

- facilitate, provide and share information with stakeholders;
- outline the Prespa Park objectives in order to facilitate future discussions, and;
- describe in the clearest possible way the institutional, economic, management initiatives and procedures that should be taken in order to enable the accomplishment of these objectives.

The process of developing the Action Plan involved working groups from each of the three littoral states. The Action Plan was adopted by the PPCC in 2004. The document exists in the languages of the three countries of the region and in English. Although no formal commitments have been made to the Plan by the three governments or by any funding agencies, PPCC members have been actively pursuing funding for implementation of individual activities called for under the Plan.

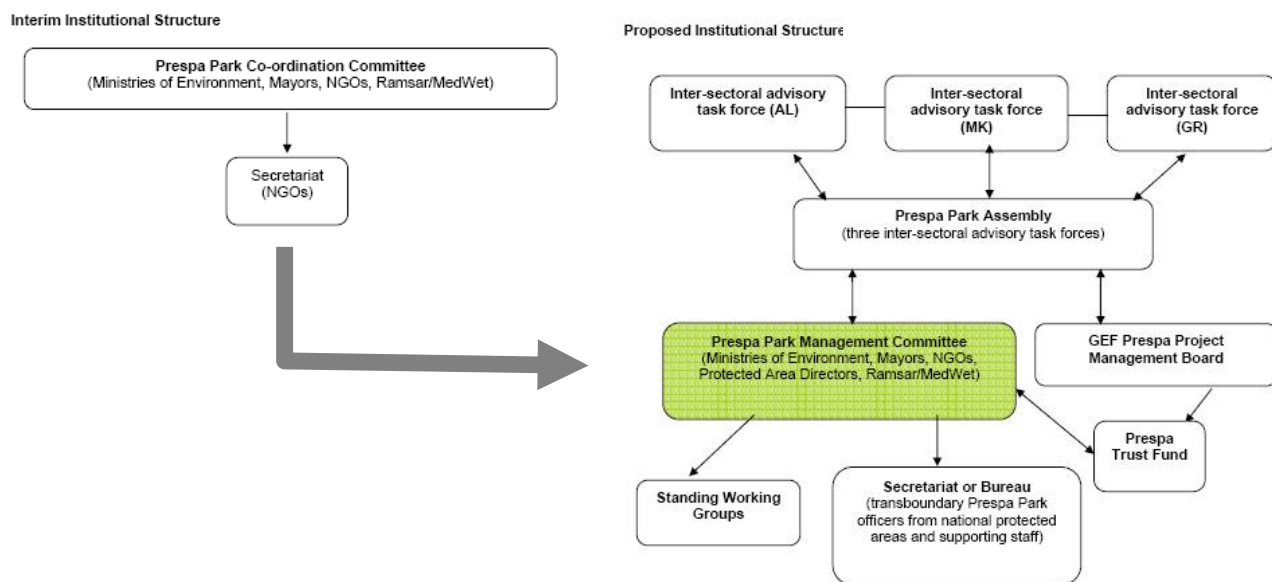
According to the Strategic Action Plan the overall objective for the area should be to “*promote integrated ecosystem management by enhancing cooperation among the three countries sharing the Prespa lakes with the participation of all stakeholders*”.

There continues to be momentum in improving and strengthening trans-boundary coordination and management of shared resources. A draft Trilateral Agreement on the Protection and Sustainable Development of the Prespa Park Area has been under serious consideration by the three littoral states. A project funded by Greek Ministry of Foreign Affairs, ended in 2006, studied the interaction between the River Devolli in Albania and Lake Micro Prespa. A number of activities have been initiated in the recent past also in the framework of EC LIFE - Nature (aiming to control the fluctuation of the water level in Micro Prespa Lake, and to manage the vegetation at the littoral zone) and under the GEF supported project in the area.

Source: (Adopted from) UNDP, Project document. GEF “Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR Macedonia and Greece” Project

A draft trilateral agreement has been under consideration by the three countries since 2004; it refers extensively to the need for a new phase of water management cooperation in the Prespa Basin on the basis of the EU Water Framework Directive, taking full account of the ecological functions and needs of water-dependent ecosystems. A joint management institutional structure has been envisaged to be established in the future as a formal trilateral institution under international law; the Prespa Park Management Committee (PPMC) as it is called in the draft Agreement.

**Figure 17. Interim and proposed institutional structure for the management of the Prespa Lake Basin**



Source: (Adopted from) S. Shumka, V. Roumeliotou, 2004

The Strategic Action Plan for the Prespa Park was adopted by PPCC in 2004. Though it does not prioritise the range of interventions proposed this extensive document provides a solid direction for sustainable development in the Prespa Basin<sup>80</sup>. It was used as a basis for the

<sup>80</sup> Describes the situation in the area, indicates the threats to the system and describes corresponding potential measures.

development of the GEF “Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR Macedonia and Greece” project, recently initiated. *“This project’s objective is to catalyze the adoption and implementation of ecosystem management interventions on the Prespa Lake Basin of the three countries that integrate ecological, economic and social goals with the aim of conserving globally significant biodiversity and conserving and reducing pollution of the transboundary lakes and their contributing waters (...) The project is designed to strengthen on-going transboundary cooperation in resource management and conservation by empowering the existing transboundary institution and piloting transboundary management and conservation activities. Finally the project will produce and secure financing for a Strategic Action Programme endorsed at the highest levels of Government within the three littoral states”* (UNDP, Project document. GEF “Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR Macedonia and Greece” Project). The project is financially supported by the GEF and the governments of Albania and FYR Macedonia as well as the UNDP, KfW, SDC, NGOs and local authorities. Activities in the Greek part of the basin will be financed by the Greek government. Activities within the project have been initiated. The Strategic Action Programme<sup>81</sup> for the Prespa Lakes Basin that will replace the Strategic Action Plan. Steps for the preparation of a trans-boundary diagnostic analysis (TDA)<sup>82</sup> that will provide critical information for the development of the Strategic Action Programme has been made; its preparation will start within 2008.

Further to the aforementioned, Albania and Greece have established a permanent commission on trans-boundary waters<sup>83</sup> on 10.4.2008 based on the “Agreement between the government of the Republic of Albania and the government of the Republic of Greece for the setting-up of a permanent Albanian- Greek commission on trans-boundary fresh waters” signed on 3 April 2003 in Athens, Greece and entered into force on 21/5/2005.

Achieving cooperative management in the area will be a multi-phase, long-term process. The political agreement to cooperate, the operation of a trans-boundary coordination committee, the important on-going work in the region implemented to a large extend also by the local NGOs and the forthcoming outcomes of the GEF project, form the basis on which the stakeholders of the region will build on their activities.

In Lake *Ohrid* the basis for cooperation was set with the signing of the Memorandum of Understanding of the Lake Ohrid Conservation Project (LOCP) between Albania and FYR Macedonia in 1996. The Lake Ohrid Management Board established through this MoU can be seen as the interim management structure. It had a coordinative function and an active role in the preparation of the LOCP as well as in its implementation, in cooperation with experts from the World Bank, scientific institutions and NGOs. The LOCP has been catalytic for the cooperation between the littoral countries on the management of this shared water body.

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<sup>81</sup> A GEF Strategic Action Programme (SAP) is a negotiated policy document that identifies policy, legal and institutional reforms, and investment needs to mitigate the stresses on the ecosystem.

<sup>82</sup> A GEF Transboundary Diagnostic Analysis (TDA) is a scientific / technical fact-finding analysis to scale relative importance of sources, causes and impacts of pressures in the basin. The TDA is intended to present the facts associated with the problems facing the basin and the pressures and stresses on the ecosystem.

<sup>83</sup> The two parties have agreed on the regulation of the commission functioning during the meeting of 10/4/2008 where they also exchanged information on the joint management of Prespa lake and Vjosa river basins.

### Box 19. Transboundary cooperation in the Ohrid Lake Basin

Transboundary cooperation between Albania and FYR Macedonia dates back to 1956 when an agreement between Yugoslavia and Albania on "Questions of Water Management" was ratified. Under this agreement the so called Joint Water Management Committee was established but became ineffective soon after its establishment. It is considered to be an important agreement since among others it focuses on the water quantity coming from the Lake Ohrid through the Black Drin in the territory of Albania.

The first initiative for restoring the cooperation between the two countries on Ohrid came from the World Bank in 1994. The Feasibility Study that was prepared soon after shaped developments concerning the transboundary cooperation for the Lake. It gave the way to two important events. The Donor's Conference held in October 1996 in Ohrid and the signing of the Memorandum of Understanding of the Lake Ohrid Conservation Project, in November 1996. The first confirmed the role of the international community as an important actor in the region; the later established the Lake Ohrid Management Board, a bilateral body first of the kind for the two countries. The role of actors like the World Bank, the Swiss Government, and later the German KfW in this process has been important (Avramoski, 2005).

#### Lake Ohrid Conservation Project

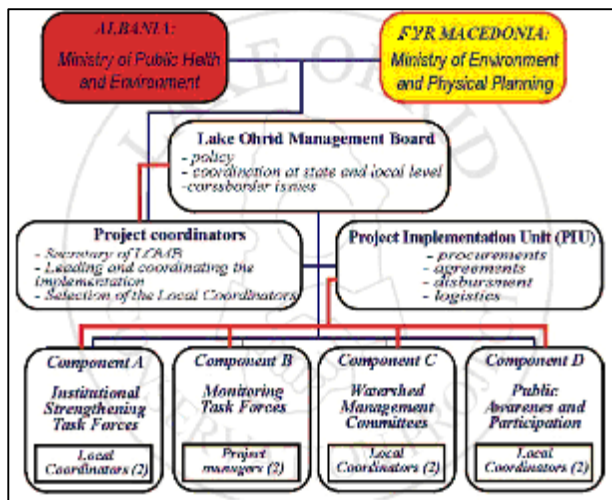
The LOCP started in late 1998 and ended in 2004; the funding has been \$1.84 million for Albania and \$2.26 million for FYR Macedonia. The World Bank has been the implementing agency. The primary objective has been to develop the basis for the joint management and protection of the Lake by the two littoral countries. By establishing this basis the project would create the conditions for promoting cost-effective solutions to transboundary natural resources management and pollution problems and provide the basis for the sustainable economic development of the watershed. It sought to provide a transboundary, comprehensive approach to the management of the Lake Ohrid watershed, combining restoration, conservation and protection of the lake with sustainable use of its natural resources. It comprised four major components.

Component A, the institutional strengthening component, focused on increasing the capacity of public officials at all levels in the Lake Ohrid watershed for effective enforcement of environmental laws, regulations, standards and policies in each country.

Component B, the monitoring component, focused on establishing a comprehensive bi-national monitoring program to inform the public and local officials about the condition of the lake and to provide the environmental information necessary for effective and rational planning and decision-making.

Component C, the participatory watershed management component, aimed to mobilize groups within the watershed to create a strategic action plan.

Component D, the public awareness and participation component, aimed to create public awareness and increase community participation to enable the effective and sustainable implementation of the LOCP.



#### **Main Achievements under LOCP**

- Enhancement of cooperation between the two countries by the establishment of joint institutions for the project management (e.g. Institutional Strengthening Task Force, Monitoring Task Force, Watershed Management Committees);
- Harmonization of procedures for water monitoring in Lake Ohrid and its tributaries (Joint Protocols for sampling analyzing and quality assurance);
- Improvement of environmental legislation, regulations, standards in accordance with EU Directives;
- Preparation of Joint State of Environment Report of Lake Ohrid and its watershed. 50 scientists and experts of both countries contributed;
- New Monitoring Laboratory on the Albanian

side was prepared;

- NGO involvement through projects for public awareness and participation - establishment of 21 June as "Lake Ohrid Day";
- The twining of Pogradec, Ohrid and Struga towns;
- Development of the "Transboundary Watershed Action Plan" endorsed by the Lake Ohrid Management Board in October 2003;

Sources: (Adapted from) Watzin et. al., 2003, Panovski, 2004, Watzin et. al., 2005

The project followed a participatory management approach. Pilot projects on forestry, tourism, spatial planning, liquid and solid waste management, and the use of phosphate-free detergents have been implemented in cooperation with NGOs. The Joint State of Environment Report of Lake Ohrid has been prepared to assess the ecological conditions of the basin providing the information needed for the future drafting of a comprehensive management plan for the Lake system and its basin. The “Transboundary Watershed Action Plan” defined goals and objectives and set the framework for future work to be done in the lake and its basin. The plan described priority actions as well as the roles of the stakeholders at both national and local levels. The achievement of the objectives of the Plan has been hampered until now by the lack of financial resources and the insufficient administration capacity of some of the institutions involved.

**Box 20. Lake Ohrid Transboundary Watershed Action Plan**

The Action Plan stresses working in partnership, using an ecosystem-based, watershed approach that integrates environmental and economic goals, pollution prevention, a consensus-based, collaborative approach to management, and flexibility. The four primary action items include:

- a) Reduction of point source pollution through actions that stress septic system management and maintenance, homeowner education, and management of solid waste;
- b) Reduction of non-point source pollution through actions that focus on implementing conservation practices on farms and restoring impaired stream reaches;
- c) Habitat protection and restoration through wetlands inventory and the establishment of a no-net-loss policy, identification and protection of fish spawning habitat, and inventories of the native flora and fauna in the watershed;
- d) Comprehensive planning through the establishment of micro-watershed planning committees, and by creating a GIS system and building the planning capabilities within the municipalities.

Source: Watzin et al., 2003

Indeed, cooperation has been enhanced through the implementation of LOCP: the “Agreement for the Protection and Sustainable Development of Lake Ohrid and its Watershed”<sup>84</sup> between the Albania and FYR Macedonia was signed on 17.06.2004 by the Prime Ministers and ratified by the Parliaments of the two countries in March 2005. It pro-actively allows for bringing Greece into the management regime as a full partner in the future. This legal document set the basis for further enhancement of cooperation at many levels. The Lake Ohrid Watershed Committee (LOWC) was established in November 2005 empowered with legal authority in Albania and FYR Macedonia. The LOWC aims to provide a forum for cross-border dialogue and an institutional mechanism for bilateral negotiation and joint decision-making (for more information see Annex 1). A secretariat has been established in Ohrid in May 2006; a second secretariat office exists in Pogradec. Following a one year period rotation system the two countries undertake interchangeably the Chairman (Minister of Environment) and Secretary positions; the Secretariat is based accordingly in Ohrid or Pogradec. The Chairman and the Secretary are responsible for regulation of internal organization and function of LOWC during the period of their mandate. Two National Committees with broad stakeholder participation provide input to the LOWC. Three Working Groups of experts – on Legal framework, Fisheries and Management plan preparation- have been established (in September 2008) under the LOWC having as main duty to assist in the harmonization of national legislations in order to support conservation and sustainable development of the Lake and its Basin. Building the capacity of the Committee and increasing its credibility in the decision making process is a crucial investment to be made in the period to come.

