation in key local natural resource management (forestry, pasture and arable, waste management, etc.). This again is innovative in the former communist institutional and planning framework of N. Macedonia.

Sustainability: The above detailed innovative approaches are an important factor to increase the likelihood of sustained impact and locally-driven commitment and motivation to pursue sustainable practices of mutual interest to all parties. The strong emphasis in the project on incorporating local land users' and communities' interests and needs in future management is probably the most critical aspect of the project in this regard. Additional important aspects include the emphasis on the financial sustainability of the different aspects of the project including the over-arching institutional mechanisms (ILM coordination and the NP management authority) and new approaches to pasture, forest and other land use initiatives/adjusted approaches; the extensive capacity-building of both local and national stakeholders, through both formal training and but as if not more importantly, through 'in-process' approaches to building practical know-how and sustained capacity; the introduction of methodologies to better evaluate and judge the economic basis for sound natural resources management, BD conservation and rural livelihoods.

Replication: Consideration of replicability is built into the project both at the target project area level and nationally. At the local level, the intent is to pilot/test new approaches both to the overall integration of efforts but also the management of specific resources (forest, pasture, arable, water, etc.) and to build technical and managerial capacity to continue the application and further adaption of these approaches. This will ensure their replication. At a national level, the project Component 2 is entirely devoted to facilitating the experience and lessons learned from the project target area are disseminated and the knowledge and capacity to replicate them in relevant areas and contexts throughout the country are built.

Scaling up: Following on from the above text on replication, the project design is precisely aligned with providing both the basis for replication and for scaling up the positive experiences and lessons learned in the target area. Direct practical experience gained in different sectors of resource management should directly feed into legislative and institutional reforms which, combined with the experience of what works in practice on the ground, has enormous potential for national scale scaling up. Likewise, support for the national environmental monitoring system has national scale intent. The introduction of NCA approaches has the potential to fundamentally adjust the basis used for future natural resources and rural development planning and policy.

[1] <https://eppanetwork.eu/biodiversity-in-the-western-balkans-and-turkey/>

[2] Please see the following literature on environmental problems of under grazing - Rosales M. et.al, Grazing and Land Degradation in CIS Countries and Mongolia. FAO; El Aich, A., and A. Waterhouse. "Small ruminants in environmental conservation." Small Ruminant Research 34.3 (1999): 271-287; Zellei, Anett. Challenges for agri-environmental policies in CEE countries. No. 3. CEESA discussion paper, 2001.

[3] Jovanovska D. (2021) Valued landscapes facing rapid environmental change: Integrating cross-cultural views in a visual quality assessment of Shar Planina, North Macedonia, Staffordshire University

[4] Ecosystem valuation is the measurement and valuation ? in monetary and non-monetary terms ? of ecosystem services. These assessments can include non-monetary assessments of ecosystem integrity, health, or resilience as well as valuation of specific ecosystem goods/services in monetary terms. The information provided by these assessments are often valuable to decision-making. Natural Capital Accounting (NCA) is commonly defined as the measurement of stocks of natural resources (both renewable and non-renewable) and the flows of benefits they provide. The differentiation between NCA and ecosystem valuation is that NCA is often a repeated, regular effort following accounting standards. NCA seeks to capture and integrate the contribution of nature into the systems that the private and public sectors use to make decisions. (Gabarone Declaration 2012)

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

Specific Target Area of Project: The specific target area for the project covers approximately 697.8 km² of the mountain landscape. This area includes all the typical habitats, land use and environmental issues facing the mountains, as well as its highest biodiversity values.

Map 1: Specific project target area



1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Civil Society Organizations Yes

Indigenous Peoples and Local Communities Yes

Private Sector Entities Yes

If none of the above, please explain why:

Please provide the Stakeholder Engagement Plan or equivalent assessment.

?- Almost all relevant stakeholders were identified in the PIF, and their roles and responsibilities were more clearly defined during PPG phase. A short summary of Stakeholder Consultations during

the PPG phase and the stakeholder engagement plan is provided below. Please see ProDoc, Section 2.5 and 5 for more details.

Participation during project development:

Stakeholders? Participation during Project Development:

The project concept idea was submitted before the new National Park the Shar Mountains was proclaimed, at the beginning of 2021. The project concept was prepared by UNEP in coordination with MOEPP based on the outcomes from the STAR5 project and was mainly designed to follow the next development steps to support the new National Park becoming functional. After it was approved by GEF, the idea was further developed by a large team of several national, and two international consultants and a wide consultation process that contributed to its further development.

- UNEP, in cooperation with MOEPP, identified a large pool of relevant stakeholders and organized an online inception meeting on the 17th of December 2021 with 67 participants from different national and local authorities, scientific and other relevant national, international organizations, local communities and civil society associations. The inception meeting objective was to present the foreseen project objectives and components, outcomes, and outputs and invite the participants to contribute to the design of the project activities during the consultation process.

- Following the inception workshop, series of consultative meetings with various national stakeholders were held during the PPG phase. The meetings were organized by grouping the stakeholders and following a few thematic discussions such as forests, pastures, water resources, tourism, improvement of local people's life and the scientific aspects of the project proposal. The objective of all stakeholder meetings was to jointly identify priority actions and roles in the project implementation. In addition, a separate meeting with various donor organizations was held to avoid overlap of project activities and to ensure synergies with previously or currently implemented initiatives. The representatives from MOEPP and NP the Shar Mountains participated in all consultative meetings.

Based on the outcome of the stakeholder consultation meetings during PPG, the project team developed the list of proposed activities that will contribute to the completion of project outputs and outcomes. Furthermore, the stakeholders? roles have been defined in detail through their engagement in different levels and project activities such as workshops, training, pilot projects, field work and expertise etc. On the 18th of March 2022, a project validation meeting was held with the representatives of MOEPP and 64 participants representing relevant stakeholders to discuss the project design, project activities and modes of implementation. The objective of the validation workshop was to present and review the developed project preparatory documentation, present the work plan and expected deliverables, as well as project implementation arrangements and stakeholders? involvement through the entire process.

-

Stakeholders? Participation in the Implementation Phase:

- To ensure that there are no disproportionate impacts on disadvantaged or vulnerable groups, appropriate involvement of targeted communities and groups such as women and the private forest owners will be ensured throughout the project implementation. The project will involve different stakeholders in the project decision-making through the following mechanisms:

Project stakeholders would participate in the multi-stakeholder inception workshop within three months of the start of the project. The purpose of this workshop would be to create awareness amongst stakeholders of the objectives of the project and to define their individual roles and responsibilities in project planning, implementation and monitoring. The stakeholders would be acquainted with the most updated information (objectives, components, activities, roles and responsibilities of stakeholders, financial information, timing of activities and expected outcomes) and the project work plan. The workshop will be the first step in the process to build partnership with the range of project stakeholders and ensure that they have ownership of the project. It will also establish a basis for further consultation as the project's implementation commences. The inception workshop will address a number of key issues including: assisting all partners to fully understand and take ownership of the project; detail the roles, support services and complementary responsibilities of different concerned parties like MOEPP, MAFWE, NP Shar Mts. Managing authority, UNEP, GEF, municipalities and local communities, private sector, civil society associations, including youth, women and children. It will also discuss means of communication and reporting, monitoring and conflict resolution mechanisms.

As part of the project Output 2.1.3, the project will support development of a *Stakeholders Communication Plan/Strategy* to facilitate awareness, review and informing of policy, stakeholder participation and documentation of best practices related to the project. The project communication strategy will ensure that all stakeholders, including communities have direct access to the information about the project activities and results. This will ensure that all stakeholders are informed on an ongoing basis about: the project's objectives; the projects activities; overall project progress; and the opportunities for involvement in various aspects of the project's implementation. This strategy will ensure the use of communication techniques and approaches that appropriate to the local contexts such as appropriate languages and other skills that enhance communication effectiveness. The information will be shared via newspapers; posters, radio and television developed in non-technical manner.

During the actual project implementation, the project team will organize *continuous meetings with the main stakeholders* including relevant ministries, CSOs, local partners, local communities and other relevant stakeholders with the aim of discussing achievements, challenges faced, corrective steps taken and future corrective actions needed for the implementation of planned activities. It would be ensured that the groups of local communities have the participation of women and vulnerable persons among the local communities. Result based management and reporting would consider inputs taken from stakeholders during such meetings. All meetings will be properly recorded.

Project Steering Committee (PSC) will be established at the inception phase to monitor project progress, to guide the project implementation and to support the project in achieving its listed outputs and outcomes. The PSC will be multi-disciplinary and multi-sectoral in fields related to nature protection, forestry and land use planning. The PSC will include representatives of relevant Governmental institutions of North Macedonia, including, but not limited to the current line ministries responsible for environmental, nature and land protection issues ? the Ministry of Environment and Physical Planning and the Ministry of Agriculture, Forestry and Water Economy. Membership will also

include UNEP representatives, as well as GEF UNCCD and CBD Focal Points in the North Macedonia and representatives of targeted municipalities. The PSC will meet regularly (at least twice a year) or according to project needs, to review project progress, discuss and agree on project work plans, provide direction and guidance, and assist in project implementation, as well as provide synergies with other complementing initiatives and ongoing projects. One of the key tasks of the PSC will be to ensure coordination and synchronization of central and local-level activities supported by the project.

In line with UNEP standard procedures, the Project will set up and manage a *Grievance Redress Mechanism (GRM)* as recommended by the UNEP ESSF (2020) that would address project affected persons' grievances, complaints, and suggestions. The GRM will be managed and regularly monitored by the Project Steering Committee. It will comply with the following requirements:

? Uptake: The GRM will have multiple uptake locations and channels. Project Affected Persons (PAPs) in the project area will be able to submit complaints or suggestions through a few channels, including the assigned members of the Project Steering Committee in person, via mail, email, via web site and telephone. These channels will be locally appropriate, widely accessible and publicized in written and verbal forms on all project communication materials, and in public locations in the project areas. Since the project will be dealing with local community members, they will be able to communicate their problems directly to the municipalities, the administration of the national park, project partners, and M&E experts. These entities will be responsible for the functioning as an interface for the grievance redress mechanism.

? Sort and process: All grievances will be registered by the project team and assigned a unique tracking number upon its submission. The project team will maintain a database with full information on all submitted complaints and responses taken. These data are important to assess trends and patterns of grievances across the project target areas and for monitoring & evaluation purposes.

? Investigate and act: The PSC will develop clear and strict grievance redress procedures, and assign responsibilities. Difficult situations and conflicts will always be brought to the attention of UNEP. A repository of all the grievances received from the different stakeholders will be maintained at the project team for monitoring and evaluation purposes and for learning purposes. This aspect will be facilitated through Component 2 relating to communication and knowledge sharing. Further, this information will be used to assess trends and patterns of grievances for management, monitoring and evaluation purposes.

? Provide feedback: Feedback will be provided in response to all registered grievances. After consulting PSC and UNEP, the project team will provide feedback by contacting the complainant directly (if his/her identity is known), by reporting on actions taken in community consultations and/or by publishing the results of the complaints on web site, local newspapers or as part of project materials. Once some decisions/actions are taken on a complaint, the complainant will be informed about that.

? Enable appeals: Complainants will be notified of their right to appeal the decision taken by the PSC. Environmental and social grievances will be reported to the GEF in the annual PIR.

? Monitoring and evaluation: All information about the grievances and their resolution will be recorded and monitored. This data will be used to conduct in-depth analyses of complaint trends and patterns, identify potential weaknesses in the Project implementation, and consider improvements. Environmental and social grievances will be reported to the GEF in the annual PIR.

