



FAO/GOVERNMENT COOPERATIVE PROGRAMME

PROJECT DOCUMENT

| | |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <i>Country:</i> | <i>Kosovo¹</i> |
| <i>Project Title:</i> | <i>Support to Implementation of the Forest Policy and Strategy in Kosovo</i> |
| <i>Project Symbol:</i> | <i>GCP/KOS/005/FIN</i> |
| <i>Project Donor:</i> | <i>Government of Finland</i> |
| <i>Government Implementing Agency:</i> | <i>Ministry of Agriculture, Forestry and Rural Development in Kosovo (MAFRD)</i> |
| <i>Executing Agency:</i> | <i>FAO</i> |
| <i>Duration:</i> | <i>Phase I 45 months+ Phase II 24 months</i> |
| <i>Starting Date:</i> | <i>Phase I March 2011 Phase II January 2015</i> |
| <i>Total Funding:</i> | <i>EUR 4 000 000 (Phase I EUR 3 000 000 + Phase II EUR 1 000 000)/USD 5 263 923 (Phase I USD 3 993 375+ Phase II USD 1 270 648)</i> |

Executive Summary

¹All references to Kosovo in this document are in line with the UN Security Council Resolution 1244 (1999).

Currently Kosovo is in the process of harmonising its legislation and standards with those of the European Union, after which it is expected that the various sectors of economy will be modernised and restructured. In this context, the forests have a great potential for the sustainable development in the country in general and the quality of life of rural poor in particular. It has been more and more recognised that the forests are a renewable natural resource gaining in importance in the future.

The political and economic changes together with the integration processes towards European Union underline the importance of multifunctional forestry, in which besides economic aspects also nature protection and recreational values get due attention. Concurrently with this, Kosovo is expected to join several international agreements on forests and environmental protection, which all will have a bearing on its own forestry sector.

Policy and Strategy Paper on Forest sector Development 2010-2020 (PSP) was prepared during 2008-2009 to address the above mentioned challenges. The Government adopted PSP on the 12 February 2010. Currently it forms the basis for all developmental processes in the forest sector and is the cornerstone for the current project document. The Ministry of Agriculture, Forestry and Rural Development (MAFRD) has been charged with the responsibility of PSP implementation.

The overall objective of the intervention is to increase the contribution of the forest sector to the national economy through sustainable use of forest resources, taking into account the multipurpose forestry including the economic, social and environmental benefits as well as its contribution to climate change mitigation.

The project has three components:

- (i) Institutional support for the implementation of forest policy and strategy;
- (ii) Integrated forest management and practices;
- (iii) Forest sector and climate change.

The project focuses on the institutional support and operates with the main stakeholders related to the forest sector in order to facilitate their efforts towards stronger forest administration. The key activities are facilitation, capacity building, publicising, exchange of information and experiences.

The project has a strong linkage to the field through pilot exercises in order to help upgrade forests, which are now in bad condition. At the same time, and even more importantly, the project finds ways to employ rural families in forest improvement activities, giving a special attention to vulnerable groups. The latter will be in the focus of phase II of the project which will have a particular focus on north Kosovo.

Last but not least, the project is intended to open a way for the forest sector to play its part in the mitigation of the effects of the climate change. Global warming is a global phenomenon to be addressed by joint action, in which all nations including Kosovo should bear responsibility.

The second phase of the project is designed to ensure sustainability of the project results and, in partnership with UNDP, to extend project activities to the northern part of Kosovo with the aim to contribute to the process of reconciliation, through economic activities, and harmonisation of the forest management practices.

Table of Contents

| | |
|-----------------------------------------------------------------------|------|
| PROJECT DESIGN | 55 |
| Acronyms | 65 |
| 1. BACKGROUND..... | 88 |
| 1.1 General Context..... | 88 |
| 1.2 Sectorial context..... | 1210 |
| 1.2.1 Development priorities and MDGs..... | 1513 |
| 1.2.2 CPF and CDP | 1513 |
| 1.3 Sectoral Policy and Legislation..... | 1614 |
| 1.3.1 Policy framework..... | 1614 |
| 2. RATIONALE..... | 1817 |
| 2.1 Problems/Issues to be addressed | 1817 |
| 2.2 Stakeholders and Target Beneficiaries | 2018 |
| 2.3 Project Justification | 2019 |
| 2.4 Past and Related Work..... | 2221 |
| 2.5. FAOComparative Advantage..... | 2423 |
| 3. PROJECT FRAMEWORK | 2624 |
| 3.1 Impact | 2624 |
| 3.2 Outcome and Outputs | 2725 |
| 3.3 Sustainability..... | 3534 |
| 3.4 Risks and Assumptions..... | 3735 |
| 4. IMPLEMENTATION AND MANAGEMENT ARRANGEMENTS..... | 3937 |
| 4.1 Institutional framework and coordination..... | 3937 |
| 4.2 Strategy/Methodology | 4340 |
| 4.3 Government Inputs | 4441 |
| 4.4 Donor Inputs | 4441 |
| 4.5 Technical Support/Linkages | 4744 |
| 4.6 Management and Operational Support Arrangements | 4744 |
| 5. OVERSIGHT, MONITORING, MANAGEMENT INFORMATION, AND REPORTING | 4744 |
| 5.1 Oversight and Reviews..... | 4744 |
| 5.2 Monitoring and Knowledge Sharing | 4744 |
| 5.3 Communication and Visibility | 4845 |
| 5.4 Reporting Schedule | 4845 |
| ANNEXES..... | 4845 |
| Annex 1. Budget | 5047 |
| Annex 2. Logical Framework Matrix (phase I and II) | 5249 |
| Please see the attached Word file..... | 5249 |
| Annex 3. Work Plan..... | 5350 |
| Annex4. Terms of References | 5855 |
| Annex5. Partnership with UNDP for Phase II..... | 6259 |

PROJECT DESIGN

Acronyms

| | |
|-------|-------------------------------------------------------------------------------------------------------|
| ACDEI | Agency for Coordination of Development and European Integration |
| AFT | Aid for Trade |
| ALMP | The Active Labour Market Programmes |
| AOS | Administrative and Operational Support |
| ARDP | Agriculture and Rural Development Programme for Kosovo |
| CDP | UN Common Development Plan |
| CITFS | Communication and Information Strategy for Forestry Sector |
| CU | Coordination Unit |
| CTA | Chief Technical Adviser |
| DAFRD | Department of Agriculture, Forestry and Rural Development |
| DFID | Department for International Development (UK) |
| DOF | Department of Forestry (at MAFRD) |
| DTL | Deputy Team Leader |
| FAO | Food and Agriculture Organization of the United Nations |
| FONP | Forest Policy and Institutions Service |
| ha | hectare |
| ICP | International Co-operative Programme on Assessment and Monitoring of Air Pollution Effects on Forests |
| IDS | Information Dissemination Strategy |
| KFA | Kosovo Forest Agency |
| KFHS | Kosovo Forest Health System |
| KFIS | Kosovo Forest Information System |
| LTU | Lead Technical Unit |
| MAFRD | Ministry of Agriculture, Forestry and Rural Development (Kosovo) |
| MB | Management Board |
| MDG | Millennium Development Goal |
| MES | Monitoring and Evaluation System |
| MESP | Ministry of Environment and Spatial Planning |
| MEST | Ministry of Education, Science and Technology |
| MLSW | Ministry of Labour and Social Welfare |
| MTI | Ministry of Trade and Industry |
| NARP | National Afforestation and Reforestation Program |
| NFI | National Forest Inventory |
| NGO | Non-Governmental Organization |
| NMTPF | The National Medium-Term Priority Framework |
| NPC | National Project Coordinator |
| NTFP | Non-timber forest products |
| DTL | National Deputy Team Leader |
| OECD | Organisation for Economic Co-operation and Development |
| PES | Public Employment Services |
| PMT | Project Management Team |
| PSP | Policy and Strategy Paper 2010-2020 |
| REU | Regional Office for Europe and Central Asia |

| | |
|--------|-------------------------------------------------------|
| SASS | Strengthening Advisory and Support Services Project |
| STE | Short-Term Expert |
| TL | Team Leader |
| UNDAF | United Nations Development Assistance Framework |
| UNDP | United Nations Development Programme |
| UNFCC | United Nations Framework Convention on Climate Change |
| UNKT | UN Kosovo Team |
| UNMIK | UN Mission in Kosovo |
| VTC | Vocational Training Centre |
| WISDOM | Woodfuels Integrated Supply/Demand Overview Mapping |

1. BACKGROUND

1.1 General Context

In the year 2008, the Assembly of Kosovo declared the country an independent republic. To date over 100 countries have recognised its sovereignty, including most of the European Union and OECD member states.