If we try to identify the most important outcome of the LOCP, this is most probably the building of trust between the two countries at all levels e.g. governments, local stakeholders etc. that led the process after the ending of the project and despite the limited financial

<sup>84</sup> Can be downloaded at <http://faolex.fao.org/docs/pdf/bi-69075E.pdf>

resources available. It seems that this is also linked with a strong political will of the governments for the continuation of cooperation through the newly established joint body.

If someone can identify deficiencies in its implementation affected the extend and the quality of its partial outcomes, this can be attributed to the fact that the LOCP project was the first of its kind in the SEE region in combination with the much lower administrative capacities of the institutions in that period.

Nevertheless the LOCP generated experience to be used in other projects. According to the Project Brief of the GEF Shkoder Project (we will refer to it later in the document), the need to identify critical data needs early, to tailor ecological monitoring around them, to use concrete performance-based indicators that are clearly linked with desired outcomes, and to use a partnership approach taking advantage of existing capacity and activity in the local scientific community is a such a lesson. Closer attention to these aspects would have helped the Lake Ohrid project establish a more practical and sustainable monitoring program and avoid financing infrastructure and equipment that was not essential or duplicated existing facilities.

In *Lake Shkoder*, as in Ohrid, cooperation efforts date back in 1956 (agreement between Yugoslavia and Albania). On 31 October 2001, a protocol on "Cooperation on Water Management" was signed between the governments of Albania and Montenegro and entered into force on February 2003. A permanent sub-commission on Shkoder Lake and Buna/Bojana and Drin Rivers has been established under this protocol.

A transboundary project<sup>85</sup> -that is on-going- for the management of shared natural resources implemented by the Regional Environment Centre (REC) offices in Podgorica and Shkodra facilitated the building of trust and enhanced cooperation among stakeholders at local level. It had as an outcome the establishment of an unofficial multi-stakeholder platform for cooperation, the "Joint Forum of Skadar/Shkodra Lake". Efforts for the enhancement of cooperation have been undertaken also in the framework of the "Dinaric Arc Initiative for nature preservation and sustainable development in the region"<sup>86</sup>.

An important factor for the improved communication between the stakeholders of the two countries has been the policy that the two countries followed with regard to the facilitation of movement of citizens across the borders. A new border crossing was created in May 2002 and a ferry line between Shkodra and Virpazar was established recently.

A "Memorandum of Understanding for Cooperation in the Field of Environment Protection and Sustainable Development Principle Implementation Between the Ministry of Environment of the Republic of Albania and the Ministry of Environment and Physical Planning of the Republic of Montenegro"<sup>87</sup> was signed on 8 May 2003.

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<sup>85</sup> The project "Promotion of networks and exchanges in the countries of the South Eastern Europe" is implemented as part of the Regional Environmental Reconstruction Programme for South Eastern Europe through REC. It, among others, promotes "transboundary cooperation through the management of shared natural resources" between countries. One of the areas of focus is the Shkoder lake area. This project has facilitated the cross border dialogue and cooperation through the identification and involvement of stakeholders, networking, capacity building, environmental education, the organization of meetings and workshops, the development of studies, the financial support of local and regional NGO's etc. The project has been funded by the Swiss Agency for Development and Cooperation. The first two phases ran from July 2000 to February 2004. A third phase started in March 2004, and was planned to last until December 2006. The project continues its activities contributing to the implementation of GEF LSIEMP. A major result has been the establishment of the «Skadar/Shkodra Lake Forum» a bilateral forum of stakeholders comprising members of the two local forums that meet approximately every three months, and function as the main advisory body for the project. This Forum have been acting as like an informal bilateral water management and lake development body. Source - more information at: <http://www.rec.org/REC/Programs/REReP/Biodiversity/Default.html>

<sup>86</sup> A framework of collaboration between the relevant offices of UNESCO, WWF, IUCN, UNDP and the Council of Europe. More information at <http://www.panda.org>

<sup>87</sup> The MoU calls for joint monitoring of air, water and soil quality and pollution, cooperation in environmental impact assessment, common strategies for clean industrial and energy development, cooperation for protection of the natural

The GEF supported “Lake Skadar/Shkoder Integrated Ecosystem Management Project” (LSIEMP) - the World Bank is the implementing agency – was initiated in 2008 and is expected to enhance the cooperation between the two countries and assist in the sustainable use of the natural resources of the lake and its watershed.

The activities of the project are focused at the lake and the surrounding areas but not, at least directly, also at the Buna/Bojana river area. Nevertheless since the Buna/Bojana is the outflow of the lake, activities in the latter will have a positive impact to the state of the natural resources of the River.

**Box 21. GEF supported “Lake Skadar/Shkoder Integrated Ecosystem Management Project”**

The reduction of pollution and the conservation of the lake and its biodiversity as an internationally important natural habitat, especially for water birds is an objective of the project. The project in fact attempts to introduce ecosystem-based approaches and Integrated Water Resources Management to help reconcile development needs (e.g.: increased tourism, hydropower) with ecosystem sustainability (World Bank 2007).

The project is planned to last 4 years, and will have three main components:

1. Capacity Building for Improved Understanding and Joint Management of the Lake
2. Promoting sustainable use of the Lake Ecosystem
3. Catalyze Pollution Reduction Investments

The project aims to deal with current and imminent threats to the lake’s water and ecosystem in two key ways: by building the political commitment, institutional mechanisms and technical knowledge required for sustainable management; and through direct interventions to reduce pollution from point and non-point sources. In both cases, the project will build upon and supplement existing initiatives of the two governments and other donors, primarily by strengthening the transboundary dimension. The project approach is based on four pillars:

- Improving information and understanding of the lake’s ecosystem, and of the current and potential impacts of developments in the lake basin, on the quality and quantity of inflowing ground and surface waters;
- Strengthening institutional mechanisms for coordination and cooperation among stakeholders/water users at all levels, with a particular emphasis on transboundary linkages;
- Reducing existing pollution sources through direct investment and by providing demonstrations and incentives as well as strengthening regulatory capacity; and
- Promoting sustainable use of the lake and its natural resources, as a preferred alternative to existing non-sustainable practices and to help counter pressures for incompatible development.

The project is based upon the joint Strategic Action Plan (SAP) for Lake Skadar/Shkoder. Some of the activities to be financed by the project will be implemented jointly by the two countries through a bilateral Lake Management Committee (BLMC) and associated Working Groups. Other activities will be carried out by and in only one country, but have lake-wide benefits.

The Montenegrin Ministry of Tourism and Environment (MTE) and the Albanian Ministry of Environment, Forests and Water Administration (MEFWA) have the overall responsibility for the project implementation. The project will be financially<sup>88</sup> supported by the governments of the two countries and GEF. Co-financers are the following donors and international institutions: SNV, NIVA, GTZ, Italy-Pisa province, USAID, WB, KFW, EAR, IDA, NGOs etc.

*Source: Projects’ Brief, World Bank, 2007*

An Environmental Impact Assessment (2006), a Social Assessment (2006) and a Transboundary Diagnostic Analysis (2006) were prepared during the preparatory phase of the project which begun in 2003. These analyzed the state of the environment, the management

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environment, creation of joint regulation for controlling international commerce of industrial and toxic wastes, other dangerous substances and endangered flora and fauna, joint educational and training activities, and creation of working groups and an Action Plan for implementation of the MoU.

<sup>88</sup> The Total budget is 15,710,000 USD, with the 4,550,000 USD being the GEF grant, the \$10,700,000 the countries’ contribution and the 460,000 USD co-financing from international institutions, donor countries and NGOs.

framework in the lake and the socioeconomic background proposing measures for the improvement of the current situation, providing the basis for the implementation of the activities to follow.

Furthermore the joint Strategic Action Plan<sup>89</sup> (SAP) for the protection of the Lake Shkoder Ecosystem –its preparation was provided in the 2003 MoU- was prepared in 2007 by institutions and experts of the two countries in the framework of the GEF project with the assistance of SNV and adopted by the two governments.. The aim of the SAP as described in the respective document is presented in Annex 2. The SAP draws on and complements the TDA and the Social Assessment. It presents the vision for the future with regard to the sustainable management and development of the lake basin. It describes the strategic goals and the roadmap to follow in terms of institutional structures to be created as well as the activities to be implemented in each country as well as jointly. Furthermore, it outlines a ten year plan of action and includes an estimation of the cost of each activity.

**Box 22. Vision Statement for Shkoder Lake**

*“Skadar/Shkodra Lake is a trans-boundary equally protected area. The level of protection is in accordance with high environmental standards, high water quality and rich biological diversity. Skadar/Shkodra Lake is an area for sustainable activities and it offers authenticable ecological, historical, cultural, rural and educational experience with a lot of unique places to see and visit. The environment is smartly integrated in regional economy as regards sustainable tourism, fishery, safety food production, medical plants, clean water use, etc. The lake is sustainable used, with cross-border cooperation and management and high ecosystem protection.”*

An Agreement between the Government of the Republic of Montenegro and the Council of Ministers of the Republic of Albania for the Protection and Sustainable Development of the Skadar/Shkodra Lake and its Watershed was signed in 2008. This Agreement will serve as the legal instrument for the implementation of the joint Strategic Action Plan.

**Box 23. Agreement between Albania and Montenegro for the Protection and Sustainable Development of Skadar/Shkodra Lake - Skadar/Shkodra Lake Commission**

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 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.

The Commission is expected to be established until the end of 2008 – beginning of 2009.

*Information provided by the Ministry of Tourism and Environment of Montenegro*

The bilateral Skadar/Shkodra Lake Commission (Commission) will have six permanent members, three from each country. It will comprise of representatives of the Government, local authorities/protected areas authorities and the civil society. The Commission’s functions will be supported by four Working Groups (Planning and Legal; Monitoring and Research;

<sup>89</sup> Two SAPs were prepared at the national level and were integrated in one document. According to the authors, the SAP was developed in line with the broader Albanian and Montenegrin policies for sustainable development.

Communication/Outreach and Sustainable Tourism; and Water Management); a Joint Secretariat, consisting of two individuals (secretary and assistant) based in Shkodra, Albania will provide technical assistance to the Commission and the working groups. Efforts for the recruitment of a Secretary have been initiated. The GEF LSIEMP will provide financial support to the Commission matching this of the governments on a declining basis during the life of the project. The two governments have committed to maintaining the Commission over the long term.

Transboundary cooperation on the Buna and Drin rivers (including its tributaries, Black Drin and White Drin) is limited until now at the scientific/research level under internationally, mainly, financed projects. Characteristic examples are the ADRICOSM-STAR project supported by the Italian Ministry of Environment and Territory in Bojana/Buna River and the DRIMPOL project financed by the Norwegian Research Council (NIVA - for more information, see Annex 5). The fact that these involve scientific institutions from the riparian countries that jointly generate scientific information about the basins, provide for gradual building of trust among stakeholders of the countries and set the basis for possibly enhanced cooperation in the future. This is important having in mind the record of the official transboundary cooperation of the riparian countries in the rest of the sub-basins of the Drin.



## 5.2 Stakeholder involvement

As in all other cases of environmental and sustainable development management, public participation and active stakeholder involvement is essential to effectively managing water bodies and their basins. There are numerous benefits, including a greater acceptance of rules for allocating basin resources if stakeholders are involved in their formulation and implementation. Management of basins involves a broad spectrum of stakeholder groups concerned with water and other natural resources management. To identify the different stakeholders, their role in the management of a basin and propose strategies for their meaningful involvement is a time consuming, multistage complex process. It is also dynamic in the sense that while the management (institutions, regulations) and socio-economic framework evolves the roles of the stakeholders and the strategies to involve them should be revisited. As an example, in Shkoder Lake a socioeconomic analysis has been prepared in both Albania and Montenegro in view of the GEF LSIEM project, in an effort to identify the stakeholders and define roles of all involved parties. Nevertheless, the Shkoder SAP speaks about the need of a more comprehensive analysis to identify the strategies for the efficient and meaningful involvement of the stakeholders in the basin management.

The exact level of public participation in the decision making in each country is not clear; available information suggests that it is still inadequate. It is also unclear which local stakeholders are 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 include 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.

In Albania, public participation is mentioned in almost all strategic documents including the National Strategy for Development and Integration (2008). The Aarhus convention has been adopted; the Aarhus Convention Implementation Strategy was prepared in 2003 with the assistance of REC. 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. The latter has specific provisions for public participation in all steps of the process, including decision making. Normative acts are required for the determination of the process of stakeholders’ involvement. There is no information whether these have been issued in order for the provisions to be implemented. 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 have been implemented.

While public participation seems to be still inadequate, the effort for putting it in practice at national level is on-going with the international community financially supporting relevant projects. As an example a number of donors is financing through OSCE projects<sup>90</sup> within 2008 aiming to establish the Aarhus Convention's institutional infrastructure in order to enable its practical implementation; to increase the quality and quantity of consultation in drafting

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<sup>90</sup> Such as “Supporting the Government in implementing the Aarhus Convention” (EUR 20,000 , donor: ENVSEC), “Public participation in legislative drafting” (EUR 105,000 , donor: Finland), “Ensuring public participation in environmental impact assessments/Strategic environmental assessments” ( EUR 24,000 , donors: CIDA; Spain)

legislation; to support relevant Government institutions in introducing formal mechanisms for public consultation and participation in routine operating procedures, relating to planning with environmental implications respectively.

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. (REC, 2006)

In FYR Macedonia, the situation regarding public participation seems to be more improved. The Aarhus Convention has been ratified and a strategy for its implementation exists. Relevant provisions are included in the legal framework that governs natural resources management. 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 MEPP has developed an Environmental Awareness Strategy and an Environmental Communication Strategy. The new Strategy (2008 – 2010) is under development. The MEPP (according to information published in the Ministry's website and personal communications) actively supports 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 ongoing. 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 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.

Montenegro is not a party to the Aarhus Convention although preparatory activities for its ratification have been realized. According to the NSSD, the ratification of the Convention was planned for 2008. The 1992 Constitution and the 1996 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. A number of laws adopted<sup>91</sup> include relevant provisions. Relevant bylaws are necessary to clearly regulate public information and participation issues under these laws; there is no information though, whether these have been adopted. With respect to the institutional capacity to ensure implementation of the relevant provisions, this is expected to be improved (UNECE, 2007). 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

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<sup>91</sup> The Law on Environmental Impact Assessment (EIA), the Law on Strategic Environmental Assessment (SEA), the Law on Integrated Pollution Prevention Control (IPPC), the Law on Waste Management, all adopted in 2005.

being actively involved. Cooperation between government agencies and NGOs is not systematic and there is much space of improvement in that respect (REC, 2006).