Another mechanism that can be used in the project framework is the UNEP's *Stakeholder Response Mechanism (SRM)* <https://www.unep.org/resources/report/uneps-environmental-social-and-economic-sustainability-stakeholder-response> The SRM serves as a complementary mechanism to local grievance redress processes and mechanisms that are established by the UNEP projects and programs. In the event that local grievances are not resolved by the project, stakeholders can access UNEP's SRM and express their concerns about the project <https://www.unep.org/about-un-environment/why-does-un-environment-matter/un-environment-project-concern> All information about the grievances and their resolution will be recorded and monitored. This data will be used to conduct in-depth analyses of complaint trends and patterns, identify potential weaknesses in the project implementation, and consider improvements. Environmental and social grievances will be reported to the GEF in the annual PIR.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

Stakeholder	Participation in project implementation
Ministry of Environment and Physical Planning (MOEPP)	<ul style="list-style-type: none"> ? Leading Executing Entity (full project ownership and decision making) ? Overview of project implementation and overall support to project management; ? Political and institutional supervision; ? Will chair the Project Steering Committee; ? Will support the work of the National Park of the Shar Mountains; ? Will take part in the introduction of ILM and NCA approaches through participation in training, discussions and promotion events; ? More details presented in the Execution support letter.
Public Institution National Park the Shar Mountains	<ul style="list-style-type: none"> ? Ensure that project results are implemented; ? Will cooperate with all relevant institutions, academia, and national and international organizations involved in the implementation of the project; ? NP Management and staff will take an active role in the project; training, capacity building, awareness-raising and coordination meetings;

Ministry of Agriculture, Forestry and Water Economy (MAFWE)	<p>? Will assist MOEPP in the successful implementation of all aspects related to forests and pastures;</p> <p>? Will actively participate in all capacity building activities;</p> <p>? Will support the work of the National Park of the Shar Mountains;</p> <p>? Will participate in the Project Steering Committee;</p> <p>? Will take part in the training and promotion of the ILM, NCA and sustainable forest management;</p> <p>? Will contribute to the successful replication of the project results from the Shar Mountains to the other two locations;</p>
PE National forests	<p>? Will actively participate in all capacity building activities, training and discussions;</p> <p>? Will support the work of the National Park of the Shar Mountains in regard to forest management;</p>
PE Management of pastures	<p>? Will actively participate in all capacity building activities, training and discussions;</p> <p>? Will support the work of the National Park of the Shar Mountains in regard to the pastures;</p>
Local Self Government Units	<p>? Will actively participate in all capacity building activities, training and discussions;</p> <p>? Will support the awareness-raising project activities within the local communities relevant to the project target area;</p> <p>? Will ensure synchronization between projects implemented by the Municipalities and the proposed project activities related to tourism and support to the local people;</p>
State University of Tetovo	<p>? Will actively participate in all capacity building activities, training and discussions;</p> <p>? Will support project implementation with the Institute for Biology and Ecology on Popova Shapka;</p>
Mountaineering Federation of North Macedonia	<p>? Mountaineering Federation of North Macedonia expressed willingness to cooperate offering its knowledge and men power to improve the situation in the mountains, not only in NP the Shar Mountains, but all over the country.</p> <p>? Will actively participate in all capacity building activities, training and discussions;</p>

National Association of Private Forests Owners	<p>? Will actively participate in all capacity building activities, training and discussions;</p> <p>? Will ensure active involvement of the private forest owners on the territory of the Shar Mountains;</p> <p>? Will actively contribute to awareness-raising for the importance of sustainable use of the resources in the protected area;</p>
Balkan Foundation for Sustainable Development (BFSD)	<p>? Will provide expert knowledge and guidance on demonstrating and scaling up the LDN best practices developed in the Shar Mountains in the identified pilot areas;</p> <p>? Will contribute to the design and implementation of the project activities;</p> <p>? Will contribute to the project's awareness-raising activities and to the development of educational content on LDN.</p>
Macedonian Ecological Society	<p>? Will provide expert knowledge and guidance on the ILM and NCA models in their introduction to the currently used practices;</p> <p>? Will contribute to the design and implementation of the project activities;</p> <p>? Will contribute to the project's awareness-raising activities and to the development of educational content related to biodiversity.</p>

Select what role civil society will play in the project:

Consulted only; Yes

Member of Advisory Body; Contractor;

Co-financier; Yes

Member of project steering committee or equivalent decision-making body; Yes

Executor or co-executor;

Other (Please explain)

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

This project intends to use a pragmatic approach to integrate gender across all levels and processes of the project life cycle. This approach is guided by several principles put in place from the project development, and to be integrated into the project implementation. The principles include:

- (i) Integrate gender from the inception of the project and develop a gender pro-active approach during the first year of implementation. An early recognition and sensitization of the project staff and key stakeholders is a prerequisite to come to an effective approach to addressing gender issues that affect men and women's participation in project activities;
- (ii) Train staff on gender in the first year of the project so they gain a better understanding of gender issues in the project context and appreciate why these issues are important to address through their daily work responsibilities;
- (iii) Hire staff with expertise in gender at the start of the project to ensure and oversee the integration of gender across the project. They will be focal points and help to facilitate the project to be proactive in its gender considerations and actions;
- (iv) Adopt a proactive gender and development approach that engages men and women to promote gender equality and transform gender relations in project locations. Using a win-win approach in which men and women perceive gains in shifting gender norms is also important to support sustainable change;
- (v) Include gender considerations explicitly into the M&E activities of the project, in order to get feedback from project beneficiaries and stakeholders on how they perceive and report on the role and involvement of men and women in the implementation of project activities. Through this feedback mechanism the project team can learn and adapt its intervention approaches to ensure they are inclusive and promote gender balance;
- (vi) Integrate gender evenly and consistently across all project objectives to achieve the intended impact of promoting gender equality and improving household food security and resilience.

Gender equality and women's empowerment will be mainstreamed into project activities, ensuring that women have an equal voice in project implementation, as well as governance and an active role during the whole project. Women will participate equally with men in any dialogue or decision-making initiated by the project and will influence decisions that will determine the success of the project and ultimately the future of their families. Based on the stakeholder consultations, a gender-responsive approach has been followed and defined in a specific Gender Action Plan. The proposed project is consistent with the GEF Policy on Gender Equality (GEF/C.53/04, October 2017), and is also in line with the UNCCD, which recognizes the important role of women in achieving the objectives of the Convention: "Decisions 21/COP.9, 11/COP.8, 15/COP.5, 15/COP.4, 15/COP.3 and 13/COP.2 deal with the need to ensure a better gender balance and representation of all relevant disciplines, and of all individuals with expertise on desertification, land degradation and drought". Gender relations between women and men in North Macedonia play a key role in the access to environmental resources, control of the resources, and the goods and services they provide. In order to ensure that there are no disproportionate negative impacts on women or other disadvantaged or vulnerable groups, appropriate involvement of all social groups will be ensured during the project's implementation. For more details, please see Section 3.11 of the Pro Doc.

Gender Action Plan

<i>Output</i>	<i>Activity</i>	<i>Responsibility</i>	<i>Timeframe</i>
Output 1.1.1 MOEPP and key stakeholder institutions provided with technical assistance, training and tools needed to undertake a systematic NCA (Natural Capital Accounting) process in the Shar Mountains providing usable data to justify and guide forest, pasture, tourism, HPPs and other key land use management planning and reforms	Integrate key messages on gender in the capacity building process; disaggregate participation data by sex	Project Team with Gender Mainstreaming Focal Point	<i>to be determined after the project started during the inception phase</i>
Output 1.1.2: An Integrated landscape Management plan for the Shar Mountains developed and agreed with all key local and national stakeholders and provides a consensual framework for implementing subsequent forest, pasture and other related land use management actions and pilot for national upscaling	Integrate key messages on gender in the capacity building process; promote gender balance in participants of training courses;	Project Team with Gender Mainstreaming Focal Point	<i>to be determined after the project started during the inception phase</i>
Output 1.1.3: Integrated LD and BD monitoring indicators and framework designed for the Shar Mountains, and M&R (monitoring and reporting) system functionally established as the basis for evaluating future management effectiveness and as a pilot for national upscaling	To sensitize the training participants on gender issues in their monitoring approaches and in their development of indicators; disaggregate participation data by sex to identify the needs of women's engagement	Project Team with Gender Mainstreaming Focal Point	<i>to be determined after project start during inception phase</i>
Output 1.2.2: Existing pasture management system adapted in collaboration with local pasture users resulting in improved maintenance of BD and LD and sustainability of incomes	Include gender focus on outreach and knowledge products and document gender perspectives and specific knowledge in these knowledge management products/activities.	Project Team with Gender Mainstreaming Focal Point	<i>to be determined after project start during inception phase</i>
Output 1.3.1: Sustainable tourism development strategy and plan for the Shar Mountains prepared and initiated in collaboration with all key stakeholders (local authorities and communities, NP authority, private sector, NGOs) resulting in improved sustainably livelihoods and generation of financial resources for BD conservation (Shar NP-national park)	Include gender focus on outreach and knowledge products and document gender perspectives and specific knowledge in these knowledge management products/activities.	Project Team with Gender Mainstreaming Focal Point	<i>to be determined after project start during inception phase</i>

Output 1.3.2: Sustainable livelihoods of local communities (based on gender-responsive approach) improved through on and off farm diversification, value-adding, marketing, and skill development support	Screen knowledge and outreach materials for specific gender message/content and for possible specific gender outreach products. Direct involvement of the specific target group, based on gender-responsive approach.	Project Team with Gender Mainstreaming Focal Point	<i>to be determined after project start during inception phase</i>
Output 1.3.3: Targeted awareness building, and support to local community mobilization, planning capacity and self-governance (including strengthening women's participation) enhances community role and commitment to local sustainable development	Screen knowledge and outreach materials for specific gender message/content and for possible specific gender outreach products. Direct involvement of the specific target group.	Project Team with Gender Mainstreaming Focal Point	<i>to be determined after project start during inception phase</i>
Output 2.1.1: Key benefits and lessons learned from pilot landscape ILM captured through holistic evaluation of the practical effectiveness and impact of innovative approaches developed and tested by the project	Include gender focus on outreach and knowledge products and document gender perspectives and specific knowledge in these knowledge management products/activities.	Project Team with Gender Mainstreaming Focal Point	<i>to be determined after project start during inception phase</i>
Output 2.1.3: Set of national and regional workshops and awareness events for key stakeholders [designed, conducted and results documented and made available, with particular consideration of gender balance], including execution support trainings for MOEPP	Include gender focus on outreach and knowledge products and document gender perspectives and specific knowledge in these knowledge management products/activities.	Project Team with Gender Mainstreaming Focal Point	<i>to be determined after project start during inception phase</i>
Overall, for all monitoring and evaluation activities	Ensure gender-inclusive monitoring, evaluation, and reporting with sex-disaggregated data in project management and information system	Project Team	<i>Throughout project cycle</i>

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes

Closing gender gaps in access to and control over natural resources; Yes

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

Does the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

Private sector entities will be key stakeholders in the development of any integrated sustainable management of the project area, and of other areas nationally where the approach is replicated in the future ? they, together with local communities, represent the most powerful actors for change. The most significant private sector actors include relevant tourism services entities (local, national, and abroad), hydropower developers and operators, entities involved in agricultural services, product processing, and marketing, renewable energy/energy efficiency companies, etc.

Private sector engagement will aim to diversify and strengthen sustainable community resource use and livelihood improvements to enhance local incomes. The private sector will be involved in project implementation through direct communication and representation in key planning processes. In addition, their direct involvement in implementing activities furthering the project's objectives particularly supports replication and upscaling of successfully demonstrative new technologies or management approaches.

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

Risk	Level of Impact	Mitigation Measures
Insecurity and political unrest may result in considerable delays and postponement of project implementation	Medium	The current political situation in Macedonia is stable, but the potential for a spontaneous upsurge in violence is real. The project team will provide continuous monitoring of the security and political situation in the country and update the Steering Committee on a regular basis, so there is sufficient lead time for adequate response actions and adjustments in project strategy.
Livelihood benefits from sustainable management may be limited and too slow for communities to give up current unsustainable practices	Medium	Focus will be put on generating relatively quick benefits from some interventions
Conflicts over territorial issues could undermine efforts at promoting integrated planning approaches.	Low	Great emphasis is placed on ensuring full consultation and stakeholder engagement. Particular attention will be paid to building the NP Management authority capacity to lead the ILM planning process.

That existing environmental monitoring design is overly complex for cost effective/sustainable practical application	Medium	Initial review will take pragmatic decisions during the inception phase on the feasibility of support to the full current system or more discrete focus on components necessary to implement the project desired actions.
That regulatory actions are ineffectively applied due to political influence of HPP operators	Medium	The project will ensure an open and transparent process of evaluating SHHP impacts, monitoring, operational guidelines and regulatory instrument that involve all local interested parties (particularly representatives of the impacted communities). Participation of local stakeholders will be enhanced to limit the political influence of SHPP operators.
Tourist visitor numbers will be impacted by unexpected shock (such as global pandemic, economic crisis, etc.) and impact livelihoods and income generation opportunities	Medium	The project design deliberately targets a diversified approach in order to reduce reliance on tourism ? in order to further limit this potential impact tourism development will aim to target both international and national visitors.
Unclear roles of stakeholders in the execution of the project may result in lack of commitment/buy-in from local communities and therefore may result in failure of demonstration projects	Low	A stakeholder engagement plan will be drawn up during the PPG phase, and community stakeholders will be engaged with during the PPG phase to ensure their buy-in into the project. During project implementation, the project will actively engage local communities and will raise awareness through communication campaigns.
Insufficient national stakeholder commitment to findings of impact evaluation report and subsequent policy recommendations	Medium	The project will attempt to mitigate this risk through a). extensive national stakeholder involvement during the Shar Mountains target area implementation, b). a very robust and comprehensive review and impact assessment report, and a comprehensive awareness raising / training effort that seeks innovative ways to reach both institutions and the general public.
Existing ?traditional ?economic thinking and academic inertia prevents uptake and commitment to NCA approaches and tools	High	The project will focus particular effort on targeting institutions and think tanks that meaningfully influence economic theory and thinking in N. Macedonia.

