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Conservation of Biodiversity and Sustainable Land Use Management in Dragash  
project

**2011 Year Progress Report**

January to December 2011

Prepared For  
Government of Finland and project Steering Committee

Prepared by  
Maria Elena Zuniga – Project manager

V3 May 2012, 2012

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### Acronyms

|        |   |
|--------|---|
| SDA    | Sustainable development atlas                           |
| MDP    | municipal development plan                              |
| SCM    | Steering committee meeting                              |
| MESP   | Ministry of Environment and Spatial Planning            |
| MAFRD  | Ministry of Agriculture, Forestry and Rural development |
| MWG    | Municipal working group                                 |
| VWG    | Village working groups                                  |
| SNP    | Sharr National Park                                     |
| UNICEF | United Nations Children’s Fund                          |
| UNFPA  | United Nations Fund for Population                      |
| UNKT   | United nations Kosovo team                              |
| ERO    | Energy regulator office                                 |
| SEA    | Strategic Environmental Assessment                      |
| LEAP   | Local Environmental Action Plan                         |
| PA     | Protected Area  |
| SHPP   | Small Hydro Power Plant                                 |
| TOR    | Terms of Reference                                      |

### Executive Summary

#### Notable achievements of the project during the reporting period:

The area of the municipality of Dragash is now one of the best documented areas in Kosovo with respect to biodiversity and natural resources. This allows the national decision making process for the national Park, other donor cooperation projects and the municipality to develop concrete measures to support local development.

Under output 1, a substantial set of natural, social and economic resources assessments as well as data base have been produced and collected and introduced in a GIS platform allowing for the completion of the Sustainable Development Atlas (SDA). The Atlas is the basis for production of the development options and development scenarios for the MDP.

Biodiversity and related studies and assessments have allowed for technical/scientific definition of Sharr National Park borders and its zoning, which have been discussed with the technical counterparts at MESP - national park Directorate and Nature Protection Department. Ministry of Environment has sent draft Law proposal to the Parliamentarian committee for Agriculture, Forestry, Environment and Spatial Planning, for revision and approval.

Under output 2, community needs for training, focusing on improved economic activities, have been identified. 3 village projects, to be implemented under Art Gold, have been initiated and partially completed. A 4 days Visioning Workshop for the Municipal Development Plan with participants from whole Dragash Municipality was implemented and a preliminary vision has been compiled, a collection of pressing issues to be addressed in the MDP has also been completed. Based on this, the project has established relationship with ART Gold ILS LEDA programme to initiate the assessing establishment of a local development agency, for which a local products and value chains has been designed and discussed with local actors. Coordination with other donor agencies has taken place; Swiss development agency and MAFRD.

Under output 3: Strong interest of **the** communities in several areas in Dragash for energy efficiency and **SHPP** potential has been **realized and voiced** during field visits to several villages. Project has provided review of **SHPP** in the areas of the national park and suggested EIA to ensure environmental impacts are **considered and taken into account**. Energy efficiency audit has been carried out to **Dragash** hospital as well as assessment of needs to improve and finalize solar water heating system. Energy questionnaires have been developed for some 200 samples **and a** baseline study **was** prepared.

Under Output 4: Job descriptions for municipal staff positions are being completed and this will lead the way to implement a capacity development programme. Some activities have been initiated in 2011, training for energy efficiency for 1 municipal officer, purchase of 3 computers to transfer and train on GIS tool /capacity/ GIS license bought, and identification of training providers has been completed. At least two capacity development components for community based actors are developed; agro-forestry and women handcrafts upgrading skills.

#### New risks/challenges identified:

Ensuring active and substantive participation of the municipality in drafting the MDP appears to be a challenge. The practical involvement of the Municipality in the design process is crucial. This includes the Municipalities' contribution of relevant information as well as building the municipality's capacity for planning. With the help of the project the Municipality is about to complete the definition of roles and responsibilities for each department. This will be the basis to jointly discuss existing gaps in capacities and the drafting of a joint Capacity Development plan.

Coordination with different actors working in the Dragash region is also a relevant challenge that requires permanent coordination. In particular, the forests within the national park proposed zones seem to be a

matter of high disagreement between the Kosovo actors; MAFRD- Forest Agency / MESP, this lack of common approach may jeopardize the approval of the draft law for national park being discussed.

#### Overall progress towards project objective:

Project moves consistently towards achieving the targets set for the 1<sup>st</sup> year of implementation, some activities especially under output 2 and 4 have been prepared, but the implementation will only be possible in 2012. Complete systematization and analysis of village data and the completion of the Sustainable Development Atlas are the key elements to allow for the proposal of development options. SDA completed in draft. Overall implementation may be reaching 65 to 70% of the target for 2011.

AN important lateral achievement is the coordination mechanism established with other UN agencies and international donors. UNKT agencies such as UNICEF and UNFPA have initiated implementation of programmes in Dragash targeting children, women and other specific social groups. The coordination around nature tourism potential can strongly support the delivery of economic benefits for the Dragash community.

#### **Situational Background**

The project will address institutional capacity development needs and support policy implementation in key sectors including local economic development, social protection and environment, particularly biodiversity conservation in the Sharr Mountain region. It is primarily aligned with the UNDP Kosovo strategic outcome of “Sustainable development plans and policies regarding environmental protection, effectively responding to the need of stakeholders”<sup>1</sup>.

The purpose of this three-year project is to provide continuing support to the establishment of a sustainable development framework for Dragash/Dragaš municipality, one of the poorest municipalities in Kosovo, where biodiversity, valuable not only for Kosovo but also for the whole Balkan region, is a major asset. This project builds upon the results, achievements and problem analysis developed over a one-year preparatory phase project implemented by UNDP Kosovo, with funding from the Government of Finland.

The project promotes sustainable development focusing on: i) the conservation of biodiversity; ii) the re-establishment and development of improved local businesses based on sustainable use of land and natural resources; iii) environmentally sound energy services and sustainable development principles; and iv) improved capacities and empowerment of local governments, community leaders and women to promote development in collaboration with central level sectors.

Conservation of biodiversity in Dragash/Dragaš area can only be ensured in combination with improved livelihood of those communities living in the area. This should be based on sustainable development principles and gender equality, especially with regard to the use of land and natural resources, and on the provision of sufficient basic services. The proper zoning and border definition of the new National Park is therefore important. Targeting the development of the energy sector will also raise the capability of the community and municipality to ensure sustainable use of natural resources and support further business development. In addition, enhancing the capacities of local government and various stakeholders, especially women, to manage development in a sustainable manner is a key component for the short-, medium- and long-term success in Dragash/Dragaš.

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<sup>1</sup> “Kosovo” throughout the document refers to Kosovo under UNSCR 1244.

The project objective and results supports the Government of Kosovo in adhering to European standards and international frameworks, especially with regard to the protection of biodiversity, and enhanced environment and gender equality.

