



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: FULL-SIZED PROJECT
TYPE OF TRUST FUND: GEF TRUST FUND

PART I: PROJECT INFORMATION

Project Title:	Achieving Biodiversity Conservation through Creation and Effective Management of Protected Areas and Mainstreaming Biodiversity into Land Use Planning.		
Country(ies):	Macedonia	GEF Project ID:	5528
GEF Agency(ies):	UNEP	GEF Agency Project ID:	01201
Other Executing Partner(s):	Ministry of Environment and Physical Planning	Re-Submission Date:	01.11.2013
GEF Focal Area (s):	Flexible - Biodiversity	Project Duration (Months)	48
Name of parent programme (if applicable):		Agency Fee (US\$):	319,269

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK:

Focal Area Objectives	Trust Fund	Indicative Grant Financing (\$)	Indicative Co-financing (\$)
BD-1: Improve Sustainability of Protected Area Systems	GEF TF	1,141,553	7,720,000
BD-2: Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors	GEF TF	2,219,178	7,000,000
Total project costs		3,360,731	14,720,000

B. INDICATIVE PROJECT FRAMEWORK

Project Objective: To support the expansion of national protected areas system and enabling capacity conditions for effective management and mainstreaming of biodiversity conservation into production landscape.

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
1: Protected Areas creation and effective management	TA/Inv	1.1.Increased national protected area network and management effectiveness and capacity as a tool for biodiversity conservation and protection of threatened species and habitats.	1.1.1. An Increase of protected areas from 8-12%, by establishment of a National Park/s., or other protected areas, which is in compliance with national and regional standards, following with regional workshop and site studies held in one national park, involving international experts and resulting in action plans for revitalizing tourism revenue, services and accessibility.	GEF TF	1440313	5,096,600

			<p>1.1.2. A "Red List Index" for Macedonia is generated, reflecting the prioritized list of threatened species within the country and guiding the creation and effective management of new and existing Protected Areas</p> <p>1.1.3. The Identified Biodiversity Rich Forests and at least two (2) developed guidelines for their management in favor of biodiversity conservation.</p> <p>1.1.4. Digital habitat map overlays produced at the national level and at relevant scale, to serve as tools for spatial identification of important habitats, modeling of species occurrence and effective management of important habitats within and outside the Protected Areas network.</p> <p>1.1.5. Current and future environmental inspectors, rangers, forest guards and community leaders, trained under the updated protected area management regime, with a verification process and METT in place to ensure completion and adequate management monitoring and effectiveness.</p>			
2. Land Use planning and Biodiversity mainstreaming	TA	2.1. Biodiversity conservation mainstreamed in national planning	<p>2.1.1. Revised National Spatial Plan that relates to biodiversity conservation and natural heritage and development of a spatial planning database (spatial and urban planning), and a training for current and future spatial planners on mainstreaming biodiversity conservation into national planning.</p> <p>2.1.2. Forest Management Plans for lands managed by Macedonian Forests are revised to include specific plans for threatened biodiversity and vegetation, as well as sustainable use quotas based on carrying capacity.</p>	GEF TF	760,209	3,040,836
3. Pilot implementation of institutional level planning,	TA	3.1. Implemented pilot projects and lessons learned.	3.1.1. Pilot project – Development of first red data book in Macedonia for at least one taxonomic group (In Support of Component 1, output 1.1.2.).	GEF TF	1,000,174	5,688,424

and lessons learned.			<p>3.1.2. Two pilot core areas and corridors from the National Ecological Network selected for development and testing of site-specific measures for management and restoration of Biodiversity Rich Forests and implementation of forest management practices that include local stakeholders (in support component 2 and output 2.1.2. and 1.1.3.)</p> <p>3.1.3. Pilot testing of identified quotas for sustainable use of non-timber forest products in at least one region with highest potential and need.</p> <p>3.1.4 Lessons learned from piloting and way development of a way forward. (Output complementing all the other outputs.)</p>			
			Sub-Total		3,200,696	13,825,860
Project management cost				GEF TF	160,035	894,140
Total project costs					3,360,731	14,720,000

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

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Indicative Amount (\$)
GEF Agency	UNEP/Vienna Office	Cash	100,000
Multilateral	FAO	Cash	1,000,000
Bilateral Aid Agency (ies)	Swiss Development Cooperation (SDC)	Cash	2,000,000
Bilateral Aid Agency (ies)	Japan International Cooperation Agency (JICA)	Cash	2,000,000
Bilateral Aid Agency (ies)	USAID	Cash	500,000
Bilateral Aid Agency (ies)	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Cash	1,000,000
Private Sector	Farmahem	Cash	500,000
Foundation	Macedonian Ecological Society	Cash	500,000
CSO	Ss. Cyril and Methodius University (Faculty of Forestry, Faculty of Natural Sciences, Faculty of Agriculture and Food, Institute of Agriculture)	In-kind	500,000

National Government	Ministry of Environment and Physical Planning (MoEPP)	In-kind	1,000,000
National Government	Ministry of Agriculture, Forestry and Water Economy (MAFWE)	In-kind	500,000
National Government	Secretariat of European Affairs	In-kind	1,000,000
Others	Macedonian Forests	In-kind	3,120,000
Local Government	Local Self-Governing Units	In-kind	1,000,000
Total Co-financing			14,720,000

D. INDICATIVE TRUST FUND RESOURCES (\$) REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY

GEF Agency	Type of Trust Fund	Focal area	Country Name/Global	Grant amount (\$) (a)	Agency Fee (\$) (b)	Total (\$) (a + b)
UNEP	GEF TF	BD (Using Flexible Modality)	Macedonia	3,360,731	319,269	3,680,000
Total Grant Resources				3,360,731	319,269	3,680,000

E. PROJECT PREPARATION GRANT (PPG)

Please check on the appropriate box for PPG as needed for the project according to the GEF Project Grant

- | | Amount Requested (\$) | Agency Fee for PPG (\$) |
|---|-----------------------|-------------------------|
| • (up to) \$150k for projects up to and including \$6 million | 91,324 | 8,676 |

PPG AMOUNT REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES) FOR MFA AND/OR MTF

GEF Agency	Type of Trust Fund	Focal area	Country Name/Global	(in \$)		
				PPG (a)	Agency Fee (b)	Total c = a + b
UNEP	GEF TF	BD (Using Flexible Modality)	Macedonia	91,324	8,676	100,000
Total PPG Amount				91,324	8,676	100,000

PART II: PROJECT JUSTIFICATION

A. PROJECT OVERVIEW

A.1. Project Description

A.1.1. The Global environment problems, root causes and barriers

Covering only 5% of the Balkan Peninsula, Macedonia displays a wealth of biodiversity and accompanying ecosystem services which can be considered a significant concentration of natural capital for the nation's sustainable development path. Macedonia, although a small country, due to its climatic and topographic and geographic variety, has a disproportional amount of habitats (32 types) and species of regional and European importance. With estimates of 35% - 43% of the nation under forest, this little country contains more than 16 000 wild species in several groups: bacteria, lichens, fungi, mosses, higher plants, invertebrate and vertebrate animals, 853 of which are endemic.

The main threats to biodiversity are human destructive practices such as excessive wood cutting, and forest fires, over-exploitation of natural resources, challenging socio-economic conditions especially in rural areas have led to intense migration processes and abandonment of productive land (approx. 195 000 ha) which has generated inadequate planning and expansion of urban centres, weekend homes and tourist recreation zones. Therefore, Republic of Macedonia has yet to collectively "account" for its natural capital and thus cannot properly manage its sustainable use.

Since the state of biodiversity very complexly depends upon many different factors, its conservation has to be tackled coherently from many different angles and by different methods; through expansion and strengthened management of protected areas, by mainstreaming biodiversity into national planning processes, and by implementing legislation, strategies and plans that the country already has developed, however, did not have the funds and capacities to implement.

A.1.2. The baseline scenario and associated projects and barriers to success

In the Republic of Macedonia, network of protected areas includes 81 areas, with a total area of 231,385.6 ha. About half of this area belongs to the 3 national parks: Galicica, Mavrovo and Pelister. Aquatic protected areas are represented by 3 natural lakes (Ohrid Lake, Prespa Lake and Doyran Lake) that are declared as monuments of nature¹.

