PROJECT IDENTIFICATION FORM (PIF) [1]

PROJECT TYPE: Full-sized Project
TYPE OF TRUST FUND:GEF Trust Fund

PART I: PROJECT IDENTIFICATION

Project Title:	Enabling transboundary cooperation and integrated water resources management in the extended Drin River Basin		
Country(ies):	Albania, FYR Macedonia, Montenegro (Greece, Kosovo)	GEF Project ID:[2]	4483
GEF Agency(ies):	UNDP (select) (select)	GEF Agency Project ID:	4482
Other Executing Partner(s):	UNOPS, UNECE, GWP-MED	Submission Date:	31 July 2012
GEF Focal Area (s):	International Waters	Project Duration (Months)	48
Name of parent program (if applicable): ➢ For SFM/REDD+ ☐	NA	Agency Fee ($):	450,000

A. FOCAL AREA STRATEGY FRAMEWORK[3]:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Indicative Grant Amount ($)	Indicative Co-financing ($)
IW-3 (select)	Outcome 3.1: Political commitment, shared vision, and institutional capacity demonstrated for joint, ecosystem-based management of water bodies	Output 3.1: National inter-ministry committees established; Transboundary Diagnostic Analyses & Strategic Action Programmes; Output 3.2: Demo-scale local action implemented	GEFTF	4,275,000	22,000,000
(select) (select)			(select)		
(select) (select)			(select)		
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(select) (select)			(select)		
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(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)	Others		(select)		
		Sub-Total		4,275,000	22,000,000
		Project Management Cost[4]	GEFTF	**225,000**	500,000
		Total Project Cost		4,500,000	22,500,000

B. PROJECT FRAMEWORK

Project Objective: To promote joint management of the shared water resources of the extended transboundary Drin River Basin, including coordination mechanisms among the various sub-basin commissions and committees (Lakes Prespa, Ohrid and Skadar).

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount ($)	Indicative Cofinancing ($)
Component 1: Consolidating a common knowledge	TA	Outcome 1: Consensus among countries on key	1) Transboundary Diagnostic Analysis (TDA). (2) Agreement on main	GEFTF	990,000	8,000,000

[1] It is very important to consult the PIF preparation guidelines when completing this template.
[2] Project ID number will be assigned by GEFSEC.
[3] Refer to the reference attached on the Focal Area Results Framework when filling up the table in item A.
[4] GEF will finance management cost that is solely linked to GEF financing of the project.

base		transboundary concerns, including climate change and variability reached through joint fact finding	drivers of change, and on indicators of current conditions, documented and agreed by Drin Core Group. (3) Monitoring and Information Management System (IMS).			
Component 2: Building the foundation for mutli-country cooperation	TA	Outcome 2: Visioning process opens the way for systematic cooperation in the management of the transboundary Drin River Basin. Outcome 3. Countries and donors commit to sustain joint cooperation mechanisms and to undertake priority reforms and investments.	(4) Shared Vision. (Horizon of 20 years). (5) A Strategic Action Program (SAP) with a 5 years time horizon and consistent with the long term vision formulated. (6) Partnership Conference	GEFTF	500,000	2,200,000
Component 3: Institutional strengthening for Integrated River Basin Management (IRBM)	TA	Outcome 4: Transboundary cooperation will facilitate balancing of water uses and sustaining environmental quality throughout the extended Drin Basin.	(7) High Level Joint Commission for the Extended Drin Basin established. (8) Inter-ministerial Committees established and functioning (9) SAP endorsement at ministerial level (10) Training Program	GEFTF	750,000	3,000,000
Component 4: Demonstration of technologies and practices for IWRM and ecosystem management	TA	Outcome 5: Benefits demonstrated on the ground environmentally sound approaches and technologies new to the region.	(11) A program of on the ground pilot demonstrations focusing on: water use efficiency measures, reduction of nutrients, land use planning, groundwater protection, floods and droughts, sustainable tourism and flood risk management will deliver tangible results using quantifiable indicators.	GEFTF	1,650,000	8,000,000
Component 5: Stakeholder Involvement, Gender Mainstreaming and Communication Strategies	TA	Outcome 6: Public support and participation to IWRM and joint multi-country management enhanced through stakeholder involvement and gender mainstreaming Outcome 7: Political awareness at all levels and private sector participation strengthened through higher visibility of the	(12) A Stakeholder Involvement and Gender Mainstreaming Strategy defined and implemented. (13) Information, Communication and Outreach Strategy prepared and implemented.	GEFTF	385,000	800,000

		project's developments and targeted outreach initiatives.				
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
			Sub-Total		4,275,000	22,000,000
			Project Management Cost[5]	GEFTF	225,000	500,000
			Total Project Costs		4,500,000	22,500,000

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, ($)

Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Amount ($)
National Government	Government of Albania, Government of FYR Macedonia, Government of Montenegro (each $900,000)	In-kind	2,700,000
GEF Agency	UNDP	Grant	1,100,000
Other Multilateral Agency (ies)	UNECE	In-kind	1,500,000
Other Multilateral Agency (ies)	UNESCO-IHP	In-kind	350,000
Bilateral Aid Agency (ies)	SIDA/SEPA	In-kind	5,000,000
Bilateral Aid Agency (ies)	SDC	In-kind	5,000,000
CSO	GWP/MED	In-kind	1,000,000
National Government	Government of Greece	In-kind	450,000
Bilateral Aid Agency (ies)	GIZ	In-kind	5,000,000
Local Government	Ohrid Municipality, FYR Macedonia	In-kind	400,000
Total Cofinancing			22,500,000

D. GEF/LDCF/SCCF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY[1]

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	Grant Amount (a)	Agency Fee (b)[2]	Total c=a+b
UNDP	GEF TF	International Waters	Albania, FYR Macedonia, Montenegro	4,500,000	450,000	4,950,000
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total Grant Resources				4,500,000	450,000	4,950,000

[1] In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table

[2] Please indicate fees related to this project.

[5] Same as footnote #3.

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1 the GEF focal area strategies:

1. The proposed project is fully consistent with the long term goal of the International Waters focal area, i.e.: the promotion of collective management for transboundary water systems and subsequent implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services. Its specific objectives fall under Objective 3 of the IW Focal Area: "*Support foundational capacity building … for ecosystem-based, joint management of transboundary water systems*", which includes dialogue, capacity building for legal reforms, and potential agreement for improved legal and governance matters at multiple levels from the transboundary to sub-basin, national, and local. Finally, the project, with its consideration of climatic variability and change, role of groundwater, and gender mainstreaming, responds to specific requirements of the GEF IW Strategy.

2. At the national level, major reforms in the field of natural resources management are on-going in all project countries as part of the process of approximation of the policy and legal frameworks to the EU *acquis* with the ultimate objective to conform management of the natural resources to the EU standards.

3. The proposed project will be instrumental in accelerating the process of EU approximation, in particular to the Water Framework Directive.

4. Important steps have been made towards the alignment with the EU environmental legislation in the recent past. A number of framework laws as well as secondary legislation have been prepared and adopted covering both horizontal and sectoral issues i.e. environment and natural resources, nature protection, pollution, waste management, SEA, EIA, Integrated Environmental Permit issuing system, public participation etc. This legislation apart from being a significant effort to adopt/approximate to the EU acquis and incorporate sustainable management considerations in the overall environmental management framework, sets also the framework and the rules –although still not in an integrated way- for the management of water resources and the water bodies and their basins.

Country	Sustainable Development Strategy	Other national policy documents setting sustainability objectives
Albania	National Strategy for Development and Integration (2008)	National Environmental Strategy
FYR Macedonia	National Strategy for Sustainable Development 2009-2030 (2009)	Second National Environmental Action Plan (2006)
Montenegro	National Strategy for Sustainable Development (2007)	National Environmental Policy (2009)

5. Albania - In the field of water steps have been made to deal with the poor water quality and the inadequate water supply and waste water services. During 2005 some positive steps have been taken under the National Water and Sanitation Strategy to improve management of water resources. Despite the positive trends the targets have not been attained. A comprehensive water management strategy is still needed, including approximation with European legislative standards, determining investment needs, and improving the capacity to manage water and sewerage issues. The basis for the strategic planning in the field of water and sanitation and water resources management and protection is provided in the National Strategy for Development and Integration

2007-2013, adopted by the Council of Ministers in March 2008. A law on transboundary environmental protection, transposing some provisions of the Espoo and the Aarhus Conventions has been adopted in 2007. The Law on Water Reserves is being reviewed. The new Law is expected to transpose the EU WFD and be harmonized with relevant provisions included in different laws adopted recently, touching upon water resources management. The National Strategy for Development and Integration (2007-2013) is the main national document which inter alia is treating water issue with specific objectives for the relevant institutions. It considers the integrated management of watersheds as an important objective for protection and sustainable use of water resources. MoUs and Agreements which Albania has signed with Drin Basin Riparians i.e. FYR Macedonia, Greece, Kosovo, Montenegro and Greece are focusing inter alia in establishing cooperation for the integrated management of transboundary waters and ecosystems.