Currently Kosovo is in the process of harmonising its legislation and standards with those of the European Union, after which it is expected that the various sectors of economy will be modernised and restructured. In this context, the economic, social and ecological functions of the forests are of great importance for the sustainable development of Kosovo, by improving the quality of life particularly in the poor rural areas. It has been more and more recognised that the forests are a renewable natural resource gaining in importance in the future.

The current Law on Forests affirms this by stating that “the forest of Kosovo is a national resource. It shall be managed in such a way as to provide a valuable yield and at the same time preserve biodiversity for the benefit of present and future generations.” The Forest Law has been amended several times to better accommodate the changing situation. The war ended in 1999, after which Kosovo has been going through a difficult period of transition, during which the economic and political systems have been adapted to completely new environment. This period has been characterised by a complex political, social and economic situation affecting all sectors of the society. Forestry has been no exception in this respect. Uncontrolled and unsustainable forest management practices have resulted in stagnation of forestry activities and degradation of this valuable resource.

The political and economic changes together with the expected integration processes towards European Union underline the importance of multifunctional forestry, in which besides economic aspects also nature protection and recreational values get due attention. Concurrently with this, Kosovo is joining several international agreements on forests and environmental protection, which have a bearing in its own forestry sector.

The forest law of 2003 amended several times. Following the decision that a completely new forest law is needed, the preparatory works started during 2010. After lengthy consultations involving national stakeholders and supported by international projects, a new forest law was prepared in 2014 and is awaiting adoption by the parliament.

In April 2013, in Brussels, the Pristina – Belgrade agreement on governing principles and normalization of the relations between Kosovo and Serbia was signed. The key topics of this agreement are related to principles for integration of the structures operating in the northern municipalities into the framework of Kosovo governing system.

After reaching this agreement, the negotiations for normalization of the relations started also for the forest sector. According to KFA resources three preliminary discussions between representatives of central forest authorities and heads of the northern municipalities, Leposavic, Zubin Potok and Zvecan have so far been conducted during 2014 at various locations. The topics of discussions in these negotiations have been about the transfer of the forest management responsibilities from public forest enterprises to Kosovo Forest Agency. Up to date no agreement has

been reached on these issues, as the local institutions expect the EU to facilitate continuation of the negotiations on normalization of relations between Pristina and Belgrade, where ownership and forest management issues are also to be discussed and agreed on.

On October 28, 2013 the negotiations on the Stabilisation and Association Agreement (SAA) between the European Union and Kosovo started.

Forestry in northern municipalities of Kosovo The management of the forests in the northern municipalities is complicated by overlapping jurisdictions. While Kosovo adopted decentralisation of the forest management north Kosovo municipalities have not been part of that process. In this situation the Forest Public Enterprise continued to be managed by Belgrade authorities as a parallel institution. The two local directorates of the Forest Public Enterprise operating in north Kosovo are still the functioning authorised bodies for issuing permits for cutting trees, while in the rest of Kosovo this is the responsibility of the municipalities. The fact that KFA does not recognise Forest Public Enterprise permits, and Forest Public Enterprise in north Kosovo does not recognise KFA permits, leaves the area more vulnerable to illegal wood cutting. In the spirit of Brussels Agreement, the management responsibilities of Forest Public Enterprise should be transferred to KFA. This, along with the takeover of a portion of technical staff by KFA, is a sensitive process in a politically and socially unstable region.

Unemployment and slow development of the business sector due to lack of investments and limited access to finance are the most severe threats to residents' livelihoods in the northern-most municipalities in Kosovo. Due to unstable political and security conditions, the rule of law situation and access to justice continues to be weaker than in other parts of Kosovo. The implementation of the Brussels Agreement has been slower than the local population expected, which has resulted in feelings of uncertainty and frustration.

According to the UNDP analysis², preliminary recommendations, "alternative sustainable livelihoods (non-timber forest products, sustainable wood cutting) can work if economic returns can compete with revenues from illegal wood cutting". This analysis suggests that the short-term alternative action must include awareness-raising within the communities affected by illegal wood cutting. Other recommendations include strengthening of the law enforcement capacities (both Kosovo Police and Forest Guards), conducting a stakeholder analysis, and a detailed study of illegal woodcutting "hotspots". The Kosovo Forest Agency³, specifically the Forest Inspectorate, in the draft action plan for suppression of illegal wood cutting, has identified the transport routes and the locations most affected by illegal logging. However, the cooperation between the key stakeholders such as Kosovo Police, municipalities, local communities, forest authorities is not functioning well. This is due to the complicated political situation as well as ongoing transition phase in northern Kosovo. The Kosovo Government has expressed the need for an impartial

²"Preliminary analysis of illegal woodcutting in Kosovo", 24th April 2013, conducted by the Peace and Development Advisor, Office of the UN Development Coordinator in Kosovo, Paul Partner.

³Together with FAO in August 2014

actor, such as the UN, to facilitate and support the cooperation between the key forest stockholders in north Kosovo.

Socio-economic context in the northern municipalities

Similarly to Kosovo in general, the northern municipalities face numerous challenges. Once a one-company (Trepca Mining) area, they are now de-industrialized. The area displays high levels of unemployment, pollution, rural under-development, a small and inexperienced private sector, a young and relatively unskilled population, inadequate infrastructure and parallel structures of administration. For example, the division of Mitrovica town has complicated and politicized the provision of public services, and led to the creation of separate facilities for the north and the south. In 2013 Mitrovica North was formed as an administratively independent municipality, however the administrative functions have not yet fully been transferred from the Mitrovica North Administrative Office⁴ to the new municipal structures. These 'structures' have differing management and accountability, which has inhibited coordinated capacity development efforts and strategic planning. The international community has supported the integration of the four new northern municipalities to Kosovo systems since their establishment in 2013, however the need for support to capacity and institution building remains acute.

Accurate data on demographic composition as well as gender-disaggregated data from the four northern-most municipalities of Kosovo is lacking, because the ethnic Serb population in this area chose not to participate in the Kosovo-wide census in 2011. According to the OSCE Municipal Profiles published in March 2014, in Mitrovica North there are approximately 29,460 inhabitants, Kosovo Serbs app. 22,530 (of which 5,000 to 7,000 are persons displaced from elsewhere in Kosovo) residing in the town and in surrounding villages; Kosovo Albanians app. 4,900 residing in the town and in surrounding villages; Kosovo Bosniaks app. 1,000 (town); Kosovo Gorani app. 580 (town); Kosovo Turks app. 210 (town); Kosovo Roma app. 200 (town); Kosovo Ashkali app. 40 (town). In Leposavić and surrounding villages there are about 18,600 inhabitants, with Kosovo Serbs app. 18,000 residing in Leposavić/q town and in the surrounding villages; Kosovo Albanians app. 300 residing in the villages of Koshtovë/Košutovo, Bistricë e Shalës/Šaljska Bistrica, and Cerajë/Ceranje; Kosovo Bosniaks 300; Kosovo Roma 13 residing in the Leposavić/q camp and Kamen village; Kosovo Ashkali 8 residing in the Leposavić/q camp. In Zubin Potok the estimated population is 14,900, with Kosovo Serbs app. 13,900 residing in the town and surrounding villages; Kosovo Albanians app. 1,000 residing in Çabër/Čabra village (source: municipal returns and communities officer). In Zvečan there are around 16,650 inhabitants, with Kosovo Serbs app. 16,000 residing in the town and in 32 villages; Kosovo Albanians app. 350 residing in Boletin/Boljetin, Lipë/Lipa, and Zhazhë/Žaža villages; Kosovo Bosniak, Kosovo Roma, Kosovo Gorani app. 300 in the town and villages.

The economy mainly relies on publically owned enterprises, local administration as well as assistance from the Serbian Government. There are also few hundred businesses which provide goods and services, however accurate number is not known.

⁴A temporary administrative structure put in place by Kosovo Ministry of Local Government Administration in May 2012, reference [https://kk.rks-gov.net/mnao/getattachment/Municipality/Government-Decision/GOK-DECISION--\(eng\)-FINAL-ZKM.pdf.aspx](https://kk.rks-gov.net/mnao/getattachment/Municipality/Government-Decision/GOK-DECISION--(eng)-FINAL-ZKM.pdf.aspx)

Local businesses are registered either in Serbian or Kosovar institutions, or both, which is why accurate data about the exact number of active businesses is not available. Also the process of business registration under Kosovo institutions has been ongoing since 2014. The economy of the municipalities of Leposavic and Zubin Potok are mainly based on agriculture and small trade businesses with some small production of furniture existing, while Zvecan municipality relies on production of batteries and battery recycling, less developed agriculture sector and few small trade businesses. As the urban centre of the area, Mitrovica North is the main provider of public and private services, and the centre of trade.