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 started supporting local nature protection organisations in the region to advocate and reinforce nature conservation in the park and support the park administration in developing a modern management plan. In Greece, the Administrative Council of the PPA Management body has a multi-stakeholder synthesis.

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 FYR Macedonia the concession based management of fishery resources effectively removes the fishermen from the equation. In Montenegro, stakeholders are not involved in the management of the Lake Shkoder 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.

It seems that moving from the national to local level public participation in the decision making gets more influenced by the administrative capacity of the local/basin (management) authorities. Institutional and capacity constraints, again, may jeopardize successful implementation of relevant actions. For example, competences have been delegated at the local level e.g. water provision and wastewater management, development of local spatial plans etc. in FYR Macedonia and provide a fine opportunity for the involvement of local communities in the management of natural resources. Nevertheless, their actual involvement is far from being satisfactory. There is lack of relevant experience, tradition and capacity at the local level to carry out the new tasks and involve the local communities. In Shkoder, both in Albania and Montenegro, participation of the local municipalities in the lake management is limited although there is an interest to play a more active role in the management (Skarbøvik E. et al, 2008).

Overall, even in cases where public participation in environmental decision making is sought at national level with related plans developed and actions taken (especially in FYR Macedonia), since integrated basin management is not in place stakeholders seem to be involved at the local/basin level in an “ad hoc”, uncoordinated way. The insufficient administrative capacity is also a reason. In addition, although practical steps have been taken to facilitate access to information at national level (these differ in each country), lack of clear procedures and experience at local / basin level, in combination with lack of sufficient monitoring of the state of environment has as an outcome limited access to information in reality.

#### *The role of international actors and externally funded projects*

Stakeholder involvement in the basin management can be promoted by international actors and externally funded projects which provide experience and means for this purpose. Such projects usually have stakeholder components or/and aim for the participatory management of the natural resources.

In Lake Ohrid, there has been an effort, during the implementation of LOCP, to involve different stakeholders from both countries in order to create the conditions for a participatory management of the Lake and its basin. Local groups were brought together, capacity building projects were implemented and they were involved in the implementation of joint activities also to create the sense of ownership. *Watershed Management Committees were established in both Albania and FYR Macedonia to develop a series of pilot projects, and catalytic measures designed to test and demonstrate affordable and cost-effective measures for improving the environmental conditions in the watershed. This was initially a challenge, requiring repeated consultation and cultivation, but also an opportunity for new groups to learn from each other and to grow as they learned about each others perspectives of the problems, how their communities contributed to the problems, and their sense of values, priorities, and potential contributions to solutions (Avramoski, 2002).*

In Prespa, national and transboundary activities through the GEF project will further enhance the participatory management process that has been initiated through the operation of PPCC and the activities undertaken by NGOs.

**Box 24. GEF “Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR Macedonia and Greece” Project. Long - term involvement and level of stakeholder participation**

One of the key messages of the recently published Millennium Ecosystem Assessment report was that measures to conserve natural resources are more likely to succeed if local communities are given ownership over them, share the benefits and are involved in decisions. The project design incorporates this emphasis on local ownership and involvement in practically everything it seeks to do in Prespa. The project will involve stakeholders at three different levels: local, national and transboundary. The impacts of the project on beneficiaries and vulnerable communities, especially women and displaced households are envisaged to be largely positive, as the project aims to empower these groups and communities to collaborate in a mutually beneficial way.

In Pelister National Park in FYR Macedonia, after the restructure of the management of the park with the assistance of the SDC financed project (see above in the document in chapter 5, footnote 71) NGOs provide assistance to the management authorities. The “Transboundary Biosphere Reserve Prespa – Support to Galicica National Park” project, financially supported by the KfW, aims to prepare a participatory Management Plan. Increased public involvement and awareness campaigns among all shareholders are anticipated. The “Restoration of the river Golema Reka” in the FYR Macedonian side of Prespa is one of the interventions of the UNDP Project “Integrated Water Resources Management in the Prespa region through participatory processes and dialogue” (2006 - 2010) aiming in the improvement of environmental conditions in the river through participatory consultation processes.

In Lake Shkoder, activities within the framework of the project “Promotion of networks and exchanges in the countries of the South Eastern Europe” (started in 2000) have empowered stakeholders and promoted their involvement in both countries. Among the activities implemented, one can mention the organization of public hearings; small grants to NGOs; training in habitat typology and biodiversity indicators; information material for local schools; newsletter and bulletin about the project; a study on the “roles and responsibilities of Skadar Lake stakeholders”, etc.

As for the GEF “Lake Shkoder Integrated Ecosystem Management” project, this is “*expected to build strategic partnerships with stakeholders on both sides of the lake (including private and public forest owners, farmers, fishermen, NGO’s, and local governments and communities) to ensure strong project ownership at the local level and continuity of the conservation effort beyond the project’s life. It is clear that the success and sustainability of the project depends very much on the involvement and commitment of all beneficiaries living in the Lake Shkoder basin area*”. A socio-economic analysis in the Shkoder lake basin has been prepared in the framework of the GEF project to among others to identify mechanisms for

effective communication/outreach and stakeholder participation in project implementation; to identify appropriate institutional arrangements for implementation of activities at community level; to find out what is the potential for including community-based or community level activities within the project. The working groups to be established under the Lake Shkoder Joint Commission have a multi-stakeholder synthesis and it is planned for them to have an active role in the implementation of selected project activities. In the long term, the SAP provides measures for establishing appropriate procedures and mechanisms that guarantee a large participation of local communities in the process.

### *The role of awareness*

Poorly informed or uninterested local community groups in combination with the absence of sustainable development policy have proven to have negative impacts in the management of the water bodies and their basins. As an example in the Prespa basin stakeholders have limited knowledge of the impacts to the environment and human health of unsustainable practices followed through their economic activities. The majority of the farmers in Albania and FYR Macedonia lack knowledge in sustainable farming techniques including appropriate, in time and scale, use of pesticides, herbicides and fertilizers.

Public awareness, information campaigns and education would lead in awareness raising, empowerment of user groups and promotion of their effective participation in the decision making and the sustainable management of lakes and their basins. Examples from the same area – that are promising for the future - is the formation of the “Prespa Forest Users Association” by villagers in the Albanian part and the existence of a group of farmers in Greece that are growing their crops according to the principles of “integrated agriculture” and related codes of best agricultural practice under new EU agricultural legislation. Relevant on-going efforts especially in FYR Macedonia are promising for the future.

Such activities have to be strategically supported and linked to ensure direction, continuity and effectiveness. This requires the existence of an established and well functioning process coordinated by a management body at national or transboundary level, something that is not yet the case at the areas of focus. The public awareness and participation component of LOCP is an example. *The LOCP has been highly effective in raising public awareness through a variety of activities about the ecology of the lake and some of the threats to sustainable use. Considerable effort went into increasing the number and capability of citizen groups. Several activities and workshops aimed to build the capacity of the NGOs. “Green Centers” were established in both countries serving as clearinghouses to connect the NGOs to each other and to provide the critical information they need to mobilize public interest and public action. Joint projects<sup>92</sup> were financed to foster the cooperation of NGOs at national and transboundary level. As a result there was a considerable increase of the number of NGOs. Yet “while the grants to NGOs publicized the NGO sector, they were only moderately successful in involving a wider cross section of the public in their activities. Since the last grant session within the LOCP has ended, there has been a decrease in NGO activities in the region. If appropriate ongoing support is provided, the momentum and interest that has been established will carry into future efforts”* (Watzin et al., 2003). It is expected that the respective activities implemented through the GEF financed projects in Prespa and Shkoder<sup>93</sup> regions will have

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<sup>92</sup> With the financial support of the Lake Ohrid Project, the NGOs in both FYR Macedonia and Albania have carried out a variety of activities including summer eco-camps, education in the schools, clean-ups along the shoreline of Lake Ohrid, reforestation on tributary streams in the watershed, the production and distribution of public education materials, hosting round table discussions and workshops, and marking hiking trails in Galicica National Park in Macedonia. (Watzin et al., 2004).

<sup>93</sup> The GEF “Lake Shkoder Ecosystem Management” project includes a Component on Public Awareness and Replication Strategy focused “on building awareness and delivering education concerning protection of the lake and sustainable use of its resource”.

similar if not improved outcomes since they will build both on the experience gained through the implementation of LOCP and the outcomes from the on-going activities in these areas.

### *The role of NGOs*

In addition to implementing awareness raising and environmental education activities, NGOs can have a number of diverse roles in the promotion of sustainable management of basin and transboundary cooperation. A characteristic example can be deduced from the Prespa area. The NGOs, with the Society for the Protection of Prespa (SPP)<sup>94</sup> having the leading role, have been strongly involved in the enhancement of sustainable management in the area and promotion of cooperation between the littoral countries. Actually their role has been catalytic. They sought cooperation among them and also between different stakeholders of the littoral countries succeeding in building trust and linkages between central government institutions, local authorities, communities and user groups. The designation of the basin as a Transboundary Prespa Park by the Prime-Ministers of the three countries and the establishment of the Prespa Park Coordination Committee was an outcome of the work and initiatives undertaken by the international and local NGOs in close cooperation with experts working in the area. The NGOs do not only participate in the PPCC but they also provide technical and administrative support<sup>95</sup>. They have an operational role in externally funded projects, promote networking of local stakeholders, collect and disseminate information etc. They also actively work for the promotion of IWRM, on conservation and restoration activities, habitat management, capacity building, monitoring of flora and fauna species etc. with the financial assistance of donor countries, and organizations. Their, on the ground, activities (especially of the SPP<sup>96</sup>) greatly assist the management authorities at the local level towards sustainable management of the natural resources in the area. An important outcome of their work was the preparation, with the assistance of experts, of the Strategic Action Plan.

Although as a rule the initial efforts and actions are taken by national and local NGOs, the role of international NGOs has been important in several cases. As an example, in the Prespa area the major initial work for many years (since the early 70's) has been undertaken by the Elliniki Etairia (the Hellenic Society for the Protection of the Environment and the Cultural Heritage), which has built also the Biological Station of Micro Prespa and drafted the first management plan. In parallel, the Hellenic Society for the Protection of Nature and the Greek Ornithological Society were very active in the region together with expert groups from the universities of Athens and Thessaloniki. Later on, Danish and British organizations were invited to cooperate and WWF and MedWet have provided assistance and expertise in the work undertaken so far. WWF was instrumental in the creation by all aforementioned NGOs, of the Society of the Protection of Prespa and still supports its activities for the promotion of sustainable management of the Prespa basin. MedWet provides support through its technical expertise while its representative participates in the PPCC.

REC has been supportive in the implementation of the Public Participation and Awareness component of the LOCP and its role is catalytic for the promotion of both public participation and local NGO empowerment in the Shkoder area. The establishment and the “transformation” of the “Joint Forum of Skadar/Shkodra Lake” stakeholders’ platform into two –closely

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<sup>94</sup> The Society for the Protection of Prespa is a local umbrella organization consisting of seven national (Greek) and three European NGOs active in the region. It is based in Agios Germanos, Greece. It has provided assistance and experience in the less developed – at the beginning – NGO movement in the two other littoral countries.

<sup>95</sup> The PPCC Secretariat consists of three persons, one from each of the two collaborating non-governmental organisations from Albania - Protection and Preservation of Natural Environment (PPNEA) and Greece - Society for the Protection of Prespa (SPP), and an alliance of local NGO's from FYR Macedonia. The Secretariat is the main administrative body supporting the work of the PPCC, and works under the guidance of the latter's Chairperson. The seat of the Secretariat is located at the SPP headquarters in Agios Germanos, Greece. The SPP has the main responsibility and generally provides for all necessary infrastructures for the operation of the Secretariat.

<sup>96</sup> More info [www.spp.gr](http://www.spp.gr)

cooperating- “Shkoder Forum” NGOs under the Albanian and Montenegrin law has to be credited to REC’s activities in the area.

### 5.3 Financing basin management

Finances are usually the Achilles' heel of water and in general natural resources management - especially in view of the substantial investments required for approximating the standards provided in the EU WFD. Even if other components of good governance are in place, if sustainable financing is not available, it is difficult for institutions to function effectively, infrastructure to be in place and for good management to ultimately develop.

Management expenditures that the countries have to face are of two major types:

- Large, discrete capital investments typically associated with investments such as sewage treatment plants or hydraulic works;
- Operation, maintenance and replacement costs related to the capital investments as well as salaries, facilities and operating costs of the management organizations at national and transboundary level – where applicable, including support for implementation of regulations, monitoring, applied research and communication activities.

As for the sources of funds, there are three principal options:

- National-level financial resources coming either from the generation of revenues from the use of economic instruments or from other sources;
- Local sources – including user fees and other locally generated revenues;
- International funding including both bilateral and multilateral funds (including the GEF).

With regard to the generation of revenues and the financing of natural resources management and the relevant investments, the approaches vary; there isn't a single "rule" followed in the areas of focus, reflecting the diversity of the legal framework in the different countries and cases (e.g. taxes vs. fees etc.).

In Albania, environmental, water sector and waste management related investments are financed through the Ministry of Public Works, Transport and Telecommunications (MPWTT) and the Ministry of Environment, Forests and Water Administration (MEFWA). The main revenues to MPWTT come from the state budget and the donor community. Unspent money at the end of the year is not available to the Ministry the following year and returns to the state budget. Environmental taxes and charges are set by the MEFWA. These revenues are not earmarked and are all transferred to the state budget (for the total annual revenues from various environment-related charges and taxes in Albania in the period 2002-2006, see Annex 8). Despite more than 10 years of effort devoted to this purpose, a National Environmental Fund and the earmarking of environmental charges and taxes have been refused by the Ministry of Finance. For the first time, the establishment of such a body was made part of the governmental program 2005-2009, but to date no progress has been made in that regard. Financing of the water sector is linked with the decentralization process; the MEFWA sees the transfer of competences to the regional/local level as means for generating revenues for the management of water resources.

The Environmental Investment Programme (EIP) of the Ministry of Environment and Physical Planning (MEPP) of FYR Macedonia has supported, with grant finance, 254 environmental projects between 2004 and 2007 (has yearly revenues of roughly 1 mln Euro - the total annual environmental expenditures by sector of the EIP 2003-2007 can be found in Annex 10 ). The majority of these projects were in the water and waste sectors; the financial support provided was 80 percent with 20 percent local contribution from the proponent. The beneficiaries included non governmental organizations, municipalities, public enterprises and private companies. The only revenue's source is user charges for registering motor vehicles and navigation vessels. The EIP, as provided in the Law for Environment, replaced the Fund of



Environment and Nature Protection in 2005<sup>97</sup>. Many of the revenues generated through the economic instruments (see table 22) including the aforementioned go directly to the State budget and then allocated to the competent Ministries. The latter finance, among others, water and sanitation projects– these are the areas that require the heaviest investment. The Ministry of Transport and Communications (MTC) shares responsibility with the MEPP and cooperates with local environmental authorities as regards the development of communal infrastructure in the area of water and sanitation. Additional sources of financing are the grants and loans from the donor countries and IFIs. Support for projects in this area and in the area of environment is provided also by the Ministry of Agriculture, Forestry and Water Supply and the Ministry of Economy (ADA 2008 b,c).