6. FYR Macedonia - The National Environmental Action Plan clearly defines the environmental problems and the measures and activities required to resolve them in the course of six years, thus establishing a flexible framework for achievement of the main goals: continuation of the process of approximation with the EU environmental policy, implementation of an integrated policy as a way of overcoming the challenges, establishment of directions for environmentally sustainable approaches, enhancement of the extent of compliance with the obligation deriving from regional and global agreements and opening of new perspectives and involvement of the international system for environment protection. A Water Management Master Plan exists but it is outdated and needs to be revised; water resources management planning is expected to come in line with the relevant EU policies in the coming years. The adoption of the new Law on Waters (2008) which aligns with the EU WFD, should provide a good basis for further progress in this area. The Law on Waters defines the management and control of water use, protection and prevention of water contamination, protection against floods, as well as financing of water management activities. This is a framework law; the preparation of secondary legislation for setting the specifications for the preparation of planning documents for water management in conformity with the Law on Waters is on-going. In addition, several pieces of legislation have been adopted to transpose a number of water related Directives. The first watershed management plan that is in accordance to the new Law on Waters has been prepared for the Prespa Lake. The draft national Strategy for Waters was prepared in 2011 and is expected to be adopted by the end of 2012.

7. Montenegro - The Montenegrin Parliament adopted a Declaration on Montenegro as an Ecological State in 1991. The 2007 Constitution reaffirmed the Declaration by determining that Montenegro is a "civic, social and ecological state". During the 1990s not enough was accomplished in terms of implementing the provisions of and the concept of "ecological state" due to the political and economic crisis. Since 2000, efforts are under way to make the concept operational and implement it through the development of strategic documents and more recently through the harmonisation of national legislation with EU environmental *acquis*. Sustainable development has gained prominence in policy making and in the public during recent years with the implementation of various initiatives on institutional strengthening for sustainable development. The National Strategy for Sustainable Development was prepared through a participatory process in 2005 – 2006, and was adopted at the beginning of 2007. A new Law on Water was adopted in May 2007, transposing in a certain extend EU WFD. It regulates issues of integrated water resources management at the basin level and provides for the preparation of a Water Master Plan of Montenegro and Water Management Plans for each of the two River Basin Districts including Programs of Measures.

Management at transboundary level

8. The project countries have pursued the management of the shared water bodies from a predominantly national perspective. The cooperation efforts for the management of some of the sub- basins of the Drin Basin recorded until now were initiated mainly within the framework of externally funded (UN, bilateral donors etc.) projects or initiatives of stakeholders and NGOs at basin level.

9. Lake Prespa Basin is the oldest case. It was the first shared lake in the SEE to be declared as transboundary protected area by the Prime Ministers of the riparian countries (2000) and an informal joint body, the Prespa Park Coordination Committee (PPMC), has been functioning facilitating a level of joint action. These have set the basis for enhanced coordinated/cooperative management; the GEF "Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR Macedonia and Greece" Project (ended in June 2012) further contributed towards this cause. An "Agreement on the Protection and Sustainable Development of the Prespa Park Area" was signed by the three littoral states and the EU Commission (Prespa, 2 February 2010). By this Agreement, PPMC was replaced by the Prespa Park Management Committee. The ratification of the Agreement in some of the riparian countries is still underway. Since the end of Prespa GEF project there are significant steps for follow up activities in FYR Macedonia and Albania with support from Switzerland and Germany.

10. In Lake Ohrid basin, the GEF Lake Ohrid Conservation Programme (1998 – 2004) and the political commitment ever since had as an outcome the signing of an Agreement (2004) for the management of the lake. The Lake Ohrid Watershed Committee was established in November 2005 empowered with legal authority in Albania and FYR Macedonia, but much effort is still needed until actual cooperative management is reached.

11. With regard to Lake Skadar/Shkoder, the Albanian and Montenegrin ministries responsible for environmental protection signed the "Agreement for the Protection and Sustainable Development of the Skadar/Shkoder Lake and its Watershed" in 2008. The full size GEF supported "Lake Skadar/Shkoder Integrated Ecosystem Management Project" was initiated in 2008 (to end in September 2012) assisting in the enhancement of cooperation between the two countries towards the sustainable use of the natural resources of the lake and its watershed.

12. Transboundary cooperation on the Buna/Bojana and Drin rivers (including its tributaries, Black Drin and White Drin) is limited, if compared to this for the lakes.

13. In Buna/Bojana, an integrated ICZM and IWRM plan at transboundary level will be the outcome of the cooperation between PAP/RAC, GWP-Med and UNESCO for the implementation of a pilot activity in the framework of the GEF supported MedPartnership Project. Preparatory activities started in late 2010 – the preparation of the plans was initiated in late 2011.

14. The proposed project will build on this favorable environment, and support countries in their efforts to put in place cooperative frameworks for the sustainable and integrated management of the shared water resources of the extended Drin River Basin.

A.2. national strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NIPs, PRSPs, NPFE, etc.:

15. NA

B. PROJECT OVERVIEW:

B.1. Describe the baseline project and the problem that it seeks to address:

The Issues

16. The Drin River Basin can be divided in four parts, or sub-basins, each with its peculiar physical characteristics, socio-economic context and environmental conditions, but all of them transboundary in nature. The term "extended" Drin Basin is used to indicate the hydrographic basin formed by these four watersheds/sub basins: the Prespa Lake sub-basin (Albania, FYR Macedonia, Greece), Ohrid Lake Sub-basin (Albania, FYR Macedonia), the Drin River Sub-basin (Albania, FYR Macedonia, Kosovo) and the Skadar/Shkoder Lake Sub-basin (Albania, Montenegro). To these four watersheds one may add a fifth sector, this of the Buna/Bojana River

(Albania, Montenegro) as well as the Drin Delta (Albania) that represent the outflows of the Drin system to the Adriatic Sea. The extended basin therefore includes the three well known Balkan lakes of Prespa, Ohrid and Skadar - Shkoder[6]. The first two are linked together by their predominantly karstic nature while the latter two by the flow of the Drin River which originates from Lake Ohrid, in its turn alimented via subterranean flows by Lake Prespa, and flows North to receive the White Drin and then enters the coastal plain joining the Buna/Bojana river[7], outflow of Lake Skadar - Shkoder. With its rich water resources (>350,000 mc/s) and ecosystems, this complex interconnected hydrologic and hydro-geologic system provides a wealth of services to the countries that share the Basin: abundant energy supply, fisheries, water supply for irrigation and domestic uses, sustenance of unique endemic biodiversity, and livelihoods, such as recreation and tourism, which are becoming increasingly important in the economic strategies in particular of Montenegro and Albania.

17. The complex nature of the Drin Basin, where lakes, rivers and underground flows interact in ways hard to unravel, compounded by the many and often conflicting uses of water resources, and by the transboundary conditions that prevail throughout the basin, determines the high fragility of the basin ecosystems and poses serious challenges to the overall sustainability of the water resources of the basin. There is hence an urgent need for harmonizing and coordinating within a common strategic framework the several fragmented management schemes, consultation mechanisms and cooperation efforts, including multi-country ones, that at present characterize the management set up of the Basin. In fact, within this context of inherent fragility, several issues of concern involving transboundary dimensions are becoming progressively critical. Among them:

18. *Climate change and variability* - During recent years while the demand for water increased substantially due to regional economic development, increase in electricity production, consumption, and agricultural activities, unusually dry and warm climate in Southeastern Europe has caused reduction in river flows, apparently in agreement with global climate change models and water projections that predict an extended dry period in the Balkans.