Ministry of Environment and Physical Planning (MoEPP) that employs approximately 200 workers, is responsible authority for the execution of the works in the field of nature protection in accordance with the provisions of the Law on Nature Protection (adopted in 2004). Nature Protection Department within the MoEPP, has 10 employees and performs tasks relating to policy making and implementation in the field of nature protection, protection of biological and landscape diversity, proclamation of protected areas and protection of natural heritage, management of biological and landscape diversity and natural heritage, as well as control and supervision over the enforcement of the provisions of this Law.

The Republic of Macedonia has more than 60-years long history of creation of protected areas network (starting in 1948, when the first National Park "Pelister" was proclaimed). Currently, the PAs system is in transition due to the new national categorization of protected areas established under the Law on Nature Protection (LNP) that is in accordance with the IUCN categorization. Re-evaluation and re-proclamation of all protected areas (before 2004) in accordance with the new categorization is stipulated in the Law on Nature Protection, however the whole process is very slow as a result of complicated administrative structures at the Ministry (only 12 sites have been re-proclaimed so far).

Due to the financing structure, there is little to no centralized funding for the maintenance of Protected Areas. The national park administrations and management authorities of other protected areas employ approximately 130 people, and are self-financed and currently depend on revenue generated by such economic activity as timber harvesting (i.e., sanitation cut). For the purpose of achieving the integral management, the management authorities of the protected area shall conclude agreements for the regulation of their mutual rights and obligations with the entities performing activities within the protected area, to which the Government of the Republic of Macedonia shall give consent.

The Government of Macedonia has adopted international and European environmental governance

¹ Action Plan for the Implementation of the Programme of Work of the Protected Areas of the Convention on Biological Diversity, Macedonia- June 2012.

frameworks such as the CBD, Ramsar Convention, Bonn Convention, UNCCD, UNFCCC etc. These frameworks have been taken into consideration nationally in terms of achieving sustainable biodiversity, forest and land management. The associated legislation, strategy and project implementation is described below:

- **Legislation:** An impressive amount of national legislation has been developed, particularly within the framework of the accession process to the European Union, where by the Government has transposed most of the EU Acquis. Major pieces of pertinent legislation include the Law on Nature Protection (2004), the Law on Hunting (2009), the Law on Forests (2009), Law on Water (2008) and the Law on Environment (2005) as a framework law regulating the protection and improvement of the environment. This legislation lays the foundation for policy-driven interventions to occur.
- **Strategies and Plans:** Republic of Macedonia has developed a number of strategic plans relevant to biodiversity and nature conservation including:
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 - The Spatial Plan of the Republic of Macedonia (2002-2020) is an integral strategic development document defining the spatial organization of the State and the goals and concepts of the spatial development of certain areas, as well as the conditions for the implementation thereof. The Natural heritage chapter of the Spatial Plan deals only with the network of national protected areas and the areas planned for protection (processed according to the former categorization).
 - The Second National Environmental Action Plan (2006–2011) is a strategic document providing general instructions and directions for the Country in the field of the environment. The ‘Nature and Biodiversity’ section aims at the achievement of the main goal of establishing an integral system for nature protection and biodiversity preservation according to EU standards and international agreements.
 - The First National Biodiversity Strategy and Action Plan (NBSAP) (adopted in 2004) is a fundamental strategic document with the overall aim of conservation of biological diversity and ensuring its sustainable use for the welfare of the people, taking into consideration Macedonia’s unique natural values and rich tradition.
 - Forestry Strategy (adopted in 2006) deals mainly with economic aspects of forests: standing biomass and production, forest fires prevention and management
 - Several other strategies are of importance for biodiversity conservation in Macedonia – National Strategy for Sustainable Development in the Republic of Macedonia (2010-2030), Strategy for Energetics Development in the Republic of Macedonia to 2030, Water Strategy of the Republic of Macedonia (2012-2042), National Transport Strategy (2007-2017), Tourism development strategy (2009-2013), National Rural Tourism Strategy (2012-2017), Poverty Eradication and Social Exclusion Strategy of the Republic of Macedonia (2010-2020), etc.
- These strategies and plans have emerged from the legislative process – and while useful as informative tools, have not resulted in the scale of implementation necessary to ensure sustainable use of biodiversity or sustainable forest and land management. The major gap has been the lack of national-level inventories and mapping—the basis for scientific-based strategic planning and turning policy to action.
- **Projects:** Macedonia has implemented a number of projects, including GEF supported projects, as interventions based on the above laws and strategies. These include:
 - Currently, the National Biodiversity Strategy and Action Plan (2004-2008) is being updated as part of national implementation efforts of the CBD through GEF enabling activities. Setting national targets and actions will be discussed at a wide stakeholders workshop and the first draft of updated National Biodiversity Strategy is expected in the beginning of 2014. Having an updated National Biodiversity Strategy and Action Plan will provide information on latest data on

- biodiversity and national ecosystems, current state and way forward on protected areas network, biodiversity conservation and management outside of protected areas through combating habitat loss and sustainable use of natural resources which are fundamental for development of this GEF project as the next step.
- Within the project titled "Strengthening the Ecological, Institutional and Financial Sustainability of Macedonia's National Protected Areas System" (GEF MSP implemented through UNDP 2008-2011) national representative network of protected areas and areas proposed for protection was developed and recommended that will contribute to more efficient preservation of species and habitats/ecosystems. Output 1.1.1 of the present GEF project will be developed based on the data collected through this project activities. Also, National Biodiversity Information Database has been established (available on www.moep.gov.mk), however it needs regular updating and filling the gaps for the species/habitats (especially threatened species and habitats, habitat maps, biodiversity rich forests, etc.) which will be accomplished by component 1 of this project (through outputs 1.1.1, 1.1.2, 1.1.3, 1.1.4).
 - "Development of the national ecological network in Macedonia (MAK-NEN)" project was funded by the Netherlands BBI Matra fund, implemented during 2008-2011. Brown bear was taken as a model species for identification of core areas (13), corridors (36), buffer zones and restoration areas. Apart from the MAK-NEN map, Bear Corridor Management Plan was developed giving general recommendations for management of the three different types of corridors. Two pilot core areas and corridors from MAK-NEN will be selected for development and testing of site-specific measures for management and restoration (output 3.1.3.) by this GEF project
 - Balkan Lynx Recovery Programme (BLRP), financed by MAVA Foundation started in 2006. The results of the two main components that are implemented are ;(i) direct conservation and monitoring activities for the Balkan lynx, other large carnivores and large ungulates and (ii) establishment of new protected areas (Jablanica, Shar Planina and Ilinska-Plakenska mountain range). Knowledge and results of the mentioned project will be used for implementation of the Component 1 of this GEF project.
 - The Important Plant Areas (IPA) program was implemented in Macedonia during 2006-2009 by NGO Macedonian Ecological Society. Collected site based data for 42 identified IPAs on their botanical features, protection status, management and major threats will be used in the red listing process in this GEF project (for Output 1.1.2).
 - Integrated Ecosystem Management in the Prespa Lakes Basin (UNDP project) through which monitoring schemes were elaborated, transboundary conservation action for selected species and habitats prepared, and management plan for 'Ezerani' Nature Park was prepared. Species and habitats data will be used in the process of preparation of Red Lists Index (envisaged with Output 1.1.2) and habitat maps (Output 1.1.4) of this GEF project. Furthermore, the knowledge and experience of the process of preparation of valorisation study and management plan for 'Ezerani' Nature Park through stakeholders' involvement will be used as positive experience to accomplish output 1.1.1 of this GEF project.
 - The transboundary project "Osogovo Mts. in the Balkan Green Belt" started in January 2007 and is still ongoing. It is implemented by Macedonian Ecological Society in partnership with the Bulgarian Biodiversity Foundation (BBF) and financially supported by Frankfurt Zoological Society (FZS). Extensive biodiversity data were collected, integrated GIS database for Osogovo Mts. was created, valorisation study was prepared for proclamation of the area as 'protected landscape' (IUCN category. V), assessment of biomass production of blueberries was undertaken, forest communities from the forestry sector perspective were analyze, and other activities. Experience and data gained will be used to accomplish several outputs in Component 1 and 2 of this project.
 - Macedonia is now completing its Third National Communication to the UNFCCC, specific mitigation measures for biodiversity will be recommended. In general, increasing of PAs network and connectivity of these areas with functional corridors to allow free movement of species and habitats are recommended measures for climate change adaptation of biodiversity. Thus,

- increasing of PAs network envisaged with component 1 in this project will also support the adaptation of biodiversity to climate change.
- Project on forest mapping systems for fire prevention has recently been initiated by the Government with the support of Japan International Cooperation Agency (JICA). The result gained from this project on biodiversity rich forests (output 1.1.3, 2.1.2) and non timber forest products (output 3.1.5) will be used to fill the gaps in the established forests digital database through JICA project.
 - One of the components of the Nature Conservation Programme in Macedonia (Swiss funded project, started in 2013) has special focus on ecological gap analyses and preparation of sensitivity map in Bregalnica watershed that will contribute to accomplishment of outputs 1.1.2 and 1.1.4 of this project.
 - An EU funded project “Strengthening the administrative capacities on central and local level for implementation of nature protection legislation in particular of Birds and Habitats directives”, is expected to start by the end of this year, under which pilot biodiversity monitoring systems will be developed and two other protected areas will have valorization study and management plans developed. The results will be used for developing red list index (output 1.1.2) of this project.