Climate change impacts (e.g. increased flooding; more severe droughts; forest fires) may negatively affect project activities for ecosystem restoration and effective SLM practices	Medium	<p>North Macedonia is one of the most vulnerable and most exposed to climate change in the region. Based[1] on 18 models' results of the 6 climate scenarios for the periods 2020-2100, all changes in air temperature are positive, meaning an increase in mean monthly temperatures. The temperature increase will be more intensive and significant in summers. It is probable that there will be a continuous increase in temperature in the period 2025- 2100. There will be a continual decrease in precipitation. Relatively, a higher percentage of reductions in precipitation will be observed in the summer seasons. North Macedonia is and will be affected by climate change in different sectors as: water resources, agriculture, forestry (especially with boreal forests that could be with dramatic impacts), human health, etc. Some of the identified problems include lack of good intersectoral cooperation, insufficient capacities (human and knowledge), lack of financial mechanisms, and lack of awareness about climate change impacts on different sectors and so on.</p> <p>The project activities have been designed to address (directly or indirectly) vulnerabilities to climate hazards. The project will provide diversified livelihood alternatives to enhance adaptation and resilience. Project support to the sustainable use of natural resources will further improve the management and conservation of these resources, create income opportunities that enhance adaptation and resilience, and strengthen food security.</p>
Poor monitoring of environmental, social and economic impacts after the project implementation	Medium	The Project will strengthen capacities of major stakeholders for environmentally sound practices in sectors competing for land area and natural resources.
The outbreak of diseases (Covid-19)	Low	To achieve the proposed objectives, the project team will continue applying corresponding measures to adjust to COVID19 restrictions accordingly. Following the past year experience, in order to protect human health and also for cost-saving reasons, most of the stakeholders' meetings will be conducted virtually using different online tools. In case of inevitable face-to-face/in-person meetings, the project will adhere to the standardized measures of protection to reduce infections risks (social distancing, masks, disinfectants). Analytic work, capacity development and production of knowledge management materials will be conducted (as much as possible) as desk-work, in virtually connected teams or in small groups of people/participants to reduce COVID-19 infection risks. COVID-19 risks and mitigation measures will be continuously reviewed during project implementation. Activities will be carefully planned in order to allow enough time for site work to be conducted in small groups and spread out in the territory in order to minimize traveling and meeting in big teams, while bringing in international expertise and using the best online tools available.

[1] the Third National Communication on Climate Change to UNFCCC

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

- The **Ministry of Environment and Physical Planning of the Republic of North Macedonia** is the governmental institution, which provides political and institutional supervision and acts as the National Executing Entity/Responsible Partner. The overall responsibility for the project execution and implementation by MOEPP implies the timely and verifiable attainment of project objectives and outcomes. The MOEPP will provide support to, and inputs for, the implementation of all project activities. Execution generally includes the management and administration of project activities, in addition to managing the delivery of project outputs. This is in accordance with specific project requirements outlined in the approved Project Document and the agreement with UNEP (more details are provided in the Execution support letter ? Annex 13 of the Project Document). There is a full project ownership by the MOEPP and all execution decisions are made by the Ministry in cooperation with UNEP.

- **UNEP Ecosystems Division** represents the Implementing Entity/Partner (IE) of the Global Environment Facility (GEF), with the following roles:

- ? Providing consistent and regular Project oversight to ensure that GEF policies and criteria are adhered to and that the project meets its objectives and achieves expected outcomes,
- ? Performing the liaison function between the project and the GEF Secretariat,
- ? Application of UNEP policy and criteria to strengthen execution arrangements,
- ? Ensuring that both GEF and UNEP guidelines and standards are applied and met (technical, fiduciary, M&E),
- ? Ensuring timely disbursement/sub-allotment to executing agencies, based on agreed legal documents,
- ? Approve budget revision, certify fund availability and transfer funds,
- ? Providing technical support and assessment of the execution of the Project,
- ? Providing guidance if requested to main TORs/MOUs and subcontracts issued by the project,
- ? Follow-up with EA for progress, equipment, financial and other reports,
- ? Certify project operational completion.

- Due to the limited administrative and technical capacities of the Ministry of Environment and Physical Planning, as well as the cumbersome national procurement legislation, support in regards to the execution has been assigned to **UNEP Regional Office for Europe (Vienna Programme Offices) in the role of Supporting Entity/Partner of the project**. UNEP Vienna Programme Office is responsible for coordination and support of the project cycle management services, while working closely with MOEPP on:

- ? Recruitment of Project Management Unit (PMU);
- ? Contracting of executing partners and purchase of goods and services based on the decisions made in close consultation with MOEPP and the Project Steering Committee (PSC), and in line with the annual budgets and work plans;
- ? Terms of reference and procurement packages, including contracting of executing partners and purchase of goods and services based on the decisions made in close consultation with

MOEPP and the Project Steering Committee (PSC), and in line with the annual budgets and work plans;

- ? Recruitment, contracting and management of consultants and their activities;
- ? Management of output deliverables;
- ? Maintenance of records of all project-related documentation;
- ? Management and administration of the Knowledge Management Plan;
- ? Preparation of progress reports and co-finance reports for the project;
- ? Providing technical guidance, as necessary, for project implementation;
- ? Overall coordination and continuous consultation with MOEPP, MAFWE, other relevant institutions, local partners and different stakeholders? groups to enable successful and timely implementation of planned activities;
- ? Preparation of procurement plans, financial management and reporting;
- ? Coordination of outreach and knowledge sharing activities;
- ? Preparing the project terminal report, final financial report and the other project closure documentation.

- To gradually overcome the abovementioned execution limitations, the project will first conduct thorough analysis to identify the major execution challenges. Based on this analysis, special ?execution trainings? will be designed within the scope of the project framework, to start addressing the challenges. Subject of the training will be the CBD, UNCCD and UNFCCC Focal points of the Ministry of Environment and Physical Planning, as well as a representative from the finance unit within the Ministry. The training sessions will be organized once or twice per year, with a duration of several working days in the UNEP Vienna Programme Office or in the country. Further details will be determined during the project inception phase.

- The day-to-day management of the project will be carried out by a **Project Management Unit (PMU)**. The PMU will be established in Skopje and use premises in the country as provided by the Ministry of Environment and Physical Planning. The PMU roles will be to implement project outputs, monitoring and reporting, liaison with project partners, ensure project execution and all technical aspects of project implementation. Throughout the project, PMU will closely collaborate with MOEPP and the UNEP offices. PMU will ensure collaboration with all country stakeholders, ministries and different municipalities and local communities, which is imperative for the successful implementation of the project.

- **Project Steering Committee (PSC)** will be established at the inception of the project to monitor project progress, to guide the project implementation and to support the project in achieving its listed outputs and outcomes. The PSC will be multi-disciplinary and multi-sectoral in fields related to nature protection, forestry and land use planning. The PSC will meet at least twice per year to ensure (in person or online, depending on the circumstances) to ensure: i) Oversight and assurance of technical quality of outputs; ii) Close linkages between the project and other ongoing projects and programmes relevant to the project; iii) Timely availability and effectiveness of co-financing support; iv) Sustainability of key project outcomes, including up-scaling and replication; v) Effective coordination of government partner work under this project; vi) Making by consensus, management decisions when guidance is required by the Project Management.

- **Project collaborators** will be involved in the project to provide expertise in pastures, forestry, tourism and land use planning knowledge and information management, regular updates on environmental management in the country, staff time and experience in guiding and advancing the activities' implementation, supporting the project with robust field data on environmental issues at stake, linking with stakeholders, including at local level for project implementation and for receiving stakeholders' input and feedback. Exact partner organizations will be identified for each project component at the initial stages of the project implementation. National and international consultancy services will be called in as required for specific tasks, such as needs assessments, development of indicator framework, capacity building and training for key stakeholders, design of delivery models and financing mechanisms. Consulting services will be procured in accordance with applicable UNEP/GEF rules and regulations.

- For more details, please check Appendix 10 of the Pro Doc.

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

The Project is directly in line with the following national policy documents:

- National Biodiversity Strategy and Action Plan (NBSAP) for the period 2018-2023, aligned to CBD targets, which identifies soil erosion, deforestation and unsustainable rural land use practices as causes of habitat fragmentation and biodiversity loss which need immediate interventions. It also identifies the need not only to increase the protected areas network but also to establish their effective management identifying different funding sources one of which is ecotourism development and branding. Establishing regular biodiversity monitoring and national nature information system is also identified as a priority.

- National Nature Protection Strategy (2017-2027) targets landscape level conservation as important aspect not directly covered with the NBSAP as well as conservation of geodiversity.

- This GEF project intervention is in line with the new National Agriculture and Rural Development Strategy (NARDS) 2021-2027, specifically goals on sustainable management and use of natural resources, land degradation, overgrazing and overuse of forest resources.

- The project will directly contribute to realizing the following specific National Action Program to Combat Land Degradation and Drought (NAP) strategic and operational objectives:

? To mitigate the risk of natural hazards in a changing climate aggravated by unsustainable agricultural and forest practices and ineffective risk governance;

? To establish wise use of nation's natural resources to satisfy socio-economic needs without compromising the quality of land resources;

? To improve the knowledge about the use of land resources aligned with sustainable land management;

? To develop economic mechanisms for ensuring more sustainable use of natural resources;

? To build capacities for efficient monitoring of land degradation.

- Additionally, the country has completed the LDN Leveraging Plan and LDN assessment and has established and mapped a baseline to define the LDN frame of reference. This GEF project will support the continuation of LDN mainstreaming, by establishing an operational LDN and strengthened BD monitoring and reporting system.
- The National Strategy for Sustainable Development identified "Seven Strategic Thrusts" for achieving sustainable development in North Macedonia including raising awareness with the public; introduction of e-government as a key tool; and more integrated and participatory approaches within government bodies.
- The proposed GEF project is in line with several mitigation measures in the Fourth National Communication on Climate Change (2022 - Draft) for protection of natural disasters, environmental protection and sustainable resource management.
- Finally, this project is in line with strategic target 3 (Building equal opportunities and promoting equal treatment and non-discrimination based on gender under the National Strategy for Gender Equality 2021-2026 of the Ministry of Labour and Social Policy.

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

- The project has a strong awareness and knowledge management components both at local (project target area) and national levels. Public awareness at a site level will be achieved through activities within Output 1.3.3 (Targeted awareness building, and support to local community mobilization, planning capacity and self-governance (including strengthening women participation) enhances community role and commitment to local sustainable development) but also through activities under other outputs within Component 1 in terms of the need and benefits for ILM planning, and specific resource use outputs (forestry, pasture, arable and orchard,). In particular the tourism related (1.3.1) activity will incorporate significant local and national awareness raising. At national level communication and awareness building within the public and specific focus groups at central level will be critical to achieving the acceptance, uptake and application of the experience gained by the project in Component 1. Activities in this regard are mainly concentrated in Output 2.1.3 (Set of national and regional workshops and awareness events for key stakeholders). A Project "communications strategy" will be prepared in this context to ensure the most effective dissemination of project experiences and results is achieved nationally.
- The gathering of new data that provides a broader and more meaningful picture of the landscape aspects of resource use in the Shar Mountains is a key part of the project's approach to creating the basis for improved and more sustainable management that better balances the needs and interests of different sectors and society. Women perceived provision of pollination and learning/education, is higher than that of men. This is possibly because women on Shar Mountains have more confined interaction to their environment while their contributing societal role in knowledge-transfer is higher, particularly until children become of age. In cases where men emigrate to work abroad, women are those that are left to manage both the households and the associated agricultural land, fields and meadows. Data will be generated from various outputs and sources, including specific resource use studies (forestry products supply and demand, pasture inventory, community development visions, etc.), and the BD/LD Monitoring framework to be tested in Shar Mountains. Information will be collected through participatory approaches in those cases this is

appropriate (fuel wood, grazing/pasture, village development, etc.) but also through more scientific studies and formal monitoring protocols.

-

Information management and dissemination priorities and objectives are described below:

Target groups for knowledge transfer in the project:

- ? Institutions on central level: Ministries, PE Management of Pastures, National Forests, Agency for spatial planning, inspectorates,
- ? Institutions on local level: Protected area management, local branches of national institutions,
- ? Private sector in rural development (tourism, farming, forestry, grazing, hiking, SHPP, ?),
- ? Local communities: inhabitants of villages,
- ? Academic sector: Universities and scientific NGOs,
- ? Civil society organizations,

Purpose of knowledge transfer:

- ? Awareness raising,
- ? Transfer of know-how from other countries,
- ? Capacity building of institutions,
- ? Capacity building of the private sector (tourism, farming, forestry, grazing, hiking, SHPPs),
- ? Sharing and distributing of knowledge and lessons learned,
- ? Visibility to a wider target group,
- ? Upscaling of knowledge to a wider area,
- ? Evaluation of knowledge management.

Methodology/Media/Tools for Knowledge management:

•Human resources capacity building:

- ? Meetings and collaboration platforms: Various communication formats are to be organized between very different audiences, depending on the topics; collaboration mechanisms are to be established for stakeholders with a long-term perspective;
- ? Trainings and workshops are to be organized for numerous topics on regional and national level, ensuring a high-quality technical level of training;
- ? Conferences and public events.