19. *Impacts of dam construction* – The numerous dams constructed in the basin are having negative side-effects: impacts in the distribution of sediments resulting, in several cases, in changes in the river bed morphology; destruction of wetlands in lakes and coastal erosion in the Adriatic coast; disruption of bio-corridors; management conflicts between the need for flood mitigation and its negative impacts on hydropower generation and on lake levels (both Ohrid and Skadar – Shkoder).

20. *Erosion and nutrient pollution* - Unsustainable agricultural practices and inappropriate irrigation practices and techniques have led to erosion and an increase of non-point pollution (nutrient and pesticide) that contribute to the pollution of the water bodies in the Drin Basin as well as the Adriatic Sea, while unsustainable forest management is resulting in soil erosion, land degradation, and flooding affecting several parts of the "extended" Drin basin.

21. *Loss of Biodiversity and living resources* - Disruption of water balance and water pollution is causing losses of unique aquatic biodiversity (three Lakes as well as coastal area), while unsustainable fishing practices have resulted in the deterioration of ecosystems.

[6]The Prespa-Ohrid-Shkoder lakes region of the Balkan Peninsula has been widely acknowledged as an ecological area of global significance, and the Drin River links the lakes, wetlands and other aquatic habitats throughout this region together into a single complex ecosystem.

[7] Floods between 1848 and 1896 diverted the Drin River (Albania), whose watershed is around 14,000 km^2, towards the west into the Buna-Bojana River, a few hundred meters from the lake outlet. The large amounts of sediments raised the river bed and resulted in an increase in the lake level with several meters. Sometimes the outflow from the lake in Buna-Bojana is impeded due to the increase in the flow in the Drin river. This occurs mostly in the period from December to February, but may also occur during the other months, depending on the water released from the (three) hydro-power dams that were constructed end 1960s, early 1970s upstream in the Drin river.

Lake Ohrid (about 300 m deep) dates back to Pliocene times, about 3 to 5 million years ago. Taking this age estimation as correct, Lake Ohrid is certainly one of the oldest lakes in Europe and one of the few lakes in the world that date back to the Tertiary. The, natural, oligotrophic (low nutrient and high oxygen contents) conditions that prevail in Lake Ohrid are supported by inflows, which are depleted in mineral suspensions and nutrients. Most of the inflow to the lake is supplied by groundwater from more or less abundant karstic sources in the relatively small natural catchment area. However, the effective size of the catchment is substantially larger, because several surface springs and sub-aquatic inflows into Lake Ohrid are supplied from Lake Prespa, located 20 km to the east, 150 m above Lake Ohrid and separated by a mountain range. The only surface outflow of Lake Ohrid is the river Crni Drim (Black Drin) in the northern part of the lake.

In the Miocene, Prespa and Ohrid Lakes were connected and were part of a larger lake that connected to the Adriatic Sea via the Devolli River in Albania. The **Prespa Lake** basin itself was formed during Pliocene by a collapse of the limestone rock between the surrounding mountains. By about 12 million years ago, the two lakes had become separated and the connection with the Devolli River had been cut off due to geological uplift and sedimentation. As water accumulated in Prespa, sediments from the surrounding mountains covered the basin floor. Ancient Lake Prespa separated into lakes, Macro and Mikri Prespa, due to sediment deposition from the Aghios Germanos River. Beneath Macro Prespa, a bed of limestone is constantly eroding creating ephemeral sinkholes as channels open and close. There is no natural surface outflow of the two lakes. Investigations using radioisotopes techniques have confirmed a partial underground karstic outflow beneath Galicica Mountain to Lake Ohrid (150m lower). The water from Macro Prespa is also thought to flow into surrounding aquifers possibly in Albania and elsewhere.

Lake Skadar/Shkoder, the largest lake on the Balkan Peninsula in terms of water surface, shows several peculiarities that make it rather unique among the world's major lakes. The same charcteristics, however, are symptomatic of the fragility of the lake's ecosystem as we know it today.

Shallow, fluctuating depth - Its average depth fluctuates from 5 to 10 m. with its deeper parts located along the Western section of the lake. The variations in its depth are due to the high seasonality of rainfall compounded by the varying discharge capacities of the Buna/Bojana River (see below). These fluctuations determine variations in the total surface of the lake, with periodic flooding of its flat Eastern and Northern shore (Zeta Plain), where the limestone substratum is overlain by loose water bearing sediment.

Complex conditions at the outlet - The River Buna/Bojana, the lake outlet, has a weak transport and erosive capacity to remove sediments from the river-bed, due to the low gradient of its channel bed. Sediments accumulate, creating an impediment for the out-flowing waters of the lake, and determining the rise in water level and flooding of the lands around Lake Shkoder. Further, with occasional high discharge in the Drin River, due to the operation of hydropower stations upstream, and a low water level in the lake back/ reverse flows occur. Finally, landfills to build new constructions have been narrowing the outlet.

Karstic origin - Lake Shkoder/Skadar is Europe's largest karstic lake, formed in relatively recent times in a shallow subsiding tectonic depression within the limestone dominated Dinaric chain. The important role of karstic groundwater circulation in Shkoder/Skadar is evidenced by numerous underwater karstic springs ("oka") that originate in deep submerged dissolution caverns. Karstic groundwater flows and springs represent the second largest contribution to the lake's water (up to 30 percent). It has to be stressed that groundwater contained in the sediment cover of the Zeta Plain, the karst springs, the surface currents and the lake water are all hydraulically connected.

Short water residence time - Water circulation and mixing in Lake Shkoder is high, as in-/outflow is high. Water residence time is about 120 days: the lake is shallow, and groundwater wells up from the deeper parts and mixes with the water originating from surface inflow. Stratification does not occur.

High water temperature - Due to its low elevation, southern position and shallow water, Lake Shkoder has high water temperatures. This causes high rates of decomposition of organic materials. As the lake never freezes, it is a primary location for birds in winter.

Buna/Bojana River delta - The large, geographically and ecologically connected complex system of wetlands (Lake Shkoder, Velipoja Reserve, Domni marshes, and Veluni Lagoon) has been identified as one of the 24 transboundary wetland sites of international importance known as "Ecological Bricks Sites" (Europe's Environment, Dobris Assessment, 1995). The part that lies at the territories of Montenegro was included in the list of Wetlands of International Importance (Skadarsko Jezero, Ramsar site No 184, 200 km2) in 1996. The Albanian part and the wetlands along the Buna/Bojana river, including the Viluni lagoon near Velipoja at the Adriatic coast (total area of 495 km2), were designated for inclusion to the Ramsar List in 2/2/2006 (Shkodra and River Buna, Ramsar site no. 1598).

Previous GEF involvement in the Drin Basin region

22. The GEF through its International Waters focal area has been at the forefront of international cooperation in this complex and highly transboundary waterbody, by providing cofunding for three projects addressing the lakes sub-basins of the Drin River Basin.

(i) GEF-World Bank LAKE OHRID CONSERVATION PROJECT – LOCP (Albania, FYR Macedonia)- First ever experience of transboundary water management in South East Europe, the implementation of LOCP was strongly supported by the international community and catalyzed a number of changes for the communities in both sides of the border in the watershed. Using the environmental protection as a vehicle , LOCP has given a strong contribution to softening of "the boundaries" from an administrative and from the people's perception points of view that helped improve economic and social integration. Main results of the Project were: harmonization of the legislation in the fishery sector, the new law on using phosphate free detergents in order to decrease the level of eutrofication of the Lake, first ever Joint State of environment report of the Lake, protocol on Joint sampling and analysis, the creation of a Joint monitoring group and of water management committees, involving of the all stakeholders in the lake. The major catalytic impact of LOCP was achieved in June 2004, when the Prime Ministers of Albania and FYR Macedonia signed an "Agreement for the Protection and Sustainable Development of Lake Ohrid and its Watershed." This Agreement, which was ratified by the Parliaments of both countries in 2005, has established a bilateral "Lake Ohrid Watershed Committee," and commits the countries to take the necessary measures, individually and in cooperation, to (a) Prevent, control and reduce pollution of the waters in the watershed; (b) Protect the soil from erosion, depletion, infections and pollution; (c) Protect the biodiversity by protecting especially the endemic, rare, threatened or endangered species of flora and fauna; (d) Prevent introduction and breeding non-autocthonous animal and plant species; (e) Ensure the sustainable use of natural resources of the watershed; (f) Avoid any serious damage of the cultural values and natural landscapes; and (g) Prevent and control the economic activities which cause or may cause negative impact in the Lake Ohrid watershed.