Most of the previous ecosystem management projects in Macedonia have typically been at the small and medium scales, evidenced by the projects’ local or sub-national scope in particular regions such as where critical watersheds are located (e.g., Prespa and Ohrid Lakes) or where unique habits are found (e.g., Shar Planina Mt. Jablanica, Osogovo Mt. etc.). Indeed, even prior projects within Macedonia’s national GEF portfolio have typically been in the category of MSP or SGP. These projects generated useful baseline case studies and lessons learned but were not enough to fundamentally address the capacity gaps in the convergence of scientific technology or in access to such information. By employing different methodologies and scales, there is a remaining challenge of aggregating the results for a complete nationwide picture.

Management of the protected areas at national level and contribution to achieving the objectives of the Work Programme on Protected Areas (PoWPA) of the Convention on Biological Diversity (CBD), and challenged faced by many of these projects in addressing the root causes and barriers above are conditioned by the influence of various factors/barriers, such as:

- Lack of capacities for planning, establishment and management of protected areas at a central and local level;
- Lack of financial resources for implementation of already existing strategic documents;
- Lack of effectiveness of protected areas management (Management authorities for protected areas are designated only of national parks, some monuments of nature and multipurpose area; management plans were prepared only for national parks and draft management plans were prepared for three monuments of nature, a nature park and a multipurpose area);
- Lack of mainstreaming biodiversity conservation into national strategic documents (spatial plans, development strategies etc);
- Insufficient involvement of indigenous and local communities and relevant stakeholders in the management of protected areas;
- Lack of public awareness of ecosystem services in protected areas. Communication and collaboration across stakeholder groups has been a common challenge.

This GEF project will continue to build on the experiences and work already done in the area of biodiversity conservation, by filling in the gaps and building stronger pillars for sustainable biodiversity conservation. By strengthening the conservation of biodiversity, building baseline platform of national inventories and mapping, Macedonia will be in a strengthened position to comply with obligations under international frameworks such as the Convention on Biological Diversity (CBD)– but also regional frameworks like the European Community’s Council Directives 92/43/EEC (“Habitats Directive”) and 79/409/EEC (“Birds Directive”).

A.1.3. The proposed alternative scenario

The proposed GEF project will develop and demonstrate strengthened conservation of biodiversity through expansion and better management practices of protected areas and by mainstreaming biodiversity conservation in the land use planning. Through doing so, the project will also contribute directly and significantly to the conservation of endemic, threatened and valuable species as a living resources that provide ecosystem services sustainability and equitably which constitute part of UNEP Medium Term Strategy for Ecosystem Management Sub Programme (2014 – 2017). As a result of this project, conservation of biodiversity in Macedonia will be strengthened from many different angles, which will contribute to overall sustainability of the country's development. This results will also allow UNEP and GEF to show-case that conservation of biodiversity could be strengthened through expansion, better management, and mainstreaming of biodiversity into land use planning, as it would be a pioneering project of this scale and impact in the region.

In Macedonia, current National targets for protected areas established in the framework of the National Action Plan for the Implementation of the PoW of CBD, where some of priority actions include:

- Strengthening the administrative capacities at a central and local level for planning;
- Extensions of system of Protected areas;
- Improvement of protected areas systems management (including biodiversity conservation into spatial planning);
- Preparation of Habitat Maps;
- Capacity building for biodiversity conservation; and
- Conservation of species, beginning with development of the Red List Index.

The priority activities for full implementation of the Programme of Work on Protected Areas² include

1. Integrating protected areas into broader landscapes and sectors so as to maintain ecological structure and function by 2015, and
2. Strengthening effectiveness of protected areas management by 2017.

This GEF project seeks therefore to finally create the enabling conditions and stocktaking to address some of the above mentioned priorities so that the country has a scientific basis for improved and revised management plans and targeted interventions which enhance the sustainable use and protection of biodiversity including in production landscape. The support provisioned by the GEF Trust Fund will make this possible by expanding national PA coverage and by scaling the involvement of all the key stakeholders as a nationwide “brain trust”—ensuring that earlier studies and iterative mapping exercises can be aggregated as part of an initial gap analysis. The project objective is therefore to support the expansion of national protected areas system and enabling capacity conditions for effective management and mainstreaming of biodiversity conservation into production landscape. The project will achieve these through the three component described below.

The first Component 1 concerns with better conservation of biodiversity in Macedonia through expansion of national protected area network and effective management and increased capacity, and it will be successfully achieved through obtaining different outputs.

The expansion of protected areas network from 8% to 12 %, (planned in output 1.1.1) is foreseen by National Spatial Plan, and by First National Strategy for Biological Diversity and Action Plan, which outlines the proposed areas for protection. Output 1.1.1 will also include Preparation of a Study for Valorization for several areas proposed for protection (eg. Sharr Mountain and/or Jablanica) according to national legislation (*Rulebook on the content of the Valorization Study, Official Gazette of the Republic of Macedonia no.26/12*). As mentioned in the baseline scenario, both Shara and Jablanica Mountain are very

² National PoW Action Plan, 2012

specific habitats and contain a high level of biodiversity. Both of these areas are foreseen for protected areas (National Parks), by many strategic documents. Both of these mountains are transboundary, and have a significant number of documents and studies developed that could be used for this GEF Project. The Output will include discussion of proposed protected areas with relevant stakeholders, and local communities through workshops and public hearings, at which the target area of protection will be identified. Support will be provided to Ministry of Environment and Physical Planning for the official process of proclamation of the selected areas for protection. Sequentially, Output 1.1.1. will include drafting of the management plans for selected areas according to the National Legislation (*Rulebook of the content of the management plan, Official Gazette of the Republic of Macedonia, no. 26/12*), training in best management practices.

Second output of Component 1 is creation of a Red List Index for Macedonia, reflecting the prioritized list of threatened species within the country and guiding the creation and effective management of new and existing protected areas, which will be piloted in Component 3 (Development of first data book in Macedonia for at least one taxonomic group). Output 2 of Component 1 will be achieved through preparation of red list of all taxonomic groups based on IUCN criteria for red listing, by proclamation of threatened wild species, ie. those that are categorized as critically endangered, vulnerable should be proclaimed as strictly protected or protected wild species, according to Article 35 of the Law on Nature Protection. The lists of strictly protected and protected wild species were adopted in 2011, however they were adopted without prior categorization of species based on their threat status. Therefore this GEF project will fill in the gap by the required revision based on the results of the red listing process.

So far, biodiversity rich forests (including virgin forests) have not been identified. Some preliminary identification of virgin forests was performed as part of UNDP/GEF protected areas project in 2010. However, it is expected that parts of managed forests are still rich in biodiversity and species of priority for conservation. Activities that would continue work in this area is research on forest biodiversity, delineation of important sites and incorporation of this information in the 10-Year Forestry Management plans and preparation of management measures for these sites. This will be accomplished through Output 1.1.3. of this GEF project; Identification of biodiversity rich forests and at least two developed guidelines for their management in favor of biodiversity conservation.