Strategic approach of the project:

Overall, the project aims to establish an effective framework for sustainable development in Dragash/Dragaš. All three cornerstones of the sustainable development framework - environment, economy and social development including modern forms of energy services - are embedded in the four project outputs. Environmental sustainability will be achieved through the conservation of biodiversity, and integrated water, waste and energy management. Economic development will be pursued through the establishment of a local economic development strategy, particularly through supporting the development of a market for local products and the certification for increased production and exporting beyond the region. Social development will be tackled in various ways – the technical capacity development of municipal officers and community leaders<sup>2</sup>, women empowerment through local action groups to promote environmental awareness, and community organisation and establishment of local economic development actions at the community level. On all fronts, the local development strategy (the Municipal Development Plan together with the local economic development strategy) in Dragash/Dragaš is and will be closely related to the Kosovo protected area system, namely through the Sharr National Park. The project will thus support the creation of capacities at the central level to conduct financial and management analysis and plans for the National Park.

#### **Evaluation of Progress during the Reporting Period**

*(Detailed summary table attached in Annex B shares development of each of the activities planned)*

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<sup>2</sup> Municipal capacity development has been identified by the municipality as a key component to ensure long term sustainability of project outputs.

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**Output 1 (reformulated). Plans and policies in place for the adequate conservation and sustainable land use management.**

**TARGET YEAR 2011- All planning-related processes initiated in close cooperation with relevant stakeholders, ensuring a substantial level of shared responsibility**

| Indicators 2010-2013                                 | Unit   | Baseline                               | Target  | Means of verification                                 | Status   |
|--|--|--|---|---|--|
| 1.1 Protected area in Dragash                        | ha   | none                                   | 22,000  | Sharr National Park law                               | 25,000 has proposed in extension of SNP                                |
| 1.2 Relevant plans in place                          | MDP, Economic Dev Strategy, Water, swage, Waste                    | None, or outdated                      | MDP, Economic Dev Strategy, Water, swage, Waste | publication on municipality website                   | Being produced   |
| 1.3 Institutions using Sustainable Development Atlas | MESP, Nat Park Directorate, Municipality                           | No consistent spatial data available   | MESP, Nat Park Directorate, Municipality        | publication on MoESP website incl. reference to users | Partial data sets have been transferred to MESP, Nat. Park Directorate |
| 1.4 Participants in consultation/planning events     | <i>disaggregated by stakeholders - organisation, level, gender</i> | <i>No consistent registry in place</i> | 500   | <i>Attendance lists</i>                               | <i>100 attendees recorded</i>  |

*Overall progress achieved against identified targets and indicators for Output 1:*

Progress:

**Target 2011 Achieved with restrictions.** Project has succeeded in initiating all planning processes; MDP has been advanced (visioning, structure outlined, key issue analysis, SDA resources mapping); Water, waste water and waste, master plans have been initiated and fairly advanced. It has not succeeded in sharing responsibility with municipality, heads of departments and the municipal core planning team. The municipality's current capacity has not allowed taking responsibility on its own for any of the components of the process (like the provision and /or support in gathering relevant data).

Sustainable Development Atlas being completed with input of several national experts and necessary field work (exp. Biodiversity, Water Resources and Village Economic potentials). Municipal Development Plan (MDP) process being developed as per work plan, included a participatory Visioning workshop – the first time that key village representatives discussed together with the national Ministry and the Municipality. Census population data are still missing but their collection is organised at the moment. The census data are substantial to define population projections for all of the MDP development scenarios.

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### Changes Affected:

Relevant new information has been created, thus allowing for planning decisions to be made at present (borders and zoning of National park) and in the coming semesters (land use development options for the MDP – Conservation, protection, restoration or development areas, can now be zoned) based on a scientific approach and on relevant information.

Participatory planning through Visioning workshop and Village Working Groups (VWG) have allowed for some 100 participants to learn about the SDA findings. Participation of women has been a challenge as this region is very conservative and they tend to ban the participation of women.

### **Output 2. (Reformulated) Plans and capacities developed for improved livelihoods**

TARGET 2011: All activities described (new small grants program for economic and environmental development, recycling business oriented initiatives, and ART GOLD decentralised cooperation) are launched and initiated, and the community is involved in tackling development actions

| Indicators 2010-2013   | Unit                       | Baseline                        | Target  | Means of verification                              | Status                               |
|--|----------------------------|---------------------------------|---|--|--------------------------------------|
| 2.1 Local economic development (LED) strategy updated & improved | LED                        | Current LED is outdated         | Updated by 2012 for 2012 -2016                    | Publication in print & municipal website           | Advanced, resources mapping in place |
| 2.2 % of entrepreneurs participating in producers association    | %                          | 0 association, 854 SMEs in 2009 | 10% SMEs registered in local business association | Registration & registry at the chamber of commerce | Not advanced                         |
| 2.3 Local producers passing certification tests                  | Number by field and gender | Unknown trained producers       | 150   | Certification records                              | Not advanced                         |

### Progress:

**Targets partially achieved.** MDP and the economic development strategy are being developed with participation of the local people. The resources mapping implemented through village questionnaires is integrating into the development options the needs and demands by the local communities, and a clear quantifiable indication of the use of the local resources.

The most relevant achievements under this output refer to the inclusion of participatory planning at community level. The communities are now being informed on the process of planning. Project is now integrating 5 more villages totalling 10 were the participatory planning takes place. The Village Working Groups (VWG) are not only running a planning cycle, but also being provided training based on the demands and opportunities identified in the SDA. At least 2 capacity development programmes have been designed (establishment of handmade business opportunities for women in Dargash, and, Establish and increase the production capacity of seedlings and managing skills for a nursery for agro-forest production at local level in Dragash) and several trainer providers contacted

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Changes Affected:

Relevant new detailed information has been created at the village level, thus allowing understanding what resources the community utilizes and for what. This is a strong basis for deciding how small grants for promotion of livelihood improvement can be implemented. It is now clear in which villages there are better opportunities due to stronger leadership and organization, where there is a strong demand based and where there is larger specialization in relationship to existing resources. Village characterizations for all 36 villages have been developed allowing also to feed the planning process.

**Output 3. (Reformulated) A sustainable energy strategy and capacities for its implementation developed**

**TARGET YEAR 2011- Consensus reached with local and central stakeholders on basic concepts for decentralised energy provisions. Basic data collected for consensus building and decision making, and, basic analysis for legal and administrative frameworks completed**

| Indicators 2010-2013   | Unit             | Baseline | Target          | Means of verification                     | Status  |
|--|------------------|----------|-----------------|---|---|
| 3.1 Energy strategy approved                                       | Yes/no           | none     | Energy strategy | Published in print & on municipal website | Basic information in place to draft a strategy  |
| 3.2 renewable resource pilots (micro-hydro; wind; solar; bio fuel) | Number of pilots | none     | 4               | Project reports                           | 1 solar heating system being completed-hospital |
| 3.3 Trained staff in municipality                                  | Number           | none     | 1               | Project reports                           | 1 municipal engineer is receiving training      |

Progress:

**Targets have are mostly achieved:** Discussions with ERO and MED have taken place on how energy provisions will be decentralized, it is still a pending discussion at the local level. This will be main target for Q1 2012. As per data, this has been collected and basic analysis for legal and administrative frameworks have been completed.