(ii) GEF-UNDP INTEGRATED ECOSYSTEM MANAGEMENT IN THE PRESPA LAKES BASIN (Albania, FYR Macedonia and Greece) - The project was designed to strengthen ongoing trans-boundary cooperation in resource management and conservation and piloting trans-boundary management and conservation activities. Aiming at strengthening the legal and regulatory environment and establishing land and water use management basis for ecosystem health in Prespa, the project worked on integrated land use spatial planning in Albania and FYR Macedonia. The project has contributed the development of local environmental action plans in Albania and worked towards water management plan for FYR Macedonian Prespa. The water management council for FYR Macedonia was established under this outcome. Furthermore, the project worked towards mainstreaming the ecosystem health priorities into productive sector laws and regulations. Number or reports incorporated ecosystem parameters into existing sectoral legal frameworks produced for water, agriculture, forest, and fishery law in Albania. Sustainable forest guidance was produced in FYR Macedonia, including watershed management plan, as well as a management plan for the protected area "Ezerani". Furthermore trainings and manuals in GAPs were undertaken. The project also contributed towards flexible pollution reduction techniques and through the use of incentives strengthened enforcement of and compliance with environmental laws protecting ecosystem health. Training in application and inspection procedures for IPPC B type permits was undertaken for Resen and neighbouring Municipalities and industrial stakeholders. At transboundary level, a number of very important strategies and action plans have been prepared and expected to be adopted once the Prespa Park Management Committee becomes operational. These include the following: (i) a revised Prespa Strategic Action Programme; (ii) Transboundary Strategy for Sustainable Tourism in the Prespa Region; (iii) Transboundary Fish and Fishery Management Plan; (iv) Transboundary Action Plans for five priority Species and Habitats in the Prespa Region; (v) Joint Monitoring Plan, etc.

(III) GEF-World Bank LAKE SKADAR-SHKODER INTEGRATED ECOSYSTEM MANAGEMENT

PROJECT (MONTENEGRO, ALBANIA) - Tourism in the Lake Skadar/Shkoder is growing rapidly, unplanned and unregulated, threatening the lake's potential as an economic asset through inappropriate construction, untreated wastewater, poor solid waste management, over fishing and so forth. The project seeks to address this situation through strategic, coordinated actions to set Lake Skadar-Shkoder on a path of ecological and economic sustainability. In February 2008 – at the end of project preparation - a detailed Bilateral Agreement was signed as the legal instrument for joint cooperation for protection and management of the lake, including establishing a Skadar-Shkodra Lake Commission (SLC). The Agreement calls for the establishment of the Skadar/Shkodra Lake Commission as a structure supported by the GEF LSIEMP; the structure should evolve over time to become a legally-based Commission for transboundary cooperation in the Lake. The roles of the Commission according to the Agreement, are: - Monitoring of the implementation of the strategic documents prepared (or to be prepared) by the two Parties for the conservation and management of the Lake (the Joint Strategic Action Plan, Management Plans for the protected areas, etc.); - Monitoring and coordination of other activities aiming at the protection of the Shkoder Lake; - Cooperating with all national and bilateral stakeholders that have as their purpose the protection and management of the Skadar/Shkoder Lake; - Suggesting to the Parties actions and measures necessary for the implementation of the Agreement; - Evidencing actions and positions that conflict with this Agreement and informing the Parties through their representatives in the Commission.

Baseline

1 - Previous UNDP baseline activities in the region (non GEF)

23. UNDP's involvement in water resources management in the region dates back to 2006, with a programme funded by the UNDP-Spain MDG Achievement Fund, and implemented in partnership between UNDP and the World Bank: **Economic Governance, Regulatory Reform and Pro-Poor Development in Albania**. The program aimed to help Albanian national stakeholders—particularly the Energy Regulatory Entity and the General Department of Water and Supply (GDWS), as well as sub-national governments and civil society organisations to develop the capacity needed to meet the challenges posed by the need to:

- Expand broader participation in institutions of governance which protect consumer welfare in electricity and water services is central to Albania's prospects for meeting the Millennium Development Goals (MDGs),

- Facilitate the process of accession to the European Union (EU), reducing social exclusion, regional disparities and informality

- Achieve sustainability and reliability in the energy sector, and facilitate the appropriate devolution of service delivery responsibilities from national to sub-national government bodies.

- Protect consumers by introducing new regulation of electrical energy supply and of the provision of water services

24. Programme activities focused on ensuring that important decisions concerning utilities' decentralisation and privatisation, tariff changes, and regulatory reform in the energy and water sectors, as well as measures to strengthen market surveillance and consumer protection, benefit from inclusive but responsible participation of user groups.

25. On the FYR Macedonian part of the Prespa Watershed a number of relevant projects were implemented in parallel with the UNDP GEF Prespa project; some are still under implementation: (i) Extension of the Solid Waste Management Service in the Rural Communities of Prespa (2005 -2006, funded by SDC); (ii) Reducing Environmental Impacts of Agriculture in the Prespa Region (2005 -2006, funded by SDC); (iii) Restoration of Golema Reka, Phase I and II (2005 – 2011, funded by SDC), (iv) Pilot Project on Biodegradable Waste Management in the

Prespa Region (2011 – 2012); (v) Restoration of Prespa Lake Ecosystem – Implementation of the Prespa Lake Watershed Management Plan (2012 – 2018, funded by SDC). These projects have aimed / aim at addressing key environmental issues that contribute in the deterioration of the quality of the Lake Prespa. The objective of the new project for the Prespa watershed that commenced at the beginning of July 2012 (see above in the paragraph, point (v)) is to introduce a set of comprehensive measures that will significantly improve the Prespa Lake's overall health, strengthen its resilience, and ensure, in the long-run, control of the eutrophication processes. The project is founded on the recommendations of the first ever Watershed Management Plan developed in the country (as part of the GEF supported project – see above in the document), in line with the EU Water Framework Directive. The measures aim at reducing the pressures from agriculture, forest land, polluted rivers, wastewaters and solid waste. In addition the project will create sustainable monitoring and watershed management capacities at local level.

2 - The UNDP Baseline Project: the DRIN Dialogue Project

26. As a consequence of its active presence in water management in the region, and thanks to facilitation mechanisms put in place by the UNDP-led IWLEARN GEF project, the UNDP joined with other partners, primarily UNECE and GWP Med, in an effort to enhance transboundary cooperation in the management of the shared water resources of the SW Balkan region: the extended Drin River Basin and its three major lakes.

27. The need for enhanced cooperation among the riparian countries for the management of the extended Drin Basin was for the first time recognized during the International Roundtable "*Integrated Management of Shared Lake Basins in Southeastern Europe*" (Ohrid, FYR Macedonia, 12-14 October 2006) that was organized in the framework of the UNDP - GEF IWLEARN Activity D2 and the Petersberg Phase II / Athens Declaration Process[8] (Process). The idea of encouraging multi-country cooperation at the Drin Basin level received positive consideration by the representatives of the competent ministries of the riparian countries and other key Basin stakeholders participated in the International Roundtable.

28. Based on the conclusions of this International Roundtable and as a response to the related expression of interest by key Basin stakeholders, the *"Consultation Meeting on Integrated Management of the extended Drin River Basin"* was organized by the Albanian Ministry of Environment, Forestry and Water Administration, UNDP, UNECE and GWP-Med, with the support of the Swedish Environmental Protection Agency (SEPA), and of the German Ministry for Environment. The Meeting was held in Tirana, Albania, on November 24th 2008. The experience gained through the UNECE Water Convention and its guidance on Climate Change Adaptation and Transboundary Flood Risk Management, and through UNDP's water governance initiative, played a significant role in this context. The meeting gave a mandate to UNDP, UNECE and to the Partners in the Process, to facilitate the initiation of consultations towards the establishment of a Strategic Shared Vision for the coordinated management of the extended Drin basin. UNDP was also requested by the riparian countries to initiate the development of a GEF International Waters project for the Drin basin. Following the Tirana 2008 Consultation Meeting a project that would respond to the countries call for assistance was prepared. This process led to the formulation of the **Drin Dialogue Project**.