Output three of Component 1 concerns with creation of digital habitat maps at the national level and at relevant scale, to serve as tools for spatial identification of important habitats, modeling of species occurrence and effective management of important habitats within and outside of Protected Areas network. This activity would build upon already existing experience in the country and is required for many further work in the area of biodiversity conservation (eg. EUNIS). This output will be accomplished by mapping of habitats and compiling of existing available maps and gap analysis, following with field work for selected priority regions, identification of threatened habitats (complimentary to other outputs in this component), improving modeling possibilities for distribution of priority species, preparation of secondary legislation related to threatened habitats and prescribing conservation measures to ensure their favorable conservation status (according to Article 48, 49 and 50 of Law on Nature Protection).

All the outputs mentioned will contain activities on increasing public awareness and knowledge, however in order to ensure proper sustainability including through PA management effectiveness, and continuation of implementation of all the outputs, it is very important to hold adequate trainings including on PA management skills including METT understanding, for current and future environmental inspectors, rangers, communities leaders and forest guards, which is envisaged by the output 1.1.5 of Component 1.

The second Component has two Outcomes. Both outcomes are concerned with mainstreaming biodiversity conservation into land use planning as a compliment to Component 1. Outcome 1 of Component 2, concerns with revision of the National Spatial Plan that related to biodiversity conservation and natural heritage, which is a very important tool for conserving biodiversity in Macedonia. Natural

Heritage Study, which was prepared in 1998, presents protected and proposed areas for protection on a national level with projection up to 2020. However, this document is very old, using old national categorization of protected areas and much of the information is missing. During the process of preparation of the National Representative Protected Areas Network (as part of the UNDP implemented project “Strengthening the Ecological, Institutional and Financial Sustainability of Macedonia's National Protected Areas System” - GEF ID# 3292), the Natural Heritage Study was revised, however it is not officially adopted by the Ministry of Environment and Spatial Planning and the Government. This GEF project would continue this activity, and in addition through spatial planning, by updating information and database so it can be used by spatial planners (Agency of Spatial Planning) on daily basis, with administrative procedures for issuing licenses for use of natural resources, construction activities, approving of Environmental Impact Assessment Studies and so on.

On the other hand, quotas for use of flora and fauna, including non-timber forest products (NTFPs), are being abused without adequate scientific understanding of their carrying capacities, and protected areas— are not adequately zoned with consideration to the ranges of key species or the habitats under greatest threat. These NFPs include a) Mushrooms: There are about 2,800 species of mushrooms, 800 of which are edible, with about 50 being commonly collected in Macedonia. The most purchased species are reported to be: *Boletus pinicola*, *B. edulus*, *B. aereus*, *Cantharellus cibarius*, *Marasmius oreades*, *Amanita caesarea*, *Lactarius deliciosus*, *Morchella* spp., *Agaricus campestris*, *Macrolepiota procera*, *Calvatia* spp., *Bovista* spp. and *Lycoperdon* spp. They represent an important export product (328,693 kg/year; estimated value \$2,000,000) for the companies registered to purchase wild collected mushrooms; b) Tea: The amount of tea exported in 2001 was 1,127,825 kg, with a value of \$1,453,052. In other years, as much as \$4.5 to 5 million were realized from tea exports; and c) Wild fruit and nuts: These consist mainly of high mountain fruits, the most important of which is the blueberry (*Vaccinium myrtillus*), dog rose, raspberries, blackberries, Cornelian cherry and plums (used by the local population for making juice and jam), wild apples, pears and cherries (which are used as ingredients in the fruit teas very much in demand for export), Chestnuts (*Castanea sativa*) is very significant (intended mostly for the home market)³. Therefore, a system of sustainable use of natural resources (medicinal plants, mushrooms, forest fruits etc) is not established in Macedonia, although there is a long history of their use. Some of these species are becoming threatened due to over-use, and due to overlapping responsibilities of different institutions; unclear legal framework and lack of quotas for sustainable use are the main gaps. As a result, it is crucial to identify important species, annual biomass production and develop quotas on sustainable use and clear institutional responsibilities and improvement of legislation, which is envisaged by Output 2 of Component 1.

Component 3 of GEF project will consist of pilot projects – implementation of Components 1 and 2, and lessons learned. Output 1, or pilot project 1, will be partial implementation of 1.1.2, by development of first Red Book in Macedonia for at least one taxonomic group for which the most data are available, for example plants, mammals, herpetofauna etc. This output could also develop a very necessary National Birds Atlas, as the recognition of bird diversity in Macedonia is growing, also as a tourist attraction for increasing birdwatchers from abroad, mainly Western countries. Second pilot project will support Output 1.1.3, by selecting two pilot core areas and corridors from the National Ecological Network for development and testing of site-specific measures for management and restoration, including implementation of forest management practices that include local stakeholders. This will also build on previous experiences, as the Macedonian National Ecological Network and Corridors Management Plan was made in 2011, however has not been implemented, which will be partially achieved by this GEF project. Third pilot project in Component 3 of this project, supports Output 2.1.2., by pilot testing of identifies quotas for sustainable exploitation of non-timber forest products in at least two areas with highest potential and need, preferably at one of the protected areas. This would be done in cooperation with protected areas management authority, and one region managed by Public Enterprise Macedonian Forests.

³ First Macedonia National CBD Report, July, 2003.

Lastly, a last output which relates to all components and activities consist of lessons learned which will involve evaluation of work done on the project, identifying contributions and successes, and addressing also activities which could have been done better, and emphasizing a way forward in the conservation of biodiversity field in Republic of Macedonia.

A.1.4. The incremental cost reasoning and expected baseline contributions

The baseline contributions for this GEF project are elaborated in part A1.2..

Without GEF: The Spatial Plan of the Republic of Macedonia, Sectoral study for protection of nature is foreseen by 2020, the total area of protected areas occupies about 12% of the national territory. Currently only 7.5% of the territory is classified as Protected Area. The information and data on natural resources are still scattered and lack national harmonized methodology and approach. On NFTF, the qualitative and quantitative distributions of medicinal plants within the Republic have not been fully determined (i.e., a chorographic atlas of the medicinal plants has yet to be published). Available data do not reflect the current situation with medicinal plants, due to a lack of legal regulations on their collection, use, care, conservation, trade and export. The data, although insufficient do indicate an alarming situation, demonstrated in the maximum annual quantities of medicinal plant material exported in the last decade: *Althea officinalis* (80 tonnes), *Chamomilla recutita* (75 tonnes), *Gentiana lutea* and *G. punctata* (3-4 tonnes), *Hypericum perforatum* (5,000 tonnes), *L. chenes* (1,200 tonnes) and *Tilia cordata* (60 tonnes). Although the collection of European souslik has declined in recent decades, it does still occur, directly threatening the survival of this Macedonian endemic subspecies.

Because of excessive and uncontrolled exploitation of wild plant and animal species, there is a serious danger that many will disappear. Due to the importance of maintaining biological resources, there is a pressing need to adopt regulations concerning these species and to specify annual collection quotas. It is also necessary to introduce a register of trained collectors and a controlled on-site purchase point in order to keep daily records and to regulate purchased quantities. The concession for harvesting should be issued on a yearly basis and, as a condition of that issuance; a professional opinion by a scientific institution should be submitted attesting to the current status and reproductive capability of each species to be collected, an essential requirement to prevent any further reduction of populations in the area. In addition, it is necessary to introduce a system of certification for the collected species, which will not only establish the real value of the product, but will also oblige users to exercise self-control, thus guaranteeing sustainable management of this activity.

Furthermore, one of the most serious reasons for the loss of habitats (or their parts) is the inadequate planning for the expansion of urban centers, weekend homes and tourist recreation zones, due to lack of mainstreaming of biodiversity conservation into country's strategic documents.