State budget allocations and spending for the environment and water sectors in Montenegro is the subject of the Ministry of Finance (MF). Funds are allocated to different institutions that implement activities in the field of environment and natural resources management<sup>98</sup>. Domestic public spending in the forestry sector is the subject of the institutional profile of the Ministry of Agriculture, Forestry and Water Management (MAFWM), Forestry Sector. A number of economic instruments in use generate revenues that go to the state budget. Examples include the fees on motor vehicles registration, and the 1 percent of the investments that requires EIA study according to the Law on Environment. A new "Environmental Investments Revolving Fund" or "Eco-Revolving Fund" is expected to be established during 2008 -its concept has been prepared<sup>99</sup>. The purpose of the Fund will be to finance projects in the area of ecology, water supply, management of solid waste and waste waters, but also the construction of roads and other infrastructure. According to the Government's assessment, it is necessary to invest as much as a billion euro in these fields by 2020; the Fund would be the main source. The aim is for the Fund to be financed primarily by revenues generated through economic instruments. Additional financial resources may be privatization projects, i.e. sale of shares owned by the Development Fund, international donations and loans. A feasibility study, which assesses sustainability of this financial institution, was completed in April 2008. The Fund would be established as an independent institution based on the Law on Eco-Revolving Fund, which will define the management study and business plan. The Government plan is to adopt the law by the end of the year. The water utilities are now being subsidized by the state; until they become self-sustained the central government will facilitate the relevant capital financing. With the intention of optimizing the system of protection and sustainable use of water resources, the Government adopted the Draft Bill on Water Management Funding, as one of the most important elements of the concept of integrated management of this important natural asset. The Draft Law prescribes the sources of water management funding and regulates the amount and payment of fees for the protection and use of water resources, in accordance with the European Union's Water Framework Directive (<http://www.gov.me/eng/vijesti.php?akcija=vijesti&id=159355>).

Funding from the governments for the management of the basins that don't involve large capital investments i.e. for the day to day expenses of sectoral or joint management bodies at transboundary level, at least at the first steps of their operation, as it is the case in Lake Ohrid, is delivered through the budgets of various ministries or sectoral agencies.

<sup>97</sup> The Fund had commenced activities in 1998. Since its establishment, the Fund has been exposed to highly variable political and economical conditions. This has led to frequent changes in leadership and the lack of a long term strategy for its operations. The general perception of the Fund by other stakeholders is that it lacked clearly defined priorities and transparent financing strategies and procedures, and in particular that it was exposed to political influences that affected project selection procedures. As a consequence, and based on the recommendations of the IMF, with the Law on Environment (2005) the Fund ceased its operations. (ADA, 2008 b).

<sup>98</sup> Ministry of Tourism and Environment, Public Enterprise for National Parks, Center for Eco-toxicological Research, Hydro-meteorological Institute; Regional Waterworks Montenegro etc.

<sup>99</sup> By the International Association of Development Funds in January 2007 through USTDA (US Trade and Development Agency) funding.

National-level financing for capital investments is not always sufficient in volume. At the tables below the sources of financing for water supply and sewerage investments in Albania are shown. It is clear that the funds coming from national sources are only a part of the total investment; equal to close to 50 percent on average.

**Table 23. Water supply and sewerage investments in Albania (2000 – 2008)**

	<b>Investment (years)</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
	<b>Total Investment (lek)</b>	<b>3,5</b>	<b>5,0</b>	<b>4,5</b>	<b>5,5</b>	<b>5,2</b>	<b>5,3</b>	<b>5,1</b>	<b>4,7</b>	<b>7,4</b>
<b>1</b>	ALB budget (+tax and local costs)	1,4	1,9	2,1	1,8	2,4	2,5	2,4	2,6	3,2
<b>2</b>	Donors	1,9	3,1	2,5	3,6	2,8	2,9	2,6	2,1	4,2
<b>3</b>	Albanian D. fund	0.5	0.3	0.12	0.42	0.2	0.29	0.7	0.9	0.6

*In million Albanian Lek<sup>100</sup>*

*Source: ADA, 2008*

The economic instruments discussed in previous sections of the present document as instruments to control users' behavior are -some times primarily- used for the generation of revenues for financing management activities and investments. As mentioned, in many cases in Albania, FYR Macedonia and Montenegro such revenues are channeled to the general state budget and therefore there is no direct connection between what is generated locally with the potential investment for the protection of environment or improvement of the management of the area in question. There is not sufficient information about which of the locally generated revenues or what part of them go to the state budget and whether in this case, they are to be retained for local purposes.

Revenues from water provision and wastewater treatment that are usually under the competence of the local authorities or management of the protected areas, which have operational managing bodies, are often earmarked for the local activities within the area generated. As an example, in the Albanian part of the basin – in the Prespa National Park - revenues are generated through entrance fees and the sale of tree harvest and medical plan harvesting licenses. In principle, 30 percent goes to the state budget and 70 percent are to be spent, according to the provisions of the law on Protected Areas, for investments in the Protected Area. There are also cases where part of the locally generated funds is used for additional purposes to the sustainable operation of the administrative authority and the management of the area. In the same country, the revenue to be generated through the tariffs system for water supply and sanitation services, as this is created after the reform on the sector, is planned to both support the sustainable operation of the utilities and finance and enable the functioning of the Water Basin Authorities (Patozi, 2008).

In many cases, the inefficient monitoring/collection or the low rates established by the competent authorities, also affects the level of the revenues generated and subsequently reduce the part of the resources eventually contributing to the costs of environmental management.

Furthermore, problems are encountered due to the legal and regulatory framework or the institutional capacity of the recipient institution. In FYR Macedonia, the Galicica and Pelister National Parks receive no financial support from the government. The management authorities

<sup>100</sup> *ALL/USD, end-year exchange rates:*

2001	2002	2003	2004	2005	2006	2007
141.7	138.8	111.1	96.1	108.7	98.5	84.7

are expected to raise revenues to finance their activities. In Galicica, income mainly derives from the harvest of fuel wood and medicinal plants but also operation of tourist activities which in turn funds a core staff, equipment and infrastructure. This has led the park to a survival-based non-sustainable management of the natural resources. The revenues generated are used mainly for the management of forests which represent the main source of income. The Park management authority functions as “productive enterprise” (UNDP, Project document. GEF “Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR Macedonia and Greece” Project) rather than conservation focused management authority since it needs to be self-financed.

Innovative funding schemes have been introduced in some cases. This is encouraging for the future since it shows an effort on behalf of the governments to use “alternative” solutions on the basis of the “user pays” principle. An example is the financing of the new scheme for the organization of the fishing management through fishing associations in Albania. The fishermen-based associations are supported by their members through contributions or fees (dues) in exchange for services provided to them.

Locally generated funds, even if they remain in the region, are usually not sufficient to finance capital investments, and this applies also in the areas of focus. It is not quite clear even if these are sufficient to finance the day to day management costs in the basins.

*While locally generated funds are a small share of basin management funding, it is the part of the funding package that has the most potential for future use. (...) While it is argued that some beneficiaries are too poor to bear the costs of water resources management it is equally clear that they bear significant costs if management of the resources is not funded. In addition the important point about the locally generated funding is to establish a cause effect link between the resource and those who benefit from its use or conservation. This helps to create a general public awareness and expectations about appropriate and effective management (ILEC, 2005).* There is no evidence, based on available information, that such a link has been achieved in the basins of focus.

Issues mentioned above are linked to the poor management framework and the possibly inefficient financing mechanisms used. The prevailing economic conditions in each country, is the underlying factor. Countries are still relying to external financing not only for capital investments but also for the financing of activities related to the management of the basins and the natural resources such as the preparation of studies or the restructuring of the management structures.

External financing may have the form of a loan from the World Bank or a regional development bank such as the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB) etc. It may also be a grant coming as assistance from donor countries such as Germany, Switzerland, Sweden, Italy, USA etc, or international institutions such as GEF, or the EU etc. A combination of grants and loans are also in use.

Grants have been given and investments were made on a number of projects with regard to infrastructure construction e.g. waste water treatment facilities and sewerage networks, irrigation, solid waste management etc.; institutional and legal framework reform and strengthening; preparation of plans at basin, national and transboundary level etc. Information provided from different sources, including the websites of the involved organizations, can not be considered as comprehensive since data are scattered and often incomplete. What is clear is that there is a plethora of externally financed projects.

Those presented here are some examples. KfW has supported the construction of sewage collection and septic system in Pogradec Municipality; the preparation of a feasibility study for

the construction of landfill for Pogradec, Korca and some communes in the Albanian part of Lake Ohrid; and the rehabilitation of a treatment plant and collection network in the FYR Macedonian part. It will also support the construction of sanitary landfill as well as a sewerage system and treatment facilities in Shkodra Municipality. ADA will provide a part of the 17 million USD earmarked for the latter project. SNV has supported the preparation of the Strategic Action Plan in Shkoder while the “Sustainable Development of Fisheries” project has been supported, among others, by the Italian government. The European Agency for Reconstruction (EAR) will provide 200,000 USD to assist Montenegro with the rehabilitation of an existing wastewater treatment plant for Podgorica. The IDA-financed Montenegro Environmentally Sensitive Tourism Project (MESTAP) is funding two regional municipal solid waste landfills, one of which covers Bar municipality which borders the Shkoder Lake. Relevant baseline costs at this site are estimated at 300,000 USD. The Swiss government has financed the strengthening of Pelister National Park and supported through UNDP the effort for establishing of effective solid waste management in the FYR Macedonian part of Prespa basin. The Greek government has financed activities at transboundary level in the Prespa area e.g. the development of the Strategic Action Plan. The list is long. - indicative lists of projects financed by GEF and other donor institutions and countries is provided in Annexes 4-7; the lists of projects presented there by no means present to its full extend the on-going, finished or planned projects in the three countries that touch upon the management of natural resources in the extended Drin Basin.

Financing of transboundary management planning and operations in the region has also been in large relied on the international donors while partially supported by national funds. We can refer to the following indicative examples: In Shkoder basin activities<sup>101</sup> have been implemented through the project entitled “Transboundary Cooperation through the Management of Shared Natural Resources - REReP 4.3.23: Promotion of Networks and Exchanges between the Countries of South Eastern Europe”. The to-be-established joint Secretariat of the Shkoder Lake Commission will be financially supported by the GEF LSIEM project during the first years of its operation; will match this of the governments on a declining basis during the life of the project. In Prespa the international donors have assisted the transboundary planning and operations. The PPCC has no budget from the three governments and operations have been supported by ad hoc funding provided by the Greek Government, as well as occasionally by KfW and GTZ; PPCC is currently financially supported by the GEF project in Prespa. The operation of the PPCC Secretariat has been largely supported by WWF-Greece through SPP. In Ohrid, the GEF LOCP catalyzed cooperation for the management of the Lake.

The GEF projects recently initiated in the other two lake basins are expected to provide tangible results in terms of cooperation. GEF financing is indented to be catalytic, paying for the global and regional component that would not be otherwise funded by the national governments. The expectation is that national and other donors would provide the majority of the funding of these projects (World Bank, 2005). Indeed, the GEF financing has leveraged substantial financing from donor countries; Albania, FYR Macedonia and Montenegro are also contributing. For instance the GEF “Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR Macedonia and Greece” project has secured a considerable co-financing that amounts at about 65 percent of the total budget of approximately 13,5 million USD while the rest comes from GEF. The contributions come from the littoral and donor countries (Germany and Switzerland) and other international organizations and NGOs (UNDP, WWF-Greece, SPP, REC).

The involvement of GEF is critical and except for promoting transboundary cooperation it catalyzes financing for activities that concern large capital investments at national level as well.

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<sup>101</sup> For more information visit <http://www.rec.org/REC/Programs/REReP/Biodiversity/Default.html>

In the third component of the GEF LSIEMP which focus on on-the-ground investments to help address existing sources of pollution identified in the TDA, GEF funds of 1.65 million USD will complement investments by the two governments and other donors (see chapter 5.1), with the total estimated cost being at the order of 7.21 million USD.

External financing allows the implementation of policy reforms and investments, but it may be not sustainable over time. Efforts to develop local resources or revenues for Basin management have to be developed. Consequently it is important that external funds are used to initiate management changes that are self-sustaining - at least to a large extend – within the basin countries or better within the watershed management.

In the case of LOCP the project turned out to be rather successful in terms of catalyzing a transboundary approach after its ending. The establishment of the LOWC and the recent creation of the working groups of experts, are indicative of the progress. Governments of both countries have earmarked in their annual Budgets funds to finance activities of the Secretariat. Nevertheless, its success in terms of catalyzing the sustainability of activities in the lake that would address priority issues and lead to an integrated management has not been proven yet since sustainable financing is still missing and additional external resources are being sought. Evidently in addition to the socio-economic conditions in the broader area, factors such as the time needed in order for the on-going reforms at national level to be properly implemented and the proper financial mechanisms to be established, should be taken into account when trying to explain the gaps.

The use and development of the comparative advantages of a region may assist in the development of the areas and the generation of revenue for the sustainable management of the resources. The natural beauty of the landscape in the major part of the basins may be seen as such. A number of strategic documents (e.g. the Spatial Plans of FYR Macedonia and Montenegro) underline tourism as the sector on which economic development of some of the sub-basins of Drin could be based on. With careful planning by the governments and through the efficient implementation of the GEF supported projects, tourism may be transformed from a pressure exerting sector to the basis of sustainable development. According to the Shkoder TDA, revenue from tourism can and should be used to cover the costs of environmental management. The TDA notes “... *if the tourist facilities and attractions are set up in an ecologically sustainable way, negative impacts on flora and fauna may be limited. Impacts can even be positive if tourist earnings are invested in nature protection and development*” .

Overall, for long-term sustainable natural resources management at the basins of focus, there is a need for the development of clear environmental financing mechanisms at the national and watershed level and the strengthening of environmental institutions for their implementation and management. National environment funds may be proven useful to administer revenue generated through environmental taxes and fines. Steps are being made towards this direction; yet, much time and effort is needed. The sustainable financing of the management of natural resources is an issue that has raised much debate and is not clearly “defined” –in terms of mechanisms and structures- even in many of the “developed” countries of Europe. The EU WFD calls for full cost-recovery and provides for a pretty clear framework in this regard; when and how it will be implemented (especially in a changing socio-economic environment world-wide) is left to be seen.

