



GEF-6 REQUEST FOR MEDIUM-SIZED PROJECT APPROVAL

TYPE OF TRUST FUND: GEF TRUST FUND

PART I: PROJECT IDENTIFICATION

Project Title:	Enhancing financial sustainability of the protected area system in Albania		
Country(ies):	Albania	GEF Project ID: ¹	9289
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5602
Other Executing Partner(s):	Ministry of Environment (MoE)	Submission Date:	September 11, 2015
GEF Focal Area(s):	Biodiversity	Project Duration (Months)	48
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>		
Name of Parent Program:	N/A	Agency Fee (\$)	134,900

A. FOCAL AREA STRATEGY FRAMEWORK AND PROGRAM:

Focal Area Objectives/programs	Focal Area Outcomes	Trust Fund	(in \$)	
			GEF Project Financing	Co-financing
BD-1 Program 1	Outcome 1.1 Increased revenue for protected area systems and globally significant protected areas to meet total expenditures required for management	GEFTF	1,420,000	7,020,000
Total project costs			1,420,000	7,020,000

B. PROJECT FRAMEWORK

Project Objective:

To reduce the funding gap for protected areas in order to improve their management effectiveness, particularly in respect of reducing the threats to, and improving the conservation status of, their biodiversity values.

Project Components/ Programs	Financing Type ²	Project Outcomes ³	Project Outputs ⁴	Trust Fund	(in US\$)	
					GEF Project Financing	Confirmed Co-financing
1. Improved financial planning and management capacity of the protected area system	TA	The capacity of the National Agency of Protected Area (NAPA) to effectively plan, secure and administer funds for the PA system is strengthened: - Financial scorecard increases from 11% to 30% by EOP; - Capacity assessment scorecard increases from 32% to 43% by EOP; - Total funding for the PA system increases from US\$2m/annum to >US\$5m/annum by EOP;	1.1 National planning framework (Strategic Plan, Financial Plan and policies and guidelines framework) for the protected area system is prepared 1.2 Financial planning and management capabilities of the NAPA are strengthened	GEFTF	690,600	3,820,000

¹ Project ID number will be assigned by GEFSEC

² Investment (Inv)/ Technical Assistance (T/A)

³ The threat reduction impact for globally important biodiversity is depicted in the incremental cost matrix further in the text

⁴ Details on output content are found further in the text.

		- Average METT score for NPs, MNRs and PLs increases from 30% to >38% by EOP; - The funding gap for the PA system reduces by at least US\$250k per annum; - All income from PAs is ring-fenced for reinvestment in the PA system by EOP.	1.3 Capacity of the NAPA to mobilize funding for the protected area system is developed			
2. Increased revenue from individual protected areas	TA	A suite of mechanisms to improve revenue streams is developed and implemented in targeted protected areas: - Collective income from the targeted protected areas exceeds US\$50,000 per annum by EOP; - At least 25% of the income collected from the targeted protected areas is used to help seed the protected area system Trust Fund; and - Average METT score for DNP, DKNP and the Llogara-Karaburuni PA complex increases from 39% to 47% by EOP.	2.1 Commercial enterprises operating in Dajiti National Park (DNP) financially contribute to the operating management costs of the park 2.2 Park income is derived from fishing, farming and forestry activities occurring in the natural resource zones of Divjaka-Karavasta National Park (DKNP) 2.3 Park revenues are collected from the summer influx of recreational users in the Llogara-Karaburuni protected area (PA) complex	GEFTF	600,400	3,100,000
Subtotal					1,291,000	6,920,000
Project Management Cost (PMC)				GEFTF	129,000	100,000
Total GEF Project Financing					1,420,000	7,020,000

C. SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Please include confirmed co-financing letters for the project with this form.

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Recipient Government	Ministry of Environment	Grant	6,720,000
Recipient Government	Ministry of Environment	In-kind	200,000
GEF Agency	UNDP	Grants	100,000
Total Co-financing			7,020,000

D. GEF/LDCF/SCCF RESOURCES REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES), FOCAL AREA AND PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project	Agency Fee (b)	Total (c)=a+b

					Financing (a)		
UNDP	GEF TF	Albania	Biodiversity	N/A	1,420,000	134,900	1,554,900
Total Grant Resources					1,420,000	134,900	1,554,900

E. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	460,060 hectares
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	hectares
3. Promotion of collective management of trans-boundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	Number of freshwater basins
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	Percent of fisheries, by volume
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	metric tons
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	metric tons
	Reduction of 1000 tons of Mercury	metric tons
	Phase-out of 303.44 tons of ODP (HCFC)	ODP tons
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	Number of Countries:
	Functional environmental information systems are established to support decision-making in at least 10 countries	Number of Countries:

Project's contribution to Aichi Targets of the Convention on Biological Diversity:

The project directly contributes to **Strategic Goal E Enhance implementation through participatory planning, knowledge management and capacity building**, particularly **Target 20: By 2020, at the latest, the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all sources, and in accordance with the consolidated and agreed process in the Strategy for Resource Mobilization, should increase substantially from the current levels.**

The following SMART indicators, used in the project logical framework, directly support the baseline and target levels used to measure project's contribution to Target 20 of Goal E:

- Total funding for the PA system increases from US\$2m/annum to >US\$5m/annum by end of project
- The funding gap for the PA system reduces by at least US\$250k per annum by the end of the project (the absolute figures on PA funding gap are found in the Financial Sustainability Scorecard, which is an inalienable annex to this project).
- Collective income from the targeted protected areas exceeds US\$50,000 per annum by end of project.

F. DOES THE PROJECT INCLUDE A "NON-GRANT" INSTRUMENT? No

(If [non-grant instruments](#) are used, provide an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF Trust Fund) in Annex B.

N/A

G. PROJECT PREPARATION GRANT (PPG)

Is Project Preparation Grant requested? Yes No If no, skip item G.

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS*

GEF Agency	Trust Fund	Country/ Regional/Global	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee (b)	Total c = a + b
UNDP	GEF TF	Albania	Biodiversity	N/A	30,000	2,850	32,850
Total PPG Amount					30,000	2,850	32,850

PART II: PROJECT JUSTIFICATION

1. Project Description.

a) The global environmental and/or adaptation problems, root causes and barriers that need to be addressed

Located on the Balkan Peninsula, Albania is ranked amongst the most bio-diverse countries in Europe. Although a small country (28,748 km²), it hosts an extremely diverse range of ecosystems (marine; coastal; woodland and forest; high mountain; grassland; heathland and shrub; wetlands; rivers and lakes) and habitats (coastal and inland dunes; coastal and halophytic; temperate heath and scrub; freshwater; Mediterranean scrub; natural and semi-natural grasslands; raised bogs, mires and fens; temperate forests; and mountainous coniferous forests). Approximately 3,200 species of vascular plants, 2,350 species of non-vascular plants and 15,600 species of invertebrates and vertebrates have been documented in the country. Some 30% of the European flora and 42% of European mammals are represented in Albania. There are also 32 endemic flowering plant species, and another 110 near-endemics which share the habitats between Albania, Kosovo, Montenegro, Croatia, and Greece. In comparison with the flora, the Albanian fauna is not as well documented, although a considerable number of endemic and ancient species have already been recorded to date (notably in Lake Ohrid). One hundred and nine animal species and 319 plant species are considered threatened at the national level in Albania (Red Book of Albanian Flora and Fauna, updated 2013). At least 72 vertebrate and 18 invertebrate species with global importance have at least part of their habitats and population in Albania. For some of them - *Pelecanus crispus*, *Phalacrocorax pygmeus*, *Salmo letnica* and *Acipenser sturio* - Albania is of a critical importance. There are currently four Ramsar sites (98,181 ha), 15 Important Bird Areas (90,309 ha), 45 Important Plant Area (384,824 ha), 25 Emerald network of Areas of Special Interest (522,430 ha) and 1 trans-boundary Biosphere Reserve in Albania

The establishment, and effective management, of a representative system of protected areas is an integral part of the country's overall strategy to: (i) adequately protect this marine, coastal and terrestrial biodiversity; and (ii) address the key threats to biodiversity and the root causes of biodiversity loss⁵.