Scenario with the GEF investment

GEF funds will build on the country's baseline of environmental work on the conservation of biodiversity, described in A1.2.. They will provide a catalyst to develop a coherent and coordinated approach to the conservation of key species as a way of enhancing the ecosystem based approach that can provide ecosystem services sustainably and equitably in line with UNEP comparative advantage on Ecosystem Management. GEF funds will also lead to a modification of many baseline activities, so that they have a positive impact on the conservation of biodiversity in the Republic of Macedonia. Overall, GEF funds will focus on reversing habitat destruction and country's key endemic species, threatened and with actual socioeconomic values (such as the mushrooms and non-timber forest products as described in the sections above). With the GEF support, the project will allow the country to increase by 3% leading to PA coverage of at least 11 to 12% (by creation of National Parks, or other protected areas). On NTFP, A mechanism for regulation and classification is necessary before it can be determined how much dry plant material an individual

can collect from an area and before a permit for this collection can be issued. The project will support the establishment of Red List Index to support species and biodiversity management. Furthermore, these national capacities will be reinforced through establishment of harmonised methodology and approaches, development of policies tools and capacity development (Plans, maps, trainings, etc). GEF alternative will also support the country to mainstream biodiversity conservation in land use planning. The anticipated activities outside protected areas will contribute in landscape approach and promoting activities that will ensure connectivity of PA through adequate Land Use Plans which will be strengthen by scientifically supported mapping.

The project will remove the barriers to establishing effective biodiversity conservation in Republic of Macedonia as explained in the following table:

Current gaps and barriers (see section A1.2.)	Removal strategies in this GEF project
Lack of capacities for planning, establishment and management of protected areas at a central and local level	Outputs: 1.1.1., 1.1.2., 1.1.3, 1.1.4., 1.1.4., 1.1.5., 2.1.1., 2.2.1., 3.1.1., 3.1.2., 3.1.3., 3.1.4.
Lack of financial resources for implementation of already existing strategic documents	Outputs: 3.1.1., 3.1.2., 3.1.3., 3.1.4.
Lack of effectiveness of protected areas management	Outputs: 1.1.1., 1.1.2., 1.1.3, 1.1.4., 1.1.4., 1.1.5., 2.1.1., 2.2.1, 3.1.1., 3.1.2., 3.1.3.
Lack of mainstreaming biodiversity conservation into national strategic documents	Outputs: 2.1.1., 2.1.2.3.1.2., 3.1.3.
Insufficient involvement of indigenous and local communities and relevant stakeholders in the management of protected areas	Most Outputs, especially in Component 1 and 3 contain many public hearings, stakeholders workshops and micro grant projects given to CSOs that will involve indigenous and local communities in activities of this GEF project.
Lack of public awareness of ecosystem services in protected areas	Public raising awareness will be a part of all three Components, either through public hearints, stakeholders workshops or direct trainings of government staff (r spatial planners, rangers, managers of parks etc.)

A1.5.1. Global environmental benefits

The project will secure biodiversity conservation through support of Republic of Macedonia to expand its national protected areas coverage by at least 3%, improve management effectiveness through creating of enabling policy and capacity environment and pilot testing which consider stakeholders including local population participation. Republic of Macedonia can be considered as a mega biodiversity country in the region. The current GEF project will support the country in achieving Global Environment Benefits creating a national enabling environment for biodiversity conservation and this will be achieved by feeling the gaps related to: i) policies implementation which suggested various biodiversity conservation measures including proclamation of PA (Component 1); ii) piloting or up scaling biodiversity conservation approaches and recommendation mainly developed as result of past intervention (components 1, 2, 3) ; iii) capitalization of important biodiversity conservation tools to be used as baseline information or knowledge to reach higher conservation approaches like creating Red List (Component 1) or mapping or mainstreaming in national planning (component 2). Feeling these gaps through this project will contribute to the conservation of:

i) mega biodiversity area of European continent and the Balkan Peninsula: more than 16 000 wild species in several groups: bacteria, lichens, fungi, mosses, higher plants, invertebrate and vertebrate animals, **853 of which are endemic**. Flora diversity of 7486 species is dominated by more than 3 200 higher plants species, followed by algae – 2 169 species, fungi – more than 1 250 species, mosses – 398 species and lichens – 354 species. Other groups are represented by small numbers of species. Fauna diversity of 10 354 species is dominated by invertebrates, namely arthropods –8234 species, roundworms – 613 species and molluscs – 366 species. There are also 535 species vertebrate animals. There are 308 species and 20 subspecies of birds, 82 mammals, 78 indigenous fish species, 32 species and 8 subspecies of reptile and 15 amphibians species and 2 subspecies. It is also notable that the number of endemic animal species, 602, is far greater than the number of endemic plant species – 251.

ii) Wide range of habitats : 32 habitat types identified which include a) Forest wood communities (*Quercus coccifera* and *Caprinus betulus* communities are dominant – 35 %, followed by *Quercus pubescens* and *Caprinus betulus*– 27.5 %, *Quercus petraea* – 13.5 %) , highland beech (*Fagus sylvatica*)- ,10.6 %, lowland beech (*Fagus sylvatica*), 9.7 %, five-leaved pine (*Pinus peuce*) and Macedonian pine (*Pinus mugos*)- 3.8%. , b) grass communities, iii) lake and river vegetation communities (swamp communities and temporal communities being the smallest areas).

iii) Large coverage of ecosystems representation: 40% of its land under forest cover of subtropical and temperate types

iv) Ecosystem services and socioeconomic benefits: the plethora of biodiversity in Macedonia has led to significant economic and trade opportunities in wild gathered products (WGP). A 2008 study conducted by the EPI CENTAR and financed by USAID’s AgBiz Program found that Macedonia is a major exporter of WGP to the international market for WGP such as berries, lichens, mosses and fungi. For instance, wild fungi – including endangered sub-species of Boletus, Chanterelles, Lactarius and Morchela – are directly exported by the Macedonian private sector across the international marketplace (and to Italy in particular), and that “the market requires much more quantity than the current supply”. Left unprotected with such high demand, these wild mushrooms would certainly be under critical threat of extinction from the country. Since Sharr Mountain and Jablanica are the sites of a proposed national protected area, this project would also bring the global environmental benefit, including communities oriented alternative livelihood options, of preservation and sustainable use of wild fungi, that may otherwise disappear as a tradable good due to overuse of the carrying capacity.

At the systems management level, this project would also bring global environmental benefit by setting a scientific baseline (through the inventories and mapping undertaken in a common methodology) that would bring better transparency and data sharing capability to any institution or agency studying or analyzing European environmental trends. In fact, the European Environment Agency (EEA) has already begun requesting national data samples on particulate matter and soil conditions, and the country’s capacity to comply with such requests would be greatly facilitated by this project.

A.1.6.1 Innovativeness, sustainability and potential for scaling up

The Project is innovative as it is the first large-scale, nationally driven initiative to develop a way to conserve biodiversity through increase of protected areas, by mainstreaming biodiversity through strategic documents, building capacities and implementing activities through pilot projects.

Furthermore the proposed project would be innovative specifically in the following three ways. First, numerous stakeholders have mentioned that communication and collaboration have been underutilized in past national projects. This project envisions enhanced collaboration through much greater levels of participatory engagement in expert working groups and with implementing agency leadership. This coordination would make the needed difference in mainstreaming important components to local stakeholders. This is further evidenced by the projects’ planned awareness building efforts via

compulsory trainings in biodiversity conservation.

Second, several of the project outputs would help move the country's ecosystem management capabilities into the digital era. While most existing forest and habitat maps are printed on hardcopy, the proposed project includes digital vegetation / forest maps, digital habitat maps and a comprehensive species "Red List" available in digital format and accessible to all stakeholder groups.

Third, the management plans in for land use, and forests would be modernized with the current best practices and knowledge base. Innovative methods technologies would be used to conserve biodiversity through protection of forests, mainstreaming conservation in land use planning of the most sensitive areas.

The sustainability of the projected outcomes (such as increased coverage of protected areas that prioritize endangered species and threatened habitats) benefits from the country's bid for accession to the European Union and to comply with international frameworks. Macedonia has been involved in several regional processes for strengthening environmental management at the national level (ex: SDC in Prespa and Bregalnica basins) as well as policy-oriented technical assistance from the European Commission's Instrument for Pre-Accession Assistance (IPA) mechanism. The additional value of this GEF project that fundamentally contributes to its sustainability, is that the project is assisting Republic of Macedonia comply with EU guidelines and standards and conditions, making the project in the long run self sustainable, as Macedonia's succession into EU will continue the activities that will be strongly initiated by this project. The project is building a strong baseline for conservation of biodiversity, which will be naturally carried on through EU legislation that Macedonia is bound to adopt and follow.