29. The Drin Dialogue Project was formally launched on December 1st 2009, in Podgorica, Montenegro, in the presence of representatives of the environment and water resources management competent Ministries of Albania, FYR Macedonia, and Montenegro as well as of the existing formal joint Commissions/Committees in the Lakes sub-basins. It was decided that the UNDP, UNECE and the GWP-Med would provide technical assistance, facilitating the implementation of the Drin Dialogue. The meeting discussed and agreed on the content of the

[8] Germany, Greece and the World Bank coordinate the Process; GWP-Med provides technical and administrative support; related activities contribute to and are operationally linked to the Mediterranean Component of the EU Water Initiative (MED EUWI).

Drin Dialogue and its objectives.

30. The Drin Dialogue Project is coordinated and, technically and financially supported by UNDP, UNECE, GWP-Med, the Swedish EPA, the ENVSEC initiative and the Drin Riparians. The Dialogue is conducted within the frameworks of the UNECE Water Convention and the Petersberg Phase II / Athens Declaration Process. Activities implemented in support of the Drin Dialogue contributed directly to the Mediterranean Component of the EU Water Initiative (MED EUWI) and of the GEF Strategic Partnership of the Mediterranean Large Marine Ecosystems (MedPartnership).

31. The first phase of the Drin Dialogue started on May 1st 2010 and lasted until November 31st2011. During this first phase, the Drin Dialogue explored ways towards enhancing transboundary cooperation, in compliance with the provisions of the UNECE Water Convention, the EU Water Framework Directive and other related multi-lateral Agreements. In this regard it involved in a coordinated and structured consultation process the Ministries of the extended Drin Basin Riparians (Albania, FYR Macedonia, Greece, Kosovo (UN administered territory under UN Security Council resolution 1244), Montenegro) with competence on environment and water resources management, the existing formal and informal joint Commissions/Committees in the sub-basins (Prespa Park Management Committee, Lake Ohrid Watershed Committee, Lake Skadar-Shkoder Commission) and key Basin stakeholders.

32. The following activities were implemented during the first phase :

- Preparation of a Situation Analysis using the TDA methodology (UNDP provided technical expertise and guidance in this regard);
- Organization of the Drin Core Group Meetings;
- Organization of consultation meetings at national and transboundary level: (a) Organization of three National Consultation Meetings – one in each of Albania, FYR Macedonia and Montenegro; (b) Organization of one Transboundary Consultation Meeting at the Drin Basin level / 2nd Drin Transboundary Consultation Meeting;(c) Preparation of the draft Strategic Shared Vision document and a draft Plan of Action for the promotion of multilateral coordination and cooperation.

33. This first phase of the Drin Dialogue resulted in the following: (1) Identification and brief analysis of Key issues in the Basin linked with water resources management (related information was used for the preparation of the current PIF); (3) The "Drin Core Group" was established and acted as the steering committee of the Dialogue; the representatives of the competent Ministries of the extended Drin Basin Riparians and the existing joint Commissions/Committees in the sub-basins have been represented in this body; (4) A multi-stakeholders consultation process was implemented through national and regional meetings; (5) A Memorandum of Understanding (MoU) was signed by the Ministers of the water and environment management competent ministries of the Riparians (Tirana, Albania, November 25th 2011).

34. The MoU describes the Strategic Shared Vision for the management of the Drin and identifies key issues as well as common concerns for sustainable management in the Drin Basin. Through this, the Parties committed to promote joint action for the coordinated integrated management of the shared water resources in the Drin Basin, as a means to safeguard and restore to the extent possible the ecosystems and the services they provide, and to promote sustainable development across the Drin Basin. Furthermore, the Parties to the MoU agreed to undertake action to address problems identified as affecting sustainable development in the entire Drin Basin or in one or more of the Sub-Basins. **The activities described in the Project Identification Form are fully in line with the content of the MoU and the priority actions it describes**.

35. The Drin Core Group (DCG), established through the Drin Dialogue, was given the mandate to coordinate actions for the implementation of the MoU. GWP-Med was appointed through the MoU as the Secretariat of the DCG. Decisions are taken by the Parties to the MoU i.e. the Drin Riparians, on the basis of consensus.

36. A, on-going, second phase was initiated in early 2012. It is coordinated and, technically and financially supported by UNDP, UNECE, GWP-Med, the Swedish EPA, the ENVSEC initiative and the Drin Riparians. It aims to establish an operational institutional structure for the implementation of the MoU for the management of the Drin Basin as well as provide for its functioning during 2012.

37. The main expected results are the following:
- An Action Plan for the implementation of the MoU for the management of the Drin Basin approved by the Drin Riparians.
- Established working level structures (primarily the Drin Core Group and Expert Working Groups) for transboundary cooperation and the implementation of the MoU.
- A study for the actions and steps necessary to be taken by the Riparians for the preparation of coordinated RBM plans for the parts of the Drin Basin extending in the territory of each one.
- Continued functioning of the Drin Core Group.

38. The activities to be used to achieve the aforementioned results are the following:
- The preparation of a draft Action Plan for the implementation of the MoU for the management of the Drin Basin.
- The preparation of Terms of Reference (ToR) for the establishment of Working Groups under the Drin Core Group on (i) Water Framework Directive; (ii) Monitoring and Information Exchange; (iii) Biodiversity and Ecosystems.
- The organization of Drin Core Group Meetings.
- The organization of a Ministerial Meeting.
- Preparation of a study for the actions and steps necessary for the preparation of coordinated RBM plans for the parts of the Drin Basin extending in the territory of the Riparians.
- Secretariat support to the Drin Core Group.

B. 2. incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

39. The incremental reasoning at the basis of this foundational project is simple. The proposed project will in fact expand the scope of the Drin Dialogue project (the "baseline project"), and assist the countries to advance with regard to the implementation of the MoU and to move to concrete achievements in terms of cooperative frameworks and institutional set up, commitments to and implementation of priority actions, specific targets/indicators and strategic choices, adoption of common harmonized monitoring protocols. Global benefits, as established in the International Waters Focal Area Strategy, will be accrued by facilitating a broader and more effective collective multi-country management scheme that will embrace the Basin in its entirety and foster the integrity of the basin ecosystems and of the services they provide

40. The project has been designed with the purpose of harmonizing and coordinating within a common multi-country cooperative framework, the several fragmented management schemes, consultation mechanisms and cooperation efforts that at present characterize the administrative set up of the Extended Drin Transboundary Basin.

41. The project formulation and the design of *incremental activities* has involved, amongst others, three major steps:

- an assessment of the national water management related actions which are ongoing or planned as part of the EU approximation process and of the progressive adherence to the WFD (the "business as usual scenario"), and
- an in depth review of the very positive results of previous and on-going GEF funded efforts in the Skadar - Skoder, Ohrid and Prespa sub-basins of the Drin, which have helped build mutual trust

and recognition among riparian countries

- conceptual design of the project as an expansion of the "Baseline Project" (the Drin Dialogue Project, and UNDP actions on water governance), to include the definition of a River Basin Management Plan, and a Strategic Action Program, and the facilitation of the establishment of a joint High Level Commission with coordination responsibilities over the whole basin.

42. Based on the above, the proposed GEF project will respond to the countries request and work with all partners organizations involved in the baseline project through the following Activities, organized in 5 Components, 7 Outcomes and 13 Outputs.

Component 1: Consolidating a common knowledge base

43. *Outcome 1*: Joint fact finding facilitates achievement of science based consensus among countries on (i) the transboundary implications of the shared nature of the Basin's water resources; (ii) key transboundary concerns, including climate change and variability; (iii) need for harmonized monitoring and reporting on common indicators.