There are three employment offices in the northern part of Kosovo, in Zvecan, Leposavic and Zubin Potok. There are six persons employed as staff of the Ministry of Labour and Social Welfare (MLSW). However, there is limited communication between the three employment offices in the north and the MLSW, hence, there is lack of information on their activity and performance. Data from the MLSW Employment Management Information System show that a very small number of citizens is registered with Kosovo employment offices in the northern municipalities, while most of them are inactive/passive jobseekers⁵. However, based on interviews with local residents, the population continues to use the services of the Serbian structures, which are still active in the area. Also a noticeable (unknown) number of households are receiving either pensions, small salaries or social support from the Serbian public enterprises, especially the Trepca mining company. In the northern part, in Dolane village, a Vocational Training Centre (VTC) operates under the Ministry of Labour and Social Welfare. The VTC centre offers training in several occupational profiles, including, business administration, carpentry, tailoring, cooking etc. However, the VTC centre is not utilized to its full capacity, there are about 60 candidates per year (gender disaggregated data not available). The University of Pristina located in Mitrovica North is the only institution in Kosovo offering higher education in Serbian language, and the students come from all Serbian speaking communities. Unfortunately gender disaggregated data about students of the university is not available. Unemployment risk of the young population after graduation is very high due to underdeveloped private sector and with the public sector facing risk of reduction due to current existence of multiple overlapping municipal structures. With many of the public sector mid-level employers being women, especially in the health and education sector, the unemployment of women is expected to grow as soon as the support of the government of Serbia ceases in the near future (exact timing yet unclear).

There are several active women's NGOs in the area who have experience in activating local women economically, especially in skills building such as production of food products like jams and traditional pastry, handicrafts or provision of services, as well as writing of business plans and financial management of businesses. There is no accurate gender disaggregated data available on women's participation in labour market, however the overall impression based on field visits and interviews with local residents and NGOs is that women are underrepresented in the job market, women largely work in agriculture without a regular income, women are economically dependent on the male heads of households and have problems with property rights. The situation is similar within all ethnic communities in the area. Also traditional attitudes make it more difficult for women to increase their income levels, as

⁵Total registered jobseekers: Leposavic 1,732; Zvecan 214; Zubin Potok 307.

according to traditional attitudes some professions are considered more suitable for women than others. Due to long-term absence of effective Rule of Law as well as lack of availability of commercial loans in the area businesses face more challenges in the north than elsewhere in Kosovo.

1.2 Sectorial context

MAFRD is the public stakeholder in charge of the forest sector in Kosovo, and within the Ministry the main actors are the Department of Forestry (DOF) and Kosovo Forest Agency (KFA). Other important stakeholders are other ministries with relation to forestry, the Forest Owners Association representing private forest owners and the Wood Producers' Association representing the processing industry.

Currently MAFRD has all the major competencies in the forest sector including responsibility for preparation of legislation, forest policy development and implementation, monitoring and licensing forest management activities.

The political and economical changes aligned with European integration processes, address priorities and focus toward the multifunctional usage of forests and their management, integrating much wider aspects where protection of the environment and biodiversity are given high priority. At the same time Kosovo is in a process of signing many international agreements and conventions on forests and environmental protection, which will have influence on the forestry sector.

The current strategic documents for forestry in Kosovo are the Law on Forest 2003, amended on 2004 and 2010, and Policy and Strategy paper on Forest sector Development 2010 – 2020 adopted by the Government of Kosovo on 12 February 2010.

The Action Plan for Implementing Forestry Policies and Strategies, which is also adopted by the Government of Kosovo, outlines main projects and activities for the next ten-year period. The Action Plan structures the activities in three pillars: 1) tailor-made projects to raise knowledge in underdeveloped competence areas, 2) support to operations performance and turn-a-round actions, and 3) support to the Government institution having the overall responsibility for implementing the strategies.

Illegal wood-cutting in public and private forests is a serious problem in the whole territory of Kosovo, and is exacerbated in the northern municipalities by the unclear divisions of management. Illegal wood-cutting is causing significant financial losses and environmental degradation for both public and private forests. Recently the illegal activities in forests in northern Kosovo resulted in violent incidents⁶. According to a report by the Center for International Conflict Resolution⁷ illegal logging poses a threat to Kosovo's stability and security in the short and long term, and can also trigger tensions between communities. The report identifies the root causes of illegal logging as the poor economic conditions and lack of energy alternatives in Kosovo; in addition to which, the phenomenon "takes place in the context of multiple political

⁶Recently two shooting incidents related to illegal logging in August 2014 in northern Kosovo, for reference see: <http://www.balkaninsight.com/en/article/one-kosovo-albanian-killed-two-wounded-in-kosovo-north>

⁷CIRC 2013, "Losing the Forests for the Trees – Implications of Illegal Logging in Post-Conflict Kosovo", available in http://www.cicr-columbia.org/wp-content/uploads/2012/10/Kosovo-2013_Full-Copy_Final-.pdf

structures, unclear divisions of administrative tasks, a lack of community involvement, corruption, deficient data and poor institutional coordination, all of which permit the proliferation of the problem”.

The status of implementation of Policy and Strategy Paper on Forest sector Development 2010 – 2020

The progress of the implementation is continuously monitored by the participating agencies. The Forest Management Board has been established for the supervision and coordination of the implementation. The MAFRD Monitoring and Evaluation Division have collected data on PSP implementation and together with the participating agencies and departments compiled an Annual Progress Report-APR. Up to date three APRs were produced for 2011, 2012 and 2013. These reports were presented to relevant stakeholders at a Joint Annual Review- JAR for the forestry sector. The progress of PSP implementation was discussed and new activities and projects were identified and agreed for further support. In all three JARs vulnerable groups were considered within the scope of proposed activities, specifically regarding promotion of integrated forest management practices.

An example of the positive approach to the implementation of the Strategy is the program of the Ministry of Labour and Social Welfare, in cooperation with KFA, to seasonally employ members of vulnerable households to conduct silvi-cultural works.

The legal framework for the development of the sector is not completed yet. A new Law on Forests has been drafted with a wide participation of stakeholders and supported by international experts, and submitted to the Parliament for adoption.

Forest resources

The geographical basin of Kosovo is situated at an altitude between 500 - 600 m and is surrounded by mountains and divided by a central north-south ridge into two regions. The soil and climatic conditions are favourable for the forest tree growth having soils rich in nutrients due to the prevailing soil parent material and abundant rainfall evenly distributed over the year. The growing season is long and extends from March to October/November.

Based on a random sampling method a country wide inventory of the forest resources was made in 2003, while Kosovo's second National Forest Inventory (NFI) was carried out in 2012-2013, ten years after the first NFI, during which for the first time the entire forest area was assessed.

The results of the second forest inventory show that, since 2003, both the forest area and the growing stock have remained stable. Kosovo's forest covers 481,000 hectares. Annual harvest is 1.6 million m³, which is 300,000-400,000 m³ above the recommended long-term harvest levels of 1.2-1.3 million m³. More than 90 percent of the volume is not harvested according to regulations.

The forests in Kosovo cover 481,000 hectares, or 45 percent of the total land area, while agriculture land covers 29 percent and grassland 15 percent. The total growing stock of Kosovo's forest is fairly stable at around 40 million m³.

The number of tree species present in a forest indicates its level of biodiversity. Most of Kosovo's forest area is made up of mixed species stands: 21 percent consists of four to five different tree species.

Kosovo has two National Parks located in high elevation forested areas: Sharri in the south and Bjeshket e Nemunain the west. Kosovo's two national parks contain about 90 percent of the total growing stock of coniferous, mixed and broadleaved forest.

According to Kosovo NFI 2012, the annual increment of broadleaves forest is approximately 1.33 million m³, and for coniferous stands, 0.23 million m³. Gross annual sustainable harvest is estimated at 1.45 million m³, with approximately 630,000 m³ in high forest and 815,000 m³ in coppice forest. The recommended annual harvest for Kosovo is about 1.2 million m³ over bark, substantially lower than the annual sustainable harvest. This is mainly due to inaccessibility, a likely increase in cost levels that will render more forest areas economically unavailable for wood supply, and the fact that some trees in every harvesting area, either for environmental or purely economic reasons, will be left standing. When taking into account national park's logging restrictions, the recommended annual cut should be reduced even more. .

By the end of 2013, over half of all management units had new plans, prepared using a cost-efficient methodology. New tools have been developed for up dating the forest management plans according to the annual growth and activities.⁸

Based on experiences from similar growing conditions to Kosovo, the potential average yield would be in the range of 4-7 m³/ha/a. Depending on site specific conditions and management regimes potential growth rates in certain areas are certainly even considerably higher.