The planning, administration and use of protected areas in Albania is directed by the Law on Protected Areas (2002, as amended). The Law makes provision for six categories (each closely aligned to the six IUCN categories) of protected area (PA) – Strict Nature Reserve/Scientific Reserve, National Park, Natural Monument, Regional Natural Parks, Managed Natural Reserve, Protected Landscape and Protected Area of Managed Natural Resources.

The country has made significant progress in improving the coverage of its protected area system, effectively doubling the extent of the protected area estate over the last 10 years: from 238,347ha in 2005 to 460,060ha in 2015⁶ (see Table in Annexure 1). National Parks (~46% of the total area of the protected area estate), Managed Natural Reserves (~28%) and Protected Landscapes (~21%) collectively represent almost 95% (433,545ha) of the total extent of the protected area system. The map in Annexure 2 shows the spatial distribution of the different categories of protected areas, and the four Ramsar sites, in Albania.

The Ministry of Environment (MoE) is the main institution responsible for the regulation, planning, management and monitoring of the protected area system in Albania (the organizational structure of the MoE is presented in Annex 3). The Protected Area Sector of the Department of Biodiversity and Protected Areas in the MoE is responsible for the drafting of protected area legislation and the development of policies and strategies related to strengthening the protected area system, National Ecological Network, Emerald network of Areas of Special Conservation Interest, Ramsar sites, Important Bird Areas and Important Plant Areas. The operational management of protected areas is currently undertaken by two departments within each of the 12 regional Forest Service Directorates (FSD) – a regionally-based Sector of Protected Areas and district-based Protected Area Sections. The total staffing complement of the regional- and district-based Protected Area departments is currently estimated at 187 staff. Law enforcement functions in protected areas are currently performed by the

⁵ The key threats to biodiversity, and root causes of biodiversity loss, in Albania is more fully described in the revised *NBSAP 2012-2020* (2015)

⁶ Although terrestrial protected areas now cover approximately 16% of the surface area of the country, the establishment of a network of marine protected areas (MPA) is still in the early stages, with the first MPA - Karaburuni–Sazan National Park - proclaimed in 2010.

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

The EU Commission progress reports for Albania have regularly emphasised⁷ that, while significant progress has been made on reforms to nature protection legislation and policy and on expansion of the protected area estate, there has however been poor progress in the implementation and enforcement of the legislation and policies in these protected areas. This has been attributed to *inter alia*: limited institutional and individual capacities, notably in respect of protected area operational staff; insufficient staff, equipment and infrastructure; low funding levels; lack of political will to enforce regulations; limited performance monitoring; and poor co-ordination and cooperation between different responsible organs of state.

In response, the Government of Albania (GoA) has gazetted a ‘*Decision on establishing and organisation and functioning of the national agency for protected areas and regional administration for protected areas*’. The Decision envisages the establishment of a National Agency of Protected Areas (NAPA) as a public state budget entity⁸ subordinate to the Ministry of Environment. The NAPA will have the status of a General Directorate in the MoE and will be organised as Regional Protected Areas Administrations at the regional level. The General Director and key senior staff of NAPA were appointed in February, 2015. The expectation of the GoA is that the establishment of this agency would, over the long-term, result in a significant improvement in the overall management effectiveness of the protected area system.

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

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

Weak business planning skills of, and limited financial administration capabilities in, the protected area system

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

The determination of annual appropriations from the state budget for the PA system is currently not based on any objective criteria. Most protected areas have little or no direct control over their budgeting and financial

⁷ For example, the EU Commission’s 2014 *Albania Progress Report* states that ‘Effective protection for designated protected areas still needs to be guaranteed. Illegal activities such as hunting, fishing, logging, natural resources extraction and construction remain frequent in protected areas.’

⁸ In terms of Articles 4 and 6 of the Law On the organisation and functioning of state administration (No. 90/2012)

management, with the administration of budgets and funding typically implemented at the level of the parent Ministry and the regional FSDs. The financial management systems of the MoE and regional FSDs often tends towards compliance and adherence to procedure rather than to cost and implementation efficiency, and rarely cultivates the requisite business management skills within the protected areas themselves. Protected areas do not fully or accurately report revenues and expenditures, and the flow of reliable and up-to-date financial information is generally weak.

While management plans, and linked business planning, processes are under development (or have been completed) in a number of national parks, many of these processes are still donor-driven and are often not fully aligned with the practical and financial constraints faced by the operational staff in the protected areas. The links between aspirational management plans and actual state budget allocations remains somewhat tenuous, with the suite of activities undertaken in each protected area largely still determined by the state budget allocation constraints, and not by any strategic prioritization process. Although management plans for protected areas are adopted by the Ministry, this is however no guarantee of adequate funding for their implementation.

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

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

Insufficient and unreliable revenue streams to address the recurrent expenditure costs of protected areas –

Annual budget allocations (equating to approximately US\$1.75 million/annum in total for 2014) for the human resource (63% of total), operational (8% of total) and capital (29% of total) budgets of most protected areas are not adequate to meet the requirements for even basic standards of management, or sufficient to maintain the existing infrastructure and equipment. Currently the only mechanisms to generate revenue for protected area system is the income accrued from entry fees and rental. In the case of fines issued in protected areas, the protected areas have no control over their administration and collection. In 2014, protected areas generated an income of US\$12,000, considerably lower than the actual costs of generating that income (let alone the recurrent operational costs of conservation management). There are no incentives for protected areas to improve their revenue streams, as all income is returned to the State Treasury and is not retained for reinvestment in the protected area or protected area system. In the four protected areas that do charge entrance fees, the collection systems are often costly, particularly in respect of the initial capital investment in infrastructure and in the running costs associated with staff salaries. In other protected areas with ‘open access’ and multiple entry points, there are simply no systems in place to charge and collect entry fees from visitors, with the resultant loss of potential revenue income. The annual funding gap (under a ‘functional operational management’ scenario calculated at the mid-range for the scenario of US\$15/ha⁹) for the protected area system is conservatively estimated at US\$5.15 million/annum (i.e. three times more than the current total investment in the protected area system). There is thus a critical need to increase, diversify and stabilize the financial flows to the protected area system - through the implementation of a more diverse portfolio of financing mechanisms – to address this substantial funding gap.

⁹ An analysis of national protected area systems from South and Central America, Central Asia, CIS, Eastern Europe, the Caribbean, Indian Ocean Islands, Africa and the Middle East suggests that the average cost/ha for recurrent expenditure (= staff + operating costs + on-cost) falls within the following ranges: low scenario (poor management) of US\$0-5/ha; medium scenario (functional management) of US\$5-25/ha; and high scenario (optimal management) of >US\$25/ha.

While there is considerable potential to develop nature-based tourism and adventure enterprises in and around protected areas, as a means of generating more sustainable income streams, few objective assessments of the tourism and recreational potential of each protected area have been undertaken and there is no common tourism development strategy for the protected area network. Protected area staff have extremely limited capacity and expertise to profitably plan, develop and administer tourism facilities and services in protected areas. Although tourism concessioning processes (notably those on a long term, build-operate-transfer modality) have been successfully implemented elsewhere, the competencies to facilitate and administer any tourism concessioning or leasing processes and agreements in protected areas are very weakly developed in Albania.

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

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

b) The baseline scenario or any associated baseline projects

Over the next five years, the GoA will continue to invest approximately US\$1-2 million/annum in ensuring the full approximation and implementation of the EU *acquis* in the field of nature protection. During the project period, the GoA will also continue to directly finance, and/or source funding for, the costs of establishing and resourcing (staff, infrastructure, equipment, administration) the NAPA, and its Regional Protected Area Administrations. It will additionally allocate at least US\$1.4m/annum from the state budget, for the duration of the project, in support of the ongoing operational management costs of the protected area system. As part of this state budget allocation, it will specifically start to make funding provision for the implementation of management plans that have been adopted, in accordance with the planned recurrent expenditures and capital projects envisaged in the management plans.