## 6. Challenges ahead – the Way Forward

Official cooperation for the management of most of the water bodies shared between the countries of focus has been initiated and is in different stages of development. Relevant Memoranda of Understanding and Agreements have been signed.

These rather encouraging developments reveal the actual existence of two key prerequisites for every cooperation activity in the field of shared water resources management: *Political will* of the governments and *trust* between riparian countries. These provide a basis for coordinated/cooperative and eventually joint management to be extended in the other sub-basins of the Drin basin and cover the whole system.

Action at national level is an imperative for the establishment of integrated water and natural resources management in the basins. Available information suggests that though steps are taken, principles of sustainability and environmental concerns integrated in the overall development policies in the countries concerned have not yet translated in practice and natural resources management remains unsustainable. Management is not always practiced at the level of catchments areas or geographical/reference areas defined using characteristics such as ecological integrity. In cases that this is done e.g. protected areas, sectoral management still prevails.

The reasons are manifold. The difficult conditions of the past e.g. political instability, long transition period of the countries towards a market based economy, poor social cohesion etc. are among them. The existing legal frameworks and the non integrated management instruments have been proven until now weak tools for addressing the relevant difficult challenges. Sectoral organisation of governments and poorly coordinated institutions with limited human and financial capacities further exacerbated the situation.

***Challenge: Proceed with the on-going reform process at national level that will provide the basis for integrated and sustainable management of the basins***

Major reforms guided mainly by the EU accession prospect are on-going in the countries of focus which are in the process of taking the necessary measures for the approximation of the policy and legal frameworks to the EU *acquis* and ultimately of the management of the natural resources to the EU standards.

To this end efforts are being made, at varying levels in each country in consistence with the socio-economic and administrative capacities and with varying results aiming for:

- More effective approach of legal frameworks with regard to the management of natural resources and, furthermore, the adoption of the needed regulations that will make the framework laws applicable;
- Better design and adoption of a combined nexus of CAC and economic instruments. In the medium term these should be integrated with the national developmental and economic policies and coupled with efficient monitoring and enforcement mechanisms that would ensure that access to the natural resources is allocated fairly and efficiently among competent uses;
- Establishment of clear and applicable procedures that will ensure public awareness and balanced participation in the decision making;
- Establishment of rational and operational decentralisation that will allow the efficient involvement of local communities;

- Establishment of appropriately-scaled management institutions with clear - not overlapping competences over natural resources management and continuous improvement of their capacities and coordination;
- Development of mechanisms that will facilitate the financing of the natural resources management in accordance with the “user” and “polluter pays” principle.

It is obviously a difficult and time consuming process. The difficulties can be more obvious if we consider that developed countries, members of the EU, are still struggling to respond to some of the above mentioned challenges. As for the management of the water bodies difficulties are more evident for sectors that need major capital investments as these of liquid and soil waste management.

***Adopt and implement the legal instruments that transpose the EU WFD – proceed with the initial implementation steps and analyse the characteristics of the basins***

The aforementioned difficulties are also valid in the case of adoption and implementation of “demanding” legal instruments such as the EU WFD that require effective coordination across sectors and an overall enhanced administrative capacity.

In Albania, while basins constitute already the administrative level for the management of the water resources, a new piece of legislation is expected to transpose the EU WFD. The competent authorities are taking the steps to develop the necessary instruments that will be the basis for the implementation of this new legislation as well as the development of plans at the basin level. Making use of the IPA instrument and support from donors, an inventory of water resources, initially in a pilot basin, will be developed. Both FYR Macedonia and Montenegro have adopted legislation transposing the EU WFD. Implementation has been initiated in the first, while the latter is making specific steps in this regard.

Preparing and implementing basin management plans and establishing monitoring systems in consistence with the provisions of the EU WFD is a task that will need the commitment of substantial resources.

The countries need to proceed with the analysis of the characteristics of the basins (natural values in place, uses, pressures etc.) in accordance to the EU WFD being the basis for any future managerial actions at national and transboundary level. Analysis made in the framework of the GEF projects in Prespa, Ohrid, Shkoder (State of the Environment reports, Transboundary Diagnostic Analysis, Socio-economic studies etc.) and in the framework of projects supported by the EU and the international community, provides valuable background information. Such work is not in place for the Drin, Black Drin and White Drin rivers; a higher level of effort and resources need to be invested for these water bodies. While in a part of the Black Drin basin relevant work is to be initiated in the framework of implementation of the new Law on Waters in FYR Macedonia, in the major part of the Black Drin/White Drin/Drin river(s) watersheds that fall within the territories of Albania, it is of paramount importance to initiate systematic work in order to obtain the necessary information that will allow the planning of next steps in terms of management of these watersheds and the extended Drin Basin as well.

***Challenge: Create the conditions for enhanced cooperation for the integrated management of shared basins.***

***Agree on common acceptable management standards - Harmonize rules and regulations for the management of shared basins***

If, for the sake of the argument, assume that there is an “ideal” way for advancing in applied cooperation for transboundary basin management in the area, this would require countries to conclude first with the legal and institutional reforms at national /sub-national level (in order for all components for sustainable management of natural resources to be in place) and then move towards transboundary (international) cooperation activities. Reality suggests that an “alternative” path should be followed i.e. the two phases of the process to move in parallel. The on-going reforms can benefit the cooperation between the countries for the management of the shared water bodies while international cooperation could speed up national reforms.

The approximation process to the EU *acquis* is gradually leading to *de facto* harmonized legal instruments for the management of natural resources. Countries could use the momentum and go a step further. Taking into consideration the different level of the approximation process in each country, commonly agreed standards for the management of the shared basins on the basis of WFD and international conventions may be used for the design of rules and regulations specifically for the management of the basins in a coordinated and consistent manner, taking of course into consideration the specific needs and realities in each case. The Lake Ohrid case where joint working groups of experts have been recently established under the LOWC having as main duty to assist in the harmonization of national legislations in order to support conservation and sustainable development of the Lake and its Basin may serve as an example. The EIA and SEA related legislation and procedures could provide a framework of an initial harmonization exercise.

***Establish harmonized monitoring approaches and data collection methods and eventually harmonized monitoring and information systems***

Accurate and up-to date information on the status and trends of key elements in a basin system is essential for effective protection and management. For a transboundary water body/system of water bodies it is important that harmonized or, at least, similar monitoring approaches and data collection methods are used by each country, that a common database is established with open and efficient exchange of information, and that analysis is carried out based on priorities concerning the water body as a whole.

These would provide the basis for more efficient collaboration and further building of trust. This becomes particularly important when future basin wide management measures and/or development activities are planned in the Drin catchments area. They may also provide the necessary information to decision makers to reach to commonly agreed management objectives (including “environmental goals”<sup>102</sup>) facilitating cooperative management. An example is the goal set by the Ministers of Environment of the Baltic countries in 1988, declaring that by 1995 the nutrient loads to the Baltic Sea should be reduced by 50 percent from the levels that prevailed in 1987.

In the case of Ohrid Lake and its tributaries, the two countries have succeeded the harmonization of procedures for water monitoring, establishing Joint Protocols for sampling analyzing and quality assurance. This example has to be gradually followed in the other sub-basins as well, to eventually succeed harmonization of relevant procedures across the extended Drin Basin.

The countries will come across challenges such as different types of equipment, standards, and analyzing methodology etc. and limited financing. Nevertheless, these are not restricted to this region; examples from other regions may guide the process. What is important is for the process to be initiated and gradually adjusted to the realities of the region. Ensuring more

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<sup>102</sup> “Environmental goals” is one of the requirements of the EU WFD, the purpose of which is to restore the river system to a “good ecological status”.



reliable data results through for instance laboratory inter-comparison exercises could be the first step at the extended Drin Basin level to lead towards more harmonised monitoring procedures. Work performed in the framework of international research projects such as DRIMPOL and DRIMON involving institutions from the three countries can provide useful background. The momentum created through the GEF projects in the Prespa and Shkoder Lakes should be used in this regard.

***Establish sustainable institutions for the joint management of the shared water bodies and their Basins - Use the existing joint bodies towards cooperation at the level of the extended Drin Basin system***

A multi-stakeholder coordinating body exists in Prespa, a Joint Commission is in place in Ohrid and one is to be established in Shkoder. It is critical for the governments and international donors to assist sustaining and enhancing the functions of these bodies. Upgrading their role and capacity to prepare and implement plans and become financially sustainable (following examples such as of Mekong River Commission<sup>103</sup>) is of key importance for the future. Establishment of regional funding mechanisms, introduction of innovative financing tools (e.g. Inter-riparian financing, Trust funds, Levying Taxes etc), generation of new income from ecotourism and alternative activities is essential.

These joint Bodies should be used to facilitate cooperative activities towards coordinative/cooperative management for the extended Drin Basin. A mechanism for effective communication among them may be the first step of a process to reach eventually to a joint body. It will secure the involvement of all major stakeholders and a minimum level of cooperation among the countries in a trust building process.

Such steps are time consuming, need substantial political commitment, funding and a great effort from all stakeholders. International and regional experience has shown though, that it is feasible –Sava and Danube River Basins are such examples providing lessons to follow. It is important to cultivate a spirit of innovation and a common vision of the riparians about a better future.

***Involve local stakeholders***

The collaboration, compromise and consensus-building necessary for coordinative/cooperative and eventually joint decision making depends upon open dialogue, goodwill and trust among the key stakeholders. Local stakeholders should also be involved; there is no “golden rule” in terms of when and how to involve the local stakeholders. It depends among others on the economic activities, socio-economic conditions, traditions, culture, the way that the cooperative process has been initiated and evolved etc.

Experience from GEF and WB projects involving international waters (e.g., Baltic Sea; Caspian Sea) suggests the importance of combining “bottom-up” planning and implementation (as well as local economic benefits) with “top-down” (e.g., policy level) support. High-visibility transboundary agreements, institutions, and programs are of great added value for creating an enabling environment for national authorities to carry out their regulatory responsibilities. The Albania Coastal Zone Management, Fisheries Development, and Natural Resources Development projects provide a source of directly relevant experience relating to the importance of, and mechanisms for involvement of local communities in planning and sustainable natural resource management. (World Bank, 2007)

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<sup>103</sup> For further information and case studies regarding TWRM refer to: “Transboundary Water Management as an International Public Good” prepared for the Ministry of Foreign Affairs, Sweden; odi; ARCADIS Euroconsult. Online version at [http://www.egdi.gov.se/dev\\_financing/financing.htm](http://www.egdi.gov.se/dev_financing/financing.htm)

Experience from the region suggests that the involvement of stakeholders early in the process or the initiation of the process by the local stakeholders has facilitated transboundary cooperation.

In Prespa and Shkoder, the local stakeholder involvement seem more advanced than it was in Ohrid when LOCP was initiated, and thus more tangible results are expected. The GEF projects can further facilitate this process through the support that provide for joint activities, exchange visits, etc. and benefit from it. The establishment, at national level, of similar clear rules and procedures for public participation in the decision making and systematic awareness raising would greatly assist the overall process - in all sub-basins.

Using these lessons, the involvement of the stakeholders in the process for the enhancement of cooperation in the Drin Basin system has to be seen as the crucial and early investment to be made.

***Challenge: Establish a dialogue framework for enhancing cooperation in the extended River Drin Basin system.***

***The extended River Drin Basin system – the need to initiate cooperative/coordination action***

The interdependences between the different water bodies of the extended Drin Basin hydrological system are obvious. The work undertaken through the LOCP has made clear that Lake Ohrid is profoundly affected by activities both upstream and downstream. There are connections between conservation efforts on Lakes Prespa and Ohrid. As an example the management of nutrient pollution in Prespa, has an effect in the quality of waters in Lake Ohrid (although a recent study<sup>104</sup> shows that this could have been overestimated in the past).

Connections are strong also with its tributary, the River Drin. There are hydropower and irrigation dams on both the FYR Macedonian and the Albanian parts of the river. To control water flow in these dams, the former Yugoslavia diverted the Sateska River into Lake Ohrid and constructed a spillway at the exit from the lake, at Struga. The dams are crucial to the economic development aspirations of both countries, but the diversion of the Sateska River has added a great deal of sediment to the Lake, and the dams prevent the migration of eels from the Adriatic Sea to their ancient spawning ground on Lake Ohrid. This can be considered as a trade-off between industrial and agricultural growth sometimes at the expense of the water quality, biodiversity and the natural values of the water bodies, and often undermining the developmental potentials of the surrounding area. Such trade-offs can be found elsewhere as well e.g. in Prespa where the diversion of Devolli had led to the destruction of wetlands in part of the Micro Prespa Lake. The connection of Drin River with the Buna River which drains Lake Shkoder affects the hydrological regime of the area favoring, in some cases, flood incidents in the Montenegrin part of the Lake, and also the morphology and original function of the Buna Delta in the Adriatic Sea.

This complex situation advocates for strong cooperation among the riparian countries eventually institutionalized in the form of a joint body that will ensure cooperative/coordination or even joint management.

A multi-level process need to be followed to succeed such level of cooperation. International experience suggests that usually this process is time consuming, and the end goal difficult to obtain.

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<sup>104</sup> Matzinger et al., 2005

Nevertheless, in the case of the Drin Basin some pieces of the puzzle are already in place i.e. cooperation processes and activities initiated in some of the sub-basins, leaving space for optimism with regard to the difficulties to be faced and the length of the process. The extended involvement of GEF in the area is an additional positive parameter.

#### *The GEF involvement*

The on-going support from the EU, international organizations and donor countries for revising legal frameworks, developing plans, building capacities, constructing infrastructures etc. has significantly contributed towards building the framework for the sustainable management of natural resources and enhancing the cooperation process between the littoral countries.

It is the involvement of GEF though, that has catalyzed transboundary cooperation in the area. GEF financing is targeted to provide catalytic support for the global and regional components that would not be otherwise funded by the national governments. GEF projects aim to catalyze the initiation of a transboundary approach to basin management or enhance existing cooperative procedures. While the first has been achieved to a large extent in the case of Ohrid, the latter is expected in Prespa and Shkoder.

GEF support can play catalytic role in leveraging exchange of experience and dialogue initiation. The GEF IW:LEARN project (2005 – 2008) has supported activities within the Petersberg Phase II / Athens Declaration Process and through this a regional dialogue in the Southeastern Europe on aspects of transboundary water resources management. The International Roundtable “Integrated Shared Lake Basin Management in Southeastern Europe”, 12 - 14 October 2006, Ohrid, FYR Macedonia gave for the first time the chance to the stakeholders to discuss issues and aspirations for the management of the extended Drin Basin. Communication among stakeholders has been initiated and systematically facilitated ever since.