In this context the economic, social and ecological functions of forests are of significant importance to the sustainable development of Kosovo and for improving the quality of life, especially in rural and mountain areas. According to the National Forest Inventory, around 1.55 million m³ of roundwood is produced in Kosovo. The Association of Wood Processors member companies' turnover (output value) is about EUR 35 million. The output of the whole industry is estimated to be around EUR 50 million. The roughly estimated gross value-added in Kosovo forest industries is about EUR 15-20 million. This assumes that the Kosovo forestry sector (including industries) currently accounts for about 1.0-1.5% of GDP. However, there is no official statistics about the total contribution of the forestry sector to the economy in Kosovo.

Based on the useful functions of forests, Kosovo perceives forests as part of national treasure/heritage. The current Law on Forest affirms this: "The forest of Kosovo is a national resource. It shall be managed in such a way as to provide a valuable yield and at the same time preserve biodiversity for the benefit of present and future generations. Forest management shall also take into account other public interests." The current Law also affirms that the principles of precautionary conservation of biological diversity, the principle of intergenerational equity and ecologically sustainable development shall apply. These principles are reaffirmed in the new draft Law as well.

⁸Kosovo National Forest Inventory 2012.

1.2.1 Development priorities and MDGs

The project contributes to the strategic development objectives aimed at sustainable management of forestlands. These development objectives will be achieved through strengthening institutions governing forests, improved decision-making processes, involvement of forest stakeholders in the development of forest policies and legislation, etc. The results will enhance the investment climate, integrate forestry to national development plans and processes and thus increase the sector's contribution to the Kosovo economy.

The Action Plan has an overall focus towards the Millennium Development Goals (MDGs). In this context eradication of extreme poverty through creation of income opportunities is one of the major goals of the current project. Ensured environment, sustainability, development of partnership is another major area on which the project will concentrate on. Sustainable results, which will contribute to the achievements of the Millennium Development Goals, are considered as the very basis of the project.

1.2.2 CPF and CDP

The draft Programming Framework for cooperation between FAO and Kosovo is guided by the Agriculture and Rural Development Programme for Kosovo (ARDP) 2009-2013 and Policy and Strategy paper on Forestry Development 2010 – 2020, among others. Those two documents have so far been the framework and basic documents for forest sector development in Kosovo. The project Support to Implementation of the Forest Policy and Strategy in Kosovo GCP /KOS/005/FIN is indicated as priority for cooperation between FAO and Kosovo.

The new draft ARDP (2014-2020) addresses forest sector development through implementation of a set of measures under the rural development umbrella.

UNKT is preparing a new UN Common Development Plan, addressing key economic and social issues for development of Kosovo. The strategic development priority areas identified for the period 2016-2020 are governance and rule of law, social inclusion and growth as well as environment and health. The Kosovo central and local institutions are consulted to confirm that the priority areas are in line with the development needs of Kosovo. In line with the three priorities, eight thematic areas are identified in order to channel the support of UN agencies in Kosovo in an effort to maximise the impact of the interventions: Environment/ Environmental Health, Migration (legal/illegal) / border management-, Social Inclusion/Protection, Rule of Law/Corruption, Gender equality and women empowerment, Health (non-communicable diseases, health reform and women & child care), Inclusive Education and Employment and Labour markets.

Under the framework of employment and labour markets, the two agencies, UNDP and FAO have identified areas of joint work, aiming at boosting the productivity of small farmers and self-employed individuals (including forest related economic activities), thus boosting local economies. Several critical factors linked to the unemployment situation in Kosovo, shall be addressed through provision of support to small farmers to change farming practices or to introduce new varieties through better access to inputs, equipment, advice, practices, markets etc.

1.3 Sectoral Policy and Legislation

1.3.1 Policy framework

Kosovo has embarked upon the process of harmonisation of legislation and standards with those of the European Union, whereby the expectations are that the various sectors building up the economy will be modernised and restructured. In this context, one of the important segments of the Government's programme is the development of rural areas and poverty alleviation, which gives rise to expectations regarding the growth of the revenues of rural households, small enterprises and stability of municipalities.

The most important basis for forest sector planning is the Policy and Strategy Paper on Forest Sector Development 2010–2020. The PSP spells out the overall objective, policies and directions of the Kosovo forest sector in the long term as integral part of society in economical, social and cultural aspect. The Government of Kosovo recognises the contribution of forestry to economy, creation of employment, cultural and social issues, protection of environment and nature. The overall objective is to increase the contribution of the forest sector to the national economy through sustainable use of the forest resources, taking into account their multi-functional role. To comply with this goal the Government will maintain and enhance the viability of the sector by; providing a supportive regulatory and institutional framework, including cross-cutting issues such as gender and climate change and ensuring permanent financial mechanisms.

In view of the above objectives, the Government of Kosovo:

- recognises the importance of the forest resources as integral part of the society in **economical, social and cultural aspect**;
- recognises the contribution of the forestry to the **economy**, creation of employment, culture and social issues, protection of environment and nature;
- emphasises the importance of **protection** of the forests for the maintenance of stable and healthy ecosystem;
- acknowledges the **dissatisfactory state of forest resources**, which is characterised by unsustainable use, low intensity in forest management, insufficient protection and sub-optimal use of forest resources;
- acknowledges that the forest resources are not used to their full **potential** due to limited availability of appropriate technology and trained personnel, weaknesses in organisational structures and enforcement of legislation regulating the protection and management of forest resources;
- recognises that the **private forest sector** is characterised by fragmentation resulting in low productivity and inefficient use of forestlands;
- will address the existing **threats** to sustainable forest management resulting from limited capacity to invest in forest management, unlawful harvesting, forest fires, threat to biodiversity in production forests;
- acknowledges that that the **old public forest enterprises** are not functional and must be subjected to privatisation;
- recognises that **wood-processing industry** is unable to participate adequately in the development of the forestry sector;

- appreciates the **importance of international cooperation** in the development of the forestry sector;
- stresses the need to strengthen the **policy dialogue** between the forest sector and other parts of society; and
- recalls that the forest policy as a sectorial policy is a component of the total state policy of **sustainable development** of Kosovo, which will provide the framework for a more detailed planning within the forestry sector.

PSP defines the main intervention areas identified as a result of a comprehensive consultative process for addressing the above mentioned problem areas.

These policies, currently not enforced in the northern municipalities, must be extended to them as part of their full integration into the KFA management system.

1.3.2 Compatibility with national and international plans and strategies

To avoid conflicts and contradictions the current policies and strategies must be compatible with other guiding documents with impact on forest sector development. The project activities are in full compliance with these policies and strategies. The following documents are of particular importance for development of the forestry sector:

Agricultural and Rural Development Strategy for Kosovo for the period 2014–2020. The overall objectives of the new strategy are:

- To develop a competitive and innovation based agri-food sector with increased production and productivity, capable to produce high quality products and meeting the requirements of EU market, contributing to security and safety of food supply, pursuing economic, social and environmental goals by fostering employment and developing human and physical capital.
- To protect natural resources and environment of rural areas, addressing the challenges of climate changes by achieving sustainable and efficient land use and forestry management and by introducing agricultural production method preserving the environment.
- To improve the quality of life and diversify job opportunities in rural areas by fostering employment, social inclusion and balanced territorial development of the rural areas.

Ministry of Labour and Social Welfare Sectoral Strategy 2014 – 2020

One of the four main objectives of the strategy is: increase the employment, skills development and improved functioning of the labour market. The proposed project activities are in line with the specific objectives, as listed below:

1. Reform and modernization of public employment services (PES) responding to labour market needs;
2. Expansion of active labour market measures focusing on people with difficulties in the labour market;
3. Provision of quality vocational training services in accordance with labour market needs.

The activities proposed under the present intervention such as entrepreneurship and self-employment support, are also in line with the objective of the first pillar in the Ministry of Trade and Industry: Private Sector Development Strategy 2013-2017: Development, support and promotion of investments and businesses.

European Union Forest Strategy

The Government of Kosovo intends to comply with the major agreements related to the forest sector within the European Union in preparation to an eventual membership in the future. Therefore, all new policies and strategies must be compatible with the corresponding European Union principles.

The new EU Forest Strategy for forests and the forest-based sector up to 2020 envisages the following:

Guiding principles

- Sustainable forest management and the multifunctional role of forests, delivering multiple goods and services in a balanced way and ensuring forest protection;
- Resource efficiency, optimising the contribution of forests and the forest sector to rural development, growth and job creation.
- Global forest responsibility, promoting sustainable production and consumption of forest products.

2020 forest objectives

To ensure and demonstrate that all forests in the EU are managed according to sustainable forest management principles and that the EU's contribution to promoting sustainable forest management and reducing deforestation at global level is strengthened, thus:

- contributing to balancing various forest functions, meeting demands, and delivering vital ecosystem services;
- providing a basis for forestry and the whole forest-based value chain to be competitive and viable contributors to the bio-based economy.