The Ministry will continue to deliver a series of professional and technical training workshops for protected area staff and will facilitate study visits and staff exchange programmes during the project period. The Ministry will further facilitate the continued administration of *Management Committees* for National Parks, Managed Nature Reserves and Protected Landscapes¹⁰. Further, the Ministry will continue with the expansion of the protected area system - focusing on the enlargement of Tomorri NP, the designation of the Alps NP (as part of a trans-boundary initiative with Montenegro and Kosovo) and the establishment of the Porto Palermo and Cape of Rodon MPAs - during the period of project implementation.

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

The government's collective contribution to the protected area system – conservatively estimated at >US\$2.5 million/annum - will, during the period of project implementation, be further supplemented by the following complementary suite of programmes and projects – conservatively estimated at US\$1.4 million/annum - which serve as the baseline:

¹⁰ As per DCM no. 86, dated 5.10.2005 *On the establishment of management Committees for Protected Areas*.

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

c) The proposed alternative scenario, with a brief description of expected outcomes and components of the project

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

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

Component 1 seeks to strengthen the capacity of NAPA to effectively plan, secure and administer funds for the protected area system.

Under this component GEF funding will initially be used to develop a national planning framework for the protected area system (**Output 1.1**) – comprising an overarching medium-term strategic plan¹¹ for the NAPA, a medium-term financial plan¹² for the protected area system and a set of operational policies and guidelines¹³ for the protected area system. This planning framework will then provide the strategic direction and guidance to the future funding, management and development of the protected area system. It will also act as mechanism for standardising and coordinating the efforts, and aligning the performance accountability, of the Regional Protected Area Administrations and individual protected areas under the overarching authority of the NAPA.

¹¹ The Strategic Plan will include *inter alia*: the key goals of the protected area system; national targets and guiding principles for the protected area system; strategic objectives for the protected area system; priority actions for each strategic objective; the medium-term budget projections for the protected area system; and the approach to the monitoring and evaluation of performance.

¹² The financial plan for the protected area system will be organized around three key aspects of the financial planning process: a) a detailed financial analysis that identifies realistic funding needs and gaps; b) a pre-selection and analysis of viable financial mechanisms, and an understanding of the enabling activities needed for their implementation; and c) the formulation of a Financial Plan to guide the implementation of a sustainable financing strategy

¹³ The development of a policies and guidelines manual will assist the NEPA in meeting its regulatory responsibilities for the development of standards related to protected area management planning and implementation.

GEF funding will then be used to develop and strengthen financial management capabilities (i.e. financial support services, equipment, communications infrastructure, systems and skills development) of the NAPA (Output 1.2). This may include building the institutional and individual capacities in: a) medium-term financial and business planning; b) annual budgeting; c) financial controls (including: budget and budgetary control; books of account; accounting process; revenue process; purchasing and expenditure process; fixed asset management process; stock management process; payroll management process; bank account management; financial reporting; internal controls and audit; risk management and procurement); d) accounting systems; and e) financial reporting and auditing. The implementation of a skills development and training program - including *inter alia*: professional short-courses; professional mentoring; inter-institutional exchange programs; and part-time studies - for targeted financial and administrative staff to be employed in the NAPA will be a key element of this output. An extensive in-house training program on the financial policies and procedures will also be undertaken for all financial and administrative staff in the Regional Protected Area Administrations and in the individual protected areas.

GEF funds under this component will finally be used to improve the capacity of the NAPA to mobilise funding - at the protected area system level - from different sources (Output 1.3)¹⁴. This may include: (i) establishing a revolving Trust Fund for the protected area system¹⁵; (ii) advocating an incremental increase of state budget allocations for the protected area system; (iii) developing and implementing a pricing strategy for the products, services and facilities provided in/by protected areas¹⁶; (iv) evaluating more efficient user fee collection mechanisms for protected areas; (v) ensuring income from fines issued in protected areas is retained for reinvestment in protected areas; (vi) supporting donor management processes (including targeting potential funders for projects, preparing detailed project proposals, liaising with different with different funders, and building working partnerships with funding agencies/ institutions) across the protected area system; (vii) reviewing the efficacy of introducing outsourcing, concessioning, leasing and/or co-management arrangements in order to improve the cost-effectiveness of protected area operations; and (viii) assessing the feasibility of introducing a standardised PES scheme linked to the public services (e.g. flood protection, water catchment supply, coastal erosion protection, hydro-electric power) provided by protected areas.

Component 2 seeks to implement a suite of mechanisms to improve revenue streams¹⁷ in individual protected areas. Component 2 will be spatially focused on three National Parks: (i) Dajti National Park (DNP); (ii) Divjaka-Karavasta National Park (DKNP); and (iii) the Llogara-Karaburuni protected area complex¹⁸. The lessons learnt in implementation in these parks will then enable an objective assessment of the viability (i.e. affordability, practicality and efficiency) of introducing these mechanisms in other protected areas or across the entire protected area system. It is envisaged that the income from GEF-supported activities under this component will be ring-fenced as 'seed' funding for the national revolving Trust Fund for the protected area system, once established (see Output 1.3 above). A brief description of the location, extent and biodiversity significance of the three targeted national parks is presented in Annexure 4.

Under this component, the GEF funding will be used to negotiate a contribution from commercial enterprises operating in, benefiting from or linked to Dajti National Park (Output 2.1). Activities under this output may include: (i) reviewing the current short-term lease or use rights contracts/agreements and fee structures in the park to ensure a more equitable income stream to support park management costs; (ii) assessing the feasibility of introducing a (voluntary or compulsory) conservation levy on to the user fees/charges of large commercial enterprises operating in the park (e.g. Dajti Express, Dajti Tower Belvedere Hotel, etc.); (iii) negotiating a financial contribution from, or the introduction of a water conservation levy on water supplied by, the Tirana Water Supply Enterprise; (iv) targeting corporate social responsibility funding support for the park; (v)

¹⁴ The funding 'sources' will be more explicitly identified in the Financial Plan that will be prepared under Output 1.1.

¹⁵ The registered trust fund will have a basic governance and management structure, with specific rules and policies for the administration and disbursement of the trust income.

¹⁶ The pricing strategy will need to include provision for: cost recovery; market rate; willingness to pay; re-investment in improving the facilities and their management; and demand management.

¹⁷ Prospective revenue streams may include *inter alia*: conservation levies; user fees; earmarked fines; lease fees; concession fees; municipal contributions; grants and donations; corporate funding; advertising income; license fees; and biodiversity offsets.

¹⁸ The Llogora-Karaburuni complex includes the Llogora National Park, the Karaburun-Sazan National Park and the Karaburun Peninsula Managed Natural Reserve, an area totaling 33,438ha in extent.

developing opportunities for the provision of advertising space (in return for a fee) in the park (e.g. on standardized park signage, on park litter bins, on information brochures, on park benches, etc.); and (vi) developing, implementing and monitoring a tariff system for commercial filming or photography in the park.

GEF funding will further be used to secure an income stream from the fishing, farming and forestry activities occurring in the natural resource use zones of Divjaka-Karavasta National Park (**Output 2.2**). Activities under this output may include: (i) ring-fencing income from licenses issued for fishing in DKNP, including Karavasta lagoon, the 1km strip of the Adriatic Sea and other water bodies in the park; (ii) collecting rental income¹⁹ for the use of forests (including silviculture, agro-forestry, wood collection, recreational and tourism purposes, infrastructure, commercial goods and services) in the sustainable use sub-zone (7,788ha) and traditional use sub-zone (9,262ha) of the DKNP; and (iii) collecting rental income for the use of agricultural land for crop farming - fruit, vegetables, cereals, olives and vineyards - and livestock farming - cattle, sheep, pigs, goats and horses - in the sustainable use sub-zone (7,788ha) and traditional use sub-zone (9,262ha) of the DKNP.