•Study trips in the region and to other countries: study trips are highly effective to transfer knowledge from one region to another; lessons learnt and best practice examples can be shared and discussed,

- Demonstration and pilot actions in and outside in the region: On-site sessions for different topics (pasturing, monitoring, touristic development) are generally appreciated by most of the target groups. Demonstration actions will increase knowledge and motivate target audiences to take initiatives,

- Activities such as these will provide suitable opportunities for the capturing of knowledge, particularly Maroon and other traditional or cultural practices and the process of merging with new knowledge for sustainability on biodiversity management, proper land use management, CSA, water harvesting, medicinal plants and restoration of mined out lands, etc.,

- Digital media:

- ? Videos: short videos highlighting success stories, testimonials, how-to, best practices are to be produced with professional quality and will be distributed through different channels;

- ? Websites and Social media: An online repository for hosting and sharing of knowledge is to be developed for management and promotion of the project's knowledge;

- ? Newsletters;

- ? TV and Radio: utilization of broadcasting from a different station to cover the important events is recommended to capitalize on the possibility of expanding the reach of the event and to spark further interest.

- Printed Media:

- ? Guidebooks and manuals: technical documents that serves as reference points mainstreaming biodiversity, LND and other outputs under the project. Depending on the target groups, these are to be prepared in user-friendly formats;

- ? Reports;

- ? Scientific articles.

- Hardware and Software:

- ? Signs and info boards,

- ? Mobile applications (visitor info, hiking maps, tracking, etc.).

9. Monitoring and Evaluation

Describe the budgeted M and E plan

The Results Framework is the logical framework that was developed to define the structure of the project, the relationship between the components, and connects components with activity-specific indicators to track process and achievements. Building on the Results Framework, the M&E Plan is the tool to be used for quarterly, mid-term, and end-of-project monitoring and evaluation.

Responsibilities for monitoring and evaluation are assigned to the various participating institutions, which are identified below, and to different project officers, according to their management functions and responsibilities. Day-to-day management and monitoring of project activities, and any consultants and subcontractors recruited to undertake them, will be the responsibility of Project Management Unit. The timely preparation and submission of mandatory reports forms an integral part of the monitoring process.

Type of M&E activity	Responsible Parties	Budget from GEF	Budget co-finance	Time Frame
Inception Meeting	Project Management (PM) and Project Management Unit (PMU)		15,000	Within 2 months of project start-up
Inception Report	PM and PMU		2,000	1 month after project inception meeting
Measurement of project indicators (outcome, progress and performance indicators, GEF tracking tools) at national and global level	PM and PMU		10,000	Outcome indicators: start, mid and end of project Progress/perform. Indicators: annually (Cost incorporated in project components and management budget)
Semi-annual Progress/ Operational Reports to UNEP	PM and PMU		3,000	Within 1 month of the end of reporting period i.e. on or before 31 January and 31 July (Cost incorporated in project components and management budget)
Project Steering Committee meetings	PM and PMU; UNEP TM		46,000	At least twice a year
Reports of PSC meetings	PM and PMU		3,000	Within 1 month after PSC meeting
PIR	PM and PMU		2,000	Annually, part of reporting routine (Cost incorporated in project components and management budget)
(MTR/TE travel)	PM and PMU; UNEP TM	10,000	15,000	As appropriate
Mid Term Review/Evaluation	UNEP TM and EO	30,000		At mid-point of project implementation
Terminal Evaluation	UNEP EO	40,000		Within 6 months of end of project implementation

Type of M&E activity	Responsible Parties	Budget from GEF	Budget co-finance	Time Frame
Audit	PM and PMU			Annually
Project Final Report	PM and PMU		2,000	Within 2 months of the project completion date (Cost incorporated in project components and management budget)
Co-financing report	PM and PMU		2,000	Within 1 month of the PIR reporting period, i.e. on or before 31 July (Cost incorporated in project components and management budget)
Publication of Lessons Learned and other project documents	PM and PMU		30,000	Annually, also part of Semi-annual reports & Project Final Report
Total M&E Plan Budget		80,000	130,000	

In line with the GEF Evaluation requirements and UNEP's Evaluation Policy, all GEF funded projects are subject to a performance assessment when they reach operational completion. This performance assessment will be either an independent Terminal Evaluation or a management-led Terminal Review.

In case a Review is required, the UNEP Evaluation Office will provide tools, templates, and guidelines to support the Review consultant. For all Terminal Reviews, the UNEP Evaluation Office will perform a quality assessment of the Terminal Review report and validate the Review's performance ratings. This quality assessment will be attached as an Annex to the Terminal Review report, validated performance ratings will be captured in the main report.

However, if an independent Terminal Evaluation (TE) of the project is required, the Evaluation Office will be responsible for the entire evaluation process and will liaise with the Task Manager and the project implementing partners at key points during the evaluation. The TE will provide an independent assessment of project performance (in terms of relevance, effectiveness and efficiency), and determine the likelihood of impact and sustainability. It will have two primary purposes: (i) to provide evidence of results to meet accountability requirements, and (ii) to promote learning, feedback, and knowledge sharing through results and lessons learned among UNEP staff and implementing partners. The direct costs of the evaluation (or the management-led review) will be charged against the project evaluation budget. The TE will typically be initiated after the project's operational completion. If a follow-on phase of the project is envisaged, the timing of the evaluation will be discussed with the Evaluation Office in relation to the submission of the follow-on proposal.

The draft TE report will be sent by the Evaluation Office to project stakeholders for comment. Formal comments on the report will be shared by the Evaluation Office in an open and transparent manner. The project performance will be assessed against standard evaluation criteria using a six-point rating scheme. The final determination of project ratings will be made by the Evaluation Office when the report is finalized. The evaluation report will be publicly disclosed and will be followed by a recommendation compliance process. The evaluation recommendations will be entered into a Recommendations Implementation Plan template by the Evaluation Office. Formal submission of the completed Recommendations Implementation Plan by the Project Management is required within one month of its delivery to the project team. The Evaluation Office will monitor compliance with this plan every six months for a total period of 12 months from the finalisation of the Recommendations Implementation Plan. The compliance performance against the recommendations is then reported to senior management on a six-monthly basis and to member States in the Biennial Evaluation Synthesis Report.

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCE/SCCF)?

The project will generate socio-economic benefits by maintaining and enhancing the resource base on which the local communities in Shar Mountains rely for their livelihoods. Moreover, the project will support women and men small-scale producers in the target landscape in accessing markets and modern value chains. It thereby aims to realize socio-economic benefits for the herders and farmers, while incentivizing them to manage their resources sustainably. Herders and farmers are predominantly men only about 4% of women own property / house, as opposed to 96% men, while 12% own land, as opposed to 88 % men. Only 10% of women make decisions about land-related activities, while 50% of women who own land are not active in the process decision-making on land-related activities. The project, thus, works towards achieving full and productive employment and decent work in rural areas. The project seeks to achieve additional income from enhanced value chains, and/or access to markets for at least 200 households in 28 villages (of which at least 50% women). A baseline income survey will be conducted at the beginning of the project implementation.

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate	Medium/Moderate		

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

Find attached the UNEP Environmental, Social and Economic Review Note (SRIF) for a detailed analysis of the risks and impacts.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
Appendix 9_SRIF_MK GEF7	CEO Endorsement ESS	
SRIF NMacedonia24092020	Project PIF ESS	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
Project Objective: <i>Supporting national and local efforts for achieving LDN and Biodiversity Targets in North Macedonia through the application of an integrated landscape approach in the Shar Mountains</i>				
<p><u>GEF Core Indicator 1:</u> Terrestrial under improved management for conservation and sustainable use (Hectares)</p> <p><i>Note: Improved management to be measured by the change in overall NP METT score between 2021 and project end)</i></p>	<p><i>Baseline area under improved management: 0 ha.</i></p> <p><i>METT score: 28</i></p>	<p><i>10 000 ha. (forest and pasture have management plans in NP)</i></p> <p><i>METT score: not less than 40</i></p>	<p><i>62 705 ha. (area of the Shar NP ? improved management measured by the change in METT)</i></p> <p><i>METT score: not less than 60</i></p>	<p><u>Means of verification:</u></p> <ul style="list-style-type: none"> - Forest and Pasture management plans - Overall finalized NP management plan - METT updates - M&E annual reports
<p><u>GEF Core Indicator 3:</u> Area of land restored (Hectares)</p> <p>-</p>	<p><i>Baseline: 0</i></p>	<p><i>10 000 ha. (forest, pasture, arable/orchard)</i></p>	<p><i>11 500 ha (forest, pasture, arable/orchard)</i></p>	<ul style="list-style-type: none"> - PIRs <p><u>Assumptions:</u></p> <ul style="list-style-type: none"> - That key local NR stakeholders will be willing and committed to an integrated approach - That local communities will be committed to collaborative action
<p><u>GEF Core Indicator 4:</u> Area of landscapes under improved practices (excluding protected areas) (Hectares)</p> <p>-</p> <p><i>Note: this figure excludes the area of productive land inside the Shar NP under improved practices (an additional 62,705 ha)</i></p>	<p><i>Baseline: 0</i></p>	<p><i>1 500 ha. (forest, pasture, arable/orchard outside NP)</i></p>	<p><i>7 075 ha (forest, pasture, arable/orchard outside NP)</i></p>	<p><u>Risks:</u></p> <ul style="list-style-type: none"> - Natural disaster/climate change may affect the restoration work.
<p>-</p>				<ul style="list-style-type: none"> - Lack of capacity in government and communities to meet obligations related to project. - Livelihood benefits from sustainable management may be limited and slow for communities to give

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
<p><u>GEF Core Indicator</u> Greenhouse Gas Emissions Mitigated (metric tons of CO₂e)</p> <p><i>Note: Conservative estimated approx. emissions mitigated by restoration of forest, grasslands and arable/orchard ? detailed assessment required in Inception phase</i></p>	0	71 084 (10%)	710 844	<p><i>up current unsustainable practices</i></p> <p><i>- Lack of involvement from private sector and/or resource users (including vulnerable people) with continued unsustainable practices</i></p> <p><i>-Conflicts over territorial issues could undermine efforts at promoting integrated planning approaches.</i></p>
<p><u>GEF Core Indicator 11:</u> Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment</p> <p>-</p> <p><i>Note: Direct beneficiaries will receive project investments for forestry, fuelwood efficiency/alternatives, pasture, and arable agricultural improvement, livelihoods, value addition and non-agricultural income generation activities</i></p>	<i>Baseline number of project beneficiaries = 0</i>	<i>At least 3,000 persons (at least 40% women) directly benefitting from improved natural resources management practices, improved livelihoods and community development initiatives</i>	<i>At least 18 400 (9400 women and 9000 men) directly benefitting from improved natural resources management practices, improved livelihoods and community development initiatives (the gender disaggregation of 9,400 women was chosen to correct historical imbalances)</i>	
<p>Component 1: Practical application of integrated landscape approach to achieving LDN (Land Degradation Neutrality) and BD (Biological Diversity) targets in the pilot area of the Shar Mountains and dependent ecosystems service area (peripheral productive landscape)</p>				
<p>Outcome 1.1: An Integrated Landscape Management (ILM) plan for the Shar Mountains target area agreed by all key national and local stakeholders, and the enabling environment for its development and implementation established</p> <p>-</p>				

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
<p>An agreed 10-year framework plan for integrated landscape management in the Shar Mountains agreed with key stakeholders (NP, PENF, PEMP, municipalities), and functional coordination mechanisms in place</p>	<p><i>Baseline: no integrated coordination of planning by key stakeholders and no coordination mechanisms in place</i></p>	<p><i>A framework ILM agreed by key stakeholders</i></p>	<p><i>Coordination mechanisms exist and function</i></p> <p><i>Actions defined in the ILM plan within EoP timeframe carried out</i></p>	<p><u>Means of verification:</u></p> <ul style="list-style-type: none"> - Agreed ILM Framework document - M&E reports - PIR?s <p><u>Assumption:</u></p> <ul style="list-style-type: none"> - That sufficient consensus and commitment by key stakeholders will be achieved for meaningful implementation <p><u>Risks:</u></p> <ul style="list-style-type: none"> - That coordination mechanisms fail to effectively function - NP as lead stakeholder lacks authority/capacity to effectively lead
<p>Natural Capital Accounts prepared and used as basis for economic justification of ILM Plan financing</p>	<p><i>Baseline: No economic basis for justifying ILM or ecosystem service preservation exists</i></p>	<p><i>Natural Capital Accounts for key natural resources (forest, pasture, water, arable/orchard, and ecosystem service values related to these) exist (and provide economic justification for implementation of ILM)</i></p>	<p><i>Knowledge and capacity exist within key stakeholder institutions on the concept, practical implementation and application of NCA that can be applied nationally (MoEPP, MAFWE.)</i></p>	<p><u>Means of verification:</u></p> <ul style="list-style-type: none"> - Natural Capital Accounts for key thematic areas/N?s - M&E reports - PIRs <p><u>Assumption:</u></p> <ul style="list-style-type: none"> - That ES valuation and capital accounting will provide convincing economic justification for NRM and more integrated approaches <p><u>Risks:</u></p> <ul style="list-style-type: none"> - Technical capacity to achieve meaningful/convincing results is inadequate