2. RATIONALE

2.1 Problems/Issues to be addressed

Despite earlier support forestry in Kosovo is facing many difficulties. In summary, the following main issues and weaknesses in the forest sector need to be addressed in one way or another:

1. Forestry must constitute a much higher priority on the Government's agenda than hitherto. Forestry is an important provider of goods and employment opportunities as well as many other benefits like protection of flora and fauna, recreation etc. All these advantages are not yet fully appreciated by decision-makers;

2. A top priority must be to enhance standards of professionalism at all levels, commitment among forestry staff and awareness rising among the general public concerning the importance of the sector;
3. The private forest sector is not well developed. Long-term support to forest owner associations will be indispensable. Important aspects are institutional reforms such as privatisation of state forest enterprises and creation of an enabling business environment;
4. The roles and responsibilities of central and local governments must be fully agreed upon. Of particular importance is to reach a common understanding for the best implementation of the delegation of competences for forest management, considering also the needs for coordinated investment activities and forest protection. The accountability and transparency in forest management needs to be strengthened in order to reach overall objective of the new forest policy and strategy;
5. The forests of Kosovo, covering 40 percent of the land surface, have great ecological, social and economic potential, which is only marginally realised in the present circumstances. It is envisaged that -if professionally and sustainably managed - the forest sector could form up to 5 percent of GDP. Kosovo forests possess a great potential of non-wood products. Their exploitation should be regulated and supervised on institutional bases. It could also be an important source of employment for the rural poor and in general greatly improve the living conditions in the countryside.
6. The forests in northern Kosovo are currently under the actual management of the parallel Forest Public Enterprise. In a spirit of the Brussels Agreement, a transfer of management responsibilities from the parallel Forest Public Enterprise to the KFA is expected. Several technical working group discussions took place, however, it is still unclear on the outcome of these meetings and the next steps agreed. The transfer, including transfer of staff, will be a very politically sensitive process requiring skilful facilitation and trusted working relationships.
7. Illegal wood-cutting is a major problem across Kosovo. The unclear management in the north has made it more vulnerable to illegal activities. Addressing one of the biggest root causes, poor socio economic conditions and unemployment, will have a significant impact on environmental crime while at the same time contributing to economic development in the area.
8. At National level, phase I of the project triggered the intended process of change in the forest sector in Kosovo. Phase II of the project should build on the achievements of this project and keep the interest and momentum of renewing the sector. Furthermore, phase II of the project is intended to support the process of reconciliation and peace building, and also law enforcement in north Kosovo through improving employment opportunities by involving local stakeholders in sustainable forest management.
9. In compatibility with CDP, the intervention in the north of Kosovo will build on previous UNDP income generation projects in the north and will ensure synergy and complementarities with ongoing UNDP projects in the area, focusing on employment and local economic development that contribute to income generation for the project target communities

2.2 Stakeholders and Target Beneficiaries

The stakeholders of the project are:

- Ministry of Agriculture, Forestry and Rural Development (MAFRD);
- Kosovo Forest Agency (KFA);
- Ministry of Local Self-government
- Municipalities, including those in north Kosovo.
- Ministry of Environment and Spatial Planning (MESP);
- Ministry of Education, Science and Technology (MEST);
- Ministry of Labour and Social Welfare (MLSW);
- Ministry of Trade and Industry (MTI);
- EULEX(European Rule of Law Mission on Kosovo)
- KFOR

The two ministries (Environment and Education) are considered stakeholders, because improved forestry activities will bring about environmental and ecological benefit. The project also advocates the important role of training and education to attain its objectives therefore the link to the educational authorities is essential.

Municipalities are considered important stakeholders in view of the ongoing decentralisation process. Currently they have a central role in administering local forestry activities but in close cooperation with KFA. The main beneficiaries of the project are:

- The forestry staff of MAFRD and KFA (including employees transferred from the Forest Public Enterprise in north Kosovo)
- The rural inhabitants in Kosovo, with a special attention to vulnerable groups like, households with no employed members, female-headed households, ethnic minority groups (Serb, Roma, Ashkali, Gorani, Turk and Bosniak) in the areas where the project field activities are to be implemented;
- Private wood-using enterprises and entrepreneurs, private forest owners' associations, local women associations and other Non Governmental Organizations;
- Municipalities and their staff dealing with forestry issues.

2.3 Project Justification

The legal framework is in place in relative terms. There is a Forest Law and other laws (like Law on National Parks, Law on Nature Protection, Law on Public Private Partnership etc) and administrative directives with bearing on forestry. What is lacking is the adherence to the laws and the conditions for law enforcement. There is also a need for a clear division of responsibilities between the institutions governing the forest sector. This concerns especially the mandates of KFA and the Department of Forestry of MAFRD.

On average, between 2003 and 2012, only 70000 m³ was harvested each year according to Kosovo regulations. Non-regulated harvesting is most likely a combination of poverty-driven ,small-scale wood extraction by rural people, and more organized commercial logging. This situation results in considerable losses in government revenues, which could be acquired in normal conditions, e.g. in stumpage, fees and taxes.

The old state forestry entities have not yet been subject to transformation. Two branches are still operating but are facing many difficulties, the main ones being the shortage of human resources, low salaries, lack of competent staff, lack of resources and funds, and unclear or disputed roles and mandates.

The forestry planning is therefore insufficient and the management, supervision and control activities cover only a fraction of what is needed. As a result there is a lot of wasteful and illegal forest utilisation, continuous degradation of forest resources, decreasing productivity, insufficient protection against forest fires, insect and fungal attacks.

In Kosovo demand for firewood is two times higher than supply, providing ample incentive for illegal cutting wherever imports are either not possible or too expensive. Satisfying the high demand for firewood leads to pressure on forest resources, especially in the lowlands and around villages and towns. Firewood produced at low cost and in small quantities to meet the demands of rural families has always been available for harvesting free of charge in rural areas. Currently, demand for energy can be met only in rural areas adjacent to forests.

The prevalence of illegal cutting indicates that the current organizational and legal infrastructure is not fully functional, mainly due to:

- the weak enforcement of the law;
- the insufficient number of employees in the Kosovo Forest Agency;
- the low level of skills and inadequate capacity among the personnel; delays in the juridical system;
- lack of educational institutions on forestry and the wood industry.⁹

The project will consider the issue related to illegal wood cutting through the project lifetime of the Phase II in all three components of the project. Illegal wood cutting will be addressed within existing activities through this framework:

- Management Board as a part of regular activities will prepare a plan to institutionally address the illegal cutting.
- Establish a platform for discussion among key stakeholders in northern Kosovo aiming to agree on technical matters in forest resources management including the illegal/unregulated cutting of wood.
- Include the illegal cutting issue in the current and future awareness campaigns in forestry sector.

Prepare secondary legislation that will address the measures to discourage the use of the illegally cut wood (like regulating the wood market, regulating the transport of wood,).

- Promote sustainable forest management with objective to reduce informal forestry operations.

⁹Illegal Logging in South Eastern Europe Regional Report, REC, Szentendre, Hungary, September 2010

The above situation, together with an urgent need of further supporting the implementation of new forest policy and strategy, and coordination of potential support from a number of donors, is the strong justification for implementing the second phase of the project “Support to Implementation of the Forest Policy and Strategy in Kosovo”.

In the course of Phase I, a mid-term evaluation was organized. FAO recruited independent experts who conducted the midterm evaluation of the project in mid-2013. The evaluation mission prepared a report which was commented by FAO, donor and the Government. The project consequently implemented the recommendations of the evaluation report.

Phase II of the project aims to ensure sustainability of the intervention made in Phase I in building more efficient and responsible forest institutions. This will be assisted by further supporting the preparation of secondary legislation, the fine tuning of mechanisms for implementing the Strategy Paper on Forestry sector Development 2010 – 2020 and Kosovo’s institutions at local and national level in their effort to achieve sustainable forest management throughout Kosovo. This support will strengthen the forest institutions to carry out the transfer of the northern forests from Serbian administration to management under the Kosovar institutions. This transfer will be directly facilitated by Phase II of the project. It also aims to tackle illegal woodcutting in the north by addressing its socio economic drivers, through building capacity and opportunities for employment.

Forest management is especially weak in the northern most municipalities of Kosovo, where the parallel operations of the Forest Public Enterprise and KFA leave management gaps. As the expected transfer of management responsibilities is of a politically sensitive nature, facilitation by a body with well-established and strong working relationships on both sides is necessary.

While illegal cutting is a major problem across Kosovo and is mainly a result of the poor socio economic conditions and unemployment, opportunity for employment and/or engagement in economic activity through different forms will provide preventive measures to illegal activity and improved forest management by the local authorities. As a result, the impact on environmental crime will decrease and local economic development will improve through employment opportunities and eventually access to local and regional market. Inputs to this sector will contribute to better livelihoods of the communities living in the north. With better economic prospects, chances for peace and reconciliation are more realistic. UNDP, building on the past and current activities in the north, will support people in the northern municipalities, targeting vulnerable groups, to enhance their employment prospects.