Finally, GEF funding will be used to develop and implement mechanisms to collect revenue from the summer influx of recreational visitors to the Llogara-Karaburuni complex (**Output 2.3**). Activities under this output may include: (i) establishing and administering a summer day-visitor pay pass system for the park; (ii) upgrading large, popular parking areas (e.g. tarring, parking bay demarcation, bollards, toilets, information boards, shade netting) and administering a parking fee system for summer parking; (iii) negotiating a turnover-based levy for restaurants, bars and hotels in the park in return for their regularization; and (iv) charging for the provision of basic services (e.g. cold drinks, beach umbrellas, beach chairs, food, mobile toilets, etc.) at popular beach destinations for beach-based visits.

d) Incremental/ additional cost reasoning and expected contributions from the baseline, the GEFTE, LDCE/SCCF and co-financing;

Summary of baseline scenario	Summary of GEF scenario	Increment
<ul style="list-style-type: none"> - Virtually all of the income for protected area management is derived from the state budget allocations. - The current baseline investment from the state budget in the protected area system is wholly inadequate to meet even basic standards of management. - The gap between the protected area funding baseline and the funding that is required is increasing exponentially. - There are no incentives for protected areas to improve their revenue streams, as all income is returned to the State Treasury. - There is little or no financial capacity to increase, diversify and stabilize the financial flows to the protected area system - There is little practical knowledge of the efficacy of different financial mechanisms and funding tools for protected areas. 	<ul style="list-style-type: none"> - A planning framework (comprising a strategic plan, financial plan and operational policies and guidelines) is developed for the NAPA. - The basic financial management capabilities (expertise, equipment, communications systems and skills) of the NAPA are developed. - A national revolving Trust Fund for the protected area system is established and operational. - A pricing strategy for protected areas is developed, and the introduction of more cost-effective user fee collection mechanisms initiated in protected areas. - The annual state budget allocation for the protected area system is increased. - Income from fines issued in protected areas is retained for re-investment. - Financial support from donors and funders is increased. - The viability of introducing concessioning and PES schemes is assessed. 	<ul style="list-style-type: none"> - Reduction of threats to, and stabilization of breeding populations of, four globally threatened species: <i>Pelecanus crispus</i>, <i>Phalacrocorax pygmeus</i>, <i>Salmo letnica</i> and <i>Acipenser sturio</i> - The NAPA (including its Regional Protected Area Administrations and the individual protected areas) has a basic financial planning and management capability. - The financial scorecard for the sub-system of National Parks, Managed Natural Reserves and Protected Landscapes increases from a baseline of 16% to >30%. - The total funding from all sources for the protected area system increases from <US\$2m/annum to >US\$5m/annum, with a concurrent reduction in the

¹⁹ According to the Decision of the Councils of Ministers no. 1064, dated 22.12.2010 *On the fees in the forest and pasture sector*

<ul style="list-style-type: none"> - The National Agency for Protected Areas (NAPA) is not yet fully established or functional. - Protected areas are consequently very poorly resourced and severely under-staffed, leading to an inability to manage threats to the biodiversity in protected areas. 	<ul style="list-style-type: none"> - The feasibility of securing a contribution from large commercial enterprises operating in a protected area is assessed in the DNP. - The potential to generate income from fishing, farming and forestry activities in protected areas is demonstrated in the DKNP. - The cost-benefits of different mechanisms for collecting revenue from large numbers of summer visitors to protected areas is tested in the LNP 	<ul style="list-style-type: none"> annual funding gap to <US\$4m/annum. - The average METT score for DNP, DKNP and the Llogara-Karaburuni PA complex increases from a baseline of 39% to >47%. - The capacity assessment scorecard for the institution responsible for the protected area system increases from a baseline of 32% to 43%. - The financial management plan for NAPA, and the linked business plans for the individual protected areas, provides the medium-term framework for a gradual reduction in the funding gap for the protected area system.
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e) [Global environmental benefits \(GEFTF\)](#), and [adaptation benefits \(LDCF/SCCF\)](#)

By implementing the above-mentioned components, the GEF investment will significantly contribute to strengthening the institutional framework for, and financial sustainability of, Albania’s protected area system. This will in turn improve the overall management effectiveness of the individual protected areas, particularly in respect of reducing the threats to, and improving the conservation status of: (i) Important Bird Areas (IBAs) and important sites for the wintering of migratory species; Important Plant Areas (IPAs); wetlands of international importance (e.g. Karavasta, Narta, Patoku, Viluni, Kune-Vaini and Orikumi); important marine ecosystems; important lake systems (e.g. the trans-boundary lakes of Shkodra, Ohrid, and Prespa); priority habitat types (e.g. the endemic association of Black Pine); priority faunal species (Dalmation Pelican, Ohrid Trout, Pygmy Cormorant and European Sea Sturgeon); viable populations of endangered taxa, many of which are endemic (e.g. *Forsythia Europa*, *Pelophylax shqipericus*, *Arctostaphylos alpinus* and *Aster alpines*); and important ecological corridors of the Dinaric Arc eco-region and the Albanian Alps.

f) [Innovation, sustainability and potential for scaling up.](#)

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

Sustainability will be promoted by building the financial capabilities of the newly established National Agency of Protected Areas, specifically its capacity for budget management, financial control, performance management and financial accountability. This will be further supplemented by project support for: (i) preparing a Financial Plan for the protected area system; (ii) establishing a revolving Trust Fund for the protected area system; (iii) advocating an increase in government funding for protected areas; (iv) targeting additional focused donor funding support for protected areas; (v) reviewing and updating the pricing strategy and structure for protected

area products and services; and (vi) developing a regulatory and institutional framework for the future concessioning/outsourcing of appropriate commercial developments and activities in protected areas. Finally, the project will promote the adoption of business planning processes in the ongoing preparation of park Management Plans (MP) and Annual Work Programs (AWP).

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

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

2. *Child Project?* If this is a child project under a program, describe how the components contribute to the overall program impact.

No

3. *Stakeholders.* Will project design include the participation of relevant stakeholders from [civil society](#) and [indigenous people](#)? (yes /no) If yes, identify key stakeholders and briefly describe how they will be engaged in project design/preparation:

Stakeholder	Role
<i>Government agencies</i>	
Council of Ministers	Approves the enabling legislative and regulatory framework for the NAPA and the protected area system.
Ministry of Environment	Focal point institution for the implementation of the CBD. Key implementing partner for the project. Responsible for creating the enabling conditions for implementation of all project activities. Will ensure that the enabling legislative and regulatory framework for project activities is prepared and presented to the Council of Ministers for approval. Will facilitate the establishment, staffing and resourcing of the NAPA. Will present the motivation for an increase in funding from the state budget for the protected area system.
Directory of Forest Services/ Administration of Protected Area	Will continue to administer protected areas during the transitional period until the NAPA is operational. Will support the implementation of project activities under Component 2. Will support the enforcement of legislation in relation to forestry, pastures and hunting in protected areas.
National Agency of Protected Areas	Key project beneficiary. Once established and operational, it will directly oversee the implementation of all project activities.
National Environmental Agency/ Regional Environmental Agencies	Will issue any required environmental permits in protected areas, through NLC. Will enforce provisions of environmental legislation on EIA, environmental permitting and coordination of monitoring activities in protected areas

State Inspectorate of Environment, Forests, Water and Fishery	Will support the enforcement of legislation on environmental protection, forest, water and fisheries activities in protected areas.
Ministry of Transport and Infrastructure National Urban and Construction Inspectorate	Will support ensuring the compliance of development and construction activities in protected areas with approved management plans. Will assist protected areas in the development and management of waste management facilities, water supply and sewerage.
Ministry of Finance	Will be responsible for ensuring the ongoing allocation of funds in the state budget for the protected area system. Will assist the NAPA in the development of its financial management systems to comply with national regulations. Will assist NAPA in the establishment and administration of the National Trust Fund for the protected area system.
Ministry of Economic Development, Trade and Entrepreneurship	Will administer permits for energy supply and mining activities in protected areas.
Ministry of Urban Development and Tourism	Will support and assist the project in improving the quality and range of tourism and recreational products and services in protected areas.
National Territorial Planning Agency	Will support the coordination of protected area planning efforts with the relevant national and local government planning instruments.
Local Government	
Local Government Unit (Municipalities, Communes) Prefectures	Will issue the requisite development and construction permits, in accordance with local planning and construction regulations. Will provide and maintain municipal public services (water supply, sewerage, waste management) in protected areas.
NPOs, NGOs and Associations	
NPOs and environmental NGOs	Will support the implementation of project activities in targeted protected areas, focusing its support on deriving benefits to biodiversity conservation and/or local community socio-economic upliftment.
Local users	
Local owners	Are key project partners. Will actively participate in discussions and negotiations with NAPA (through regional PA administrations and individual PAs) to find ways to secure more financially equitable returns for reinvestment in the administration of protected areas without compromising their livelihoods.
Farmers	
Fishermen	
Private businesses (e.g. bars, restaurants, hotels, agro-industry, food processing enterprises)	
Public Enterprises (e.g. Water Enterprise)	
Protected area governance structures	
Management Committee	Are key project partners. Will oversee and facilitate the planning and implementation of project activities at the individual protected area level.
Donors and funders	
Are important project partners. Will collaborate with key project partners in identifying funding opportunities in the protected area system, aligning these funding opportunities with the strategic plan for NAPA and the individual park management plans, and mobilizing funding support to respond to these opportunities.	