Outputs and Activities

(1) Transboundary Diagnostic Analysis (TDA): A full fledged TDA of the extended Drin Basin, based on the Situation Analysis (prepared as part of the Baseline Project), and integrating consideration of: (i) the results achieved in the three lakes through previous GEF funded activities (ii) other related environmental and developmental projects pertaining to surface waters (rivers and lakes) in the extended Basin such as the SIDA / World Bank supported intervention in the part of the Drin extending in Albania and the GIZ supported intervention in the three shared lakes (iii) the karstic nature of large sections of the Basin, including of its three major lakes; (iv) surface/groundwater interaction patterns and conjunctive uses throughout the basin; and (v) the coastal ecosystems and shallow marine environment. The TDA will be prepared by national scientists and practitioners with international expert support, and approved by countries (Drin Core Group). The TDA will also include a set of Scenarios of Water Futures for the extended Drin Transboundary Basin with a focus on climate change and variability and on transboundary issues, and if feasible, incorporating projections from numerical modeling and the new insights generated by the enriched knowledge base. The Scenarios building exercise will be developed considering the identified "drivers of change", by national and international experts and will include extensive stakeholders consultations. Its results are meant to integrate the TDA and inform the visioning process.

(2) Drivers and Indicators: The study of, and agreement on the "main drivers of change" and on the "indicators of current conditions (status indicators)". The Drin Core Group will approve both drivers and indicators.

(3) Monitoring and Information Management System (IMS): A harmonized Drin Basin Water Monitoring Program applying the UNECE Guidelines on Monitoring and Assessment of Transboundary Rivers and including the capacity building for the upgrading, operation and maintenance of monitoring stations, implementing related provisions of the WFD and an IMS that will enable to collect, store, analyze and share data produced by the project, information on the extended Drin Basin and its sub-basins, and data produced by monitoring in a consistent way, designed, endorsed by the Drin Core Group, and implemented.

Component 2: Building the foundation for multi-country cooperation

44. *Outcome 2*: Visioning process and agreement on priorities for action opens the way for systematic cooperation in the integrated management of the transboundary Drin River Basin.

Outputs and Activities:

(4) Shared Vision. (Horizon of 20 years): A Shared Vision for the Extended Drin Basin, largely based on the Strategic Shared Vision (defined as part of the Baseline project) and updated in the light of outputs 1-4, that will set the environmental quality targets, and strategic development lines and

priorities, will be developed and formally agreed upon by the countries,
(5) A Strategic Action Program (SAP) formulated (Horizon 5 years): A SAP consistent with the Shared Vision, addressing main issues of transboundary concern and containing concrete actions (legal, policy, institutional reforms, and investments) at the national and regional levels with focus on issues such as nutrient pollution, mitigation of flood hazards, management of hydraulic infrastructure and hydropower generation schemes, and erosion control, formulated on the basis of the results of the TDA, of stakeholder consultations, and of the experience gained with pilot projects.

45. *Outcome 3*: Countries and donors commit to sustain joint cooperation mechanisms and to undertake priority reforms and investments.

Output and Activities:
(6) Partnership Conference: A Partnership Conference consolidates international support for the implementation of the priority actions identified in the SAP.

Component 3: Institutional strengthening for Integrated River Basin Management (IRBM)

46. *Outcome 4*: The establishment and strengthening of the institutional and legal frameworks for transboundary cooperation will facilitate balancing of water uses and sustaining environmental quality throughout the extended Drin Basin.

Outputs and Activites:
(7) High Level Joint Commission for the Extended Drin Basin established and capacitated: The Joint Commission will be built on the current joint Drin Core Group and its Expert Working Groups, and will focus on: (i) the strengthening and harmonization of existing multi-country (Ohrid, Prespa and Skadar - Shkoder Lakes sub-basins) and national water management and policy frameworks, (ii) fostering joint management of the extended basin including through the definition of an Integrated River Basin Management Plan, and (iii) implementation of priority actions (SAP).
(8) Inter-ministerial Committees established and functioning: Inter-ministerial Committees (water, environment, energy, agriculture, spatial planning, treasury) established at national level, tasked with coordinating country action at extended basin level and at the level of existing joint sub-basin bodies in response to the overall guidance of the High Level Joint Commission.
(9) SAP endorsement: The SAP will be reviewed and endorsed by the High Level Joint Commission and translated into national actions and policies by the national Inter-ministerial Committees.
(10) Training Program: Implementation of a training program, targeting managers, practitioners, relevant officers and local authorities staff etc. that may include: (a) integrated basin planning and management in accordance with WFD, (b) practices of transboundary water cooperation as guided by the UNECE Water Convention, (c) GIS & spatial planning, (d) EIAs and industrial site inspections, (e) flood management, (f) natural wastewater treatment systems, (g) best agricultural practices, (h) avoidance and containment of invasive species, (i) environmental monitoring system design and management, (j) enforcement of water quality, water abstractions, recharge area protection and biodiversity regulations, (k) scenario building, (l) groundwater management.

Component 4: Demonstration of technologies and practices for IWRM and ecosystem management
(Strong co-financing from external partners will be sought for the pilot demonstrations during the PPG implementation).

47. *Outcome 5*: Cooperation on sustainable natural resources management strengthened by piloting on the ground environmentally sound approaches and technologies new to the region.

Outputs and Activities:
(11) A program of on the ground pilot demonstrations designed, and implemented. Program might include:

- Testing of IWRM practices and water use efficiency measures, including obligations arising from WFD and the UNECE Water Convention, on selected sub-basins.

- Reduction of nutrient loads - A pilot project on nutrient reduction from agricultural and

domestic sources using engineered/rehabilitated wetland and other environmentally benign ways.

- Land Use Planning / Groundwater protection - Demonstrations and strategy development for land use planning for aquifer recharge protection, focusing on karstic areas, and for soil conservation/erosion control/nutrient runoff reduction.

- Extreme Climatic Events – Action planning in sub-basins and demo interventions to address floods and droughts stemming from increased climatic variability and change.

- Joint ICZM/IWRM management planning – Hands on action-planning and implementation of measures.

- Sustainable Tourism - Nature-based tourism pilots to demonstrate sustainable tourism.

- Enforcement Capacity - Strengthening of enforcement capacity of conservation and management policies.

- Flood Management Plans - Hands on first steps in flood risk management, including early warning.

48. The pilot demonstrations will be fully designed with associated work plan and budget and final agreement among the countries will be reached during the PPG implementation. Selection criteria's will be developed and approved by the project SC and will take into account country baseline and co-financing commitments, GEF5 IW strategy, as well as co-funding available from other co-financing partners.

Component 5: Stakeholder Involvement, Gender Mainstreaming and Communication Strategies

49. *Outcome 6*: Public support and participation to IWRM and joint multi-country management enhanced through stakeholder involvement and gender mainstreaming.

Outputs and Activities:

(12) A Stakeholder Involvement and Gender Mainstreaming Strategy defined and implemented. Based on a Stakeholder Involvement Strategy, specific activities will be implemented to engage a wide range of stakeholders in the project implementation in order to facilitate:

- the building of ownership by the stakeholders;
- long term sustainability of project outcomes;
- better informed implementation (with knowledge at the national and local levels) of the project activities.

50. A gender mainstreaming approach will be integrated into the project's overall stakeholder involvement strategy by giving visibility and support to both women's and men's contributions individually and by identifying gaps in equality and developing strategies and policies to close those gaps.

51. *Outcome 7*: Political awareness at all levels and private sector participation strengthened through higher visibility of the project's developments and targeted outreach initiatives.

Output and Activities:

(13) Information, Communication and Outreach Strategy prepared and implemented: The entire project will be participatory and communication oriented. Based on an Information, Communication and Outreach Strategy, a range of related activities will be implemented to foster:

- the understanding of the issues involved by the general public and the stakeholders, including water users and the private sector, thus enabling their contribution in the development and implementation of solutions;

- the enhancement of awareness at the political level and among decision makers thus creating the enabling environment for action to be taken.

The project will report using the GEF 5 IW Tracking tool.

All the project's main events, findings and achievements will be recorded and disseminated through media events and ICT. The project will establish a website according to IW LEARN guidance and standards to be used as a communication platform and repository of project documentation. The communication and dissemination of the "Shared Vision" and other key messages will occur through a series of regional Outreach Conferences (one in each participating country), and Special Events in coincidence with World Water Forums, the GEF IW Biannual Conferences and other global events.