Changes Affected:

The information about energy and renewable energy potential is crucial to assess the potential support of local development. One of the main issues it to reduce the burden on forests. This has been shared with Municipal officers and community. A great interest and shift of minds in regards to recognise and value the renewable energy potentials and energy saving techniques is taking place. People where not at all aware of energy potentials and its impact to local development.



**Output 4 .** Relevant mechanisms and capacities are developed within the municipality for the promotion of sustainable development  
**TARGET YEAR 2011-** Municipal capacity development assessment conducted, and agreement reached on proposed action plan. All other activities initiated.

| Indicators 2010-2013                                    | Unit    | Baseline                              | Target  | Means of verification                              | Status  |
|---|---------|---------------------------------------|---|--|---|
| 4.1 municipal capacity assessment developed             | Yes/ no | 1 general assessment produced by MLGA | Assessment completed by Q1 2012, implementation throughout 2012-2013  | Publication in municipal website or project report | Concept for capacity development produced; assessment pending                                       |
| 4.2 capacity development plan implemented               | Number  | none                                  | 16 municipal officers and 10 community groups   | Trainees certificates                              | 2 capacity development concepts produced (agro-forestry +handmade business opportunities for women) |
| 4.3 Environmental financing mechanisms studied/designed | Yes/no  | none                                  | torism tax, park entrance fees, water usage tax, payment for ecosystem services, carbon sequestraion credits types are analyzed | Projectreport, municipal publication               | Not initiated   |

Progress:

Assessment of capacities has been initiated; a definition of job descriptions for all municipal posts by the municipal administrator was produced. These job descriptions did not exist and now they will allow the completion of the capacity needs assessment. An assessment of the needs of skills training for local (village based) micro and small enterprises was drafted and discussed with village representatives and village working groups and is now the basis for planning and implementation.

A proposal has been drafted on how to move along three mayor areas of capacity development vis a vis the new planning instrument being produced, the MDP.

Changes Affected:

At this stage not many changes have impacted the municipality or the communities, changes are to take place once capacity development is initiated consistently. Needs for capacity development in productive sectors at the community level has been produced, as well as identification of training providers. This will allow for implementation and will have a direct impact on capacities.

### **Gender Mainstreaming**

Impacts of the project are same for men and women, planning framework affects both equally. The project is trying to strengthen the participation of women in all components. It is trying to ensure that there is a presence of women in all activities particularly in all planning related processes. This project effort is a challenge for the local culture by which women are not expected to be active social participants. The Visioning workshop (September 2011), has demonstrated that women do appreciate their involvement and are more than able (and qualified) to substantially contribute to the MDP and business development activities. Under output 2 a specific target group is women and the improvement of women's economic conditions. Special efforts are being made to set up a sub-project to enhance women's art crafting skills in a way that they can be upgraded and participate actively in the local economy.

### **Partnerships**

The project is undertaking serious efforts to coordinate with all donor initiatives, projects and programmes acting in Dragash region and beyond. It has developed a stakeholder analysis and a working relationship with most - if not all - trying to ensure that there is no duplication of efforts and that lessons learnt as well as relevant material results produced are shared with all relevant actors at all levels.

At present efforts are made to effectively coordinate with all other implementing organizations, In particular Dragahs project works in close cooperation with the Belgium funded ART GOLD initiative.

### **Challenges, Responses and Lessons Learned**

- Ensure active participation of municipality in drafting the MDP, and ensure positive attitude of municipal officers towards learning process and participation of the citizens and civil society organisations.
- Organizing the business sector/business association with involvement of municipality and LAG (local action group), to ensure sustainability of the tourism and economic strategies.
- Providing a strong consistent package of capacity building/training and small grants for business and innovative productive development in coordination with existing actors
- Promote and consolidate village organization structures/ village councils as a basis for sustainability, i.e. Village Working Groups of the Art Gold programme in Dragash
- Expansion of the Sustainable Development Atlas and village questionnaires (resources/ resources use mapping) to the entire Sharr Mountain region appears to be a key task (asked for by the Ministry) to ensure that project can deliver a national park management plan. A National Park management cannot be effective and implementable; if there is no understanding of the sustainable use of natural resources by the people/communities and if local people don't gain any added value from a National Park.

With regards to the project's relevance;

- There have been no changes impacting the project rationale. The adherence of the UNKT approach towards supporting Dragash municipality and to work in close coordination with Dragash project is seen a big added value.
- As explained in Q2 report, a significant change appears in the approach of ensuring that capacity building is brought to the active Village working groups and community, to ensure economic development actions become sustainable. Q2, 2011 report is available at UNDP Website:

## **Annexes**

**Annex A            Financial Report**

**Annex B            Summary table: PLANNED 2011 AND DELIVERED ACTIVITIES – July to September 2011**

Annexes to be provided in separate table

|             |  |
|-------------|--|
| Annex 1     | Status of SDA maps + SDA Structure   |
| Annex 2     | Vision report  |
| Annex 3     | Key Issue Analysis   |
| Annex 4     | Note on LEAP   |
| Annex 5     | SEA-LEAP-MDP   |
| Annex 6     | Water, Waste water and Sewage Master Plan – WORK PLAN                        |
| Annex 7     | SNP Management plan process for 2012   |
| Annex 8     | Recommendations for SNP management planning- Mike Appleton                   |
| Annex 9     | Recommendations for management and financial planning of SNP – Marlon Flores |
| Annex 10    | TOR for PA economic valuation study  |
| Annex 11    | Activities for women community strengthening initiatives                     |
| Annex 12    | Business opportunities for women   |
| Annex 13    | Community based capacities for seedling and nursery production               |
| Annex 14    | Local products value chain workshop  |
| Annex 15    | Energy Baseline summary report   |
| Annex 16    | Engineering plan/design for revitalization indoor hospital hot water system  |
| Annex 17    | Energy auditing report   |
| Annex 18    | On SHPP in National Park   |
| Annex 18 b. | Location of small HHPP in Dragash  |
| Annex 19    | Dragash Tourism Potential Analyses   |
| Annex 20    | Draft Tourism Strategy- MDP  |
| Annex 21    | Lake Shutman Hiking Path Case Study Brod                                     |
| Annex 22    | Application for Village participatory planning exercises                     |
| Annex 23    | Art Gold Dragash joint implementation report 2011                            |

## Annex A Financial Report

Project Number: 00076321

Project Title: Conservation of Biodiversity and Sustainable Land Use Management in Dragash/s