#### ***Move from cooperation at the sub-basin level, at the level of the extended Drin Basin system – Initiate a structured “Drin Dialogue” towards the establishment of a “Strategic Common Vision”***

A dialogue process moving in parallel with the on-going activities in the sub-basins will be beneficial in establishing the basis for cooperative activities for the extended Drin Basin system as these were described in the above paragraphs: a strategic Common Vision for the management of water resources in the greater region including the coastal zone. Experience from Prespa and Shkoder shows that cooperation has been largely benefited by similar processes; lessons from these cases should be used.

A structured, coordinated process, a “Drin dialogue”, may involve the stakeholders from all sub-basins and the existing joint bodies to identify pressing issues and relevant challenges, propose priority measures to address them, and establish a “Strategic Common Vision”. A “Drin Dialogue” would be based on the cooperation processes at sub-basin level, build on their outputs (joint studies, analysis, plans and other strategic documents) and, more important, on their outcomes/successes. Transfer of experience from areas such as the Rhine and Danube River, and Lake Constance Basins will further facilitate the process. The implementation of the UNECE Water Convention would provide an added value. A possible future GEF involvement could catalyse developments leading the process beyond just a dialogue.

The ultimate goal will be to create the conditions to reach a point in the future where the scale of coordinative/cooperative management could move from single water bodies to the hydrological interconnected system of the Drin Basin, eventually leading from the sharing of waters between countries and conflicting uses, to the sharing of benefits between stakeholders in an area that is physically, culturally and historically interconnected.

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## **Annex 1. Agreement on the Protection and Sustainable Development of Lake Ohrid and its watershed**

The Agreement was signed in June 17<sup>th</sup>, 2004 in Skopje and Ratified by the Parliaments of Albania and FYR Macedonia in 2005.

Countries should join efforts to:

- Assure an equal and integrated protection as well as sustainable development for the Lake Ohrid and its watershed, according to the European Union standards;
- Give to the Lake and its watershed the status of World Cultural and Natural Heritage and the status “Biosphere Reserve” of UNESCO;
- Prepare the conditions for the approval of the Council of Europe’s proposal to designate the Prespa-Ohrid area one of only two Euro-regions in Southeastern Europe.

Their duties would be to:

- Accomplish harmonization of criteria and standards, strategies and regulations to ensure the watershed’s land management according to the principle of sustainable development;
- Expedite the full and effective realization of the watershed community individuals’ rights for access to environmental information, public participation in decision making, and access to justice for environmental matters;
- Establish and maintain an effective system of monitoring in order to keep under control the environmental state and quality of the Lake and its watershed.

In order to ensure effectiveness in the achievement of the objectives and commitments specified in the Agreement the two countries agree to establish the Lake Ohrid Watershed Committee. The Committee is composed by of an equal number of members from each Party. The Committee shall include three titular of central government institutions appointed by the respective Governments, three titular of local government institutions and one representative of the civil society. This body provides possibilities of coordination at local and national level.

As a bilateral body, the Committee has its main tasks described as:

- Monitors the activities carried out for the protection of the lake and its watershed;
- Suggests to the Parties the necessary measures and activities for the implementation of the Agreement, invites them to cooperate, to coordinate and carry joint projects;
- Evident actions and attitudes of the Parties in contradiction with this Agreement.

The Committee gives recommendations and opinions to each of the Parties, in order to implement the requirements of the Agreement and strengthen the entire effectiveness with regard to:

- the spatial plans of the respective part of the Ohrid Lake’s watershed;
- the status of legislative and regulative measures related to the Ohrid Lake’s watershed;
- the relevant programs for development, policy and decisions of the governmental and self-government, which affect or may affect the goals and objectives of this Agreement.

Specific functions of the Committee:

- Drafting and application of standards, environmental criteria and requirements for the sustainable development of the area;
- Completing the legal regulatory framework of the watershed area;
- Drafting of the program and the application of effective systems of monitoring in order to keep under control the state of environment and the quality of the lake and its watershed;
- Gathering, elaboration and publication of environmental information on Ohrid Lake and its watershed;
- Preparation of activities for creating conditions to designate the Prespa- Ohrid area as one of the two Euroregions in Southeastern Europe;
- Increasing of public, NGO-s and other stakeholders’ participation to the protection of the lake and its watershed.

*Source: (Adopted from) Presentation of Dejan Panovski in the 3<sup>rd</sup> Coordination Meeting of the Petersberg Phase II/ Athens Declaration Process, Athens, 30 May 2006*



## **Annex 2. Lake Shkoder Strategic Action Plan - Aims**

The Strategic Action Plan aims to improve the environmental management and support sustainable economic use of the natural resources of the Skadar/Shkodra Lake and its surrounding areas. The SAP aims also to facilitate the provision of information and its exchange among the stakeholders, to create a large-based framework for future cross-border and cross-sectoral actions for the management of the lake and to define and describe the initiatives and procedures that should be taken for accomplishment of these objectives. It should consist of activities for a 5 year time duration, that contribute to the achievement of the vision for Skadar/Shkodra Lake, aiming to improve the environmental management and supporting sustainable economic use of the natural resources of the Lake and its surrounding areas. The mission of SAP is as follows:

- *Development of mechanisms and instruments for achieving environmental protected areas standards in both countries;*
- *Development of appropriate institutional framework for effective management of Skadar/Shkodra Lake in both countries and in transboundary context;*
- *Implementing concrete activities for preservation of lake ecosystem;*
- *Promotion of sustainable use of lake natural and cultural resources.*

In order to achieve the above mentioned mission and based on the assessment of the current situation of natural resources management and development activities, as well as on the need to improve existing legal and institutional arrangements for cooperative trans-boundary management of the Skadar/Shkodra Lake area, the activities of the SAP should fulfill the further presented SAP Goals.

*Source: APAWA (Association for the Protection of Aquatic Wildlife of Albania), CETI (Center for Ecotoxicological Research of Montenegro), April 2007. "The Strategic Action Plan for Skadar/Shkoder Lake, Albania and Montenegro"*

### **Annex 3. Status of Ratification of Multilateral Environmental Agreements in Albania, FYR Macedonia, Montenegro and Greece**

	<b>Convention on Protection and Use of Transboundary Watercourses and International Lakes (Water Convention)</b> (entered into force on 6 October 1996)	<b>Protocol on Water and Health</b> (to the Water Convention) (entered into force on 4 August 2005)		<b>Protocol on Civil Liability</b>  (to the Water Convention)  (not in force yet)		<b>Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal</b>  (Basel Convention)	<b>Convention on Environmental Impact Assessment in a Transboundary Context</b>  (ESPOO Convention)	<b>Convention on the Transboundary Effects of Industrial Accidents</b>	<b>Aarhus Convention</b>	<b>United Nations Framework of Climate Change Convention (UNFCCC)</b>	<b>United Nations Convention to Combat Desertification (UNCCD)</b>	<b>Convention on Biological Diversity</b>	<b>Convention on Wetlands of International Importance especially as Waterfowl Habitat</b>  (Ramsar Convention)	<b>Convention on the Conservation of Migratory Species and Wild Animals</b>
<b>Country</b>	<i>Date of ratification, acceptance, approval or accession</i>	<i>Date of signature</i>	<i>Date of ratification, acceptance, approval or accession</i>	<i>Date of signature</i>	<i>Date of ratification, acceptance, approval or accession</i>	<i>Date of ratification, or accession</i>	<i>Date of ratification, or accession</i>	<i>Date of ratification, or accession</i>	<i>Date of ratification, or accession</i>	<i>Date of ratification, or accession</i>	<i>Date of entry into force</i>	<i>Date of ratification, or accession</i>	<i>Date of entry into force</i>	<i>Date of entry into force</i>
<b>Albania</b>	5/1/1994	17/6/1999	8/3/2002			Accession on 29/6/99	Ratified on 4/10/91	5/1/1994	Ratified on 27/6/2001	Ratified in 3/10/1994	26/7/200	Accession on 5/1/1994	29/2/96	1/9/01
<b>FYR Macedonia</b>						Accession on 16/7/97	Accession on 31/8/99		Accession on 22/6/99	Ratified in 28/1/1998	4/6/2000	Accession on 2/12/1997	8/9/91	1/11/99
<b>Greece</b>	6/9/1996	17/6/1999		21/5/2003		Ratified on 4/8/94	Ratified on 24/2/98	24/2/1998	Ratified on 27/1/2006	Ratified in 4/8/1994	3/8/1997	Ratified on 4/8/1994	21/12/75	1/10/99
<b>Montenegro</b>						Succession 23/10/06				Ratified in 23/10/2006	2/7/2007	Accession on 6/3/2006	3/6/06	

Note: Empty cells show that no action has been taken on behalf of the countries for participating in the respective agreements.

Source: [www.unece.org/env/water/status/legal.htm](http://www.unece.org/env/water/status/legal.htm), [www.biodiv.org](http://www.biodiv.org), [www.ramsar.org/key\\_cp\\_e.htm](http://www.ramsar.org/key_cp_e.htm), [www.cms.int](http://www.cms.int), <http://unfccc.int/2860.php>, [www.unccd.int/convention/](http://www.unccd.int/convention/), [www.unece.org/env/eia/convratif.html](http://www.unece.org/env/eia/convratif.html), [www.unece.org/env/pp/ctreaty.htm](http://www.unece.org/env/pp/ctreaty.htm), [www.unece.org/env/teia/parties.htm](http://www.unece.org/env/teia/parties.htm), [www.basel.int/](http://www.basel.int/) (accessed 30/10/2008)

**Annex 4. GEF funded projects in Albania, FYR Macedonia and Montenegro**

Country	Project Name	Focal Area	GEF Agency	Project Type	GEF Grant	Co-financing Total	Project Status
Albania	Biodiversity Strategy, Action Plan and National Report	Biodiversity	IBRD	Enabling Activity	0.096	0.000	Project Completion
Albania	Participation in the Clearing House Mechanism of the CBD	Biodiversity	IBRD	Enabling Activity	0.014	0.000	Project Completion
Albania	Assessment of Capacity Building Needs to Address the Priorities of the BSAP - Phase II	Biodiversity	IBRD	Enabling Activity	0.324	0.070	Project Completion
Albania	Butrint National Park: Biodiversity and Global Heritage Conservation	Biodiversity	IBRD	Medium Size Project	0.975	1.208	CEO Approved
Albania	Enabling Albania to Prepare its First National Communication in Response to its Commitments to UNFCCC	Climate Change	UNDP	Enabling Activity	0.278	0.000	Project Completion
Albania	Climate Change Enabling Activity (Additional Financing for Capacity Building in Priority Areas)	Climate Change	UNDP	Enabling Activity	0.100	0.000	Project Completion
Albania	Integrated Water and Ecosystems Management Project	Multi-focal Areas	IBRD	Full Size Project	5.220	7.360	Under Implementation
Albania	National Capacity Self-Assessment (NCSA) for Global Environment Management	Multi-focal Areas	UNDP	Enabling Activity	0.198	0.030	Under Implementation
Albania	Natural Resources Development Project	Multi-focal Areas	IBRD	Full Size Project	5.000	14.640	CEO Endorsed
Albania	Preparation of the POPs National Implementation Plan under the Stockholm Convention	Persistent Organic Pollutants (POPs)	UNDP	Enabling Activity	0.347	0.031	Project Completion
Albania	Identification and Implementation of Adaptation Response Measures in the Drini-Mati River Deltas	Climate Change	UNDP	Medium Size Project	1.000	0.985	CEO Approved
FYR Macedonia	National Strategy and Action Plan of Biological and Landscape Diversity, National Report, Clearing House Mechanism, and Assessment of Capacity Building Needs	Biodiversity	IBRD	Enabling Activity	0.337	0.035	Project Completion
FYR Macedonia	Strengthening the Ecological, Institutional and Financial Sustainability of Macedonia's National Protected Areas System	Biodiversity	UNDP	Medium Size Project	1.000	4.161	CEO Approved
FYR Macedonia	Development of Mini-Hydropower Plants	Climate Change	IBRD	Full Size Project	1.500	4.900	Project Closure
FYR Macedonia	Enabling FYR of Macedonia to Prepare its First National Communication in Response to its Commitments to UNFCCC	Climate Change	UNDP	Enabling Activity	0.345	0.000	Project Completion
FYR Macedonia	Mini-Hydropower Project	Climate Change	IBRD	Medium Size Project	0.750	2.541	Project Completion
FYR Macedonia	Climate Change Enabling Activities (Phase II)	Climate Change	UNDP	Enabling Activity	0.100	0.000	Project Completion
FYR Macedonia	Sustainable Energy Program	Climate Change	IBRD	Full Size Project	5.850	28.800	CEO Endorsed
FYR Macedonia	National Capacity Needs Self-Assessment for Global Environmental Management (NCSA)	Multi-focal Areas	UNDP	Enabling Activity	0.195	0.016	Under Implementation
FYR	Enabling Activities to Facilitate Early Action on the	Persistent Organic	UNIDO	Enabling Activity	0.497	0.000	Project Completion

Macedonia	Implementation of the Stockholm Convention on Persistent Organic Pollutants (POPs) in the Republic of Macedonia	Pollutants (POPs)					
FYR Macedonia	Demonstration project for Phasing-out and Elimination of PCBs and PCB-Containing Equipment	Persistent Organic Pollutants (POPs)	UNIDO	Medium Size Project	1.000	1.785	CEO Approved
Montenegro	Power Sector Policy Reform to Promote Small Hydropower Development in the Republic of Montenegro	Climate Change	UNDP	Medium Size Project	0.978	3.470	CEO Approved
Montenegro	Strengthening the Sustainability of the Protected Areas System of the Republic of Montenegro	Biodiversity	UNDP	Medium Size Project	1.000	3.017	PPG Approved
Montenegro	Montenegro Institutional Development and Agriculture Strengthening (MIDAS)	Land Degradation	IBRD	Full Size Project	4.000	22.400	CEO PIF Clearance
Regional	Protection and Sustainable Use of the Dinaric Karst Aquifer System	International Waters	UNDP	Full Size Project	2.360	3.050	Council Approved
Regional	Lake Skadar-Shkoder Integrated Ecosystem Management	International Waters	IBRD	Full Size Project	5.000	11.163	CEO Endorsed
Regional	World Bank-GEF Investment Fund for the Mediterranean Sea Large Marine Ecosystem Partnership, Tranche 1, 1st Allocation	Multi-focal Areas	IBRD	Full Size Project	10.000	90.000	Council Approved
Regional	World Bank-GEF Investment Fund for the Mediterranean Sea Large Marine Ecosystem Partnership, Tranche 1, 2nd Installment	International Waters	IBRD	Full Size Project	15.000	45.000	Council Approved
Regional	Determination of Priority Actions for the Further Elaboration and Implementation of the Strategic Action Programme for the Mediterranean Sea	International Waters	UNEP	Full Size Project	6.290	4.185	Project Closure
Regional	Capacity Building on Obsolete Pesticides in EECCA Countries	Persistent Organic Pollutants (POPs)	FAO	Medium Size Project	1.000	1.397	CEO Approved
Regional	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	Multi-focal Areas	UNEP	Full Size Project	13.591	29.607	CEO Endorsed
Regional	Protection and Sustainable Use of the Dinaric Karst Aquifer System	International Waters	UNDP	Full Size Project	2.360	3.050	Council Approved
Regional	Promoting Replication of Good Practices for Nutrient Reduction and Joint Collaboration in Central and Eastern Europe	International Waters	UNDP	Medium Size Project	1.000	1.400	CEO Approved
Regional	Conservation of Wetland and Coastal Ecosystems in the Mediterranean Region	Biodiversity	UNDP	Full Size Project	13.435	26.320	Project Completion
Regional	Lake Ohrid Management	International Waters	IBRD	Full Size Project	4.280	21.300	Project Closure
Regional	Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR-Macedonia and Greece	Multi-focal Areas	UNDP	Full Size Project	4.511	9.403	CEO Endorsed

Source: <http://www.gefonline.org/> (accessed on 15/10/2008)

## **Annex 5. Projects in the Skadar/Shkodra Lake, Buna/Bojana, Drin Rivers area**

### Projects at transboundary level

**REC** – implements the “Promotion of Networks and Exchanges in the Countries of South Eastern Europe” Project funded by the Swiss Agency for Development and Cooperation (SDC) since 2000. The project focuses on enhancing cross-border cooperation, dialogue and partnerships, preparation of studies, capacity building and education/awareness raising. Joint Lake Forum was established with 13 members (6 on Montenegrin and 7 on Albanian side). The project is on-going.