On the other note, by creating earlier pilots that naturally feed in to the components of the current GEF-5 project proposal, and by fitting into subsequent regional and transboundary approaches outside of GEF support, international donors will bring a level of continuity and co-financing that will benefit the sustainability of the current projected outcomes.

A.2. Stakeholders

Macedonia is a landlocked nation with a population of just over 2 million persons. The advantage of its relatively small size is that the key stakeholders and relevant organizations are well known.

- The Ministry of Environment and Physical Planning (MoEPP) is foreseen as the Executing Agency, particularly as it houses the National Focal Point persons for the CBD, the UNCCD and the UNFCCC. Hence, it is the center of policy making for implementation of multilateral environmental agreements as well as environmental legislation in general.
- The Ministry of Agriculture, Forestry and Water Economy (MAFWE) is also an important stakeholder for implementation since many of the planned interventions focus upon consolidation of productive lands, and improved management of biodiversity forests. Ministry of Agriculture, Forestry and Water Economy would be assisting at implementation of components that are concerning mainstreaming biodiversity into land use policies, documents and strategies, as well as a data source for many other outputs.
- The Macedonian Forests public enterprise (PEMF) is responsible for both management and harvesting of more than 75% of the national forests, including all forest outside of protected areas. As such, PEMF plays in integral role in raising the awareness of the public regarding the role of sustainable forestry in conservation of biodiversity. PEMF will be especially important in identifying biodiversity rich forests, assist in development of forest management plans that include biodiversity, and sustainable quotas base for carrying capacities.
- National hydro-meteorological service: It is a public service responsible for monitoring of air, water and soil. They provide meteorological, climatological, agro-meteorological and hydrological information

as well as natural environment (air and water quality parameters).

- The GEF Small Grants Programme (SGP) has an office in the capital city of Skopje and has implemented numerous community-level interventions in the area of livestock, alternative livelihoods and afforestation in drought-stricken communities. It is foreseen that GEF SGP can add value in pilot projects (Component 3) that are strategically designed as interventions following the results of the nationwide inventory and mapping analysis with this GEF project.

- The bilateral development organizations which are present and relevant to this GEF proposal include Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Japan International Cooperation Agency (JICA), Swiss Development Cooperation (SDC) and the United States Agency for International Development (USAID). They are dedicated and involved in long-term sustainable development of the Macedonian economic and environmental situation, and currently have significant programmes wither planned or underway which stand to benefit this GEF FSP via co-financing (both cash and in-kind) as well as project continuity via regional and transboundary mechanisms. These institutions have express support to this project during the scoping mission organized by UNEP in the context of the preparation of this project.

- The scientific and academic communities play a critical function in the design and implementation of all three components of the project (along with MoEPP, MAFWE, and the Macedonian Forest enterprise), species inventory, and forest and vegetation mapping, revision of some strategic documents etc. In particular, Ss. Cyril and Methodius University and its Faculty of Forestry, Faculty of Natural Sciences, Faculty of Agricultural Sciences and Food, and Institute of Agriculture will have significant roles in the design and implementation of several project components.

- National civil society organizations are paramount for implementation at the sub-national level. Few international environmental nonprofit foundations operate within the country, but local organizations such as the Macedonian Ecological Society (MES) have extensive local networks and significant experience in project implementation in the areas of biodiversity conservation through different activities including: identification o Important Plant Areas, Important Bird Areas, Key Biodiversity Areas, representative sites for protection, promotion of new protected areas, population studies on priority species and their conservation, stakeholder involvement in the mentioned processes (MES), conservation of priority groups (bats, fishes), management plans for protected areas etc (several other CSOs involved), and numerous local conservation groups or organization in the areas considered priority for conservation. Some CSOs also provide bases for scientific research and modeling of their priority target species or habitats, including GIS and databases, and are therefore important knowledge-holders about biodiversity in the country. CSOs will be involved in all three components of the project, either through public hearings, stakeholders workshops, training or through implementation of Component 3 – the pilot projects. This component will include micro grants programs (that have worked very well so far in Macedonia) for partial implementation of pilot projects.

Other local institutions such as the Centre for Development of the East Planning Region (CDEPR) and Farmahem provide the opportunity for scaling up project outcomes through ongoing environmental project collaboration and co-financing of human and project resources.

- Local and municipal governments and communities will be involved in the implementation of several project components. Indeed, the local self-governing units (LSGUs) typically have strong community support and can be demonstrative in proving outcomes which have potential for scaling to the national level.

A.3. Risks

Risk	Risk	Risk Mitigation Strategy
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	Level	
<p>1. Communication among stakeholders: Evidence of poor communication across different stakeholder groups exists, which could ultimately affect a multi-focal area project</p>	Medium to Low	Two key mitigation tools will be employed. First, UNEP as the GEF Implementing Agency through its Vienna Office will support NEA in the design of stakeholder workshops including the inception meeting and ensure that information is communicated fairly and openly across all groups. Second, at least five Inter-Sectoral Working Groups shall be designed and assigned during the PPG process: four to coordinate the four project components, and one overall for administrative management of project outcomes.
<p>2. Lack of Political Will: Politically appointed policy makers that lack environmental knowledge or interest may threaten sustained long-term outcomes of the project</p>	Medium	Project component 1.4 was specifically designed to mitigate this risk and build the capacity of key decision makers to seriously address environmental management responsibilities.
<p>3. Challenge of reforms within the forest management regime: As the arbiter of forest management plans for 75% of national forests, the Macedonian Forests public enterprise (PEMF) exercises significant power over any changes or reforms towards sustainable forest management. Some outside stakeholders have complained that such plans are not participatory or publicly available.</p>	Medium to Low	PEMF was consulted in the drafting of this GEF FSP and seems interested in playing a major role. This risk should be mitigated from the start via the inter-sectoral working groups (see Risk #1). A forest working group (of which PEMF would be a part) would naturally allow other stakeholders to have say in the strategic interventions on forest management. Second, the three sub-components under Section Four (Sustainable Forest Management) were designed such that PEMF has a significant role to play in this project, which will benefit its institutional capacity as well as its relationship with civil society.
<p>4. Lack of community support for local-level interventions: Community support will be critical for sustainable use of NTFPs etc.</p>	Low	The key factor to mitigating this risk is to have the full participation of local governments and CSOs like MES, RDN and others with community level buy-in. As such, the Inter-Sectoral Working Group selection should consider including key local stakeholders that can mitigate this risk. Also, Component 3 of this GEF project is foreseen to contain a component of microgrants given through pilot projects, and this way include CSOs into project implementation.
<p>5. Climate change as a direct driver affecting ecosystems in Macedonia</p>	Medium	Republic of Macedonia is a very exposed country to climate change, as such is one of the most vulnerable in the region. On the other note, its adaptation capacities are considered very.. Climate change vulnerability will be an integral part of the training activities and awareness to be conducted in all three of the project. Also, the mitigation measures will be more focused after the assessment of biodiversity vulnerability to climate change in the country to be conducted in the context of development of management and land use planning. However, during the PPG phase a rapid assessment of the current situation on biodiversity loss related to climate change and mitigation measures identified.

A.4. Coordination

The GEF has financed numerous enabling activities including NAPAs, NBSAPs, and NCSAs which inform the national policies in Macedonia. By their very natures, these enabling activities have been the product of a multi-stakeholder process involving the key ministries, national focal points, universities, bilateral donors and civil society organizations. These very same stakeholders are part of the project design, coordination and implementation of this GEF FSP. This will ensure that full alignment with national action plans and international obligations can occur within the project. Second, inter-sectoral working groups will be a key part of each project component so that transparent communication and public-private collaboration can occur, and other project initiatives of relevance will be made clear.

The GEF project “Strengthening the Ecological, Institutional and Financial Sustainability of Macedonia's National Protected Areas System” (GEF ID# 3292), was implemented by UNDP and just recently completed in Macedonia. The project assessed and identified a national protected area network and developed a Biodiversity Information System (for further details please refer to A1.1.2.). While there is currently some amount of data inputted to this system, significant gaps in data remain. In addition, the overall system must be mainstreamed with national experts and stakeholder groups. This GEF project would enable both to occur through a coordinated effort with the inter-sectoral working groups dealing with implementation of all three Components.