2.4 Past and Related Work

MAFRD is in charge of coordinating the operations of the different forestry projects, which is a demanding task considering the number of fairly extensive exercises. Coordination mechanism between the intervention and those of other donors was articulated through Forest Management Board established by the Government of Kosovo in December 2011 aiming to guarantee optimal outcomes and avoid overlapping activities.

The following forestry-related projects have been completed in Kosovo in last three years:

- Further Support to Sustainable Forestry Management, funded by the European Commission.
- SNV/Sida project “Strengthening Sustainable Private and Decentralized Forestry, funded by the Dutch and Swedish governments- CNVP as spin off continues the related activities in the second phase
- Forest Management Planning, financed by Norway.
- Kosovo Private Enterprise Program sponsored by USAID.

CNVP/Sida - Strengthening Sustainable Private and Decentralized Forestry

The project started in 2009 and continues until 2018 through CNVP. It is a regional exercise covering Albania, Kosovo and Macedonia, with both regional and national inputs. In Kosovo it has two offices, one in Pristina and another in Peja.

In Kosovo, the project deals with improvement of private forests and development of decentralized forest management as well as increasing the capacity of forest engineers through university education. Regionally, it endeavors to create networks for the development of private and decentralized forestry, cooperation and joint learning.

The main partners are MAFRD, KFA, Private Forest Owners Associations, municipalities, research and training institutions.

SIDA/ Kosovo Forest Agency

The main objective of the project “Silvicultural treatment of young forests in Kosovo” is to increase the economic value of young forests thus to contribute to higher living standards of the population.

It is envisaged that the project will produce 56 000 cubic meters of firewood, and 145 workers will get employment during 484 days each, in total 61, 672 man-days.

The following are the UNDP projects related to economic development and employment, expanding their activities in the northern municipalities

- **Aid for Trade, 2012 – 2014**

The Aid for Trade (AfT) project focuses on concrete interventions required to improve Kosovo’s long term economic performance and its alignment with social and poverty reduction goals. The ultimate goal of the project is promotion of inclusive and sustainable growth in Kosovo that creates job opportunities through private sector development interventions.

The main objectives of the project are enhancement of staff capacities within the Ministry of Trade and Industry and other relevant decision-makers’ to develop and implement evidence-based and pro-poor trade policies, and provide support to SMEs operating in selected sectors in the Economic Region South in having better access to market and information and contribute to improved livelihoods. The project has extended the activities in the northern municipalities, providing support to farmers through provision of advisory services and small scale investment. AfT project has initiated development of value chains in the northern municipalities, looking at two sectors with development potential: agriculture and wood processing. The findings

from the analysis will govern development of concrete interventions, including those that potentially relate to the forestry management project.

- **Active Labour Market Programmes 2, 2014 - 2016**

Through a comprehensive and scaled-up approach, the overall goal of the ALMP2 project is to build-up on UNDP's achievements in addressing Kosovo's labour market challenges, as well as to pave the way for long-term and sustainable local mechanisms that are capable to address such challenges independently and sustainably. The interventions' main objective is to improve the capacities of the labour market institutions to design relevant gender responsive policies at central level and to deliver integrated services at local level, focusing on the most vulnerable groups among the unemployed. As part of the integration process, UNDP's ALMP2 project is providing support to the Regional Employment Office in Mitrovica South to have more regular contacts and cooperate with the employment offices in the north. Through MLSW's lead, efforts will be made to intensify cooperation and revitalize these offices. For the employment component of this project to be successful and the targeting of the beneficiaries to be adequate, close working with the employment offices must be ensured. They can play a crucial role in identification of project target groups and individuals. This approach will contribute to their improved capacity and integration of these structures with the rest of employment institutions.

- **Conflict Prevention, Community Stabilization and support to Local Economic Development in North Kosovo region, 2013 - 2014**

The project Conflict Prevention, Community Stabilization and support to Local Economic Development in North Kosovo region has been an intervention directly addressing conflict sensitivity and fragility of the local communities through reduction of poverty. The activities have included fostering of local economic development, promotion of North-South dialogue on technical issues, and establishment of and support for stronger trade links and economic inter-dependency between communities. Effectively, the project directly contributes to the reduction of inter-community tensions and potential for conflict. The overall objective is to provide continued support to stabilization and inhibit further potential conflicts in Northern Kosovo, by promoting co-operation and peace through inter-ethnic dialogue focused on economic, social and environmental activities of shared interest.

More specifically, to date the project achieved to establish 3 Business Advisory Centers that provided business related training to 136 beneficiaries (54 women and 82 man). 49 micro loans offered to start ups from Mitrovica region to create small and medium enterprises and 86 jobs created as result. 15 small grants to local partner organizations are delivered to enhance entrepreneurship among youth.

2.5. FAO Comparative Advantage

FAO has been active in Kosovo since the war ended. During the early years, activities were focused on solving the most acute problems related to food security. As society changes, the support has come to focus on supporting and developing the institutions and actors involved in food security, rural development, forestry, legal aspects, etc.

In forestry FAO has played a leading role in the development of sustainable forestry practices. FAO support for forestry began already in 1999 and has since then come to include a fairly comprehensive technical support to the sector. This accumulated experience, together with a developed local network, access to both local resources and backstopping by Budapest and Rome means that FAO has a unique opportunity to implement a comprehensive and long-term forest sector support program in Kosovo.

FAO has successfully implemented several forestry projects in Kosovo in the past years. These projects have been financed by different European donor countries, and were related to the Institutional Building, NFI, Implementation of Forest Policies and Strategies. During this presence in Kosovo, FAO, through its experts, has established a very good cooperation and communication with the staff and experts of the recipient government and representatives of the donor countries. FAO has demonstrated and always keeps high professionalism and neutrality during the implementation of project activities. Acting as a leading agency in implementation of the technical forestry projects in Kosovo, FAO has reached a highest reputation amongst forestry related institutions and communities in Kosovo. The role of FAO, apart for technical assistance provided also serves as reference point for all international and national stakeholders interested in forestry sector. During the Phase I of FAO forestry project the tools for implementation of PSP were developed such as Kosovo Forest Information System (KFIS), Monitoring and Evaluation System (MES), Kosovo Forest Health System (KFHS) and National Afforestation and Reforestation Programme. In addition the principles of Participatory Forest Management and Planning were introduced while the project has managed to incorporate these tools and principles in the new Draft Forest law.

Advantages of UNDP involvement in Phase II

Due to the successful implementation of various interventions since 2008, including times when most development actors have not been able to operate in the area due to political or security reasons, UNDP has established a strong network including local authorities, the civil society, the business community and other stakeholders. Recently UNDP has assisted the newly elected mayors in establishing their municipalities by providing local technical advisers (in place since February 2014). These local technical advisers are contracted by UNDP, they are very familiar with the conditions in their respective municipality, and have good networks both within their community as well as being experienced with international organizations and missions in Kosovo.

UNDP during its presence in Kosovo has implemented several programmes, supporting institutions at central and local level to enhance their capacities and design better policies, so that citizens of Kosovo have access to services. UNDPs recent work in the area of employment, income generation and economic development, targeting vulnerable groups, such as young women and men, non-majority communities, repatriated persons, internally displaced persons etc, include, the Employment Generation Project and the Active Labour Market Project implemented Kosovo wide supporting skills development and employment; the Area Based Development Project and the Rapid Response to Communities implemented in the northern municipalities focusing on peace building through support to improved livelihoods; the project Building a Better Future for Citizens implemented in Fushe Kosove and Obiliq implementing the Territorial Employment Pact – an innovative approach to enhancing

living conditions of poor; The Aid for Trade and Diaspora Engagement for Economic Development projects focusing on private sector development and increase of investments, the Integrated Territorial Employment Project implemented in Dragash and Strpce, working in improving capacities of local structures as well as farmers to increase/enhance productivity thus generate employment, etc.

In line with UNDP global mandate on poverty reduction, the UNDP office in Kosovo has a long-standing experience in the area of employment generation. During the last decade, UNDP has established strong partnership with relevant institutions such as the Ministry of Labour and Social Welfare (employment offices and vocational training centres at the local level), the Ministry of Education, Science and Technology, the Ministry of Trade and Industry, the Ministry of Agriculture, Forestry and Rural Development, the Ministry of Diaspora etc. UNDP has also established cooperation with the private sector - the main drivers for economic development and growth.

3. PROJECT FRAMEWORK

3.1 Impact

The overall objective of the intervention is to increase the contribution of the forest sector to the national economy through sustainable use of forest resources, taking into account the multipurpose forestry including the economic, social and environmental benefits as well as its contribution to climate change mitigation.

The project will have a positive environmental impact through improved forest management practices (e.g., activities specifically directed towards protecting the forests from fungal and insect attacks that result in better and healthier forests with a beneficial impact on the environment).