**GTZ** - Cross-border Spatial Planning Project for Skadar/Shkodra Lake region (duration May 2005 – October 2007); under the project endorsed by the relevant national Ministries, spatial plans will be prepared for certain locations in both Albania and Montenegro.

- “*Physical Planning and Transboundary Management*”: covers both Montenegro and Albania.

(500,000 Euros over a period of 18 months; there is no information about dates of initiation and termination of the project). Includes preparation of detailed urban plans for 6 pilot lakeside villages (needed to reduce illegal building, support well regulated residential and tourism development), some small ecotourism-related infrastructure, TA to help develop a framework strategy for preparation of Lake-wide Management Plan.

**SNV** – is supporting (providing technical assistance) development of the joint Strategic Action Programme under the GEF Lake Shkoder Integrated Ecosystems Management Programme. SNV actively works together with GTZ in municipal capacity issues related to IT, planning and finance. There is no information available regarding the date of initiation.

**The EULIMNOS project** ([www.eulimnos.org](http://www.eulimnos.org)) was initiated (there is no information available regarding the dates of initiation and termination of the project) with the aim of establishing long-term cross border co-operation between established scientists, experts and students with an interest in the conservation of Lake Skadar/Shkodra. The scientific aim of the EULIMNOS is to obtain a comprehensive insight into the current ecological status of the Lake. The project involved participants from the Universities of Shkodra (Albania), Podgorica (Montenegro), Graz (Austria) and Heidelberg (Germany) and was funded by the German Rectors Conference (HRK) within the framework of the European Union Stability Pact for SEE.

**The DRIMON project** (2006-2009 - [www.niva.no](http://www.niva.no)): Interdisciplinary assessment of water resource management in two transboundary lakes in South Eastern Europe. The project involved the Universities of Albania, Montenegro, Macedonia and Norwegian Research Council NIVA. The main objective of the DRIMON project is to contribute towards an increased knowledge base and dialogue between stakeholders for the transboundary management of water resources in the Balkan area through the integration of natural and social sciences. To this end, the project will Establish nutrient budgets and address siltation challenges for the lake basins of Prespa and Skadar, and assess the status of the lakes through dose-response relationships between nutrients and sediment inputs and their effects in the lakes; Suggest environmental goals for lakes Prespa and Skadar, based on information on their trophic status and evidence of their reference (or natural) conditions, in dialogue with stakeholders; Establish and/or strengthen networks nationally and across borders between scientists, water managers and end-users; and Provide advice as to how identified environmental goals may be met through an understanding of institutional structures across borders and enhancement of the dialogue between decision-makers, stakeholders and scientists through Multiple Stakeholder Dialogue Approach.

### *Projects in Montenegro*

**GTZ** – “Support to Tourism Destinations in the Hinterland of Montenegro” Project (duration of the first phase is beginning 2006 – end 2007; the whole project is expected to last until end 2010). The current project focuses on Skadar Lake area, Cetinje and Plav municipalities.

**IRD** – Implements “Clean Lake Project”, including cleaning of Zabljak Crnojevetica, Besac, and Lesendro fortresses, and fishing settlements along the lake coast, in order to create better conditions for tourists who visit them. To that end, IRD will finance the procurement of two boats, motor grass cutters and saws, rubbish containers and wooden

bins (this is a follow up to IRD project that supported development of bird-watching facilities and eco-tourism on the Lake). There is no information available regarding the dates of initiation and termination of the project.

**Council of Europe/ Ministry of Culture** – Implements the “Regional Programme for the Cultural and Natural Heritage in South-east Europe” project; within this framework, Pilot Project on the Skadar Lake Region aims to explore new methods of management and project implementation in addressing local/regional development issues. There is no information available regarding the dates of initiation and termination of the project.

**UNDP** – Strengthening Governance Systems in Urban Planning in Montenegro and Environmental GIS for Montenegro. There is no information available regarding the dates of initiation of the project.

**Italian Ministry of Environment and Territory** – is expected to provide support for ADRICOSM-STAR project (in the framework of ADRICOSM-Partnership). The project will develop system for monitoring and forecasting models for the coastal zone in Montenegro and Bojana/Buna River (in support to sustainable development of the coastal zone). Italian Ministry will also support development of sustainable and eco-tourism in the Montenegrin national parks, including Skadar Lake. There is no information available regarding the dates of initiation and termination of the project.

#### *Projects in Albania*

**World Bank** - The pilot Fishery Development Project financed by the WB has started its implementation since February 2002 and ended in March 2007. Main objectives of the project were to improve the work for the management of fishing, establishment of the Fishing Management Organizations (FMOs) and rehabilitation of fishing centers. The project achievements have been: Establishment of FMO, which counts around 450 fishermen; Construction of Fishing Centers in Shiroke and Zogaj (another one is expected to be constructed in Malesia e Madhe); Supply of the center in Shiroka with facilities for conservation of the by catch.

**COOPI (Italian NGO)** - Intervention in support of artisan fishing activities in Shkodra. Its implementation started in February 2003 (there is no information available regarding the date of termination of the project). It aims to support the rehabilitation and development of artisan fishing activity in the prefecture of Shkodra, contributing to creating the conditions for repopulating and conserving fish resources in Lake Shkodra and to improve the socio-economic conditions of the beneficiary families. 175 people have been direct beneficiaries, while approximately 735 people have been indirect beneficiaries, including fishermen, unemployed persons and their families.

**GTZ** - Economic Development for the North of Albania. During 2003 the German government granted 55.000 EURO for supporting development in north Albania. Main goals of the project were: regional development, agriculture as the main economic sector, private sector, cross-border cooperation, establishment and support of labor market, living standards, infrastructure and public services etc. There is no information available regarding the date of termination of the project.

**OXFAM** - International organization working on Rural Areas Development and Promotion of Production and Marketing. OXFAM offers financial support to the farmers of rural areas, especially to those of mountain areas.  
Core Objective: Alleviation of poverty in rural areas.  
Direct beneficiaries: 3,000 people  
Indirect beneficiaries: 20,000 people.  
Promoted projects and activities: beekeeping, agro-industry, wine production, medical plants etc.  
There is no information available regarding the dates of initiation and termination of the project.

**TEULEDA (Agency for the Local Economic Development)**. The core objectives: support small enterprises development, territory marketing, identification and articulation of priorities and opportunities for the local economic development. Priority sectors: Agriculture and agro-industry, handicraft, fishing, tourism services. There is no information available regarding the dates of initiation and termination of the project.

**GTZ – ADA.** Financing of small/medium infrastructure to make the area more tourist-friendly, e.g. rehabilitation of Virpazar market. Total budget, 250,000 Euros. There is no information available regarding the dates of initiation and termination of the project.

**UNDP -**

(1) preparation of Sustainable Tourism Development Strategy for Northern and Central Montenegro (includes Lake Skadar; project completed in 2006). Total cost **50,000 Euros**

(2) Capacity building for GIS for natural resource management – covers whole country. 3 phases with a total budget of **410,000 Euros**. First phase soon to finish, next 2 phases likely to be completed within next 4-5 years.

**European Agency for Reconstruction** - rehabilitation of existing wastewater plant in Podgorica has. (ongoing project with a total budget of \$ 200,000 - there is no information available regarding the dates of initiation and termination of the project).

**Austria:** Drinking water supply and wastewater treatment in Shkodra city. (total budget \$8 million - there is no information available regarding the dates of initiation and termination of the project)

**KFW** - Wastewater treatment in Shkodra city. (total budget 7 million Euros - there is no information available regarding the dates of initiation and termination of the project).

*Source: APAWA and CETI 2007. The Strategic Action Plan for Skadar/Shkodra Lake. Albania & Montenegro.*

**Annex 6. World Bank supported programs in Albania and Montenegro to support environmental protection and economic development based on sustainable management of water and related natural resources, at national and transboundary levels.**

In **Albania** this includes the recently completed GEF-financed **Lake Ohrid Conservation Project** which supported the establishment of cooperation between Albania and Macedonia for joint environmental management of the Lake Ohrid watershed. This included developing the institutional, legal and regulatory framework for environmental management, establishing a monitoring program and public awareness-raising. The **Integrated Water and Ecosystems Management** project and **Coastal Zone Management Project** are supporting innovative wastewater treatment approaches and promoting integrated ecosystem management for coastal areas in Albania, which are in many ways very similar to the extensive Lake Skadar-Shkoder coast. The **Fishery Development** project is supporting increased local participation in the management of fish resources in Lake Skadar-Shkoder, and the **Natural Resources Development** project aims to reduce erosion in the lake's upper watershed areas to reduce downstream sedimentation.

In **Montenegro**, ongoing activities and projects under preparation include the **Sustainable Tourism Development** project, which will support use of water from Lake Skadar and wastewater management at the coast, and the **Tara and Lim River Basin Management** project, which will introduce integrated watershed management in the northern and central part of the country. A **Strategic Environmental Assessment** of the Montenegro draft **Energy Sector Development Strategy** (funded by a grant from the Bank-Netherlands Water Partnership Program) will be focusing on the implications of proposed hydropower development on the Moraca River and evaluating the trade-offs involved in hydropower vs. other uses of this river, which is one of Lake Skadar-Shkoder's main tributaries.

*Source WB, 2007 GEF Shkoder Project Brief*

**Annex 7. Projects related to improved natural resources management in Albania and in the Drin River Basin financed by the international community**

SECTOR	Donor	Project	Brief description	Type of finance	Currency	Comm itted	Disbu rsed	Scheduled Start Date	Scheduled Completio n Date
AGRICULTURE	Spain	Support to the organic and sustainable agriculture in the districts of M.e Madhe and Shkoder	This project is focused on capacity building for farmers in rural areas	GRANT	MEUR	0,07		December 05	December 06
AGRICULTURE (WATER RESOURCES MANAGEMENT)	ITALY	Water resources management project		GRANT	MEUR	2,3	0,2	2005	2006
AGRICULTURE (WATER RESOURCES MANAGEMENT)	KUWAIT	Irrigation III		LOAN	MUSD	4,0	0,2	14.12.2004	
AGRICULTURE (WATER RESOURCES MANAGEMENT)	OPEC	Water resources management project		LOAN	MUSD	5,7	0,2	2.09.2004	
AGRICULTURE (WATER RESOURCES MANAGEMENT)	World Bank	Water resources management project	The proposed project would have; 1.Irrigation; 2.Drainage and Flood Protection; 3.Dam Repairs. 4.Institutional Support for the Water Resource Management.	LOAN	MUSD	6,6		6/7/2004	30/6/2009
AGRICULTURE/ FORESTRY	Sweden	Strengthening Sustainable Communal Forestry	Bridging project between previous Albanian Forestry Project and NRMP. Support to Regional Forest and Pasture Organisations and a National federation of associations	GRANT	MEUR	0,18			
ENERGY	AUSTRIA	DRCRP (Drin River Cascades Rehabilitation Project)	Rehabilitation of 4 hydropower stations (Ulza, Shkopeti, Vau i Dejes, Fierza), co-financed with EBRD, CH (DEZA) and JBIC	GRANT	MEUR	7,00	0	1/1/2006	31.12.2007
ENERGY	AUSTRIA	DRCRP (Drin River Cascades Rehabilitation)	Monitoring of DRCRP (Drin River Cascades Rehabilitation Project)	GRANT	MEUR	0,13	0,06		
ENERGY	JAPAN	Drin river cascade rehabilitation		LOAN	MJPY	1.681	1.459	28.11.2005	
ENERGY	Switzerland	Drin River Cascade Rehabilitation Project (DRCRP)	Within the support by the donors and lenders, the Swiss grant contribution is focused on the delivery of mechanical equipment and control instruments for the Fierza hydro power plant.	Grant	MCHF	11,8		1996	The project will mark its completion at the end of 2007.