Most of the current initiatives are either sites or sector specific with isolated coordination bodies. The current project will facilitate emergence national and cross sectoral bodies either through thematic integrated or approaches to bring experts and resources together to ensure synergy, complementarity and biodiversity mainstreaming. The Ministry of Environment and Physical Planning will be playing this leading role and during PPG phase, the most appropriate coordination and implementation mechanisms will be identified and validated with key stakeholders.

B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1.National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAs, NAPs, NBSAPs, National Communications, TNAs, NCSAs, NIPs, PRSPs, NPFE, Biennial Update Reports, etc: (1)

The Law on Environment (2005) states in Article 3(1) that “the measures and the activities for protection and improvement of the environment are of public interest”. That legal qualification is being fully embodied by the proposed project by the nature of the project’s data inventories and mapping being national in scope and widely disseminated via sub-national workshops. Most project outputs are directly contributing to implementation of this Law)

The National Environmental Investment Strategy (2009 – 2013) (“NEIS”) includes a section on Nature Protection (Section 3.8) calls for projects to be financed which would contribute “mainly to the implementation of the following directives: Council Directive 92/43/EEC on the conservation of natural habitats and of wild flora and fauna (the Habitats Directive); Council Directive 79/409/EEC on the conservation of wild birds (the Birds Directive); Endangered Species Regulation 97/338/EEC; Council Directive 1999/22/EC relating to the keeping of wild animals in zoos (the Zoos Directive).” The proposed GEF project would contribute directly to the implementation of the Habitats Directive (by establishing new Protected Areas under Component 1), the Birds Directive and Endangered Species Regulation (by creation of a species “Red List” which further categorizes prevalent species, including birds, and their levels of endangerment.

The NEIS further mentions that the country struggles with integrated planning due to a lack of coordination. As already mentioned, this project would be integrated from the very start through inter-

sectoral working groups with further coordination added from GEF implementation agencies (e.g., UNEP). Hence, the project could be a model for demonstrating proper integrated environmental management as sought in the NEIS.

The Spatial Plan of the Republic of Macedonia calls for 12% of the country's territory to be designated as protected areas. With the current protected area network standing at just under 8% of the territory, the proposed project would be able to achieve the target set under the Spatial Plan due to the protected area expansion outputs under Project Component 1.

The National Strategy for Environmental Approximation (2008) includes a list of priorities for implementation which would directly benefit from the proposed project, including:

- “Reliable data collection systems” and “systems for monitoring and reporting on the state of environment” (All the project components contribute to this priority)
- “Tools for raising the environmental awareness of industry and the public in order to secure understanding, co-operation and support for conducting the environmental measures” (All the project components contribute to this priority)
- “Training of staff on governmental and municipal level involved in all affected sectors of society” (Output 1.1.5.)

The National Strategy for Sustainable Development identified “Seven Strategic Thrusts” for achieving sustainable development in Macedonia. Of relevance to the proposed GEF project are calls for raising awareness with the public; introduction of e-government as a key tool (which would benefit from the digital planning tools in Output 1.1.4.); and a call for more integrated and participatory approaches within government bodies – which is a key planned effort in the project implementation.

The last point on cooperation is echoed in the Second National Environmental Action Plan (2006) (NEAP 2) in Section 6.10 on Environment in Governmental Decision Making. There, Measure M1 calls upon the Ministry of Environment and Physical Planning (the Executing Agency of the proposed project) to “give priority to make more frequent use of preparatory and ad hoc working groups established within [the Ministry] as well as across ministries and other stakeholders...thereby providing for an improvement of cross sectoral cooperation”. NEAP 2 Objective 1 Measure 1 also calls for the development of a Red List and Red Book (tied to Project Output 1.1.2).

NEAP 2 also addresses rural development and mainstreaming outcomes at the local level. This includes a strategic thrust for increasing implementation at the local level: “demonstration and pilot projects” should be “used as practical demonstration of costs and benefits” of sustainable development. This is linked to the proposed project in Component 3. NEAP 2 Objective 1 Measure 3 also calls for pilot projects which would benefit rural development.

National Programme of Work on Protected Areas Action Plan, 2012: Priority activities for full implementation include: 1. Integrating protected areas into broader landscapes and sectors so as to maintain ecological structure and function (proposed by this project in all three components, especially component 2); 2. Strengthening effectiveness of protected areas management; (component 1) 3. Improvement of the system of protected areas management effectiveness with regard mitigation of negative climate change impacts by mainstreaming climate change vulnerability in development of PA plans and capacity building (Components 1 and 2).

Currently the country is updating its National Biodiversity Strategy, where the Action Plan is outlining some of the priority measures:

- Under “Extension of the system of Protected Areas”, the priority is Proclamation of the Shar Planina National Park and/or Jablanica National Park (coherent with output 1.1.1 of this project proposal)

- Under “Improvement of protected areas systems management”, the priority is Development of spatial planning database as it relates to protected areas (coherent with all outputs of the project)
- Under “Capacity building for biodiversity conservation”, the priority is to equip and train staff of inspectorates (coherent with output 1.1.5.)
- Under “Investigations and Monitoring, the priority is to prepare vegetation and biodiversity rich forest maps (coherent with output 1.1.3.)
- Under “Conservation of Species”, the priority is to prepare Red List Index, which is also coherent with output 1.1.2, and 3.1.1 of this project.

This project would represent implementation of some of the most priority measures from the National Biodiversity Strategy’s Action Plan, which would present a large and important step in biodiversity conservation in Macedonia.

B.2. GEF Focal area and/or fund(s) strategies, eligibility criteria and priorities:

GEF 5 Biodiversity (BD-1): Objective 1 of the GEF-5 Strategy is to “Improve sustainability of protected area systems”. Further, Objective 1 defines a “sustainable protected area system” as one that “(b) effectively protects ecologically viable representative samples of the country’s ecosystems and provides adequate coverage of threatened species at a sufficient scale to ensure their long term persistence: the project will contribute respectively to the focal area output 1 related to this objective through its outputs 1.1.1 and to FA output 2 through project outputs 1.1.2 , 1.1.3., 1.1.4., 2.1.2.; and (c) retains adequate individual and institutional capacity to manage protected areas such that they achieve their conservation objectives.” On which the project will contribute through its outputs 1.1.5. and 2.1.1, related to targeted trainings; 1.1.1., 1.1.2., 2.1.1., related to workshops; and 3.1.1., 3.1.2., 3.1.3. related to piloting a effective management measures which include local communities and incentive to support their participation. This BD -1 GEF-5 Objective would also be addressed by the project through the development of institutional capacities by supporting policies review related to the implication of forest management plans and revision of National Spatial Planning which will be addressed by the project through the outputs of the component 2.

GEF 5 BD-2: Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors **and its related Outcome 2.1:** Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation. The Forest Management Plans (project output 2.1.2), the review of National Spatial Plans (output 2.1.1) and establishment of Spatial Planning data base which will contribute both GEF 5 BD -2 **Output 2:** National and sub-national land-use plans (number) that incorporate biodiversity and ecosystem services valuation and **Output 1:** Policies and regulatory frameworks (number) for production sectors of Outcome 2 of objective 2 of the GEF 5 biodiversity strategy. As forest degradation are identified as significant driving force for biodiversity loss, the project will give due attention to protection of biodiversity rich forests as a tool for biodiversity conservation in wider landscape including biodiversity corridors and pilot testing for identifies quotas for sustainable use of non-timber forest products (outputs 3.2.1 and 3.1.3).