4. *Gender Consideration.* Are [gender considerations](#) taken into account? (yes /no). If yes, briefly describe how gender considerations will be mainstreamed into project preparation and implementation, taken into account the differences, needs, roles and priorities of men and women.

Poverty in Albania (see point 5 below) weighs particularly on women and young people. Women, who were previously guaranteed employment under communism, were disproportionately affected by the mass unemployment that set in when state-owned farms and enterprises closed and people found themselves with no

alternative source of income. Faced with a lack of wage-earning jobs, women took a more active role in subsistence farming to support their households. Yet women who are heads of households cannot maintain living standards as high as those in households headed by men. Discrimination and violence against women are still serious problems in the country.

The project, while limited in scope and impact, will actively facilitate the equitable participation of women in, and beneficiation of women from, project-activities. This will include *inter alia* ensuring that women participate in, or benefit directly from: (i) financial training and skills development for protected area staff; (ii) professional, technical and/or labor employment opportunities created by the project (e.g. minor construction works, project management); (iii) outsourced commercial development opportunities created by the project (e.g. provision of tourism/recreational visitor services); and (iv) professional service provider services procured by the project. The project will further encourage the development of targeted employment opportunities for women in the NAPA (including the Regional Protected Area Administrations and individual protected areas) and the re-balancing of the protected area management committees to ensure effective participation of women in decision-making processes. Further, the project will also seek to incorporate into the planning framework for the protected area system long-term strategies and approaches to incrementally improve the mainstreaming of women into the planning, management and development of protected areas.

5. *Benefits.* Describe the socio-economic benefits to be delivered by the project at the national and local levels. Do any of these benefits support the achievement of global environment benefits (GEF Trust Fund) and/or adaptation to climate change?

Albania is one of the poorest countries in Europe. The effects of the transition from a centralized economy in a rigid communist state to a free market economy in a democratic republic have weighed heavily on Albania's people, and particularly on its poor people. Despite the economy's robust growth in recent years, almost one quarter of the population lives below the poverty level of US\$2 a day. The poorest of the poor, who comprise about 5% of the population, struggle to put adequate food on the table each day. As in many countries, the incidence of poverty is highest in rural areas, where an estimated 57% of Albania's people live and where most of them depend on agriculture for their livelihood. Rural, northern and mountainous areas are the poorest areas in the country. The incidence of poverty is highest in the north-eastern districts of Kukes and Dibra, where almost half of the population is poor and 80% of families' income comes from social protection schemes, economic assistance and disability payments.

Because of the extremely low investment in their management, protected areas currently make little contribution to improving the social and economic living conditions of communities living in villages in and around protected areas. Considering the low baseline situation, and limited capacities in the protected area institutions, it is unlikely that a short-term project of this nature will yield significant tangible and measurable socio-economic returns. The project is rather premised on the fact that a functional, well-funded system of protected areas in many other countries can and do make a meaningful contribution to rural development and poverty reduction. Project activities have thus rather been designed to catalyse the incremental long-term improvement of the protected area system in Albania - by improving its financial (and institutional) sustainability – rather than specifically targeting immediate jobs and entrepreneurial opportunities for rural communities.

Similarly, while the protected area system could fulfil an important climate adaptation function – i.e. it maintains a range of essential ecosystem services that could help people cope with climate-related changes in water supplies, fish stocks and other wild foods, diseases and agricultural productivity – the sub-optimal state of management of protected areas currently undermines the value of this potential role. The project thus rather focuses on securing the financial resources in order to improve – over the longer term - the management effectiveness of the protected areas so that they can better fulfil their climate adaptation functionality.

6. *Risks.* Indicate risks, including climate change, potential social and environmental future risks that might prevent the project objectives from being achieved, and if possible, propose measures that address these risks:

IDENTIFIED RISKS AND CATEGORY	IMPACT	LIKELIHOOD	RISK ASSESSMENT	MITIGATION MEASURES
<p><u>FINANCIAL</u> The GoA does not commit adequate funding to support the staffing, development and operational management of the protected area system.</p>	<p>High</p>	<p>Moderately likely</p>	<p>High</p>	<p>The project outputs have been identified, and project activities developed, in close collaboration with the Ministry of Environment in order to incrementally build on the existing (albeit limited) foundation of financial resources and institutional capacities.</p> <p>The project will assess the value of the goods and services provided by the protected areas so that decisions about investment in protected areas are made by the government with the full understanding of the costs and benefits involved.</p> <p>The project will specifically assist the NAPA in advocating an incremental increase of state budget allocations for the protected area system.</p> <p>Careful attention has been paid in project design to improving the long-term financial sustainability of the protected area system so that sufficient funding remains available for effective conservation management.</p> <p>The project will support the preparation of a financial plan for national protected areas. This financial plan will provide the framework for improving cost efficiencies, increasing revenue streams, strengthening financial management systems, and improving business planning capabilities in the protected area system.</p> <p>The project will further support the implementation of selected elements of the financial plan. It is envisaged that collectively these activities will contribute to incrementally reducing the dependency on government grant allocations, and closing the ‘funding gap’ for improving management effectiveness (notably in respect of conservation management) of the protected area system.</p>
<p><u>INSTITUTIONAL</u> There are delays in the full establishment and operationalization of the National Agency of Protected Areas (NAPA), leading to institutional inertia during the transitional period.</p>	<p>Moderate</p>	<p>Low</p>	<p>Low</p>	<p>Albania was granted candidate status (for EU accession) by the European Council in June 2014. In response, the GoA has committed to stepping up the pace of reforms to ensure full implementation of the EU <i>acquis</i> in the field of nature protection. As part of this commitment, the <i>Decision on establishing and organisation and functioning of the national agency for protected areas (NAPA) and regional and regional administration for protected areas</i>’ has recently been gazetted, and a General Director (GD) and other key NAPA staff appointed.</p> <p>The strategic focus for the GD will be to initially appoint, resource and equip a core executive team at the central level. It is anticipated that the subsequent formal transfer of operational staff at the regional and individual protected area level to the employ of the NAPA may take longer to complete.</p> <p>Project activities under component 1 have thus been designed to largely focus on building the strategic</p>

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

7. *Cost Effectiveness*. Explain how [cost-effectiveness](#) is reflected in the project design:

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

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

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

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

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

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

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

8. *Coordination.* Outline the coordination with other relevant GEF-financed projects and other initiatives [not mentioned in 1]:

The project will work in close partnership with the new NAPA to ensure that project activities are fully aligned with, and support, the ongoing establishment and operationalization of the agency.

The project will collaborate closely with the UNDP-GEF funded project, *Improving coverage for an effective management of coastal and marine MPAs*, particularly in the areas where the respective project activities are complementary and synergistic (i.e. financial gap analysis for marine and coastal PAs; feasibility assessment of different revenue-generating mechanisms for marine and coastal PAs; and business planning in Karaburuni-Sazani MPA). The project will, wherever possible, adopt or adapt the relevant strategies and tools already developed by the marine and coastal project in order to improve cost-efficiencies.

The project will seek to harmonize its outputs and activities – notably in respect of revenue-generating opportunities that are prioritised - with the management and business planning processes that are being planned, are already under development or have been completed in individual protected areas.

The project will liaise closely with the donor agencies already supporting the MoE in the protected area sector (e.g. KfW, EU-IPA, Italian Cooperation, JICA and IUCN) - and other potentially new donors - to explore further opportunities for co-financing the implementation of project activities. It will specifically explore the prospects of sourcing additional financial support for the scaling-up of project-demonstrated viable income-generating mechanisms across the protected area system.