Designated Institution: United Nations Development Programme Kosovo

Duration: January 2011 - December 2011

Currency: USD



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|  |                           |
|--|---------------------------|
| <b>Activity 1 (Spatial Framework)</b>    | <b>Total Expenditures</b> |
| <b>Total:</b>                            | <b>373,640.30</b>         |
| <b>Activity 2 (Economic development)</b> | <b>Total Expenditures</b> |
| <b>Total:</b>                            | <b>100,881.27</b>         |
| <b>Activity 3 (Energy strategy)</b>      | <b>Total Expenditures</b> |
| <b>Total:</b>                            | <b>101,720.79</b>         |
| <b>Activity 4 (Capacity development)</b> | <b>Total Expenditures</b> |
| <b>Total:</b>                            | <b>17,214.05</b>          |
| <b>Activity 5 (Management cost)</b>      | <b>Total Expenditures</b> |
| <b>Total:</b>                            | <b>322,298.07</b>         |
| 75100 - Facilities & Admin 7%            | <b>67,635.00</b>          |
| 72400 - Communication 1%                 | -                         |
| <b>Total expenditures</b>                | <b>983,389.48</b>         |

Note: This figure represents the official book accounts closed by March 2012

|                                    |
|------------------------------------|
| Other Contributions to the project |
|------------------------------------|

**Financial Contribution:**

|  |                    |
|--|--------------------|
| UNDP project "Art Gold" - Belgium funded | <b>\$82,265.85</b> |
| UNDP New York- Innovative approaches     | <b>\$5,000</b>     |
| <b>Total:</b>                            | <b>\$87,265.85</b> |

**In Kind Contribution**

|  |                                    |
|--|------------------------------------|
| In kind contribution by UNDP                 | Two 4x4 vehicles & 1 generator     |
| In kind Contribution by Municipality Dragash | Project office space and Utilities |

Signature:   
Arbnesha Miftari, UNDP Head of Finance

Signature:   
Maria Elena Zuniga, Project Manager

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# Annex B Summary Table:

| Annual Work Plan 2011 versus AChivements  |   | Land Use Management in Dragash   |                |    | Conservation of Biodiversity and Sustainable   |   |
|---|---|--|----------------|----|--|---|
| 01  | PLANNED ACTIVITIES  |  | ACCOMPLISHMENT |    |  |   |
|   | Activity Results  | Activity Actions   | YES            | NO | PARTIAL  |   |
| Output 1: Plans and policies in place for the adequate conservation of biodiversity and sustainable land use management   | 1.1) Short- and long-term biodiversity studies conducted to ensure all basic scientific data and required information is in place to allow for establishment of conservation targets and zoning.  | 1. Agree with MESP on TORs for biodiversity studies on Dragash territory with regards to inventory of flora and fauna, geographical, geomorphological, hydrographic, hydrologic features, in coordination with the sustainability atlas.                     | X              |    |  | Flora fauna, forests and solid assessments completed (plant eco profiles, Birds, Butterflies, Ecological water quality, rare species)   |
|   |   | 2. Implement field studies and prepare final report and recommendations  | X              |    |  | Field studies for plants, rare species, soil bonity and forest inventory  |
|   |   | 3. Discuss with MESP the content of the social economic and ecotourism studies that will be part of the MDP and also used as part of the profile assessments for Sharr National Park profile   | X              |    |  | MESP has approved suggested structure of content of MDP   |
|   | 1.2) Finalization and adoption of the MDP, through participatory planning approach with particular attention given to the participation of women and minorities in the process.   | 1. Run the analysis of environmental functions and prepare the sustainability atlas  | X              |    |  | SDA is farly completed for all sectors, pending on demography study for population projection <b>Annex 1 -</b>  |
|   |   | 2. Detailed TORs for MDP chapters designed and discussed with Municipality/MESP ensuring integration of the Sustainability Atlas findings  | X              |    |  |   |
|   |   | 3. Launch and run the completion of the MDP according to TORs  | X              |    |  | Vision for Development completed <b>Annex 2</b> , Key Issue analysis drafted <b>Annex 3</b>   |
|   |   | 4. Advance ecotourism strategy : finalizing ecotourism hiking maps and guide for publishing-Discussing strategy components with Municipality   | X              |    |  | Nature based tourism strategy has been drafted- hiking guide published- <b>Annexes 19, 20</b>   |
|   | 1.3) Legal status assessment on land ownership issues developed, particularly with regard to the SOE land over which both the municipality and PAK have claims.   | 1. Discuss assessment with municipality and community, decide on any further action to support community protect their rights - possibly a cadastre review at village level where possible together with Municipality and PAK                                |                |    | X  | Assessment produced, municipality does not find it useful to discuss with community or other actors   |
|   | 1.4) A municipal environmental action plan developed, with the aims of tackling pollution contamination, biodiversity degradation, ensuring municipal capacity in the monitoring of environment and biodiversity protection indicators, and, over time, strengt | 1. Discuss and agree with municipality and MESP on the content of the LEAP according to official guidelines being produced by MESP (water, sewage, waste, contamination, degradation, energy efficiency, conservation of biodiversity, air pollution, etc).  |                |    | X  | LEAP content has been clearly described in the specific legal instruments. <b>Annex 4, Annex 5. Water, waste watre and sewage management plans are being put together, 2 experts working on completion of the plan. Annex 6</b>                                 |
|   | 1.5) A capacity development and awareness-raising campaign developed through a participatory approach to ensure the adoption of the environmental action plan (EAP).  | 1. Strategy on how to instal capacity for monitoring the environment/ LEAP at local level through municipality must be assessed and plan drawn for implementation as early as possible and in parallel to the design of LEAP                                 |                | X  |  | These activities have to be undertaken once we know who from within municipality has the responsibility to monitor and follow up on environmental issues. As for today municipality does not take responsibility for water or sewage - it is thatof water compa |
|   |   | 2. Based on EAP components, design and agree on a awareness raising strategy/plan, working with different sectors of community- private business, education and general public. Possibly targeting a radio and communication campaign.                       |                | X  |  |   |
|   | 1.6) A municipal waste management strategy to tackle waste and sewage treatment and disposal developed, including possibilities of recycling and other business-oriented solutions through a decentralised cooperation programme, with a compensation mechanism | 1. Setting up IWM (integrated waste management) working group with municipality and regional waste company to discuss and put together a IWM plan and strategy together (including other stakeholders GTZ- USAD MESP)  |                |    | X  | Water, waste watre and sewage management plans are being put together, 2 experts working on completion of the plan. <b>Annex 6</b>  |
|   |   | 2. Designing a recycling program to include separation of waste at origin from households and businesses and an incentive and promotion plan. This will include researching on recycling activities and companies in south Kosovo and discussing on business |                | X  |  |   |
|   | 1.7) Studies to identify and design financial mechanisms and public funding instruments to better support the management of the National Park conducted.  | 1- Apply the "Financial sustainability/scorecard"-UNDP to assess the issues of PA finance at the system level of the National Park conducted.  |                | X  |  | National Park management plan has to be in place to assess finances of the PA system  |
| 1.8) National park management, financial and business plans, including roles, responsibilities and benefits for the local government and community, developed by the national park authority with support from IUCN and UNEP.                                   | 1. Discuss and agree with NSP Directorate the content of the SNP management plan.   |  | X              |    | Project will take over the guidelines for management plan produced by the Austrian twining proect and will work in getting the participatory process running during 2011. <b>Annex 7</b>                                 |   |
|   | 2. Discuss and agree with national park Directorate and MESP the development of financial plan for the Kosovo protected area system   |  | X              |    | recommendatons where passed in Experts report on finances , <b>Annex 8, Annex 9</b>  |   |
| 1.9) A trans-boundary cooperation strategy developed by the municipality with support from MESP, IUCN and UNEP.   | 1. Ensure coordination with UNEP and IUCN is taking place and that programme activities are implemented - jointly with MESP and municipality  |  | X              |    | Working with UNEP to have a common strategy for a trinational national park between Kosovo, Albania and Macedonia  |   |
| 1.10) Fundraising and research to support implementation of financial mechanisms (such as a trust or revolving fund, entrance fees, tourism tax, among others) for the National Park management costs completed, including the development of an economic evalu | 1. Ecosystem service economic valuation study discussed and initiated, to make the case for biodiversity protection and increase of funding for PA system   |  |                | X  | Postponed for 2012, Tors for economic study have ben drafted. <b>Annex 10</b>  |   |
| 1.11) Law enforcement strategy developed with relevant central and local authorities and the community to stop illegal land use, logging, hunting, overharvesting and construction, focusing on the identification of community roles in protecting natural and |   |  | X              |    | can only be addressed once the MDP and its regulatory framework is set up.   |   |
| 1.12) Women, minorities and vulnerable groups involved in assessing the needs and formulating concrete actions to monitor and improve the quality of drinking water and related health and livelihood problems in collaboration with the municipality and relev | 1. 2. Support municipality in assessing the drinking water supply system and develop a strategy for improved drinking water services designed and discussed with stakeholders ( may include assessing integrated investments in drinking water with wastewat    |  |                | X  | Chaged to Establishment of a Activites for Women-led Community Strengthening Initiatives <b>Annex 11</b><br>Activity 1 designed is Establishment of handmade business opportunities for women in dragash <b>Annex 12</b> |   |