ENERGY	Switzerland	Dam Safety Survey on Drin and Mat River.	The objective of the Albania dam safety survey is to design a national dam safety program, enabling KESH to improve the safety of the present infrastructure on the Drin and Mat River Cascades.	Grant	MCHF	0,25		2005	2006
ENVIRONMENT & NATURAL RESOURCES	KfW	Biodiversity Lake Prespa	Improvement of forestry management systems, facilitation of transboundary park management	GRANT	MEUR	2,56	0	planned	
ENVIRONMENT & NATURAL RESOURCES	CARDS 2002	Environment legislation and awareness raising		GRANT	MEUR	2,5	1,09	01/11/04	01/11/06
ENVIRONMENT & NATURAL RESOURCES	CARDS 2004	Strengthening of Environment Monitoring System	The project will lead to the establishment of the institutional and physical infrastructure for an environment monitoring system to comply with Environment European Agency standards.	GRANT	MEUR	2,50	0,41	01/12/05	01/06/08
ENVIRONMENT & NATURAL RESOURCES	Netherlands	TIR trust fund REC	This project support Ministry of Environment. Aim of this project is to support NGO's and local authorities initiated small-scale activities to improve Environment awareness, planning, strategies and starting projects.	GRANT	MEUR	1	0,706	01/10/2003	31/12/2007
ENVIRONMENT & NATURAL RESOURCES	Netherlands	TIR REC Green Pack	This project support Ministry of Environment. Aim of the project is to create awareness in Albanian society for the environment.	GRANT	MEUR	0,3	0,245	01/11/2003	30/04/2006
ENVIRONMENT & NATURAL RESOURCES	Netherlands	TIR Ministry of Environment * project nr.8706	This project support Ministry of Environment. Aim of the project is to build an 'Institute of Environment' which will maintain innovated and improved Environment legislation and will carry out this legislation.	GRANT	MEUR	1,629	0,981	01/08/2003	31/12/2007
ENVIRONMENT & NATURAL RESOURCES	OSCE	Toolkit for management of environmental issues at local level	Present the best practices of management of environmental cases at the local level-	GRANT	EUR	10.000	0	planned	
ENVIRONMENT & NATURAL RESOURCES	OSCE	Enforcement of the Law on Environment Pollution Prevention at local level	Strengthen the legal framework and competencies of local authorities to implement the law on environment protection	GRANT	EUR	10.000	0	planned	
ENVIRONMENT & NATURAL RESOURCES	Spain	Promotion and effective application of the citizen's rights regarding Environment matters	The project will support the Ministry of Environment in the implementation of the Aarhus Convention.	GRANT	MEUR	0,18		December 05	December 06
ENVIRONMENT & NATURAL RESOURCES	Sweden	Natural Resource Management	1.Support to the decentralisation of User rights for forest and pastures from GoA to communes 2.Institutional reform of the forestry sector	GRANT	MSEK	40,00		01/01/05	01/06/06
ENVIRONMENT & NATURAL RESOURCES	Sweden	Local Environment Action Plans	Develop local action plans in a participatory way and implement the top priorities to strengthen local gov	GRANT	MSEK	9,00			

RESOURCES			participatory planning						
ENVIRONMENT & NATURAL RESOURCES	Sweden	Solid Waste Management	Assistance/capacity development in implementing law, instructions, regulations, monitoring, awareness campaigns on solid waste management.	GRANT	MSEK	15,00		2004	2007
ENVIRONMENT & NATURAL RESOURCES	Sweden	Twinning MoEnv and Naturvårdsverket	Twinning on areas of water monitoring and Environment Impact Assessment. Relations established 2004. Decision taken in Oct 2005. Programme start 2006 Jan and will continue to 2009. (4 years for the region (start with Albania & Serbia))	GRANT	MEUR	4,20			
ENVIRONMENT & NATURAL RESOURCES	Sweden	Korça Clean and Green	Facilitate preparation of 17 commune environment action plans and implement around 80 small public works investments through funding mechanism.	GRANT	MEUR	1,10			
ENVIRONMENT & NATURAL RESOURCES	Sweden	Local Environment Action Plans for Municipalities of Korça Region	Develop local action plans in a participatory manner and implement locally prioritised action to improve and protect the environment	GRANT	MEUR	1,00			
ENVIRONMENT & NATURAL RESOURCES	UNDP	Albania National Capacity Self-Assessment	The objective is to assess capacity needs and priorities in Albania with respect to the global environment and within the context of sustainable development for the implementation of the Global Environmental Conventions	GRANT	MUSD	0,210	0,086	01/12/04	04/12/06
ENVIRONMENT & NATURAL RESOURCES	UNDP	Capacity building for Sustainable Land management in Albania	The project will assist the Government in finalization of the National Action Programme for Sustainable Land Management	GRANT	MUSD	0,035	0,014	March, 2005	March, 2006
ENVIRONMENT & NATURAL RESOURCES	UNDP	Reduction of environmental impacts of agriculture in Prespa Region	The project is focused in reduction of environmental impacts of agriculture in the trans-boundary Prespa Park Region. That will be achieved through a process of capacity building, which will involve agriculture and farmers associations and also different service providers such as regional and district directorates of agriculture.	GRANT	MUSD	0,110	0,049	01/04/05	01/02/06
ENVIRONMENT & NATURAL RESOURCES	UNDP	Conservation of wetland and coastal ecosystem in the Mediterranean region	Ensuring the sustainable management and biological diversity of the coastal areas and wetlands in 6 Mediterranean countries/authority.	GRANT	MUSD	1,901	1,399	05/01/97	31/12/06
ENVIRONMENT & NATURAL RESOURCES	World Bank	Fisheries Development Project			MUSD		5.6		
ENVIRONMENT & NATURAL RESOURCES	World Bank	Institutional strengthening & environment clean up	The project will have two components: (a) Durres Environment Remediation Program; b) TA for Institutional Capacity Strengthening to the Ministry of Environment.	GRANT	MUSD	0,2			
ENVIRONMENT & NATURAL	World Bank	Natural Resources management	The main components of the project will include the Transboundary Lake Shkodra Management Framework,	LOAN	MUSD	7	1,2	01/11/05	01/05/10

RESOURCES			Promotion of Integrated Natural Resources Management and Biodiversity Conservation and Public Awareness and Replication Strategy.						
ENVIRONMENT & NATURAL RESOURCES	World Bank	Integrated coastal zone management & clean up program (first Phase)	The overall objective of the program is to protect the coastal natural resources and cultural assets and promote sustainable development of the Albanian coast.	LOAN	MUSD	17,5	1,3	1/11/2005	1/9/2009
ENVIRONMENT & NATURAL RESOURCES	World Bank	Lake Shkodra integrated ecosystem management GEF	The overall objective of the project would be to assist the Governments of Albania and Montenegro in ensuring the sustainable use of the natural resources, enhancing the tourism potential of the lake, and supporting effective joint management of its watershed.	GRANT	MUSD	2		UNDER PREPARATION	
IPS	DFID	NSSD Directorate	The goal of the project is to mainstream the NSSD in public policy processes, to strengthen the capacity of the NSSD Directorate .	Grant	M £	1,35		01/11/2003	01/12/2006
LOCAL GOVERNANCE	OSCE	Promoting public participation in local democratic processes	Strengthen capacities and mechanisms that enhance public participation in decision-making processes	GRANT	EUR	15.000	0	planned	
LOCAL GOVERNANCE	Spain	Training on public management for municipalities (Budget 2002)	Training in decentralised public administration aspects in Tirana and study tour to Spain.	GRANT	MEUR	0,06		January 04	January 05
WATER SUPPLY	GTZ	Advisory services to the Commercialization of Water and Sewerage Enterprises	Training measure to strengthen the water association and promotion of the commercialization of communal water and sewerage facilities	GRANT	MEUR	0,20		2005	2007
WATER SUPPLY	KfW	Environmental Protection Lake Ohrid/Pogradec	Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec	GRANT	MEUR	9,07	1,19	2001	2008
WATER SUPPLY	KfW	Accompanying M. Env. Protection Lake Ohrid	Rehabilitation of main and secondary networks of water supply and sewerage in the city of Pogradec	GRANT	MEUR	1,07	0,77	2002	2006
WATER SUPPLY	KfW	Water Supply Pogradec ( Ohrid lake)	Rehabilitation of main and secondary networks of water supply in the city of Pogradec	LOAN	MEUR	4,88	0	2001	2007
WATER SUPPLY	KfW	Sewerage Pogradec	Construction of sewerage treatment plant & sewer network	Grant	MEUR	9,07	1,29	2001	2008
WATER SUPPLY	KfW	Environmental Protection Lake Shkodra	Rehabilitation of sewerage system in the city of Shkodra	GRANT	MEUR	7,5		planned	
WATER SUPPLY	KfW	Water Supply Program	Rehabilitation of rural water supply systems	LOAN	MEUR	9	0	planned	
WATER SUPPLY	KfW	Water Supply Program TA	Technical assistance for rehabilitation of rural water supply systems	GRANT	MEUR	1	0	planned	
WATER SUPPLY	KfW	Accompanying Measures Sewerage Pogradec	Various capacity building measures for project sponsor in Pogradec	GRANT	MEUR	1,07	0,90	2003	2006

WATER SUPPLY	AUSTRIA	Water supply Shkodra	Substantial improvement of the water supply and management system of the city of Shkodra (Institutional Strengthening)	GRANT	MEUR	2,100	0,045	1/11/2004	31/3/2007
WATER SUPPLY	Switzerland	Pogradec Water Supply Project	The overall project is contributing to the regional improvement of the water quality in the ecologically unique Lake Ohrid.	Grant	MCHF	10,6		2001	The project will mark its completion at the end of 2007.
WATER SUPPLY	World Bank	Municipal Water and Wastewater	The project includes the following components: (a) Management Contract; (b) Investment Fund; and (c) TA for project implementation and sector reform.	LOAN	MUSD	13,7	6,84	04/09/03	31/12/09
WATER SUPPLY	World Bank	Integrated Water and Ecosystem management	The project includes the following components: (a) Constructed treatment(Durres, Lezhe/Shengjin) or evaluation (Saranda); (b) Rehabilitation of sewerage system (c) Management improvement of the Kune-Vaine Natural Reserve and Durres area..	Grant	MEUR	3,9	0,18	27/07/04	31/12/09

Source: (Adapted from) “Donor Coordination in Albania” website ([www.aidharmonisation.org.al](http://www.aidharmonisation.org.al)).

**Annex 8. Total annual revenues from various environment-related charges and taxes in Albania (all data in thousands of ALL<sup>\*</sup> ; actual values for the given year)**

	2002	2003	2004	2005	2006	
Air pollution charges	n/a	n/a	n/a	n/a	n/a	
Water use charges	n/a	n/a	n/a	n/a	2,186,648	
Wastewater charges	n/a	n/a	n/a	n/a	162,219	
Waste charges	495,303	648,387	787,000	900,000	936,000	
Soil / land use charges	n/a	n/a	n/a	n/a	n/a	
Mineral extraction charges	13,186	21,885	35,946	25,617	57,563	
Annual vehicle registration tax	511,317	16,091	0	0	0	
Annual tax for vehicles tonnage	1,079,646	1,177,264	1,214,363	15,330	0	
Mobility tax for foreign vehicles	279,357	278,227	434,245	549,312	579,284	
Tax for obtaining fishing permit	6,045	10,210	11,513	12,139	12,414	
Carbon tax on fuels	0	394,864	445,705	461,154	531,679	
Tax on plastic containers for beverages	0	127,300	131,788	124,087	139,222	
Import tax for used vehicles	1,174,311	1,545,156	1,493,554	1,478,817	1,815,215	
Tax for crossing the border of the Republic of Albania by plane	250,850	284,823	323,084	360,420	535,808	
Tax for landing, flying and stay of airplanes in Albanian airports	352,452	313,943	319,530	95,146	2,292	
Tax for flying over Albanian territory	1,107,672	1,029,514	1,684,565	248,017	0	
Harbor tax	443,111	466,491	481,976	457,472	469,472	
Tax on consumption of imported fuel	310,597	861,025	69,825	0	0	
Tax on consumption of domestic fuel	116,369	369,000	27,784	0	0	
Annual road tax for VAT taxpayers	93,884	205,942	11,740	652	1,022	
Road mobility tax	0	0	1,457,429	3,218,714	3,414,760	
Please note that the above revenues all go to the general state budget. The above mentioned charges and taxes can be considered environment related. All mentioned charges and taxes are collected by different institutions. Consequently, the table above does not represent revenues of the MPWTT.						
* ALL/USD, end-year exchange rates:						
2001	2002	2003	2004	2005	2006	2007
141.7	138.8	111.1	96.1	108.7	98.5	84.7

Source: ADA, 2008

**Annex 9. Total annual environmental expenditures by sector in Albania (thousands ALL\* ; nominal values for the given year)**

	2002	2003	2004	2005	2006	
Air (total)	n/a	n/a	n/a	n/a	n/a	
Water (total)	n/a	n/a	2,027,026	1,761,541	n/a	
Waste (total)	n/a	n/a	n/a	n/a	n/a	
Soil / land protection	n/a	n/a	n/a	n/a	n/a	
Nature protection / conservation	n/a	n/a	n/a	n/a	n/a	
Noise protection	n/a	n/a	n/a	n/a	n/a	
Environmental education and public awareness	n/a	1,637	113	1,500	n/a	
Monitoring and information systems (total)	18,201	9,544	19,367	35,307	19,013	
<i>of which:</i> Air quality monitoring	2,413	1,900	2,850	4,137	5,100	
<i>of which:</i> Noise monitoring	500	400	600	800	1,200	
<i>of which:</i> Water monitoring	3,428	2,200	8,369	21,070	5,100	
<i>of which:</i> Radon monitoring			600	700	600	
<i>of which:</i> Flora, fauna, habitat, ecosystem, forests and soil monitoring	11,860	5,044	6,948	8,600	7,013	
Research	n/a	2,232	8,000	1,400	n/a	
Local costs for internationally supported projects	n/a	n/a	13,128	1.507	n/a	
<i><b>Note:</b> Data above include expenditures made by MPWTT (to the extent data area available) as well as expenditures made by the Ministry of Environment, Forests and Water Administration, MEFWA (MEFWA data include in particular expenditures on environmental education and public awareness, monitoring and information systems, and Albanian co-financing of internationally financed projects). Because the data are scattered among different institutions, the data should be considered incomplete and provisional.</i>						
<i>* ALL/USD, end-year exchange rates:</i>						
2001	2002	2003	2004	2005	2006	2007
141.7	138.8	111.1	96.1	108.7	98.5	84.7

Source: ADA, 2008

**Annex 10. Total annual environmental expenditures (by sector) of the FYR Macedonian Ministry of Environment and Physical Planning Environmental Investment Programme (all data in MKD\* ; actual values for the given year)**

	2003	2004	2005	2006	2007	
Air (total)		2'581'170		2'500'000		
Water (total)		28'148'382	4'874'977	12'500'000	1'500'000	
...of which: water supply and sanitation			3'228'214	1'300'000	1'500'000	
...of which: wastewater treatment / sewage			1'646'763	11'200'000		
Waste (total)		7'546'170	647'520	6'000'000	28'797'130	
...of which: reuse / recycling						
...of which: incineration and other treatment						
...of which: disposal					8'329'048	
...of which: other expenditures related to waste management					20'468'082	
Soil / land protection		1'316'000		2'000'000		
Nature protection / conservation		5'589'376	840'980	4'000'000	4'520'000	
Environmental education and public awareness		2'813'878	535'472	1'560'000	5'347'712	
Monitoring and information systems		25'860				
Research			1'050'000	3'000'000	3'129'991	
Cleanup of accidents / emergencies				2'734'633		
Others (Preparation of LEAPs)				408'510		
TOTAL environmental expenditures	17'343'052	48'020'836	7'948'949	34'294'633	43'703'343	
*MKD/EUR, end-year exchange rates:						
2001	2002	2003	2004	2005	2006	2007
n.a.	n.a.	n.a.	n.a.	61.5	64.3	63.4

Source: ADA, 2008