The project is coordinated with the GEF SCCF funded project Building the Resilience of Kune-Vaini Lagoon System. The SCCF Project is focused almost exclusively on the Kune Vaini Lagoon, which is a sensitive area primarily from climate change perspective. This area is not among the investment sites of our GEF project (where area are selected based on their Key Biodiversity Area adherence in line with GEF-6 Biodiversity Focal Area guidelines). Therefore, geographically, there is no overlap between the projects. While the SCCF project includes certain instruments to promote financial viability of Kune Vaini, its primary focus is on helping the site and communities to adapt to possible climatic effects. Such aspects as status of globally important species, local effectiveness of patrolling, biodiversity monitoring and research, are not in the focus of the SCCF project. The current GEF project, on the other hand, is focused on investment driven by biodiversity conservation needs in line with KBA principles. From the policy and institutional perspective, the SCCF project does not deal with such important aspects of country-wide biodiversity conservation as improving PA financing policies and creating a sound institutional platform, the core of which is going to be the new National Agency for Protected

Areas. The SCCF project benefit from the national policy and institutional frameworks that will be put in place by the present GEF project. The Ministry of Environment of Albania and the two project teams are committed to regularly exchange information on the course of project activities, share lessons and where relevant contribute to the work of each project's Steering Committees.

9. *Institutional Arrangement.* Describe the institutional arrangement for project implementation:

The project will be implemented over a period of four years.

The UNDP Country Office (CO) will monitor the implementation of the project, review progress in the realization of the project outputs, and ensure the proper use of UNDP/GEF funds.

The project will be nationally implemented (NIM) by the Ministry of Environment (MoE) - and its subordinated public entities - in line with the Standard Basic Assistance Agreement (SBAA of 17 June, 1991).

The MoE will have the overall responsibility for achieving the project goal and objectives. The MoE will be directly responsible for creating the enabling conditions for implementation of all project activities. The MoE will designate a senior official to act as the Project Director (PD). The PD will provide the strategic oversight and guidance to project implementation.

The day-to-day administration of the project will be carried out by a national Project Coordinator (PC), with the support of part-time Field Coordinators (FC) - one for each of the three targeted Pas - and a part-time Project Assistant (PA). The project staff will be recruited using standard UNDP recruitment procedures. The PC's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The PC will liaise and work closely with all partner institutions to link the project with complementary national programs and initiatives. The PA will provide project administration support to the PC, as required.

The PC will be technically supported by contracted national and international service providers. Recruitment of specialist support services and procurement of any equipment and materials for the project will be done in accordance with relevant recruitment and procurement rules and procedures.

A Project Steering Committee (PSC) will be constituted to serve as the executive decision making body for the project. While the final composition of the PSC will be approved by a Ministerial Order, it may include representation from the MoE, NAPA, Ministry of Finance, Ministry of Urban Development, protected area Management Committees, business associations and affected natural resource user groups. The Project Steering Committee will ensure that the project remains on course to deliver the desired outcomes of the required quality.

The PC will produce an Annual Work Plan (AWP) to be approved by the PSC at the beginning of each year. These plans will provide the basis for allocating resources to planned project activities. Once the PSC approves the AWP, this will be sent to the UNDP Regional Technical Advisor for Biodiversity at the GEF Regional Coordinating Unit (RCU) for clearance. Once the AWP is cleared by the RCU, it will be sent to the UNDP/GEF Unit in New York for final approval and release of the funding. The PC will further produce quarterly operational reports and Annual Progress Reports (APR) for review by the PSC, or any other reports at the request of the PSC. These reports will summarize the progress made by the project versus the expected results, explain any significant variances, detail the necessary adjustments and be the main reporting mechanism for monitoring project activities.

The financial arrangements and procedures for the project are governed by the UNDP rules and regulations for National Implementation Modality (NIM). All procurement and financial transactions will be governed by applicable UNDP regulations under NIM and also in line with GEF requirements for financial management of UNDP supported, GEF-financed projects.

10. *Knowledge Management*. Outline the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

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

The project will, as required, use the capacity and resources of the UNDP to facilitate the regional sharing of lessons learnt from, and best practices developed in, project implementation.

11. *Consistency with National Priorities*. Is the project consistent with the National strategies and plans or reports and assessments under relevant conventions? (yes /no). If yes, which ones and how:

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

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

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

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

12. *M & E Plan*. Describe the budgeted monitoring and evaluation plan.

MONITORING AND REPORTING

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

Project start-up:

A Project Inception Workshop will be held within the first 4 months of project start with those with assigned roles in the project organization structure, UNDP country office and where appropriate/feasible regional technical policy and programme advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan.

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

- a) Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of UNDP CO and the UNDP-GEF Regional Service Centre vis-à-vis the project team. Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff will be discussed again, as needed.
- b) Based on the project results framework and the relevant GEF Tracking Tool, if appropriate, finalize the first AWP. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
- c) Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The Monitoring and Evaluation work plan and budget should be agreed and scheduled.

²⁰ A national strategy towards realizing the outcomes of the United National Conference on Sustainable Development (RIO+20)

- d) Discuss financial reporting procedures and obligations, and arrangements for annual audit.
- e) Plan and schedule Project Steering Committee meetings. Roles and responsibilities of all project organization structures should be clarified and meetings planned. The first Project Steering Committee meeting should be held within the first 6 months following the inception workshop.

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

Quarterly:

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

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

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

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

Annually:

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

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

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

Periodic Monitoring through site visits:

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

Mid-term of project cycle:

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

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

End of Project:

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

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

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

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

Learning and knowledge sharing:

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

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

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

Communications and visibility requirements

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

Full compliance is required with the GEF’s Communication and Visibility Guidelines (the “GEF Guidelines”). The GEF Guidelines can be accessed at: http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final0.pdf. Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.

M&E work plan and budget

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Inception Workshop and Report	<ul style="list-style-type: none"> ▪ PM ▪ UNDP CO, UNDP GEF 	Indicative cost: 6,000	Within first two months of project start up

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Measurement of Means of Verification of project results.	<ul style="list-style-type: none"> ▪ UNDP GEF RTA/PM will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members. 	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"> ▪ PM 	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> ▪ PM ▪ UNDP CO ▪ UNDP RTA ▪ UNDP EEG 	None	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> ▪ PM 	None	Quarterly
Mid-term Evaluation ²¹	<ul style="list-style-type: none"> ▪ PM ▪ UNDP CO ▪ UNDP RSC ▪ External Consultants (i.e. evaluation team) 	Indicative cost: 22,000	At the mid-point of project implementation.
Final Evaluation	<ul style="list-style-type: none"> ▪ PM ▪ UNDP CO ▪ UNDP RSC ▪ External Consultants (i.e. evaluation team) 	Indicative cost: 22,000	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> ▪ PM ▪ UNDP CO ▪ local consultant 	0	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> ▪ UNDP CO ▪ Project manager and team 	Indicative cost: 5,000	At MTE and FE
Visits to field sites	<ul style="list-style-type: none"> ▪ UNDP CO ▪ UNDP RSC (as appropriate) ▪ Government representatives 	For GEF supported projects, paid from IA fees and operational budget	Yearly
TOTAL indicative COST <i>Excluding project staff (PM and PAA) time and UNDP staff and travel expenses</i>		US\$ 55,000	

**Note:* Costs included in this table are part and parcel of the UNDP Total Budget and Work Plan (TBW) in the PRODOC, and not additional to it.


²¹ A MTE will only be undertaken if it is deemed necessary.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

- A. Record of Endorsement²² of GEF Operational Focal Point (S) on Behalf of the Government(S):** (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template. For SGP, use this [SGP OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Dr Pëllumb Abeshi	Director General of Environment Policies	Ministry of Environment (MoE)	12/09/2014

B. GEF Agency(ies) Certification

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for a medium-sized project approval under GEF-6.					
Agency Coordinator, Agency name	Signature	DATE (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Adriana Dinu, UNDP-GEF Executive Coordinator.		September 11, 2015	Maxim Vergeichik, Regional Technical Advisor, EBD	+ 421-2-59337152	maxim.vergeichik@undp.org

- C. ADDITIONAL GEF PROJECT AGENCY CERTIFICATION** (*Applicable only to newly accredited GEF Project Agencies*)

N/A

²² For regional and/or global projects in which participating countries are identified, OFP endorsement letters from these countries are required even though there may not be a STAR allocation associated with the project.