| O2  | PLANNED ACTIVITIES  |   | ACCOMPLISHMENT |    |         | Comments  |  |
|---|---|---|----------------|----|---------|---|--|
|   | Activity Results  | Activity Actions  | YES            | NO | PARTIAL |   |  |
| Plans and policies in place and capacities developed to for improved the livelihoods  | 2.1) Small grants scheme implemented for sustainable local businesses, focusing on market development and compliance with international standards.  | 1. Ensure coordination with other initiatives and partners acting in Dragash takes place: GTZ, MAFRD, FAO, Agroforestry InterSilva etc.   |                | X  |         | postponed for 2012, to be implemented as local economic development approach is developed. Several actions and discussions have been undertaken, with GIZ on sheese production and quality improvement, a detailed mapping of sheese producers is needed. A v |  |
|   | 2.2) Business initiatives based on recycling and organic waste researched, developed and linked to large initiatives and policy in Kosovo; market potential from integrated waste management programme created.   | 1. Following up on decisions and workplan by WG some smallscale initiatives can be implemented- matching funds need to be found   |                | X  |         | master plan needs to be in place and awareness raising campaign have to be developed in parallel. Several initiatives are being studied but project has nohad the capacity to fully implement. As restelica village has been connected to waste collection, n |  |
|   | 2.3) MAFRD agricultural and forest policy implemented in manner compatible with conservation and protection of biodiversity and natural resources, sustainable management of forest protected areas further improved, and capacities at local level developed t | 1. Establish cooperation with USAID-KPEP project in regard to forest certification process ongoing in Koritniku (Dragash region) management unit specially in community rights and community benefits and contributions |                |    | X       |   | Not achieved. Ther has not been space for joint work as they focus on the public forest. Spile thisproject has identified needs of the community in regards to forestaion in Koritnik mountain and theimeed for training on how toplant trees, this is being p   |
|   |   | 2. Design a strategy to integrate the related forestry and agriculture activities to the broader MDP development strategy   |                |    | X       |   | Forest assessment has been finalized and agriculture land use has been mapped, strategy will be embedded in the development strategy   |
|   |   | 3. Ensure the engagement of local community in forest programs like pre- commercial thinning.   |                |    | X       |   | Community has requested agro forestry capacity development , an opportunity has ben spotted with communities in Koritnik mountain region - most biodiverse and possibly a PA. draft proposal presented by Intersilva Agrovet to develop component 1 of the Conca |
|   |   | 4. Work together with Ministry, Municipality and community in aforestation programs, where together with community we will identify potential sites for aforestation  |                |    | X       |   | Local Biodiversity action plan provide generalindicatio of two regions to aforestation, MDP development options will further explore potential sites. Project has produced a avalanch risk assessment map, with clear indication of where reforestation is nee   |
|   | 2.4) New capacities for improved local businesses developed in Dragash/Dragaš through the ART GOLD decentralised cooperation mechanism.   | 1 Design and Implement village project initiatives  |                | X  |         |   | 5 projects have been developed, Restelica, bellobrad and Brut projects are completed, reported in Q3. New vilages to be incorporated.Application forms designed. <a href="#">Annex 22</a> & <a href="#">Annex 23</a>   |
|   |   | 2 Further develop decentralized cooperation actions(italy, Turkey - Waste, ecotourism, education, rural agricult dev.)  |                |    | X       |   | Not accomplished. ART initiative was not successful in achieving the objective of mobilising potential international decentralised cooperation actors for follow-up action in Municipality of Dragash. The quick impact projects, which were welcomed and perce  |
| 2.5) A local business strategy and unit developed in agreement with the municipality, and capacities of local actors developed (ex. certification of products, market development and training centre). | 1. Ensure that Local Action Group is strenghtend to paly a sustantive role in implementing local development strategy, in coordination with MAFRD   |   | X              |    |         | Workshop to initiate discussions for local business association with support of Kosovo chamber of commerce is planned for early 2012. <a href="#">Annex 14</a>  |  |
| 2.6) Strategies for inter-ethnic and women's business activities developed and connected with the local business network and market.  | 1 Design and implement capcity building business oriented training at vilage level  |   |                | X  |         | See comments on activity 1.12   |  |
| O3  | PLANNED ACTIVITIES  |   | ACCOMPLISHMENT |    |         | Comments  |  |
|   | Activity Results  | Activity Actions  | YES            | NO | PARTIAL |   |  |
| A sustainable energy strategy and implementation capacities in place  | electricity generation and distribution in the DRAGASH Municipality   |   |                |    |         |   |  |
|   | 1. integrate municipality into governmental and commercial initiatives for electricity generation and distribution  | 1.Design and populate municipal energy resource database, focusing on renewables  |                |    | X       |   | availability of data in MEM and Hydro-Meteorology Institute is limited, data from international institutions will be obtained in due course  |
|   |   | 2. Develop municipal energy balance and forecast. A energy consumption survey may be conducted.   |                | X  |         |   | report available on 15 December 2011, ( <a href="#">Energy Baseline summary report, Annex 15</a> )   |
|   |   | 3. Advising ERO and MED for an municipal electricity supply strategy  |                |    | X       |   | ongoing for 2012/2013  |
|   |   | 4. Develop a municipal electricity generation strategy and implementation programme   |                |    | X       |   | under responsibility of ERO, which is advised by the project   |
|   |   | 5. Provide capacity development – on-the-job, training, study tours (1 trip abroad 3 persons)   |                |    | X       |   | National Energy Consultant is working under permanent guidance of the Senior Energy Advisor, 2 experts participated in training seminar on biomass use   |
|   | 2. support privatisation of electricity generation below 10 MW (hydropower and wind) in cooperation with Energy Regulatory Office   | 1. integrate electricity generation and supply (SHPP and Windparks) to village working group agenda   |                |    | X       |   | ongoing for 2012/2013  |
|   |   | 2. advise ERO for drafting a PPA template for ESCOs (hydro, wind)   |                | X  |         |   | postponed to 2012 because of lack of data for site analysis  |
|   |   | 3. invite and review business plans of applying ESCOs with ERO  |                |    | X       |   | public hearing of bidding company with municipality assembly attended, site analysis of proposed sites reviewd, environmental impacts under assessment   |
|   |   | 4. develop models for local partnership with ESCOs (e.g. land owners as leasing partners, etc)  |                |    | X       |   | discussed with local working groups Brod and Restelica ongoing for 2012/2013   |
| 5. balance fee revenues and profitable installation, operation and management of power plants and propose incentives for private sector if needed   |   |   |                | X  |         | postponed to 2012 after process of concessioning for Hydro and Wind power generation by ESRO is resumed   |  |