GEF-5 Objective	Corresponding GEF-5 Core Outputs	Corresponding Project Outputs
BD-1: Improve Sustainability of Protected Area	Output 1: New protected areas (number) and coverage (hectares) of unprotected threatened species (number)	Outcome 1.1: Increased national protected areas network and management effectiveness and capacity as a tool for biodiversity conservation and protection of threatened species and habitats Output 1.1.1: An Increase of protected areas from 8-12% by establishment of a National Park/s, or other protected

Systems		<p>areas, which is in compliance with national and regional standards, following with regional workshop and site studies held in one national park, involving international experts and resulting in action plans for revitalizing tourism revenue, services and accessibility.</p> <p>Output 1.1.2: "Red List Index" for Macedonia is generated, reflecting the prioritized list of threatened species within the country and guiding the creation and effective management of new and existing protected areas.</p> <p>Output 1.1.3: Identifies biodiversity rich forests and at least two developed guidelines for their management in favor of biodiversity conservation.</p> <p>Output 1.1.5. Current and future environmental inspectors, rangers and forest guards, trained under the updated protected area management regime, with a verification process in place to ensure completion.</p> <p>Output 3.1.1 – Developed first Red Data Book in Macedonia for at least one taxonomic group</p>
<p>BD-2: Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors</p>	<p>Output 2.1. Biodiversity conservation mainstreamed into national planning</p>	<p>1.1.4. Digital habitat map overlays produced at the national level and at relevant scale, to serve as tools for spatial identification of important habitats, modeling of species occurrence and effective management of important habitats within, and outside protected areas network.</p> <p>Output 2.1.1. Revised National Spatial Plan that related so biodiversity conservation and natural heritage and development of a spatial planning database (spatial and urban planning), and a training for current and future spatial planners on mainstreaming biodiversity conservation into national planning.</p> <p>Output 2.1.2. Forest Management Plans for lands managed by Macedonian Forests are revised to include specific plans for threatened</p>

		<p>biodiversity and vegetation, as well as sustainable use quotas base on carrying capacity.</p> <p>Output 3.1.2. Two pilot core areas and corridors from the National Ecological Network selected for development and testing of site-specific measures for management and restoration of biodiversity rich forests and implementation of the forest management practices that include local stakeholders.</p> <p>Output 3.1.3. Pilot testing of identifies quotas for sustainable use of non-timber products in at least one region with highest potential and need.</p>
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The project will also contribute to the Aichi target as indicated in table bellow

Aichi Biodiversity Targets	Aichi Target Indicators	Project Components
Target 1 : By 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably	<p>Trends in awareness, attitudes and public engagement in support of biodiversity</p> <p>Trends in communication programmes and actions promoting social corporate responsibility</p> <p>Trends in public engagement with biodiversity</p>	Components 1, 2 and 3
Target4 : By 2020, at the latest, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits.	Trends in pressures from unsustainable agriculture, forestry, fisheries and aquaculture	Components 2 and 3
Target 11: By 2020, at least 17 per cent of terrestrial and inland water, and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well-connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes and seascapes	Trends in protected area condition and/or management effectiveness including more equitable management	Components 1, 2 and 3
Target 14 : By 2020, ecosystems that provide essential services, including services related to	Trends in the condition of selected ecosystem services	Components 1, 2 and 3

water, and contribute to health, livelihoods and well-being, are restored and safeguarded, taking into account the needs of women, indigenous and local communities, and the poor and vulnerable		
Target 19: By 2020, knowledge, the science base and technologies relating to biodiversity, its values, functioning, status and trends, and the consequences of its loss, are improved, widely shared and transferred, and applied.	Trends in coverage of comprehensive policy-relevant sub-global assessments including related capacity building and knowledge transfer, plus trends in uptake into policy	Components 1, 2 and 3

B.3. The GEF Agency’s comparative advantage for implementing this project:

The project is fully in line with the UNEP role of catalysing the development of scientific and technical analysis and advancing environmental management in GEF-financed activities. UNEP provides guidance on relating the GEF-financed activities to global, regional and national environmental assessments, policy frameworks and plans, and to international environmental agreements.

UNEP has several activities at the regional level, which will be promoted and scaled – up in the context of this proposal. In particular in the framework of the Environment and Security Initiative UNEP is promoting the establishment of transboundary protected areas as a tool for management of shared natural resources in a region , amongst other activities has developed a “Feasibility Study on Establishing a Transboundary Protected area Sharr/Sar Plannina-Kosab-Desat/Deshat” – the area of focus that borders with Kosovo (UN administered territory under UN Security Council resolution 1244/99) and Albania. The regional approach of natural resources management will be adapted and used at the national level to serve as a tools for alternative use of natural resources to strengthen coordination among stakeholders and also to use natural resources as a vector for fighting poverty al local level and a sustainable mean for economic wealth.

More specifically, the project lies within the following areas recognized by GEF as areas where UNEP has a comparative advantage:

- *Sound science for national, regional and global decision-makers*, notably by strengthening science-to-policy linkages and by strengthening environmental monitoring and assessment. Direct linkage of this UNEP role in the project includes (i) taking stock inventory of the diversity of national species as well as their threat level including assessment of the linkage between the sustainable use and economic value of such species with the well-being of local communities in selected sites(i.e., UNEP Ecosystem Management sub-programme core value 1 with project outputs 1.2.1, 2.2.1 and 3.2.1) and (ii) development of technologies and tools for sound ecosystem management (i.e., UNEP Ecosystem Management sub-programme core value 2 with project outputs 1.2.2, 1.2.3, 2.1.2 and 2.1.3)
- *Technical assistance and capacity building at the country level*, notably by strengthening technology assessment, by demonstration and through innovation, and mainstreaming such technologies to a broader set of stakeholders for greater national capacity (i.e., UNEP Medium-term Strategy 2010-2013, Ecosystem Management Expected Accomplishment EA 2—that countries and regions have capacity to utilize ecosystem management tools—links with project outputs 1.2.5, 2.1.1 – 2.1.3 and 3.1.1)
- *Knowledge management*, including through awareness raising and advocacy (i.e., UNEP PoW Ex-pected Accomplishment EA3 links to project outputs 1.2.4, 2.1.1, 2.1.3, 2.2.1 and 3.3.1)

The project is consistent with the objectives and expected outcomes of the current UNEP Medium-term Strategy (2010-2013) and fits under the Ecosystem Management (“EA2: Countries and regions have the capacity to utilize and apply ecosystem management tools” & “EA3: Strengthened capacity of countries and regions to realign their environmental programmes to address degradation of selected priority

ecosystem services”) and Environmental Governance sub-programs (EA (d): Improved access by national and international stakeholders to sound science and policy advice for decision-making).


UNEP also brings a wealth of applied experience from the Balkan region. The UNEP project team based in Vienna has been involved in several national and transboundary projects applicable to the Dinaric Arc, especially focused on the rare ecosystems in the mountainous areas including the Shar Planina, Korab and Deshat mountains. UNEP experts have also been involved in several stocktaking assessments of environmental management within Macedonia, such as the second Environmental Performance Review. UNEP also has local consultants operating full-time from the capital city of Skopje, and plans to increase its local capacity in support of this project. UNEP is currently supporting the country to revise its National Biodiversity Strategy.

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 OPF endorsement letter).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Daniela Rendevska	Head, Unit of Bilateral and Multilateral Cooperation GEF Operational Focal Point	MINISTRY OF ENVIRONMENT AND PHYSICAL PLANNING	08/05/2013

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for project identification and preparation.					
Agency Coordinator, Agency name	Signature	DATE (MM/dd/yy yy)	Project Contact Person	Telephon e	Email Address
Maryam Niamir-Fuller, Director, GEF Coordination Office, UNEP, Nairobi		11/01/2013	Adamou Bouhari Task Manager Biodiversity and Land Degradation Regional Focal Point Francophone Africa	+2542076 23860	Adamou.Bouhari @unep.org

Annex 1: Meeting List of Organizations and Groups during UNEP Experts mission in the country

- Ministry of Environment and Physical Planning (MoEPP)
 - Nature Sector
 - Environment Administration
 - CBD National Focal Point / GEF Operational Focal Point
 - UNFCCC National Focal Point
 - CCD National Focal Point
- Ministry of Agriculture, Forestry, and Water Economy
 - Department of International Cooperation
 - Department of Land Consolidation
 - Department of Forestry and Hunting
 - Department of Agriculture
 - Department of Information Systems
 - Department of Water Management
- Macedonian Ecological Society
- National Hydrometeorological Service
- Institute of Agriculture, St. Cyril and Methodius University
- Faculty of Forestry, St. Cyril and Methodius University
- Faculty of Agricultural Sciences and Food, St. Cyril and Methodius University
- Faculty of Natural Sciences, Institute of Biology, St. Cyril and Methodius University
- GEF Small Grants Programme
- GIZ
- UNDP
- Public Enterprise “Macedonian Forests”
- Central Government, Secretariat for European Affairs (IPA)
- Bregalnica Development Project: Helvetas Swiss Cooperation and Farmahem