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).

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

PROJECT OBJECTIVE AND OUTCOMES	INDICATOR	BASELINE	END OF PROJECT TARGETS	SOURCE OF INFORMATION	RISKS AND ASSUMPTIONS
	Strategic plan and financial plan for the PA system drafted and adopted	Strategic Plan: No Financial Plan: No	Strategic Plan: Yes Financial Plan: Yes	Formal record of approval and adoption	<ul style="list-style-type: none"> Responsibilities for financial planning and management is delegated to protected area institutions. Income from protected areas is retained (in part or in full) for re-investment back into the management of the protected area system. The protected area institution maintains independently audited annual financial statements Risks: <ul style="list-style-type: none"> There are delays in the full establishment and operationalization of the National Agency of Protected Areas The GoA does not commit adequate funding to support the staffing, development and operational management of the protected area system
	Number of protected area staff trained in the financial policies and guidelines of the NAPA	0	>100	Annual report of NAPA	
	Number of protected area staff completing specialised, targeted short-course financial training and financial skills development programmes	0	15	Project training records Training reports of NAPA and the MoE	
	Total annual funding available for the planning and management of the PA system.	US\$ 2 million	>US\$ 5 million	Audited financial statements	
	Establishment of a protected area Trust Fund	No	Yes	Founding document/s of Trust Fund	
Outcome 2: <i>Increased revenue from individual protected areas.</i>	Outputs: 2.1. Commercial enterprises operating in DNP are contributing financially to the operational management costs of the park. 2.2. Park income is derived from fishing, farming and forestry in the natural resource zone of the DKNP. 2.3. Park revenue is collected from the summer influx of recreational users in the LKC.				
	Additional contributions from commercial enterprises operating in, benefiting from or linked to Dajti National Park	N/A	>US\$ 30,000/annum	Audited financial statements of DNP	Assumptions: <ul style="list-style-type: none"> The protected area institution has the delegated legal authority to enforce payments for the use of, and delivery of services in, protected areas and the natural resources located in the protected areas. The MoE will ensure that land tenure and use right arrangements in protected areas are not compromised by project activities. Risks: <ul style="list-style-type: none"> The GoA does not commit adequate funding to support the staffing, development and operational management of the protected area system The cumulative effect of climate change and unsustainable levels of natural resource use
	Additional income from the fishing, farming and forestry activities in Divjaka-Karavasta National Park (DKNP)	N/A	>US\$ 10,000/annum	Audited financial statements of DKNP	
	Additional gross revenue from recreational visitors to the Llogara-Karaburuni complex (LKC)	N/A	>US\$ 20,000/annum	Audited financial statements of LKC	
	Average METT score for three focal protected areas (DNP, DKNP, LKC)	39%	>47%	Project review of METT Scorecard	

PROJECT OBJECTIVE AND OUTCOMES	INDICATOR	BASELINE	END OF PROJECT TARGETS	SOURCE OF INFORMATION	RISKS AND ASSUMPTIONS
					exacerbates habitat fragmentation and degradation in the terrestrial and marine ecosystems of the protected area system, further undermining their potential to generate increased revenue streams

ANNEX B: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

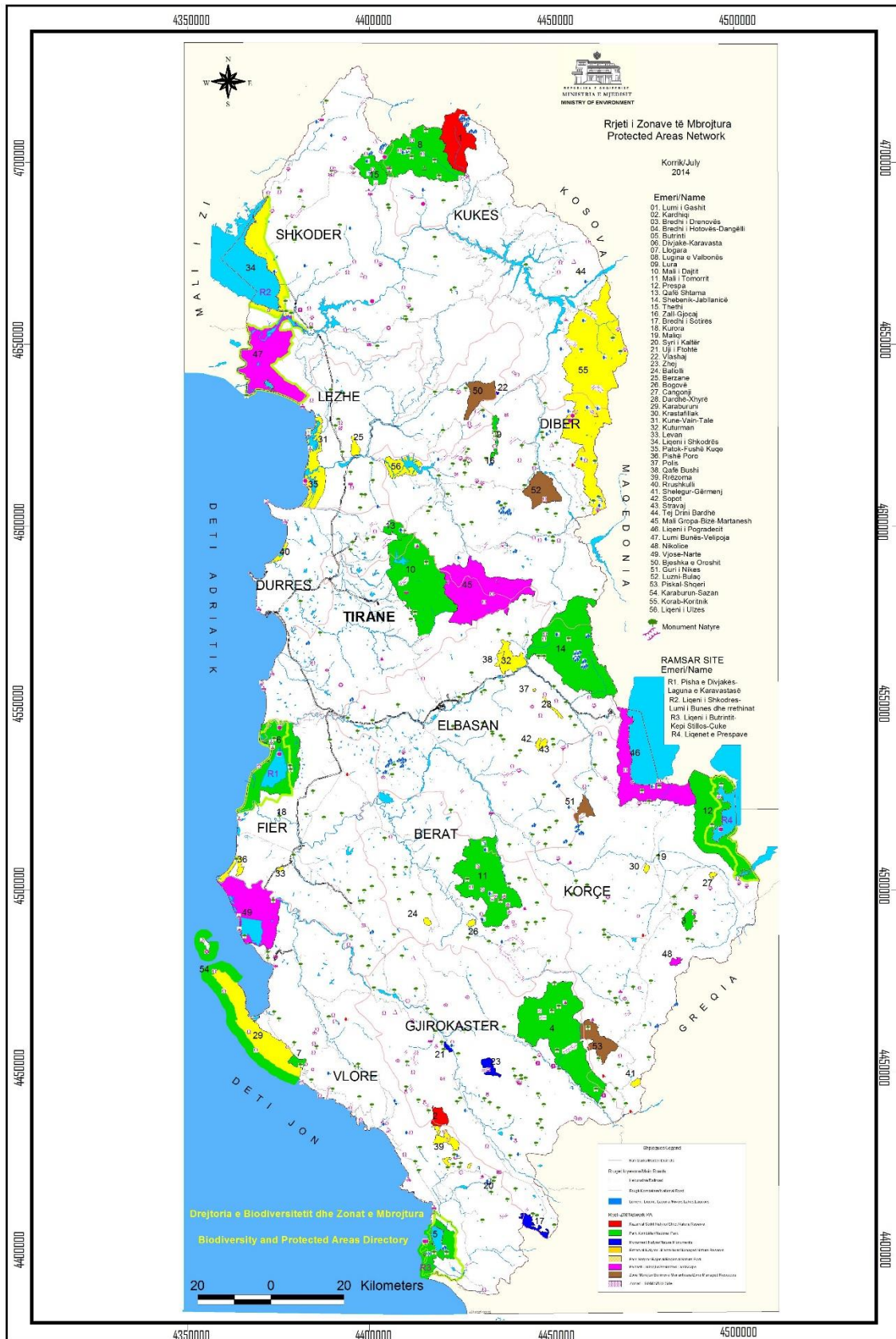
Provide a calendar of expected reflows to the GEF/LDCF/SCCF Trust Funds or to your Agency (and/or revolving fund that will be set up)