B.3. Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF). As a background information, read Mainstreaming Gender at the GEF.":

52. The global benefits to be accrued through the project consist essentially in increased levels of multi-country cooperation in the management of the shared Drin basin, increased water security, and the balancing of conflicting water uses. In order to maximize the ability of the project to produce such benefits, its design includes specific elements that will emphasize the national benefits that increased transboundary cooperation in water management will bring about. In particular:

53. Components 2 and 3 - Building the foundation for multi-country coordination and Institutional strengthening for Integrated River Basin Management (IRBM) will result in enhanced synergy and cooperation thus contributing to regional stability in an area that has been impacted by political tensions and armed conflict in the near past. Furthermore, fostering enhanced coordinated management at the extended Drin Basin level will contribute in (i) improved management of the Drin sub-basins at the transboundary and country levels; (ii) the step-by-step compliance of the countries with the provisions of the EU WFD hence assist in the EU accession process.

54. Component 4 - Demonstration of technologies and practices for IWRM and ecosystem management, will focus project resources on the demonstration – at the national level – of a number of practices, technologies and behaviors that will bring about concrete socioeconomic benefits at the local and national levels (e.g.: flood hazards mitigation, pollution reduction, sustainable nature based tourism, and others), and if replicated at the transboundary level within the entire Drin basin as part of IWRM planning will enhance the population welfare in the three riparian countries.

55. Component 5 - Stakeholder Involvement, Gender Mainstreaming and Communication Strategies, will build the capacity of civil society and the private sector to more effectively participate in the decision making processes in land and water management, and will strengthen gender equality in the sector.

B.4 Indicate risks, including climate change risks that might prevent the project objectives from being achieved, and if possible, propose measures that address these risks to be further developed during the project design:

56. The only risk that may hinder the ability of the project to reach its objective, is the lack of political support. This is considered highly unlikely as the Ministers of the Drin Riparians that are competent for waters resources and environment management have declared their political

support towards the sustainable management of the Drin Basin by signing the Drin MoU (Tirana, 25 November 2011). Furthermore, the Drin Core Group consists of formally appointed representatives of the Parties to the MoU.

57. Given the nature of the project, oriented at improving science, establishing processes and creating enabling political environments, Climate Change will not have any impact on the project likelihood of success. Climate change and increased climatic fluctuations will have on the other hand to be taken into full consideration as part of the technical components of the project, from the diagnostic analysis, to the identification of needed priority actions, so that future management of the basin will include measures and provisions to face this new challenge to sustainability.

Risk	Level	Mitigation
Lack of sustained political support	low	The project design foresees activities that will strengthen country commitment through improved science and understanding, exchanges and consultations, awareness campaigns and capacity building. The EU approximation process will also help in moving the project successfully forward.

B.5. Identify key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable:

58. The level of public participation in the decision making in each country is not clear; available information suggests that it still inadequate. It is also unclear which local stakeholders are, actually, involved in the management of natural resources and at what level, or what in fact is the level of access to information. There are examples, though, suggesting that efforts are being made; FYR Macedonia seems to be the most advanced country in this respect. These includes efforts both at the policy and legislative level, with the countries incorporating public participation provisions also in laws that touch upon natural resources management, as well as the implementation of specific projects and management activities.

59. In Albania, public participation is mentioned in almost all strategic documents including the National Strategy for Development and Integration (2008). The Laws on "Environmental Protection" and on "Environmental Impact Assessment" include relevant provisions. The first provides for public participation in environmental decision-making; the involvement of the public and stakeholders in environmental protection, in the development and approval of the local environmental action plans and programs; the access of the public to information; determine the role of non-profit organization etc. As for the use of water resources *per se* an example of a law regulating issues of stakeholders involvement is the Law "On irrigation and drainage" (1999, amended in 2008), which include provisions for and regulates the establishment and functioning of associations of water users. Nevertheless, not all the aforementioned provisions are implemented. Environmental civil society in Albania is growing in quantity and quality: More than 100 groups are registered NGOs around the country (as for 2006). There are still issues related to the capacity of the majority of these. In addition, Albanian NGOs developed partnerships with other sectors for some major public advocacy and public pressure campaigns, including importing waste, and energy investments.

60. In FYR Macedonia, the situation regarding public participation seems to be more satisfactory. The Law on Environment provides for public participation in environmental decision making while according to the EIA related legislation the stakeholders should be included in all steps of the process. In relation to public information, the Ministry of Environment and Physical Planning (MEPP) has developed an Environmental Awareness Strategy and an Environmental Communication Strategy. The MEPP seems to actively support public awareness and involvement. The Public Communication Office functioning within the MEPP provides easy access to environmental information. It carries out practical application of Aarhus Convention

principles; a number of activities have been implemented the past years and the effort is on-going. It is also fostering active cooperation with civil society and NGOs and assists in the raising of their capacities through their involvement in the activities and events, such as public awareness campaigns, that the MEPP organizes. Several strategies prepared, such as this of Waste Management, are subject to public debate. The implementation of the Law on Waters, which specifically provides for basin stakeholders involvement in the management of water resources will further enhance public participation at the basin/local level.

61. In Montenegro the 2007 Constitution and the 2008 Law on Environment provide legal bases for access to information and public participation in decision-making. The government bodies have to make information available and provide information to all interested parties upon request. The 2005 "Law on Free Access to Information" regulates access to information. The procedures of public information and participation were developed further through the harmonizing of national legislation with EU legislation. Relevant by-laws are necessary to clearly regulate public information and participation issues under these laws; there is no information though, whether these have been adopted. Since 2002, the NGO sector has been developing rapidly in Montenegro – approximately 200 environmental NGOs are registered in the country. Only few, though, have demonstrated the organizational and managerial capability and financial viability for implementing environmental activities and projects. NGOs are playing an increasingly significant role in areas such as national environmental and social policy development, decision making, raising awareness, and promoting sustainable development principles. They have been involved in the preparation of policies and strategic documents; as an example the National Strategy for Sustainable Development has been prepared after wide consultation with the stakeholders with the NGOs.

62. Public participation and stakeholders involvement in the Drin sub-basins follows the general mixed trend that exists at national level. Positive examples can be found. Involvement of the local communities in the management of the protected areas in FYR Macedonia is practiced through the participation of a representative of the local authorities in the management board. In Pelister National Park the competent authorities in cooperation with Swiss environmental NGOs have been supporting local nature protection organisations to advocate and reinforce nature conservation in the park and support the park administration in developing a modern management plan. Nevertheless, there are also examples suggesting that stakeholder involvement at the basin/local level have been inadequate or practiced in a fragmented way. For instance, in Montenegro, stakeholders are not involved in the management structures of the Lake Skadar National park. Another example is the participation in the Protection Area Committee of the communities that are within the boundaries of the Albanian PNP. A governmental decision of April 2005 determines their membership and paves the way for the establishment of a participatory and cross-sectoral Protection Area Committee. Such a committee is yet to be established.

63. The proposed project will hence act within a context where the principles of stakeholder involvement, while fully recognized by the national laws, are not yet translated into daily practice and at all levels – the water sector being no exception; civil society and public participation are still in an early stage of development; the private sector does not participate to the policy development process. The project will strive to set an example and an higher standard of stakeholder involvement practice in water and natural resources management, which is considered an essential element of the success of the project itself.

64. The stakeholders involvement plan will be developed during the PPG and will engage the primary stakeholders to define specific objectives for the preparation of the Full Size Project (FSP), decide on the road map for the development of the FSP including the required information: compilation of the existing information at national and regional level, gap analysis, national consultations, coordination mechanism, and resource mobilizations strategy.