| O3   | PLANNED ACTIVITIES  |                  | ACCOMPLISHMENT |    |         | Comments   |
|--|---|------------------|----------------|----|---------|--|
|  | Activity Results  | Activity Actions | YES            | NO | PARTIAL |  |
|  |   |                  |                |    |         |  |
| 3. improvement of technical and service quality control of commercial ESCO operation of power plants in cooperation with ERO   | 1. In coordination with ERO, identify information needs and assessment on local quality of electricity supply, identify potential targets and plan for improved quality services and standards  | X                |                |    |         |  |
|  | 2. Design and conduct survey on quality of electricity supply (technical parameters, reliability)   | X                |                |    |         | part of energy baseline study, report available 15 December 2011, <a href="#">Annex 15</a>   |
| 4. baseline study and forecast on municipal electricity supply available.  | 3. in cooperation with ERO, identify demand and programs for capacity development and strategy for quality control of electricity supply by ESCOs   |                  |                |    | X       | subject of permanent consultation with ERO, to be continued 2012   |
|  | 1. conduct baseline study and forecast on municipal electricity supply available.   | X                |                |    |         | baseline study finalized, report available 15 December 2011, <a href="#">Annex 15</a>  |
| 5. political discussion with MED and ERO about planning private SHPP and Wind Farms in DRAGASH independent of Zhur decision. Wind and hydro data available with MED and ERO and Municipality should be released and analysed by UNDP project | 1. presentations of alternatives and about pro and con of Zhur HPP  |                  |                | X  |         | taken out of responsibility of the project, indirect discussions with MED continue   |
| 6. Potential sites for a SHPP and Wind Farms (P<10 MW) in the municipality identified and evaluated (and included in GIS mapping), aiming to support private investment and business development in the municipality.                        | 2. Identification and pre-assessment of investigated hydropower and wind potentials available in the municipality of Dragash; coordination with MEM is required   |                  |                | X  |         | Hydropower sites proposed by Municipality and private investors, environmental impacts under assessments, letter of concern sent to Min Environment and Spatial Planning, <a href="#">Annex 13</a> |
|  | 3. Assessment of identified small hydropower and wind potentials for private local investment by Village Working Groups   |                  |                | X  |         | discussion with local working groups of Brod and Rasteica took place and will continue in 2012   |
|  | 4. advising ERO for inviting LOIs for installation and operation of hydro and wind power generation plants  |                  | X              |    |         |  |
| 7. demand/supply analysis and additional generation capacity for DRAGASH municipality developed  | 1. identification of demand and potential for additional RET based electricity generation capacity in Dragash Municipality with regard to resource data base in cooperation with Village Working Groups   |                  |                | X  |         | results of baseline study indicate demand, data have to be acquired, discussion in local working groups continue in 2012   |
| <b>Thermal Energy Service, Demand Side Management and EE measures in DRAGASH Municipality</b>  |   |                  |                |    |         |  |
| 8. A municipality plan for solar thermal applications for clinics, schools, community service and subsidies for private households is in place   | 1. Identification of the potential for solar thermal applications for Dragash   | X                |                |    |         |  |
|  | 2. Identification of the objects (clinics, schools, community service) for implementation of solar thermal energy   |                  |                | X  |         | Solar Thermal Collectors installed at Dragash Hospital, some more clinics and schools identified   |
|  | 3. Awareness raising and education on using the solar thermal energy, study trips, best practices in similar conditions   |                  |                | X  |         | detailed information on advantages of solar thermal energy provided during visioning workshop, training seminars for installation companies and users will be conducted 2012                       |
|  | 4. Implementation of the solar thermal installation projects (5 demo projects in hospital, mosques)   |                  |                | X  |         | Solar Thermal Collectors installed at Dragash Hospital, some more clinics and schools identified, <a href="#">Annex 16</a>   |
|  | 5. Capacity building of local technical staff on monitoring the utilization and maintaining of implemented solar thermal projects - learning by doing   |                  |                | X  |         | first auditing team will provide an information workshop to staff of audited objects (Dragash Hospital and UNDP buildings in Pristin) in December 2011 or Jan 2012                                 |
| 9. framework for identification of local companies with experience in energy service technologies is established   | 1. Identification of the field/objects where could be implemented energy service technology   |                  |                | X  |         | under permanent discussion with local working groups   |
|  | 2. Identifying the local companies interested on energy services  |                  |                | X  |         | under permanent discussion with local working groups   |
|  | 3. Know-how exchange with practical examples, seminars, study tours   |                  |                | X  |         | postponed to 2012 because of late start of the Energy Component (June 2011)  |
| 10. strategy for demand side management and EE measures for decreasing specific energy demand is in place for the municipality, including auditing by certified auditors.  | 1. Identification of the potential for energy savings for public sectors, energy auditing of public buildings   |                  |                | X  |         | auditing of Dragash Hospital and UNDP Buildings in Pristina finalized and report of the auditing team submitted before end of December 2011, <a href="#">Annex 17</a>                              |
|  | 2. Promote high efficiency building practices   |                  |                | X  |         | to be continued in 2012 based on lessons learnt during first auditing exercise   |
|  | 3. Identification of the potential for energy savings for private households, energy assessment on home lighting  |                  |                | X  |         | presented during visioning workshop and discussions with local working groups, to be continued in 2012 based on lessons learnt during first auditing exercise                                      |
|  | 4. Encourage the transition from incandescent lighting to more efficient lighting in the households   |                  |                | X  |         | presented during visioning workshop and discussions with local working groups, to be continued in 2012 based on lessons learnt during first auditing exercise                                      |
|  | 5. Developing the awareness and education materials   |                  |                | X  |         | developed and used during training of baseline interview teams   |
|  | 6. Promote energy efficiency awareness and education  |                  |                | X  |         | started during visioning workshop and discussions with local working groups, to be extended to school teachers and local enterprises in cooperation with GIZ during 2012                           |
| 11. capacity development and training for energy service providers (operators for wind and hydro powerplants), solar thermal installation companies, and EE measures are scheduled and training material is developed                        | 1. Developing the training materials  |                  |                | X  |         | postponed because of late start of Energy Component (June 2011)  |
|  | 2. Training for energy service providers on HPP   |                  |                | X  |         | postponed because of late start of Energy Component (June 2011)  |
|  | 3. Training for energy service providers on wind energy   |                  |                | X  |         | postponed because of late start of Energy Component (June 2011)  |
|  | 4. Seminars, workshops for local villages groups  |                  |                | X  |         | postponed because of late start of Energy Component (June 2011)  |
|  | 5. Projects on implementation of EE measures in public buildings  |                  |                | X  |         | postponed because of late start of Energy Component (June 2011)  |
|  | 6. Projects on implementation of EE measures in private households (replacing the incandescent lamps with efficient compact fluorescent lamps)  |                  |                | X  |         | postponed because of late start of Energy Component (June 2011)  |
|  | 7. Monitoring the implemented projects  |                  |                | X  |         | postponed because of late start of Energy Component (June 2011)  |
| 12. The legal and administrative framework and responsibilities for electricity supply and other energy related activities are analysed and put in a transparent organigram, to be endorsed by Central and Municipal Authorities             | 1. Analysing the administrative framework and responsibilities for electricity supply and other energy related activities. Analysing existed official documents and studies on EE and using the RET for Kosovo for central level and for municipal level. S | X                |                |    |         |  |