N/A

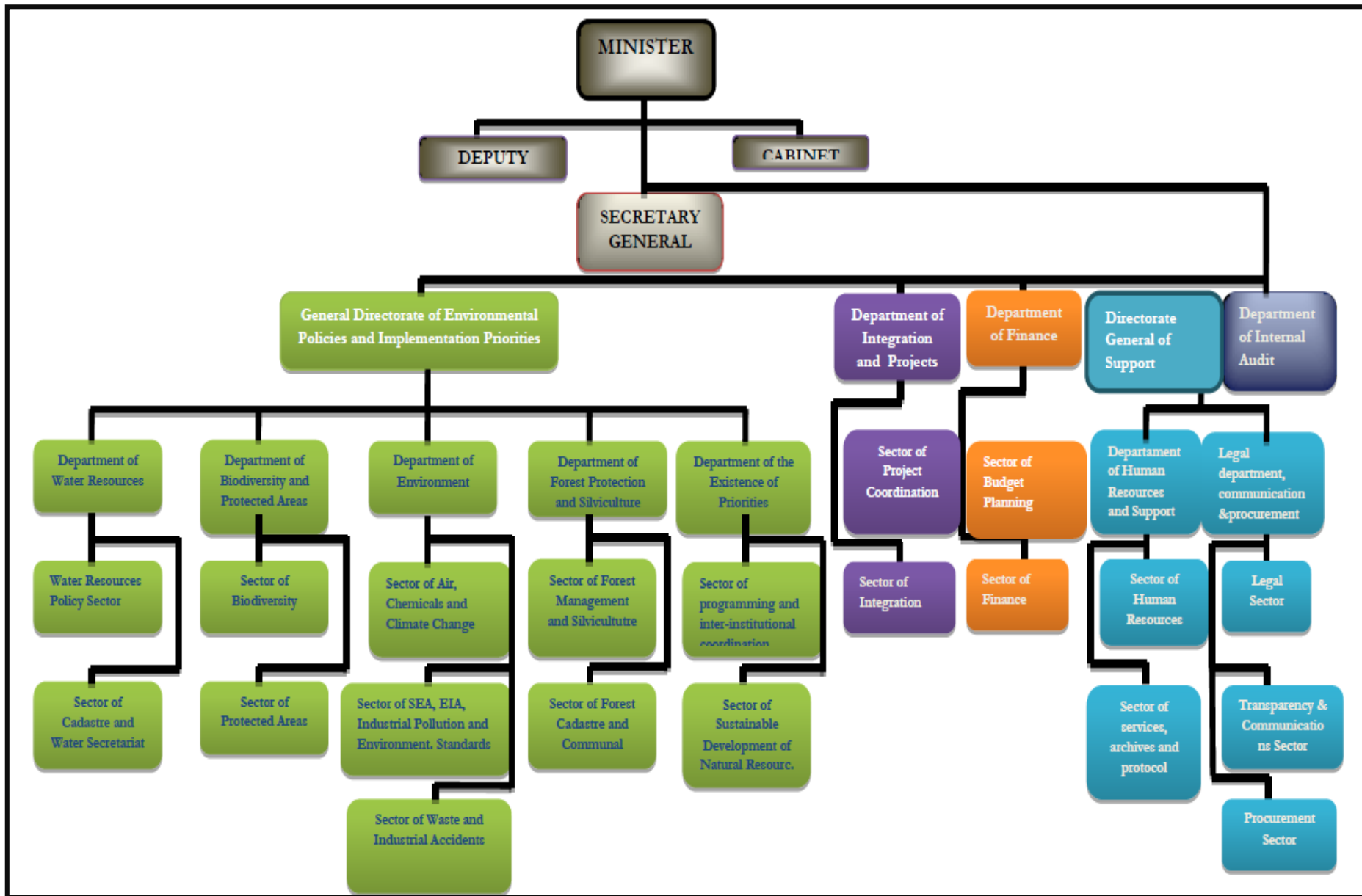
Annexure 1: Expansion of the protected area system in Albania (1996 – 2015)

PA Category	2005		2006		2007		2008		2009		2010		2011		2012		2013	
	Nr	ha	Nr.	ha	Nr.	ha	Nr	ha	Nr	ha	Nr	ha	Nr	ha	Nr	ha	Nr	ha
Strict Natural Reserver/Scientific Reserver	4	14 500.00	4	14 500.00	3	9 500.00	2	4 800.00	2	4 800.00	2	4 800.00	2	4 800.00	2	4 800.00	2	4 800.00
National Park	13	62 531.20	13	88 615.40	13	109 595.60	14	176 684.35	14	176 517.00	15	188 945.10	15	188 945.10	15	209 668.20	15	210 501.00
Natural Monument	750	3 470.00	750	3 470.00	750	3 470.00	750	3 470.00	750	3 470.00	750	3 470.00	750	3 470.00	750	3 470.00	750	3 470.00
Managed Natural Reserve	25	66 963.00	24	63 663.00	23	62 848.00	22	62 530.00	22	62 530.00	21	67 423.90	22	122 974.10	22	122 974.10	22	127 180.10
Protected Landscape	6	72 638.00	6	72 638.00	5	95 864.40	5	95 864.40	5	95 864.40	5	95 864.40	5	95 864.40	5	95 864.40	5	95 864.40
Protected Area of Managed Natural Resource	4	18 245.00	4	18 245.00	4	18 245.00	4	18 245.00	4	18 245.00	4	18 245.00	4	18 245.00	4	18 245.00	4	18 245.00
Total	802	238 347.20	801	261 131.40	798	299 523.00	797	361 593.75	797	361 426.40	797	378 748.40	798	434 298.60	798	455 021.70	798	460 060.90
2874800		8.29%		9.08%		10.42%		12.58%		12.57%		13.17%		15.11%		15.83%		16.00%
June 2005		183 369.00																
		6.38%																
										Marine area		12 428.00		12 428.00		12 428.00		13 261.20
										Without MPA		366 320.40		421 870.60		442 593.70		446 799.70
												12.74%		14.67%		15.40%		15.54%

Annexure 2: Spatial distribution of protected areas in Albania (2015)



Annexure 3: Organogram of the Ministry of Environment



Annexure 4: Biodiversity profile of the three targeted National Parks

Dajti National Park

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

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

DNP is included in the Emerald network of Areas of Special Interest (ASCI) for Albania²³ and will be incorporated into the future Natura 2000 network for Albania as a Special Area of Conservation (SAC). DNP has also been confirmed as an Important Plant Area (IPA) and forms an integral part of the European network of IPA sites. Further, DNP is identified as a Key Biodiversity Area (KBA) in the Mediterranean Basin Hotspot.

Divjake-Karavasta National Park

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

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

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

Llogara-Karaburun complex (LKC)

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

Some 1,400 vascular plant species (~42% of the flora of Albania) have been recorded from the complex. Endemic, relicts and rare flora include *Hypericum haplophyloides*, *Leucojum valentinum subsp. vlorense*, *Taxus baccata*, *Aesculus hippocastanum* and *Quercus ithaburensis subsp. macrolepsis*. Two species (*Hypericum haplophyloides* and

²³ Approved by the Standing Committee of the Bern Convention in December 2012

Leucojum valentinum subsp. vloreense) are strictly endemic to the complex. The complex also hosts at least 10 amphibian species (out of 15 species known to Albania), 28 reptile species (out of 37 species), 105 bird species (out of 330 species) and 55 mammal species (out of 71 species).

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

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

Summary of KBA criteria applicable to the targeted sites

<i>Protected Area name</i>	<i>National protected area classification</i>	<i>IUCN category</i>	<i>Emerald Network Site (code)</i>	<i>IBA (criteria)</i>	<i>IPA (criteria)²⁴</i>	<i>Ramsar Site (name and date of designation)</i>	<i>Mediterranean Biodiversity Hotspot (KBA number)²⁵</i>	<i>KBA Criteria²⁶</i>
Llogara	National Park	II	AL0000001	-	-	-	18	A1; A2;
Karaburun-Sazan	National Park (marine)	II	AL0000014	-	-	-	Vlora Bay, Karaburun Peninsula and Cika mountain	B1; B2; D1; D2
Karaburun Peninsula	Managed Natural Reserve	III	AL0000014	-	-	-	-	-
Divjake-Karavasta	National Park	II	AL0000016	A1; A4i; A4iii; B1i; B2	-	Karavasta Lagoon; 29 November, 1995	5 Karavasta Lagoon	A1; B1; B2; D1; D2; D3
Dajti	National Park	II	AL0000007	-	A & B	-	11 Mali i Dajtit	A1; B1; B2; D2

²⁴ Refer to the criteria in *A Site Selection Manual for Europe, and a basis for developing guidelines for other regions of the world* (Plant Life International, 2002)

²⁵ Refer to Annexure 1 of the *Ecosystem Profile: Mediterranean Biodiversity Hotspot* (CEPF, 2010)

²⁶ Refer to <http://www.kbaconsultation.org/#!/kba-criteria/ccw0>