B.6. Outline the coordination with other related initiatives:

Project Title	Countries	Implementing Agency and Other Executing Agencies	Stage of implementation
Protection and Sustainable Use of the Dinaric Karst Transboundary Aquifer System – DIKTAS	Albania, Bosnia – Herzegovina, Croatia, Montenegro	UNDP with UNESCO IHP and GWP-MED	Ongoing
Lake Skader – Shkoder Integrated Ecosystem Management	Albania, Montenegro	World Bank	ongoing, nearing completion (30 September 2012)
Lake Ohrid Conservation Project	Albania, FYR Macedonia	World Bank	Completed
Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR-Macedonia and Greece	Albania, FYR Macedonia, (Greece)	UNDP	Completed
MED Integration of Climatic Variability and Change into National Strategies to implement the ICZM Protocol in the Mediterranean	All Mediterranean Littoral Countries	UNEP	To be initiated soon
Strategic Partnership for the Mediterranean Large Marine Ecosystem-Regional Component: Implementation of Agreed Actions for the Protection of the Environmental Resources of the Mediterranean Sea and Its Coastal Areas	All Mediterranean Littoral Countries	UNEP with UNESCO, UNIDO, FAO, GWP-MED, WWF and others	Ongoing
Conservation and	Albania, FYR	GIZ in cooperation	Ongoing

sustainable use of biodiversity at Prespa, Ohrid and Skodra/Skadar Lakes.	Macedonia, Montenegro	with the environment and water resources management competent ministries.	
Water Resources and Irrigation Project (WRIP)	Albania	World Bank, SIDA, SIWI, Albanian Ministry of Environment, Forestry and Water Administration	Ongoing

65. The Table lists all the GEF funded projects (ongoing, under preparation or recently completed) as well as project financially supported and/or implemented by other donors and institutions, that will interact in various ways with the proposed project. These projects, or the frameworks left in place after their completion (Ohrid, Prespa), will be part of a project consultation mechanism, and will play a role in the production of specific outputs, such as (1), (2), (3), (4), (5) and (6). Other GEF projects and initiatives, in particular those implemented/funded by UNDP in the region such as the UNDP-led IWLEARN, as well as those promoted as part of the Petersberg Phase II / Athens Processes, the Mediterranean Component of the EU Water Initiative, UNECE, European Commission, etc will also be involved through the permanent consultation mechanism.

C. DESCRIBE THE GEF AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:

66. *UNDP and water governance* - Within UNDP's Water Governance Programme, over 80 programme countries have water projects, with a total portfolio value of over $300 million. In terms of international advocacy, UNDP has championed the global water crisis and stressed the importance of water for life and water for livelihoods in its 2006 *Human Development Report titled "Beyond scarcity: Power, poverty and the global water crisis"*. UNDP's priorities within this area include:

- Improving national and local water resources management for poverty reduction and sustainable development
- Increasing access to adequate and safe water supply and sustainable sanitation for the poor
- Promoting cooperation on shared water resources and global water challenges
- Gender mainstreaming in water governance
- Capacity development for Integrated Water Resources Management (IWRM)

67. In the implementation of the project, UNDP will build upon its comparative advantages in capacity building and technical assistance to support beneficiary governments in the project development and implementation, specifically in the areas of integrated policy development, institutional strengthening and community participation. Of the GEF agencies, UNDP has the largest portfolio and associated experience in the development and implementation of TDAs and SAPs in a wide range of lake, river, groundwater and marine waterbodies. UNDP's strong track record in facilitating improved transboundary waters governance has been further strengthened by the recent integration of UNDP's 'core' Water Governance Programme with its GEF International Waters cluster, and the similar full integration of the UNDP Water Governance Facility at SIWI with UNDP's corporate water governance activities.

C.1 Indicate the co-financing amount the GEF agency is bringing to the project:

68. Baseline co-financing: the total amount of UNDP's financial contribution to the baseline activities upon which the project will build, is in the order of US $1,100,000.

69. Direct co-financing: UNDP direct co-financing to the project will be US $1,100,000 over the project lifetime.

70. The total amount of baseline cofinancing (UNDP and others) reaches US $5,000,000.

71. The total co-financing amount includes both baseline co-financing (Drin Dialogue, and other baseline), and direct co-financing to the proposed incremental project (in the amount of $3.5m). These figures, as well as the sources, are to be considered as indicative. The final co-financing structure will be defined during the PPG phase".

C.2 How does the project fit into the GEF agency's program (reflected in documents such as UNDAF, CAS, etc.) and staff capacity in the country to follow up project implementation:

72. UNDP's mission is to promote sustainable development, and the proposed project fits with UNDP's Strategic Plan 2011-2015, and the four development focus areas: (i) Poverty reduction and the MDGs; (ii) Democratic Governance; (iii) Crisis Prevention and Recovery and (iv) Environment and sustainable development.

73. The proposed project fits into UNDP's core Water Governance Programme, and adheres to the UNDP role as identified in the UNDAF Country Programme and Countries Programme Action Plans (CPAP).

74. In Albania, UNDP together with the government is formulating the new CPAP. During the new programming cycle UNDP will continue to support Albania's actions to protect its environment and water resources. UNDP will also continue to support national government in implementation of main conventions to ensure environmental sustainability.

75. In FYR Macedonia, under CPAP 2010-2015 UNDP will support efforts to promote an integrated ecosystem management in the Prespa through the development of a Prespa Watershed Management Plan, protected area "Ezerani" Management Plan, as well as for improvement of important species and habitats conservation, fisheries management, sustainable tourism development, and changed practices in the agriculture and forestry sectors. Special emphasis will be put on enhancing the trans-boundary frameworks and collaborative processes of the Prespa watershed that will contribute to implementation of the EU Water Framework Directive thus helping the country to comply with the requirements of the relevant EU legislation. Experience from the Prespa process will be further utilized for expansion of the trans-boundary collaboration within the River Drin Watershed.

76. In Montenegro, UNDP will assist the government in enhancing its capacity for an effective management and sustainable use of natural resources, and in integration of sustainable development principles into planning processes. This will be achieved through: 1) increasing capacity to conduct and monitor the planning processes (spatial, hydro, energy, forestry management) based on the accurate and up to date information produced by GIS, and 2) eventual institutionalization of the GIS into the national system and rendering its services to both private and public sector.

77. UNDP has fully staffed country offices in Albania, FYR of Macedonia and Montenegro with environmental officer in each office and a Regional Office for Europe and CIS, based in Bratislava with regional technical advisor that will ensure coordination and oversight of project activities.

78. For the transboundary freshwater ecosystems that are the focus of the GEF International

Waters focal area, UNDP's **mainstreaming environment and energy** translates into efforts to incorporate transboundary water resource, fishery and other environmental issues into national (and regional) policy, legal and institutional frameworks.

79. In follow-up to the adoption of the UNDP Strategic Plan by UNDP Executive Board, UNDP has taken further internal steps to operationalize the environment and energy mainstreaming elements of the Strategic Plan at a subsidiary level through both its Environment and Energy Group Strategy and Programme and through its Water Governance Strategy. The EEG strategy includes the key outcome, *Ecosystem Governance, Policies, Strategies and Plans at regional, national and sub-national levels.* The UNDP Water Governance Strategy includes as one of its three Strategic Priorities **Regional and Global Cooperation** and the associated Outcome, *Enhanced regional and global cooperation, peace, security and socio-economic development through adaptive governance of shared water resources,* and the principal Output, *Assist countries to develop and implement cooperation on transboundary waters through multi-country agreements on priority concerns, governance reforms, investments, legal frameworks, institutions and strategic action programmes.*

80. Notably, UNDP's work on shared water resources incorporates both freshwater and marine waterbodies and has for some time applied a 'ridge to reef' approach recognizing the freshwater-marine continuum and important linkages between upstream water management and the health and integrity of downstream coastal and marine ecosystems.

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

A. RECORD OF ENDORSEMENT 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 OFP endorsement letter).

NAME	POSITION	MINISTRY	DATE *(MM/dd/yyyy)*
Ms. Daniela Rendevska	GEF OFP, Head of Unit for Bilateral and Multilateral Cooperation	**MINISTRY OF ENVIRONMENT AND PHYSICAL PLANNING, REPUBLIC OF MACEDONIA**	**02/01/2011**
Mr. Andro Drecun	GEF OFP, Deputy Minister	**MINISTRY OF SUSTANABLE DEVELOPMENT AND TOURISM, REPUBLIC OF MONTENEGRO**	**07/20/2012**
Mr. Pellumb Abeshi	GEF OFP, General Director for Policies	**MINISTRY OF ENVIRONMENT OF ALBANIA**	**02/20/2011**

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation.					
Agency Coordinator, Agency name	**Signature**	**DATE** *(MM/dd/yyyy)*	**Project Contact Person**	**Telephone**	**Email Address**
Stephen Gold UNDP/ GEF Officer-in-Charge		31 July 2012	Vladimir Mamaev Regional Technical Advisor	+421 25 9337 267	vladimir.mamaev@ undp.org