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
An Integrated LD and BD monitoring system established and functional	<i>Baseline: No integrated BD/LD monitoring system</i>	<i>Integrated BD/LD indicators identified and system design and hardware in place</i>	<i>Integrated BD/LD monitoring system functional and the Shar data inputted</i>	<p><i>Means of verification:</i> <i>Monitoring system reports</i> <i>M&E reports</i> <i>PIRs</i></p> <p>-</p> <p><i>Assumption:</i> - That sufficient alignment between BD and LD indicators is identified in the Shar context to develop integrated indicators</p> <p><i>Risks:</i> <i>That existing environmental monitoring design is overly complex for cost effective/sustainable practical application</i></p>
<p>Outputs:</p> <p><u>Output 1.1.1</u> MOEPP and key stakeholder institutions provided with technical assistance, training and tools needed to undertake a systematic NCA (Natural Capital Accounting) process in the Shar Mountains providing usable data to justify and guide forest, pasture, tourism, HPPs (hydropower plants) and other key land use management planning and reforms</p> <p><u>Output 1.1.2:</u> An Integrated landscape Management plan for the Shar Mountains developed and agreed with all key local and national stakeholders and provides a consensual framework for implementing subsequent forest, pasture and other related land use management actions and pilot for national upscaling</p> <p><u>Output 1.1.3:</u> Integrated LD and BD monitoring indicators and framework designed for the Shar Mountains, and M&R (monitoring and reporting) system functionally established as basis for evaluating future management effectiveness and as pilot for national upscaling</p>				
<p>Outcome 1.2.: Improved models and approaches for achieving sustainable forestry, pasture and water resources planning and management in the Shar Mountains that integrate sustainable use, maintenance of ES (ecosystem services) and BD, and reversal of land degradation trends are developed and applied</p> <p>-</p>				

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
<p>Area of forest under improved management measured by a). existence of updated management plans, b). reduced illegal extraction, c). existence of effective fire control mechanisms</p> <p>-</p>	<p><i>Baseline situation:</i></p> <p><i>Forest MPs: out of date and inappropriate</i></p> <p><i>Illegal extraction: estimated cubic metros (TBD at inception)</i></p> <p><i>Fire incidents: no. TBD at inception</i></p>	<p><i>All Forests in NP (18333 ha.) have up to date MPs</i></p> <p><i>Illegal extraction reduced 10% on baseline</i></p> <p><i>Fire incidents: 10% reduction</i></p>	<p><i>Forest MPs in NP being implemented, and capacity strengthened</i></p> <p><i>Illegal extraction reduced not less than 80%</i></p> <p><i>Fire incidents: 50% reduction</i></p>	<p><u>Means of verification:</u></p> <ul style="list-style-type: none"> - Forest unit MPs and implementation reports - M&E reports - PIRs <p><u>Assumption:</u> <i>That a balance between conservation and sustainable use is feasible.</i></p> <p><u>Risk:</u> <i>Extreme drought impacts forest management/restoration activities and increases fire risk</i> <i>Viable supply of fuelwood insufficient leading to conflicts and leakage</i></p>

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
Area of pasture under sustainable management increased, measured by: a).	<p><i>Baseline:</i> <i>management and infrastructure of pastures is out of date compared to European standards</i></p>	<p><i>Inventory of pastures with relevant parameters is completed and serves as basis for pasture management plans</i></p> <p><i>pasture strategy is completed and agreed with stakeholders</i></p> <p><i>10% of pastures have management plans</i></p> <p><i>3 pilot actions implemented</i></p>	<p><i>Capacities of pasture users is strengthened</i></p> <p><i>35% of pastures have management plans</i></p> <p><i>7 pilot actions implemented</i></p>	<p><u><i>Means of verification:</i></u></p> <ul style="list-style-type: none"> - Pasture inventory available in GIS - Pastures strategy prepared - Pasture management plans prepared - Reports on pilot actions <p><u><i>Assumption:</i></u></p> <ul style="list-style-type: none"> - Pasture users and relevant stakeholders are willing to participate <p><u><i>Risk:</i></u></p> <ul style="list-style-type: none"> - Lack of capacity within NP management to coordinate and support the development process
Number of negative water use events caused by HPPs reduced, measured by: a). records from monitoring system, b). records of regulatory actions applied.	<p><i>Baseline:</i></p> <p><i>No monitoring system and number of recorded negative events is 0</i></p> <p><i>No Guidelines or basis for regulatory actions exist</i></p>	<p><i>Monitoring system established and records negative events</i></p> <p><i>Agreed guidelines and regulatory actions</i></p>	<p><i>Number of negative events recorded reduced since Mid term</i></p> <p><i>Guidelines are used and there are examples of the application of regulatory actions</i></p>	<p><u><i>Means of verification:</i></u></p> <ul style="list-style-type: none"> - HPP Water use monitoring reports - NP reports on regulatory actions taken - M7E reports - PIRs <p><u><i>Assumption:</i></u></p> <ul style="list-style-type: none"> - that HPP operators will cooperate with NP Authority and agree to guidelines for operation <p><u><i>Risk:</i></u></p> <ul style="list-style-type: none"> - That regulatory actions are ineffectively applied due to political influence of HPP operators

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
<p>Outputs:</p> <p><u>Output 1.2.1: Comprehensive reform of forestry management approaches and operational modalities developed and applied</u>, which ensure the sustainable meeting of local community needs while reversing deforestation trends, LD (land degradation), and conserving biodiversity</p> <p><u>Output 1.2.2: Existing pasture management system adapted in collaboration with local pasture users</u> resulting in improved maintenance of BD and LD and sustainability of incomes</p> <p><u>Output 1.2.3: Operational guidelines and monitoring systems in place to minimize negative impacts of existing HPPs</u> on biodiversity, land degradation/drought and water availability for irrigation.</p>				
<p>Outcome 1.3: Reduced pressure on biodiversity, reversed LD trends, and ecosystem integrity in the Shar Mountains through diversification of sustainable local community livelihoods and strengthened community capacity to participate in natural resources management</p> <p>-</p>				
<p>Sustainable tourism has measurable impact on: a). income generated by the NP, b). incomes (directly and in directly) of households in local target villages</p>	<p><i>Baseline:</i></p> <p><i>NP income generation from tourism: 0</i></p> <p><i>Household:</i> <i>Baseline data on incomes from sustainable tourism TBD during inception phase</i></p>	<p><i>NA (no impact expected by midterm)</i></p> <p><i>10% increase in income from sustainable tourism in target villages</i></p>	<p><i>Measurable income being generated on sustainable basis for NP</i></p> <p><i>30% increase in income from sustainable tourism in target villages</i></p>	<p><u>Means of verification:</u></p> <ul style="list-style-type: none"> - Financial reports of NP - M&E reports - PIRs <p><u>Assumption:</u></p> <p><i>-That the NP can put in place effective mechanisms for sustainable capture of tourism revenues</i></p> <p><u>Risk:</u></p> <ul style="list-style-type: none"> - That unexpected shocks such as COVID 19 or other occur and limit visitor number

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
<p>Measurable increase in sustainable on and off farm livelihoods in target villages</p> <p><i>Note: Includes on and off farm diversification, value adding, marketing, and skill development support leading to new employment/income opportunities ? excluding incomes directly related to tourism</i></p> <p>-</p>	<p><i>Household Baseline data on incomes on/off farm livelihoods TBD during inception phase (not including tourism)</i></p>	<p><i>10% increase in income from sustainable on/off farm livelihoods in target villages (not including tourism)</i></p>	<p><i>30% increase in income from sustainable on/off farm livelihoods in target villages (not including tourism)</i></p>	<p><u>Means of verification:</u></p> <ul style="list-style-type: none"> - Household income survey and follow up reports - M&E reports - PIRs - <p><u>Assumption:</u></p> <ul style="list-style-type: none"> - That opportunities for increasing on and off farm livelihoods are feasible within project time frame <p><u>Risk:</u></p> <ul style="list-style-type: none"> - Worsening national / global economic context limits benefits and opportunities for on/off farm income generation -

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
<p>Increased community self-development capacity (based on gender-responsive approach) measured through: a). meaningful community representation in ILM coordination and other key natural resource use mechanisms, b). existence of functioning self-governance mechanisms in target villages, c). number of completed community self-help initiatives to address shared issues in target villages, d) Local community understanding and support for NP and new natural resource management (forestry and pasture in particular) increased</p>	<p><i>Baseline:</i></p> <p>a). <i>No representation in local resource management planning mechanisms</i></p> <p>b). <i>few or no effective community self-governance structures in target villages</i></p> <p>c). <i>Few or no community level initiatives</i></p> <p>d). <i>Majority of households have little understanding of LD / BD issues and do not support NP or other natural resource use agencies (data TBD in inception phase)</i></p>	<p>a). <i>All (28) target villages represented in key natural resource use and planning mechanisms (ILM coordination mechanism, NP council, etc.)</i></p> <p>b). <i>All (28) target villages have established self-governance structures (with at least 40% representation of women)</i></p> <p>c). <i>at least 10 community level initiatives initiated</i></p> <p>d) <i>20% increase in level of awareness and support of households in target villages for NP, other resource use agencies and need to reduce LD and preserve BD/ecosystem services</i></p>	<p>a). <i>Village representatives are playing active role in natural resource coordination mechanisms</i></p> <p>b). <i>Self-governance structures (with at least 40% representation of women) functional and play meaningful role.</i></p> <p>c). <i>at least 28 community level initiatives completed</i></p> <p>d) <i>20% increase in level of awareness and support of households in target villages for NP, other resource use agencies and need to reduce LD and preserve BD/ecosystem services</i></p>	<p><u>Means of verification:</u></p> <ul style="list-style-type: none"> - Awareness/perception assessment reports - Minutes of ILM coordination meetings - Minutes NP council meetings - M&E reports - PIRs <p><u>Assumption:</u></p> <ul style="list-style-type: none"> - That communities will have sufficient trust and motivation to actively engage and participate in ILM and NP governance <p><u>Risk:</u></p> <ul style="list-style-type: none"> - That traditional values will limit meaningful participation of women in community representation mechanisms

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
<p>Outputs:</p> <p><u>Output 1.3.1:</u> Sustainable tourism development strategy and plan for the Shar Mountains prepared and initiated in collaboration with all key stakeholders (local authorities and communities, NP authority, private sector, NGOs) resulting in improved sustainably livelihoods and generation of financial resources for BD conservation (Shar NP-national park)</p> <p><u>Output 1.3.2:</u> Sustainable livelihoods of local communities (based on gender-responsive approach) improved through on and off farm diversification, value adding, marketing, and skill development support</p> <p><u>Output 1.3.3:</u> Targeted awareness building, and support to local community mobilization, planning capacity and self-governance (including strengthening women participation) enhances community role and commitment to local sustainable development</p>				
<p>Component 2. Support to national level adoption and upscaling of ILM and related LD and BD best practices</p> <p>-</p>				
<p>Outcome 2.1: LDN, BD and sustainable rural livelihood of ILM approach benefits recognized by national stakeholders and incorporated into development planning and upscaled nationally</p>				
-				-

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
<p>National policy makers have recommendations based on in-country experience for introduction of integrated landscape and resource management approaches at a national level, and guidelines for implementing such policies</p>	<p><i>Baseline: No in-country experience and guidelines or recommendations for policy makers/ decision makers in government to apply ILM approaches</i></p>	<p><i>NA</i></p>	<p><i>A set of clear policy recommendation documents prepared and submitted to relevant national policy and planning structures.</i></p> <p><i>Pragmatic guidelines to application of ILM approaches in N. Macedonia context, based on in country experience</i></p>	<p><u>Means of verification:</u></p> <ul style="list-style-type: none"> - Recommendation reports - Guideline documents - Draft policy documents - M&E reports - PIRs <p><u>Assumption:</u></p> <ul style="list-style-type: none"> - That recommendations based on practical experience in the Shar Mountains lead to acceptance of guidelines and policy recommendations <p><u>Risk:</u></p> <ul style="list-style-type: none"> - Insufficient national stakeholder commitment to findings of impact evaluation report and subsequent policy recommendations

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
<p>Nationally relevant experience and lessons learned on the application of new approaches to landscape management disseminated (measured by: a). number of workshops and level of participation)</p>	<p><i>Baseline: Low awareness and limited materials (paper, multimedia, social media) on integrated landscape management, the concept of ecosystem services, NCA, etc. and possibilities for practical application in N. Macedonian context.</i></p>	<p><i>NA</i></p>	<p><i>Set of 5 workshops (1 in Skopje, 4 in other regions of the country) attended by not less than 500 participants of relevant state, non-state and academic institutions.</i></p> <p><i>Demonstrable exposure of materials from workshops in press and social media (number of articles, posts, etc.)</i></p>	<p><u>Means of verification:</u></p> <ul style="list-style-type: none"> - Workshop records and workshop materials - Press and media reports - M&E reports - PIR <p><u>Assumption:</u></p> <ul style="list-style-type: none"> - That adequate awareness and understanding of project impacts and replication opportunities can be effectively disseminated and acted upon by national/regional participants <p><u>Risk:</u></p> <ul style="list-style-type: none"> - Attendance of workshops and media exposure limited by unexpected events (such as COVID19 re-emergence. Or other factors)

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
<p>National LD/BD information system functionally established and with data from 3 areas of the country uploaded and disseminated.</p>	<p><i>Baseline: no effective national information management mechanism available for capturing. Processing and disseminating LD and BD monitoring information and trends.</i></p>	<p><i>National LD and BD monitoring and dissemination mechanism designed, functional and tested with data collected in the Shar Mountains</i></p>	<p><i>National LD and BD monitoring and dissemination mechanism further tested with data collected in two additional areas (Strumichko Pole and Vitachevo/Tikvesh - Middle Vardar Valley) and capacity of MOEPP to roll out nationally in place</i></p>	<p><u>Means of verification:</u></p> <ul style="list-style-type: none"> - Reports and materials generated by the information system - M&E reports - PIR <p><u>Assumption:</u></p> <ul style="list-style-type: none"> - That MOEPP will have sufficient capacity and commitment to maintaining system and generating/disseminating results <p><u>Risk:</u></p> <ul style="list-style-type: none"> - Constraints in collection of monitoring data in other areas of the country will limit practical usefulness of the monitoring system.

Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
<p>Level of awareness on the concept and application of National capital accounting and basis for replication in N. Macedonia (measured by: change in awareness of the concept in senior state, non- state and academic institutions, and availability of clear in-country evidence/recommendations for its application in the N. Macedonian context)</p>	<p><i>Baseline: No in-country experience or awareness of the NCA concept or its practical application in development planning (baseline survey TBD in inception)</i></p>	<p>NA</p>	<p><i>Increase in awareness of the concept and practical application of NCA in senior state, non- state and academic institutions (Follow up survey)</i></p> <p><i>Availability of in-country experience assessment and recommendations for its further national application</i></p>	<p><i>Means of verification:</i></p> <ul style="list-style-type: none"> - Knowledge/perception survey reports - M&E reports - PIR <p><i>Assumption:</i></p> <p><i>That relevant national experts and institutions are open to accepting NCA based on experience and results from the Shar Mountains and to practically utilize. In future</i></p> <p><i>Risk:</i></p> <ul style="list-style-type: none"> - Existing ?traditional ?economic thinking and academic inertia prevents uptake and commitment to NCA approaches and tools
-				-
<p>Outputs:</p> <p>-</p> <p>Output 2.1.1: Key benefits and lessons learned from pilot landscape ILM captured through holistic evaluation of the practical effectiveness and impact of innovative approaches developed and tested by the project</p> <p>Output 2.1.2: Support and technical assistance provided to MOEPP (Ministry of Environment and Physical Planning) and key stakeholder institutions to develop guidelines and policy recommendations for upscaling of LD/BD efforts and application of integrated landscape management in other areas of the country</p> <p>Output 2.1.3: Set of national and regional workshops and awareness events for key stakeholders [designed, conducted and results documented and made available, with particular consideration of gender balance]</p> <p>Output 2.1.4: Capacity of MOEPP to upscale the piloted Integrated LD and BD indicator and monitoring system at national level built through its replication in 2 additional pilot sites</p> <p>Output 2.1.5: Assessment and recommendations on the wider adoption of Natural Capital Accounting approaches within the national economic monitoring and planning system</p> <p>-</p>				

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

COUNCIL COMMENTS:

Comment	How it was addressed in ProDoc
<p><i>Canada Comments</i></p> <p>This project is complementary to the CBD, especially from the perspective of reducing biodiversity loss through sustainable use and integrated landscape management. No concerns with this project. The project uses a landscape approach, which Canada supports, to tackle biodiversity related issues across different land uses and involving different stakeholders. It is geared at about 50-50 gender split, also aligning with Canada's position on a feminist approach to ODA.</p>	
<p>? Canada would like to better understand why so little forest land is being restored. Macedonia has 1M ha of forest, but the project is aimed at only 2500 ha of forest restoration.</p>	<p>The project is based on the demonstration of good practice in the Shar Mountains landscape that can provide the basis for reforms to the forestry (and other natural capital) based on a wider recognition of forestry resources both as key elements to maintain ecosystem services and biodiversity, but also as crucial energy resources for rural populations ? the absence of these multi functions and values is a key part of why forestry management and reform efforts to date have been ineffective. Thus though the project will only directly impact 2500 within the Shar Mountains landscape during its timeframe, the outputs under component 2 are aimed at ensuring lessons learned can be effectively upscaled nationally post project.</p>
<p><i>Germany Comments</i></p> <p>Germany approves the following PIF in the work program but requests that the following comments are taken into account:</p> <p>Germany welcomes this proposal as timely and sensible supplement to the ongoing process of declaring the Shari Mountains (North Macedonian part) a National Park. The process towards the declaration of the national park was supported by both local initiatives and international NGOs and Foundations (including Bundesstiftung Umwelt). German Development Cooperation has supported capacity building activities to contribute to the sustainable management of the Park in Albania, Kosovo and North Macedonia.</p> <p>Germany requests that the following requirements are taken into account during the design of the final project proposal:</p>	

<p>? The regional nature of the Shari Mountains should be stronger reflected in the proposal, e.g. by contributing to regional approaches, taking into account national management structures as well as civil society initiatives (LAG Korab-Koritnik in AL, LAG Sharri in KOS, Friends of Sharri, Macedonian Ecological Society in NMK), and existing regional coordination mechanisms (e.g. joint advisory board).</p>	<p>Stakeholder consultation during PPG sort to ensure the contribution and inputs of all key stakeholders, in particular regional and local including: Local Self Government Units (LSGUs), Municipalities and their administration staff, Macedonian Ecological Society, Balkan Foundation for Sustainable Development (BFSD), National Association of Private Forests Owners, Mountaineering Federation of North Macedonia, PE National Forests, PE Pastures Management. The main planning and coordination instrument in the project target area (the Integrated Landscape Management plan) places emphasis on being a framework for bringing together existing natural resource use and rural development initiatives rather than adding an additional stand alone planning system.</p>
<p>? Furthermore, the exchange and networking with other existing regional park management approaches (e.g. NP Prespa / Galicica) should be facilitated. This includes existing Regional Development agencies and Local Action Groups of the EU LEADER Approach to assure the long-term use of EU pre-accession assistance (f.e. IPA and IPARD III) for the realization of local level development initiatives</p>	<p>Under the development process for the Shar Mountains ILM framework planning networking and experience exchange is envisaged. Likewise, capacity support to the Shar Mountains NP Management authority will include ensuring that relevant experience, best practices and peer to peer visits are carried out and opportunities for ongoing collaboration and coordination of approaches built on.</p>
<p>? Germany recommends to consider successful approaches by the German-funded regional project ?Support to Economic Diversification of Rural Areas in Southeast Europe? (SEDRA), such as the ?High Scardus Trail?</p>	<p>Project added in the ProDoc, under related non-GEF initiatives</p> <p>The work and experience of this and other related projects will be taken into consideration during project implementation, to improve cooperation and avoid overlaps in activities</p>
<p>? The proposal should further include the issue of ?illegal buildings? in the area of the national park.</p>	<p>The project identifies this as one of the threats and will attempt to address it through a number of avenues (ILM framework, tourism development planning, and in particular Output 1.1.3). The latter seeks to support communities to develop a sustainable development ?vision?, their capacity to organize and mobilize towards achievement of that vision, and direct initial support to doing so. This will include addressing the need to collectively self-regulate inappropriate construction and other issues requiring collective action such as local level waste management</p>

<p>? Germany requests the project to ensure local ownership through actions that enhance the economic prospects, income and employment of the local population as crucial elements of sustainability of the park management approach, integrate and support existing civil society and multi-stakeholder initiatives, and ensure full and equal participation of all ethnic groups, young people and women.</p>	<p>The main focus of the project is precisely this - recognition that local communities are the crucial land use actors and that past failures of the institutional management approaches to recognize local community needs and interests have been a primary driver of threats to the Shar Mountains sustainable natural resource use and biodiversity. Thus, in response the planned activities in forestry, pasture and tourism etc. all emphasize the incremental adjustment of management to better recognize local community needs and increase the local community capacity and role in sustainable management. Two specific cases in point are the need to adequately factor local fuelwood needs into forestry planning, and the need to increase the security of pasture tenure in order to increase incentives for long term sustainable use. The project will leverage the establishment of the NP, and the opportunity this brings to adapt management approaches, to demonstrate at Shar Mountains level the viability and feasibility of such approaches which will then in turn provide leverage in Component 2 to build support and capacity to replicate and upscale such approaches nationally.</p>
---	---

STAP COMMENTS:

Comment	Addressing at PIF	Addressing at ProDoc
---------	-------------------	----------------------

General comment: Minor issues to be considered during project design STAP welcomes UNEP's project 'Biodiversity conservation, sustainable land management and sustainable tourism development in North Macedonia' to be underpinned by integrated land use planning and integrated landscape management. The project aims to strengthen landscape management in the Shar Mountains, building on existing biodiversity, sustainable land and forest management initiatives.

The project is novel in its consideration of Natural Capital Accounting (NCA) to monitor and report on benefits from sustainable land management and biodiversity conservation, including the provision of ecosystem services. STAP encourages the project team to specify the NCA methodology, along with the data, that will be used to monitor and assess progress achieved from activities planned for advancing the vision of 'land degradation neutrality', in tandem contributing to conservation of valuable biological diversity of the project area.

As the project is developed, the project proponents are also encouraged to pay equal attention to direct biophysical and socio-cultural factors. The project has a strong emphasis on biophysical traits although effective restoration strategies are equally dependent on the cultural, political and economic dimensions that may influence global environmental outcomes. It would be appropriate, therefore, to build these multiple factors into the proposed integrated landscape management approach and theory of change. Given the proponents mention the need to overcome the inertia of long-entrenched existing systems, approaches and mindsets (Barrier #2), STAP strongly recommends the PPG considers behavioral change as a means (and also end) to the design and implementation of interventions that can be sustainable beyond the project lifetime.

STAP also recommends paying close attention to indirect effects, such as leakage of deforestation, in the theory of change and landscape management approach used by the project. Currently, these types of effects are not considered in the proposal. To reduce uncertainty of outputs and outcomes, STAP encourages the project team to develop one or two alternative scenarios that could deal effectively with the impacts brought about by changes in outmigration from the target sites, climate change, and other significant drivers of environmental change identified in the project.

The STAP commends the consideration given to inclusion of the private sector and encourages more work at the PPG phase to better articulate a strategy for their involvement in activities towards, for instance, creation of new markets and job opportunities for youth. As the project intends to develop a case study on utilization of genetic resources, the STAP strongly encourages drawing on previous GEF projects experiences in that regard. Below, STAP presents suggestions on how to address these issues.