| O4  | PLANNED ACTIVITIES  |   | ACCOMPLISHMENT |    |         | Comments   |   |
|---|---|---|----------------|----|---------|--|---|
|   | Activity Results  | Activity Actions  | YES            | NO | PARTIAL |  |   |
| Relevant mechanisms and capacities are developed within the municipality for the promotion of sustainable development   | 4.1.1) A capacity development demand assessment and coaching programme for municipal areas related to sustainable development developed and the Municipality is motivated to implement. | Workshop to motivate the municipality and to select needed and accepted skills training offers  |                |    | X       | A concept has been produced, workshop is pending   |   |
|   | 4.1.2) Municipality improved their institutional capacities for implementing the Municipal Development Plan.  | Selection of training providers for the selected capacity building programmes and development of training courses   |                | X  |         |  | completed reported in Q3  |
|   |   | Implementation of skills training   |                |    |         | X  | 2 projects for skills training at community level drafted- Agro forestry , and women business capacities based on handmade products. <a href="#">Annex 13</a> , <a href="#">Annex 14</a>                                      |
|   | 4.3) Tools and processes to monitor and implement sustainable development established.  | Implementation of exposure visits to raise awareness on rural tourism, regional marketing and business development and rehabilitation of infrastructure and optimisation of services  |                |    |         | X  | Postponed spring 2012- suggested Unesco Biosphere reserves  |
|   |   | 1. According to MDP development strategies, design capacity building programme for the relevant departments ensuring monitoring and evaluation of MDP is taking place                 |                |    |         | X  | Pending, job descriptions for municipal staff has been initiated, completion will allow for capacity development plan in relation to the challenges of the MDP  |
|   | 4.2) Support provided for the development and implementation of the Municipal Development Plan; capacities to improve municipal performance and community organisations.                | Visioning workshop with the municipality, involved ministries, communal organisations and private stakeholders for the MDP  |                |    |         | X  | Accomplished - <a href="#">Annex 2</a>  |
|   |   | 1. Awareness campaigns for tourist development, local infrastructure, water and waste management, energy efficiency, natural resource use and business development                    |                |    |         | X  | Nor developed, as explained above under Act 1.5. logical steps are to obtain clarity on whose responsibility it is within municipality to complete the plans and then to coordinate complementary campaigns under each topic. |
|   |   | 2. Collection and identification of training needs in communities   |                |    |         | X  | completed , reported in Q3  |
|   |   | 3. Identification of training providers and definition of training programmes   |                |    |         | X  | completed , reported in Q3  |
|   | 4.3) Support and training provided for improving business establishment and basic skills for business development in local communities.   | 4. Support of communities in self organisations through training, advisory service and facilitation   |                |    |         | X  | Partial. 2 projects for community support being drafted and initiated. Leadership training designed for 12012, in 2011 a project design workshop implemented.   |
|   |   | 1. Collection and identification of training and advisory needs of individual persons, associations or community initiatives with respect to technical and managerial skills training |                |    |         | X  | not developed/ Will part of Art Gold programme in the existing 5 villages and new 5 ones to be integrated in 2012. Application forms in <a href="#">Annex 23</a>  |
|   |   | 2. Identification of training providers and definition of training programmes   |                |    |         | X  | Accomplished reported in Q3   |
|   |   | 3. Establishing a network of projects in Kosovo/region that provide assistance and business related training  |                |    |         | X  | Accomplished reported in Q3   |
|   |   | 4. Develop and facilitate skills training and advisory schemes for local stakeholders   |                |    |         | X  | As explained above , leadership skills training will be provided to all VWG.s they will be 10 in 2012. Project has not had the capacity to address these needs yet.   |
|   | 4.4) Tools and processes to monitor and implement sustainable development established.  | 5. Initiate mechanisms for financial sustainability of further skills enhancement   |                |    |         | X  |   |
|   |   | On the job training of local personnel to prepare and manage projects   |                |    |         | X  | Permanent on the job training component of the project.   |
| Awareness campaigns an information seminars for the economic development plan, the sanitation plan, the tourist development plan, the sanitation and waste management plan and the energy supply development plan |   |   |                |    | X       | To be developed in 2012. project experts will share project plans in each sector with the relevant Village working groups  |   |
| Establishing mechanisms for monitoring established processes of sustainable development in the above areas  |   |   |                |    | X       | To be developed within the MDP with Municipality, can not be a separate activity   |   |
|   | training of community groups and municipality in quality control, monitoring and planning of interventions  |   |                |    | X       | A community blogging project has been launched all 5 VWG in 2011 received training for blogging and monitoring of the projects being implemented in their villages, others will be trained and included in 2012. This included transfer of computers to each |   |



**Response to:**

**Review of 2011 Year Progress and Financial report January 2012, by Pekka J. Salminen, Finnish Environment Institute, from April 17, 2012**

Prepared by:

Maria Elena Zuniga - UNDP Dragash Project Manager

1.1. The Annual Report generally provides comprehensive information on the progress of the Project towards the expected results defined in the Project Document (PD) and Annual Work Plan 2011 (AWP 2011). The revised Output and Indicator statements are now used in the Annual Report. The revisions of Outputs 3 and 4 were proposed in the 2<sup>nd</sup> Quarterly Progress Report and apparently approved by the Project (Steering Committee) Board in its August 2011 meeting (the minutes have not been made available to SYKE).