For years the forests throughout Kosovo have been subject to illegal activities, which have damaged tree stands, harmed the environment and increased pest and disease outbreaks. The introduction of integrated forest management practices, in particular in the north, applying a participatory approach and offering organised ways for wood supply reduce the need for illegal activities in the forest.

Kosovo aspires to fulfil the principles of the UN Conference in Rio de Janeiro 1992 as well as the goals of various European Union agreements on nature protection. To meet these requirements the role of national forests in combating climate change and promoting biodiversity and environmental safety is of utmost importance.

The Government of Kosovo has adopted the Policy and Strategy Paper on Forest Sector Development 2010–2020 (PSP) which stresses the economic aspects but also takes into consideration the multi-functional role of forests. In this context, the current project that has three main components supports the implementation of PSP, with particular focus on the north of Kosovo in Phase II of the project.

- Institutional support for the implementation of forest policies and strategies. This is dealing with Pillar III of the Action Plan.
- Integrated forest management and practices. This is dealing with Pillar I, project A in the Action Plan.
- Forest sector and climate change, finding ways for forest sector to enhance its role in climate change mitigation and adaptation.

3.2 Outcome and Outputs

The activities that have been or are expected to be completed by the project by end 2014 are indicated as such ('completed') below.

Component 1. Institutional support for the implementation of forest policy and strategy

The development objective of component 1 is to strengthen the institutional capacity of the government for implementing the new forest policy, strategy and action plans.

Outcome 1: Kosovo Government capacities are strengthened to Coordinate and Implement the Action Plan (AP) as formulated in the Policy and Strategy Paper 2010–2020.

Outputs:

- 1.1 The Management Board (MB) for supervising implementation of forest policies and strategies is fully functional, and all main stakeholders are represented. – completed in Phase I. Revision of mandate and restructuring envisaged in Phase II.
- 1.2 PSP implementation is facilitated, followed up and monitored by a Coordination Unit (operational branch of the Board). – completed in Phase I. Establishment of CU as permanent structure envisaged in Phase II.
- 1.3 PSP Action Plan has gone through a prioritization process and has a work plan for implementation.– completed in Phase I. Revision of PSP envisaged in Phase II.

Main activities

- define the roles, functions and modus operandi of MB;- completed
- establish a Coordination Unit (Project Management Team);- completed
- provide training and organize study tours for MB members;- completed
- provide functional support to CU;- completed
- technical backstopping and capacity building for MB members;- completed
- technical backstopping, and capacity building for establishment of the approach for monitoring, follow-up and evaluation;- completed
- facilitate the overall operationalization and review of PSP.– ongoing throughout the project lifetime to ensure that the revised PSP supports equitable and equal access to forest-based employment opportunities to men and women, vulnerable groups and different ethnic minorities
- provide initial assistance and guidance to the new MB to be formed in 2015 and the newly established Coordination Unit at MAFRD, including on issues related to vulnerable groups and on gender aspects in forestry - **new Activity for Outcome 1 of the Component 1 for Phase II**

Outcome 2: Basic forest legislation is updated and harmonized with new policy and strategy.

Outputs:

- 2.1. The law preparation process is well coordinated, all stakeholder groups, including women and vulnerable groups, have been fully involved and the text of the updated forest law is ready for presentation for the Parliament.- completed
- 2.2. New and revised practices and procedures for information management are implemented at all levels of forest administration, and the forest policy and legal documents are available to and used by all forestry staff at headquarters, regions and municipalities.- ongoing.

Main activities:

- exchange of experiences on forest legislation within the region and/or with European Union countries;- completed
- provide technical support for drafting the legal texts;- completed
- organize a national conference, stakeholder workshops and roundtables to present the draft law to different stakeholders;- completed
- translate, print and publish forest policy and legislation documents.- ongoing
- provide support in drafting essential secondary legislation (bylaws and administrative Instructions/regulations) related to the New Forest Law- **new Activity for Outcome 2 of the Component 1**
- facilitate the validation and adoption/approval of the drafted secondary legislation- **new Activity for Outcome 2 of the Component 1**

Outcome 3. An information strategy on importance of forest sector is developed and implemented enhanced with establishment of KFIS.

Outputs:

- 3.1. The general public (especially the young people) is aware of the importance of forest sector and familiar with the main principles of the adopted forest policy.- completed
- 3.2. Information material has been developed for and is used by the educational institutions. - completed
- 3.3. The status of forestry institutions has been promoted in mass media through functional support and nationwide publicity events. - completed
- 3.4. Forestry institutions are active in media, in news, documentaries and other releases. ongoing

Main activities

- define and support the implementation of the information dissemination strategy (visual aides, billboards, public events);- completed
- define publicity strategy;- completed
- develop, translate and print information material (leaflets, posters etc);- planned to be completed in Phase I
- support educational institutions, schools etc.;- planned to be completed in Phase I

- organize joint information workshops and seminars;- planned to be completed in Phase I
- provide functional support on how to promote role of forestry in mass media;- completed
- organize national publicity events;- planned to be completed in Phase I
- design and update web pages.- completed
- support the regular updating and maintenance of the Kosovo forest web-portal(including content such as gender, vulnerable groups, employment generation, etc)- **new Activity for Outcome 3 of the Component 1**

Outcome 4. Support the completion of the decentralization process in forestry.

Outputs:

- 4.1.Ongoing decentralisation process is facilitated.–completed
- 4.2.Personnel of the decentralised forestry offices are familiar with the forest policies and legislation and have been trained to carry out their tasks properly. - ongoing

Main activities

- support the definition of decentralisation strategy (roles, responsibilities and mandates);- completed
- provide training for key staff;- completed
- support to the preparation of the legal framework as required and provide functional support;- completed
- facilitating implementation of the decentralized competencies.– completed
- support the capacity development of regional and municipal forest administration staff on implementing the new rules and procedures (concession, tendering, contracting etc.) stipulated by the new forest legislation (forest law and bylaws) - **new Activity for Outcome 4 of the Component 1**

Outcome 5: Kosovo Forest Information System (KFIS) put into full operation and maintained by MAFRD/KFA – **new Outcome and Activities for Phase II**

Outputs:

- 5.1. All KFIS modules (including GIS module) fully deployed

Main activities

- Develop the GIS module of KFIS
- Geo-reference the KFA Departments Module, Monitoring and Evaluation Module with the GIS module and integrate the Forest Management Module (FisKos database and forest inventory developed by Norwegian Forestry Group)
- Integrate Kosovo Forest Health System (incl. ICP monitoring), National Afforestation and Reforestation Program, WISDOM (Woodfuels Integrated Supply/Demand Overview Mapping)with KFIS

- Support the full deployment of KFIS with all above-mentioned elements

Component 2. Integrated forest management and practices

The development objective of Component 2 is to improve forest management practices leading to increased yield of forestlands and enhanced employment opportunities for the rural population.

Outcome 1: Improved condition of low-growth forests through better forest management and silvicultural practices.

Outputs:

- 1.1 Test/pilot areas are selected, marked in the field and drawn on the map. - completed
- 1.2 Arrangements are made with local stakeholders for carrying out management activities. Special attention is given to the involvement of women and representatives of vulnerable groups. - completed
- 1.3 Improved capacity to apply integrated approaches in forest management.- ongoing
- 1.4 Trainers/extensionists have received instructions to meet the needs in the pilot areas. - completed
- 1.5 Modalities for joint (public/private) forest management and use are defined and introduced.- completed
- 1.6 Standard approach for local agreements/contracts established and is known at all levels.- completed

Main activities

- identify localities for testing and piloting;- completed
- make agreements with local authorities;- completed
- discuss with selected interested families/households;- completed
- design the sub-components to be carried out;- completed
- carry out training needs assessment among potential trainers/extensionists and their future target group;- completed
- provide training and extension (modules) as required;- completed
- develop training manuals/guidelines/booklets;- completed
- propose and test various ways for involving local people (families, men and women from all ethnic groups) in forest management and use;- completed
- provide support in the definition of contracts and agreements;- completed
- provide advice and/or extension as required on involving people in the joint activities and also on their motivation and specific interests.- completed
- provide support and guidance to KFA in implementing forest management plans prepared during phase I of the project, in particular with involving rural population and businesses in forest operations focusing on social inclusion,

providing support in outreach and employment opportunities for vulnerable groups¹⁰. - **new Activity for Outcome 1 of the Component 2**

Outcome 2. Updated information on the status of existing forest plantations, enhanced with Establishment of KFIS.