Is the objective clearly defined, and consistently related to the problem diagnosis?	Yes, the objective is defined clearly and related to the problem definition	Done
A brief description of the planned activities. Do these support the project's objectives?	Yes, the activities support the project objective	Done
A description of the expected short-term and medium-term effects of an intervention. Do the planned outcomes encompass important global environmental benefits/adaptation benefits?	Yes, the outcomes represent global environmental benefits.	Done

<p>Are the global environmental benefits/adaptation benefits likely to be generated?</p>	<p>Possibly ? with good monitoring, evaluation, and learning, and a good theory of change that is used to validate assumptions, and assess opportunities for adaptation and transformational change.</p> <p>STAP encourages the team to make emphasis on alternative livelihoods beyond sustainable tourism.</p> <p>The PIF identifies under Output 1.2.3 activities that will contribute to adaptation of the community to a changing climate and conservation of the biodiversity. STAP encourages linking those activities to the ToC, to ensure that investment occurs for the right interventions at local level that will generate GEBs</p>	<p>Global benefits:</p> <p>?Support to North Macedonian LDN national and specific voluntary targets for:</p> <ul style="list-style-type: none"> (a) Avoiding, minimizing land degradation and increase SOM and Land productivity (b) Preservation and improvement of land productivity potential through land use optimization based on agro-ecological zoning, cropping patterns and suitable crop varieties and tree species, (c) Reducing forest losses as a consequence of wild fires and illegal cut <p>?Halting the depletion of soil organic matter with implementation of agro-ecological and adaptive measures and sustainable forest activities</p> <p>?Reduction of soil erosion on crop and forest land with implementation of efficient conservation techniques</p> <p>Global benefits:</p> <p>?Support to North Macedonian LDN target/s for:</p> <ul style="list-style-type: none"> (a) Development of national capacities for continuous and comprehensive monitoring of LDN indicators and the effects of implemented SLM practices (b) Development of national system for monitoring of drought and drought effects and implementing of mitigation measures on most vulnerable areas in the country to LDD <p>?Conservation and sustainable use of globally important biodiversity / agro-biodiversity and cultural landscapes (directly Shar Mountains but indirectly other areas of the country through impact on national policy, legislation, planning and management, good practice upscaling)</p> <p>?Preservation of nationally and regionally important ecosystem services</p>
--	---	--

<p>A description of the products and services which are expected to result from the project. Is the sum of the outputs likely to contribute to the outcomes?</p>	<p>Yes. Better articulation is needed in the PPG between outcomes, outputs and proposed activities.</p>	<p>Done</p>
<p>Is the problem statement well-defined?</p>	<p>Yes, the problem statement is well-defined. STAP recommends attention be paid to land tenure and migration in the design of project interventions to address the root causes and barriers stated.</p>	<p>Done</p>

<p>Are the barriers and threats well described, and substantiated by data and references?</p>	<p>Yes, the threats are well described, which include:</p> <p>1) population pressure on forest resources (e.g. fuelwood) leading to deforestation, and biodiversity loss; 2) degradation of pasture areas due to changes in grazing practices (reduced grazing has led to growth of low productivity scrub); 3) unsustainable grazing practices (reduced rotational grazing, high stock density in places) leading to land degradation; 4) poor grazing and pasture management leading to biodiversity loss (species loss, productivity decline); one year pasture lease which is leading to insufficient interest, and incentives, on sustainable pasture management; 5) decline of water resources; 6) replacement of traditional agro-biodiversity with high valued crops; and, 7) reduced ecosystem services, such as water.</p> <p>Barriers include lack of capacity on landscape management; and, limited capacity to upscale land management practices;</p>	<p>Done</p>
---	--	-------------

<p>For multiple focal area projects: does the problem statement and analysis identify the drivers of environmental degradation which need to be addressed through multiple focal areas; and is the objective well defined, and can it only be supported by integrating two, or more focal areas objectives or programs?</p>	<p>Yes, the PIF identifies drivers of land and forest degradation, as well as biodiversity loss. These drivers will be addressed through sustainable land management, and biodiversity conservation. In particular, LDN will be used as unifying integrated landscape approach to tackle these multiple drivers</p>	<p>Done</p>
<p>Is the baseline identified clearly?</p>	<p>The baseline is a narrative description of projects and initiatives that have strengthened policy, legal and institutional frameworks on landscape management, and biodiversity conservation. The baseline also describes projects on LDN and biodiversity conservation that are relevant to this initiative because of their approaches, tools, and methods on natural resource management. Of note is the</p>	<p>Done</p>

<p>Does it provide a feasible basis for quantifying the project's benefits?</p>	<p>Possibly ? it is unclear from the PIF whether North Macedonia has defined its LDN targets. If it has, then it would be helpful to define the LDN targets as the baseline for land benefits. For biodiversity, we suggest describing which post-2020 global biodiversity framework targets the project will contribute towards, and select the appropriate indicators for these targets.</p>	<p>Done</p> <p>The proposed project is also complementary to the activities suggested under the NAP/LDN Program. The draft program has identified a number of priority objectives regarding the protection of land, mostly which are in line and coherence of this project objectives and outputs, such as strengthening of administrative and operational capacities for Drought, Land Degradation and Desertification (DLDD) issues, awareness raising of the public for LD and BD related aspects, as well as enabling suitable environment for implementing modern techniques, methodologies and techniques to contribute to nature protection and halt and mitigate land degradation. Additionally, the country has completed the LDN Leveraging Plan and LDN assessment and has established and mapped a baseline to define the LDN frame of reference. This GEF project will support the continuation of LDN mainstreaming, by establishing an operational LDN and strengthened BD monitoring and reporting system.</p> <p>* North Macedonia does not have monitoring framework system for LDN indicators and implementation at national level.</p>
<p>Is the baseline sufficiently robust to support the incremental (additional cost) reasoning for the project?</p>	<p>See comment above</p>	<p>Please see above</p>
<p>are the multiple baseline analyses presented (supported by data and references), and the multiple benefits specified, including the proposed indicators;</p>	<p>Yes. However, suggest identifying LDN and post-2020 global biodiversity framework targets indicators.</p>	<p>Please see above</p>
<p>are the lessons learned from similar or related past GEF and non-GEF interventions described; and</p>	<p>Yes, the baseline narrative does this very well</p>	<p>Done</p>
<p>how did these lessons inform the design of this project?</p>	<p>See the policy, or project, descriptions under the baseline scenario.</p>	<p>Done</p>

<p>What is the theory of change?</p>	<p>The project will strengthen capacity on LDN and biodiversity conversation through landscape management in the Shar Mountains. To achieve this objective, the project will: ?1) support stakeholders to plan and implement an interlinking set of actions, related to forestry, pasture, water resources, agriculture, and sustainable livelihoods, in the Shar Mountains. These actions will be aimed at avoiding, reducing or reversing land degradation, loss of biodiversity and ecosystem functions. Within this component, the project will also support the capacity for natural capital accounting, integrated LDN/BD monitoring and reporting system; and 2) capture the experience and lessons learned from previous initiatives. Opportunities for scaling forest and pasture management will be sought.</p>	<p>Done</p>
--------------------------------------	---	-------------

<p>What is the sequence of events (required or expected) that will lead to the desired outcomes? What is the set of linked activities, outputs, and outcomes to address the project's objectives?</p>	<p>See comment above</p>	<p>Please check the work plan and timeline</p>
<p>Are the mechanisms of change plausible, and is there a well-informed identification of the underlying assumptions?</p>	<p>The desired change is plausible with the implementation of the theory of change. Adapting the theory of change as assumptions are tested, and outcomes are monitored, will be important.</p> <p>Suggest defining the assumptions, risks, and barriers behind each outcome ? i.e. the conditions that must be met to achieve an outcome.</p>	<p>Done</p>

<p>Is there a recognition of what adaptations may be required during project implementation to respond to changing conditions in pursuit of the targeted outcomes?</p>	<p>Yes, component 2 will focus on embedding lessons learned into the project, and adapting its implementation accordingly. The PIF also recognizes opportunities for scaling and replication based on embedding knowledge and learning, which is valuable. Paying close attention to scaling (developing a separate theory of change ? and identifying barriers to scaling) will help the project monitor the changes needed to achieve adaptation.</p>	<p>Done</p>
<p>GEF trust fund: will the proposed incremental activities lead to the delivery of global environmental benefits?</p>	<p>Possibly. However, there might be a possibility of ?leakage? of deforestation that the project team should manage as the project is designed and implemented. Could actions in the target sites result in forest clearing being moved to parts outside the newly established protected area?</p>	<p>Done, further during project implementation</p>

<p>Are the benefits truly global environmental benefits/adaptation benefits, and are they measurable?</p>	<p>Yes, it is plausible to achieve the proposed global environmental benefits. However, recommend assessing the possibilities for leakage of deforestation, and identifying measures to address this indirect driver of biodiversity loss and forest degradation.</p>	<p>Done, further during project implementation</p>
<p>Is the scale of projected benefits both plausible and compelling in relation to the proposed investment?</p>	<p>Yes, the scale of the project is plausible and compelling, especially if the leakage concern is built into the theory of change, and managed. The proposed investments are vague at this stage, and STAP recommends more careful screening of the plausible benefits (e.g. use of cost-benefit analysis for assessing whether the projected benefits can be achieved).</p>	<p>Please see ProDoc Section 3.7 ? local/national/global benefits</p>
<p>Are the global environmental benefits/adaptation benefits explicitly defined?</p>	<p>See above</p>	<p>Yes, please see section 3.7 of ProDoc</p>

<p>Are indicators, or methodologies, provided to demonstrate how the global environmental benefits/adaptation benefits will be measured and monitored during project implementation?</p>	<p>STAP LDN guidelines, among other methods, will be used to apply landscape management, and address land and forest restoration. STAP recommends consideration of interventions that target behavioral change given the barriers mentioned in the project. A good starting point to understand when, how and what needs to change is in the STAP work presented in the December Council, and its related literature review.</p>	<p>Done</p>
--	--	-------------

What activities will be implemented to increase the project's resilience to climate change?

Resilience is considered in the project, though not specific to climate change. The risk section recognizes that resilience (of landscapes) is linked to biodiversity of land uses and livelihoods, and it highlights the risks of undermining resilience by over-dependence on one activity (ie. tourism).

STAP suggests framing one, or two, alternative pathways to deal with the uncertainties posed by climate change projected for the region and to wind-tunnel in that way proposed interventions for their resilience to climate change. Further advice is provided in the risk section. Another suggestion is around using the outputs of NCA to guide the design of ILM interventions that are climate smart.

Suggested further refining during Project Inception phase or since not included as indicator in SRF / logframe ? maybe can be removed entirely?

Is the project innovative, for example, in its design, method of financing, technology, business model, policy, monitoring and evaluation, or learning?

The project is innovative within its context. The project will build capacity to implement an integrated landscape management approach to address the root causes of degradation and biodiversity loss. Suggest identifying metrics to monitor a landscape approach, as well as defining trade-offs between the different objectives: that is,

sustainable land management, restoration, and biodiversity conservation. Refer to the following paper on landscape approaches: Reed, James, et al.

"Integrated landscape approaches to managing social and environmental issues in the tropics: learning from the past to guide the future." Global change biology 22.7 (2016): 2540-2554.

Given the emphasis on NCA, the use of LDN as a framework, and the interest in diversification of livelihoods and maintenance of ecosystem services in the project area, STAP suggests the project team to investigate the potential of ILM options that apply market-based instruments (e.g. payment for ecosystem

Done, please see section 3.8

Is there a clearly-articulated vision of how the innovation will be scaled-up, for example, over time, across geographies, among institutional actors?

The project could benefit from a separate theory of change that is specific to scaling out (replication), deep (influencing cultural values), and up (changing institutions). Achieving change at scale requires alignment between knowledge of potential

solutions (e.g. improved land management

practices), and social structures (e.g. shift in cultural values and norms). The project team, therefore, should pay close attention to potential barriers, and enablers, of change influencing knowledge of solutions and social structures.

Often, scaling and transformational change, will require context specific scaling up, deep, and out.

Refer to the following sources for further

information on scaling: STAP's theory of change primer; STAP's durability advice; Why behavioral change matters and what to do about it? and, Moore, Michele-Lee, Darcy Riddell, and Dana Vocisano. "Scaling out, scaling up, scaling deep: strategies of non-profits in advancing

Please see ToC

<p>Will incremental adaptation be required, or more fundamental transformational change to achieve long term sustainability?</p>	<p>Possibly both ? incremental and transformational change to deal with the present long-term drivers of population change (outmigration) and climate change</p>	<p>Both, done</p>
<p>Project Map and Coordinates. Please provide geo-referenced information and map where the project interventions will take place.</p>	<p>Yes, a map is provided showing the target area. Suggest adding the different land uses, and state of degradation if this information is available. Additional advice on the use of earth observation for project design is available in this technical guide commissioned by STAP.</p>	<p>Done (please check both ProDoc and CEO Endorsement)</p>

<p>Have all the key relevant stakeholders been identified to cover the complexity of the problem, and project implementation barriers?</p>	<p>Yes. Suggest revisiting stakeholders as the project is designed and implemented. Different stakeholders may be needed, or stakeholders? roles may change, as the activities are implemented.</p> <p>Additionally, suggest describing how each stakeholder is linked to achieving the project outcomes.</p> <p>The role of the private sector is identified, and STAP expects that it will be better articulated in the PPG phase.</p>	<p>Please see Section 2.5 and Section 5</p>
<p>What are the stakeholders? roles, and how will their combined roles contribute to robust project design, to achieving global environmental outcomes, and to lessons learned and knowledge?</p>	<p>Please address questions to the left during project design.</p>	<p>Wide stakeholders? consultation process has been conducted during PPG. Roles of different stakeholders during project implementation have been identified in Sections 2.5 and 5</p>
<p>Have gender differentiated risks and opportunities been identified, and were preliminary response measures described that would address these differences?</p>	<p>Partly. Recommend identifying the social and power relations within the stakeholder group, and any barriers, or enablers, of change that are essential for transforming gender norms and power relationships.</p>	<p>Efforts have been made in the ProDoc to more clearly link the gender assessment with project outputs and activities</p>
<p>Do gender considerations hinder full participation of an important stakeholder group (or groups)? If so, how will these obstacles be addressed?</p>	<p>See above advice on power dynamics within the stakeholder group.</p>	<p>Efforts have been made in the ProDoc to more clearly link the gender assessment with project outputs and activities</p>