Response:

Yes, suggested changes have been presented to the SC in the Q2/2011 report and these were reviewed during the SCM, as these were in the Summary table through which the quarter activities are reviewed. During this session, both lead advisors to these outputs were present and responded to the SCM questions. No problems were encountered by the SC members. The MoM of the SCM held in April was then approved during SCM of August 2012. No comments have been received by the members or presented during this meeting. Attached is the Q2/2011 report

1.2. In the Executive Summary, it is explained that the MESP has sent the draft law proposal concerning the Sharr National Park (SNP) to a parliamentarian committee for review and approval. As the proposed expansion of the SNP is crucial for the achievement of the Project objectives and directly affects its activities (particularly the Activity Results 1.7 and 1.8) it would be useful to provide further information on the review and approval process and the related key issues and possible challenges in the Annual Report. Important new challenges/risks identified in the Executive Summary include the controversy over forests in the SNP. A brief analysis of the possible role of the Project in facilitating required conflict resolution would be useful.

Response:

The project can try to create consensus on some of the issues under dispute, but there is no assurance of succeeding as this relates to overlaps in two different relevant pieces of legislation; Law on Nature protection and Law on Forestry. Both Ministries have tried in the past to settle their arguments without success, over whose responsibility it is to manage the forest within national parks or protected areas. The project has and will pursue trying to support agreements between the parts in what relates to the definitions within the territory of Dragash. Details of such type agreement are reflected in the note presented in Annex A to this note.

1.3. The Activity Result 1.2 (municipal development planning) seems to proceed more slowly than expected. An analysis of the constraints and challenges would be useful as a basis for the planning of the relevant measures in the AWP 2012.

Response:

No, this is wrong perception, The MDP flows at a correct pace. The MDP has stages and a timeframe that is between 18 to 24 months. Project is on time, the updates timeframe is given in Annex 5 of the Q1 2011 Report-Annexes

Main constrains have always related to weak or no data existing on many aspects relevant for planning, project has overcome these hiring needed experts to complete data collection in all sectors required.

1.4. According to the Annual Report, a legal assessment on land ownership issues has been produced under the Activity Result 1.3. A brief summary of the main conclusions and their implications for the Project would be useful in the Annual Report. The Activity Actions also included decision-making on further action. It should be clarified in whether such decisions have been made, or if not, why not.

Response:

The municipality has expressed insistently that they will not open the discussion on this matter as they deem the SOE land is municipal. This has-been said repeatedly in SCM during 2011. For this reason, together with the fact that the project had not concluded the resources mapping over the territory, it was decided to put the topic on hold. This is one topic that will be undertaken now under the MDP. There will be a chapter that will explain the impacts of the declaration of national park over SOE and over private lands. The project will reinitiate clarifications of this process together with PAK (Privatization Agency of Kosovo) during Q3, 2012.

1.5. Relatively little progress in 2011 has been reported under Output 2 (improved livelihoods), the only reported Activity Action (2.4) being related to the ART GOLD project: 5 village project initiatives developed. The (possible) constraints and challenges should be analysed to provide a basis for refocusing or prioritisation of activities supported by Finland, if necessary. For the coordination of the two projects it is useful that the relevant ART GOLD project activities are also summarised in the progress reports of the Finnish-supported project. However, it should not become unclear from which project the financial support has been provided for each activity.

Response:

Little was advanced in this output due to our lack of understanding of the Dragash situation, meaning a strategic approach towards investment required a clear picture of the impact. As explained through the report the project now has a clear vision of the way forward through the value chain analysis already initiated in 2012.

Art Gold project report is included under Annex 23 , 2011- Year report. Attached to this note, the financial report for 2011 of ART project is added -Annex C. As per 2012 no resources have been yet transferred to Dragash. The overall investment of 150,000 USD is considered for 2012 to match resources of the Dragash Finnish funded project.

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1.6. Output 4 (municipal capacity development): The possible role of the human resource office of the Municipality in the capacity needs assessment and the planning of capacity building should be explained.

Response:

Annex 24 explains in detail the work done with municipality and where work is focusing on today.

1.7. When reporting that planned actions have not been accomplished the reasons should always be explained and it should be clarified whether such actions have been postponed or rejected (e.g. under Activity Results 1.5, 1.6, 1.11, 2.1, 2.2, 2.3, 2.4).

Response:

A revised table has been included in the 2011 report –Annex B Summary table

1.8. The structure of the Financial Report does not allow easy comparison with the original budget ("Preliminary Allocation of Funds by Type of Expense" and "Simplified Budget") nor monitoring of the overall accumulated expenses. The financial or in-kind contributions of the Municipality are not reported either.

Response:

A new version of the 2011 Year expenses has been included in this report by output as per the PRODOC.

1.9. The Monitoring Framework defined in the PD includes an "Annual Project Revision/Review" to be conducted during the fourth quarter of the year or soon after. It should be presented if and how such a review has been carried out in 2011.

Response:

Yes, the Annual review took place during the December 15<sup>th</sup> Steering Committee Meeting. During SCM of October 25<sup>th</sup> 2011, the members discussed this issue of whether we should have two separate meetings, 1 for review of annual work and a second to review the project work plan 2012. Members decided that one meeting to run both actions was sufficient.

**Annexes** (provided in separate file)

|             |  |
|-------------|--|
| Annex 1     | Status of SDA maps + SDA Structure   |
| Annex 2     | Vision report  |
| Annex 3     | Key Issue Analysis   |
| Annex 4     | Note on LEAP   |
| Annex 5     | SEA-LEAP-MDP   |
| Annex 6     | Water, Waste water and Sewage Master Plan – WORK PLAN                        |
| Annex 7     | SNP Management plan process for 2012   |
| Annex 8     | Recommendations for SNP management planning- Mike Appleton                   |
| Annex 9     | Recommendations for management and financial planning of SNP – Marlon Flores |
| Annex 10    | TOR for PA economic valuation study  |
| Annex 11    | Activities for women community strengthening initiatives                     |
| Annex 12    | Business opportunities for women   |
| Annex 13    | Community based capacities for seedling and nursery production               |
| Annex 14    | Local products value chain workshop  |
| Annex 15    | Energy Baseline summary report   |
| Annex 16    | Engineering plan/design for revitalization indoor hospital hot water system  |
| Annex 17    | Energy auditing report   |
| Annex 18    | On SHHPP in National Park  |
| Annex 18 b. | Location of small HHPP in Dragash  |
| Annex 19    | Dragash Tourism Potential Analyses   |
| Annex 20    | Draft Tourism Strategy- MDP  |
| Annex 21    | Lake Shutman Hiking Path Case Study Brod                                     |
| Annex 22    | Application for Village participatory planning exercises                     |
| Annex 23    | Art Gold Dragash joint implementation report 2011                            |
| Annex 24    | Capacity development assessment compilation                                  |