<p>Are the identified risks valid and comprehensive? Are the risks specifically for things outside the project's control? Are there social and environmental risks which could affect the project?</p> <p>For climate risk, and climate resilience measures:</p> <p>? How will the project's objectives or outputs be affected by climate risks over the period 2020 to 2050, and have the impact of these risks been addressed adequately?</p> <p>? Has the sensitivity to climate change, and its impacts, been assessed?</p> <p>? Have resilience practices and measures to address projected climate risks and impacts been considered? How will these be dealt with?</p> <p>? What technical and institutional capacity, and information, will be needed to address climate risks and resilience enhancement measures?</p>	<p>The risks identified are valid, and need to be identified in the theory of change. Additionally, STAP recommends identifying risks, or barriers, that may hamper the achievement of outcomes. As the theory of change is implemented, these risks and barriers can be addressed, and the theory of change revisited and adapted.</p> <p>The reflection of page 35 on factors that hamper project implementation is very valid and applicable to the context of this project. STAP recommends these be attended in the PPG, in addition to the risks highlighted in the section 'risks'.</p> <p>As previously mentioned, STAP suggests considering two, or three, additional pathways, or scenarios to anticipate how external and internal factors may affect the intended outputs and outcome. For example, how will climate change, changes in population (out-migration from target sites identified in the PIF) affect the project objective? Refer to STAP's theory of change primer and Moallemi, E. A., et al. "Emulating</p>	<p>Done, TOC revised</p>
---	---	--------------------------

<p>Are the project proponents tapping into relevant knowledge and learning generated by other projects, including GEF projects?</p>	<p>The baseline scenario begins to describe lessons learned from several baseline projects. Suggest addressing the questions below to help specify how knowledge generated from the baseline projects will contribute to this initiative.</p>	<p>Component 2 will be dealing with replication of lessons learned</p>
<p>Is there adequate recognition of previous projects and the learning derived from them? Have specific lessons learned from previous projects been cited? How have these lessons informed the project's formulation? Is there an adequate mechanism to feed the lessons learned from earlier projects into this project, and to share lessons learned from it into future projects?</p>	<p>See above</p>	<p>Done</p>

What overall approach will be taken, and what knowledge management indicators and metrics will be used?

The project will rely on an innovative approach, Natural Capital Accounting (NCA) system, to generate knowledge by monitoring and reporting on LDN and biodiversity conservation. Knowledge from previous initiatives in the Shar Mountains demonstration site will be used as input to the NCA system. Recommend detailing the NCA methodology, along with the data that will be used to monitor forest and land restoration, and biodiversity conservation.

It is recommended the project uses prior knowledge of global databases like WOCAT to identify sustainable land management options suitable to the multiple objectives of this project.

Linking this project to global databases like

WOCAT would enable better sharing of lessons learned from this project, and transfer of knowledge and skills to other GEF and non-GEF projects that focus on LDN and biodiversity conservation through the lens of ILM.

Done in more details through specific proposed activities

The project will build on the existing knowledge and experience

What plans are proposed for sharing, disseminating and scaling-up results, lessons and experience?	The project proposes to share knowledge generated from the project through different forums. Scaling and replication are also objectives of this project which are tied to managing knowledge. Suggest paying close attention to scaling, including barriers and enablers of change that facilitate scaling up, scaling out and scaling deep. See advice provided above.	Please see Section 3.9
--	--	------------------------

**ANNEX C: Status of Utilization of Project Preparation Grant (PPG).
(Provide detailed funding amount of the PPG activities financing status in the table below:**

(i) The national PPG coordinator was responsible for the overall coordination of the PPG work, monitoring of progress and contribution in the development of the project package, coordination and consultations with the Ministry and other relevant stakeholders.

The international consultant was responsible to support the development of the project package, especially the project log frame, in line with the requirements of GEF and the country's needs and priorities.

(ii) The local partner was responsible for data collection and interpretation, analysis and technical expertise to support the development of the project proposal, organization of stakeholders' consultation meetings, organization of inception and validation workshops, and consolidation of the project proposal package.

PPG Grant Approved at PIF: 100,000			
PPG Grant ? received amount: 70,000			
<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent Todate</i>	<i>Amount Committed</i>
PPG Coordinator	15,000	13,700	1,300
International consultant	19,000	19,000	
Travel on official business	6,000		6,000
Local partner/subcontracts	58,676	36,900	21,776
Sundry/communication	1,324	267	1,057

Total	100,000	69,867	30,133
-------	---------	--------	--------

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

Project territory



These are the centroids for the three sites:

Region	Centroid (WGS 84)			
	X	Y	Longitude	Latitude
Shar Mountains	20.8566	41.9515	20° 51' 23.76" E	41° 57' 5.4" N

ANNEX E: Project Budget Table

Please attach a project budget table.

Annex E: Project Budget Table

Budget Code	Expenditure Category	Detailed Description	Component				Sub-total	M & E	PM C	Total USD	Responsible Entity
			Component 1			Component 2					
			Outcome 1.1	Outcome 1.2	Outcome 1.3	Outcome 2.1					
	Contractual Services - Company/CSO		375,000	886,000	785,000	550,593	2,596,593		2,596,593	MOEP P in cooperation with UNEP	
1202		Sub-contracts to perform NCA process on Shar under output 1.1.1	85,000				85,000		85,000		
1203		Sub-contract for preparation of ILM and Shar Spatial Plan, and sustainable financial strategy	90,000				90,000		90,000		
1204		Sub-contract for development of the LDN/BD monitoring and reporting system	200,000				200,000		200,000		
1206		Sub-contracts to perform forest inventory and forest management plans		210,000			210,000		210,000		
1207		Sub-contracts to develop electronic system for tracking forest use		120,000			120,000		120,000		

1208	Sub-contracts to perform forest management plans (Shar) pilot implementation		240,00			240,00			240,00	
1210	Sub-contract for preparation of pastures inventory, strategy and for practical piloting		230,00			230,00			230,00	
1211	Sub-contract for HPPs analysis (Shar), clarification of roles, establish a functional monitoring system to manage and mitigate impacts of SHPP on the environment and livelihoods		86,000			86,000			86,000	
1214	Sub-contracts to develop Shar tourism strategy and tourism inventory			80,000		80,000			80,000	
1215	Sub-contracts to develop payment visitor system and trails management system on Shar			240,00		240,00			240,00	
1216	Sub-contract to implementation of local agricultural practices			165,00		165,00			165,00	
1217	Sub-contracts to develop a program for agro-environmental measures			100,00		100,00			100,00	

1219	Sub-contract to support local community mobilization and involvement			200,000		200,000			200,000	
1220	Sub-contract for output 2.1.1 to identify ILM lessons learned and recommendations/practical approaches				120,000	120,000			120,000	
1223	Sub-contract for output 2.1.2 for practical guidelines, manuals, drafting of policy, legislative and institutional reform documents				60,593	60,593			60,593	
1224	Sub-contract for output 2.1.4 for M&R system indicators - testing on Shar and 2 additional pilot sites				190,000	190,000			190,000	
1225	Sub-contract for output 2.1.5 for development of NCA methodology guidelines, awareness and capacity building, application of NCA approaches and concepts				180,000	180,000			180,000	
	International consultants	40,000			50,000	90,000			90,000	MOEP P in cooperation with UNEP

120 1	Sub-contract for consultancy services under output 1.1.1 (International NCA consultant)	40,000				40,000			40,000	
122 2	Sub-contract for consultancy services under output 2.1.2 (international technical quality assurance expert)				50,000	50,000			50,000	
	Local consultants	0	120,000	245,000	40,000	405,000			405,000	MOEP P in cooperation with UNEP
120 5	Sub-contract for consultancy services under output 1.2.1 (Forest management expert)		60,000			60,000			60,000	
120 9	Sub-contract for consultancy services under output 1.1.2 (Pastures management expert)		60,000			60,000			60,000	
121 2	Sub-contract for consultancy services under output 1.3.1 (Tourism development expert)			50,000		50,000			50,000	
121 3	Sub-contract for consultancy services under output 1.3.1 (Nature protection/PAs management expert)			90,000		90,000			90,000	

1218	Sub-contract for consultancy services under output 1.3.3 (Public awareness and gender expert)			105,000		105,000			105,000	
1221	Sub-contract for consultancy services under output 2.1.2 (Landscape expert)				40,000	40,000			40,000	
10	Salary and benefits / Staff costs	0	0	0	0		70,000	164,500	234,500	UNEP
1010	National Project Manager	0	0	0	0			90,000	90,000	
1020	Admin and finance staff	0	0	0	0			65,000	65,000	
1030	Mid-term evaluator	0	0	0	0		30,000		30,000	
1040	Terminal evaluator	0	0	0	0		40,000		40,000	
1050	Project execution support	0	0	0	0			9,500	9,500	
320	Trainings, Workshops and Meetings	40,000	90,000	120,000	115,000	365,000			365,000	MOEP P in cooperation with UNEP
3201	Trainings and Workshops under Outcome 1.1, based on gender-responsive approach	40,000				40,000			40,000	
3202	Trainings and Workshops under Outcome 1.2, based on gender-responsive approach		90,000			90,000			90,000	

320 3	Trainings and Workshops under Outcome 1.3, based on gender-responsive approach			120,000		120,000			120,000	
320 4	Regional and set of national workshops (Output 2.1.3), based on gender-responsive approach (including the execution support trainings for MOEPP)				110,000	110,000			110,000	
330 1	PSC meetings				5,000	5,000			5,000	
160	Travel	0	0	0	0		10,000	7,829	17,829	UNEP
160 1	PM travel	0	0	0	0			7,829	7,829	
160 2	MTR/TE travel	0	0	0	0		10,000		10,000	
130	Office Supplies	0	0	0	0			2,400	2,400	UNEP
130 1	Office supplies, materials							2,400	2,400	
125	Other Operating Costs	0	0	0	0			2,100	2,100	UNEP
125 02	Communication costs	0	0	0	0			2,100	2,100	
	Grand Total	455,000	1,096,000	1,150,000	755,593	3,456,593	80,000	176,829	3,713,422	
	Component Total			2,701,000	755,593		80,000	176,829		

Responsible Entity	MOEPP/ UNEP	MO EPP/ UNE P	MO EPP/ UN EP	MO EPP/ UN EP	MO EPP/ UNE P	UN EP	UN EP
---------------------------	----------------	------------------------	------------------------	------------------------	------------------------	----------	----------

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agencies is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

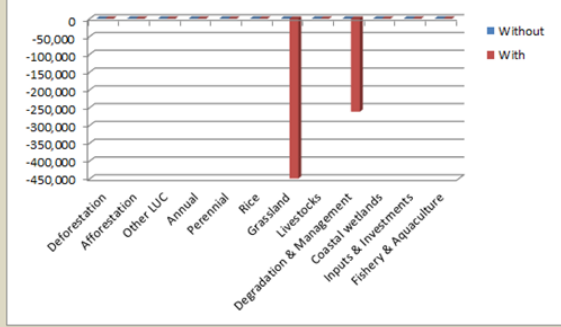
Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies? capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).

Annex H Summary Table of GHG Emission Calculations

Project Name	North Macedonia MFA	Climate	Cool Temperate (Moist)	Duration of the Project (Years)	10
Continent	Eastern Europe	Dominant Regional Soil Type	LAC Soils	Total area (ha)	18575

Components of the project	Gross fluxes			Share per GHG of the Balance					Result per year			
	Without	With	Balance	All GHG in tCO2eq			N ₂ O	CH ₄	Without	With	Balance	
	All GHG in tCO2eq			Biomass	Soil	Other						
Positive = source / negative = sink												
Land use changes												
Deforestation	0	0	0	0	0	0	0	0	0	0	0	0
Afforestation	0	0	0	0	0	0	0	0	0	0	0	0
Other LUC	0	0	0	0	0	0	0	0	0	0	0	0
Agriculture												
Annual	0	0	0	0	0	0	0	0	0	0	0	0
Perennial	0	0	0	0	0	0	0	0	0	0	0	0
Rice	0	0	0	0	0	0	0	0	0	0	0	0
Grassland & Livestocks												
Grassland	0	-449,238	-449,238	0	-449,238	0	0	0	0	-44,924	-44,924	-44,924
Livestocks	0	0	0	0	0	0	0	0	0	0	0	0
Degradation & Management	0	-261,605	-261,605	-224,205	-37,400	0	0	0	0	-26,161	-26,161	-26,161
Coastal wetlands	0	0	0	0	0	0	0	0	0	0	0	0
Inputs & Investments	0	0	0	0	0	0	0	0	0	0	0	0
Fishery & Aquaculture	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	-710,844	-710,844	-224,205	-486,638	0	0	0	0	-71,084	-71,084	-71,084
Per hectare	0	-38	-38	-12.1	-26.2	0.0	0.0	0.0	0.0	-3.8	-3.8	-3.8
Per hectare per year	0.0	-3.8	-3.8	-1.2	-2.6	0.0	0.0	0.0	0.0	-3.8	-3.8	-3.8

Fluxes per component



Balance per component