Outputs:

- 2.1 A survey on the current situation of forest plantations has been carried out.- continued in Phase II in north Kosovo
- 2.2 Permanent plantation information system designed, established and in use.- ongoing
- 2.3 A data base is ready, and accessible for users.- ongoing
- 2.4 Annual work plan for the implementation of the national afforestation- and reforestation programme (NARP) is in place and enforced – **new Output for Phase II**

Main activities

- carry out a survey of the existing forest plantations in typical areas representing different conditions (species, soils, other condition);- completed in Phase I
- assess the current composition of species, soils, climate and other conditions;- completed in Phase I
- produce a report with conclusions and recommendations;- completed in Phase I
- collect data on afforestation projects in the region, past and present;- completed in Phase I
- make a selected list of regional objects, which are of interest to Kosovo;- completed in Phase I
- organize a study tour for forestry staff in the Balkan region to observe forest plantations and exchange experiences; –ongoing
- make a data base for permanent exchange of information via internet.–ongoing
- provide support in implementing and monitoring of the annual work plan of the NARP (National Afforestation and Reforestation Plan) and of the forest nursery in Peja, giving special attention to employment of vulnerable groups.- **new Activity for Outcome 2 of the Component 2**
- Integrate the results of the Intensified Inventory of Forest Plantations in Kosovo Afforestation and Reforestation Programme - **new Activity for Outcome 2 of the Component 2**

Outcome 3. Forest health situation in Kosovo improved.

Outputs:

- 3.1 Forest officials, relevant stakeholders and forest owners are aware of the health hazards resulting from improper forest practices.- completed

¹⁰ Based on the latest Labor Force Survey results in 2013, vulnerable groups most affected in the labor force are long term unemployed youth, women and non-majority communities.

- 3.2 Information on how to mitigate pests and diseases has been spread to stakeholders.- completed
- 3.3 Support provided for establishing a forest health monitoring system in Kosovo.- ongoing
- 3.4 Options for establishing an organisation for monitoring forest health have been identified.- completed
- 3.5 Forest researchers in Kosovo have established contacts with their colleagues specialised in forest health issues.- completed
- 3.6 Conditions created for exchange of research results and experiences in prevention and mitigation of pests and diseases.- ongoing
- 3.7 Establishment of laboratory premises for applied research.- completed

Main activities

- analysis of the situation regarding pests and diseases in typical forest areas;- completed in Phase I
- recommendations regarding the best long-term solution for improving forest health;- completed in Phase I
- awareness raising of the consequences of improper forestry practices; - ongoing
- training in practical ways to prevent and mitigate pests and diseases in forests;- completed in Phase I
- production of leaflets and booklets;- completed in Phase I
- developing contacts with forest research institutes in the Balkan region;- ongoing
- elaborate a compendium of related literature and other information;- completed in Phase I
- acquainting with the situation in the field in Kosovo and neighbouring countries;-ongoing
- provide equipment and training for establishing a laboratory for applied research. –completed in Phase I
- provide support in re-establishing ICP sample plots Level 1 system in Kosovo – **new Activity for Outcome 3 of the Component 2**
- train KFA/KFI and municipalities' field staff in forest health reporting requirements and use of KFIS for monitoring purposes - **new Activity for Outcome 3 of the Component 2**

Outcome 4. Capacities for sustainable forest management in north Kosovo developed – **new Outcome for Phase II**

Outputs

- 4.1 Personnel of the north Kosovo forest authorities are familiar with objectives of Kosovo's Policy and Strategy Paper 2010 -2020 and forest management practices as per legislation in power

4.2 Arrangements are made with local stakeholders, including vulnerable groups, in northern-most municipalities of Kosovo to carry out forest management activities as per legislation in power

4.3 Employment prospects are enhanced, focusing on vulnerable groups, through provision of skills development, entrepreneurship and self-employment opportunities - to be implemented by UNDP

Main activities

- Establish a coordination mechanism between local and central authorities to facilitate the transfer of forestry management responsibilities to the Kosovo Forestry Agency (KFA) in the spirit of the Agreement on normalization of relations between Prishtina and Belgrade (Brussels 19.04.2013) - to be implemented by UNDP
- Provide technical support for the capacity development of forest administration staff in north Kosovo on implementing Kosovo rules and procedures - to be implemented by FAO
- Facilitate the selection of suitable stakeholders for involvement in forest management activities in north Kosovo in afforestation and silvicultural measures giving special attention to employment of vulnerable groups - to be implemented by FAO.
- Establish on a pilot basis a mobile training group to provide on-the-job training to stakeholders in north Kosovo in forest field activities promoting better conditions for creation of the employment with equal opportunities for men and women (including health, safety) - to be implemented by FAO
- Provide technical support for the implementation of field work activities- to be implemented by FAO
- Identify potential beneficiaries, private forest owners and potential entrepreneurs in the forestry sector with equal opportunities for the minority ethnic groups and a gender based approach to be applied for potential employers and contractors- to be implemented by UNDP
- Support development of forest-related businesses and promote entrepreneurship initiatives, including provision of grants and other subsidies- to be implemented by UNDP
- Promote forestry related self-employment programmes-- to be implemented by UNDP
- Promote active employment measures, focusing on young women and men, in relevant sectors - to be implemented by UNDP
- Provide training to potential beneficiaries on how to apply for grants offered by the Ministry for Agriculture, Forestry and Rural Development - to be implemented by UNDP
- Facilitate short-term employment opportunities through implementation of public works projects ensuring that as a guiding principle opportunities will be available equally to men and women and to all minorities and vulnerable groups - to be implemented by UNDP

Component 3. Climate change mitigation

The development objective of component 3 is to assess the forestry sectors adaption and mitigation capacity to combat climate changes.

Outcome 1: Increased understanding on and capacity to combat climate change in forest sector.

Outputs:

- 1.1 A strategy and action plan to address climate change adaptation and mitigation in the forest sector is prepared. Changed to “Woodfuel Integrated Supply/Demand Overview Mapping WISDOM for Kosovo available” - completed
- 1.2 Arrangements are made to have the strategy approved at the highest political level. –no longer relevant
- 1.3 Vision created on opportunities for climate change mitigation in Kosovo through effective use of wood energy – **new Output for Phase II**

Main activities

- assessment of the potential of the forest sector of Kosovo to mitigate climate changes; -completed in Phase I
- prepare the strategy and action plan for addressing climate change in the forest sector of Kosovo; -modified
- lobbying to have the strategy approved at the highest political level.- cancelled
- provide support in applying WISDOM in short and long-term strategic planning (including green investing) in Kosovo – **new Activity in component 3**

Achievements of the project under Phase I

Component 1:

The project supported the finalization of the redrafting of the new Forest Law including Tables of Concordance and the draft Law’s alignment with the Forestry Policy and Strategy (PSP) and corresponding EU Regulation. The Monitoring and Evaluation System established by the project was used by MAFRD as a main tool for preparation of the Third Annual Progress Report for 2013. With the support of the project, the Forest Management Board was established and strengthened its position in the forest sector and continued to exercise the role of an active stakeholder by supporting the First Session of Kosovo Forest Sector Think Tank. The implementation of the Communication and Information Strategy for Forest sector (CITFS) in Kosovo 2010-2020, developed by the project, was successfully initiated. The outlook of Kosovo Forest Information System was agreed with key forestry stakeholders and its development started. KFIS shall be built in modules enlisted below:

- a. System Administration Module
- b. Administrative Support and HR Module (related to KFA)
- c. Forest Management Module
- d. KFA Departments Module
- e. Data Exchange Module

- f. GIS Module
- g. Monitoring, Evaluation and Reporting Module
- h. Module for Access for External Users, Forest Owners and Public Access

It is expected that KFIS will be one of the key project outputs and a major tool for sustainable and efficient management of forest resources on Kosovo in future.

Component 2:

Forest Management Plans in two pilot municipalities and related reports were prepared by the project. These represent a quality shift in forest management planning in Kosovo, in particular regarding the involvement of business and vulnerable groups in forest resources planning and management. It is expected that the National Afforestation and Reforestation Programme in Kosovo will impact rural livelihoods and will directly improve the environment. The Kosovo Forest Health System (KFHS), will contribute to the monitoring of and reporting on forest health throughout Kosovo. In this context, the project completed training on Implementation of International Phyto-sanitary standards and produced numerous project publications: Handbook for Main Forest Pests in South-East Europe; Manual for Visual Assessment of Crown Conditions; educational posters for main pests in South-East Europe; among others. Laboratory equipment was procured and delivered to the Applied Research Laboratory established in Peja. The Laboratory was officially inaugurated in October 2014.

Component 3:

In the inception phase, the activities under Component 3 had to be re-conceptualized not to duplicate the abovementioned EU-funded TWINNING project “Further Support to Sustainable Forestry Management”. It was decided to focus the efforts on producing a Study on Wood Fuel Consumption in Kosovo households, public buildings, the wood processing industry and by other commercial users. To complement the Study, a WISDOM¹¹ module was prepared and prefeasibility studies on possible future use of wood fuel for several public buildings were carried out.

3.3 Sustainability

To secure sustainable results, the project continuously applies participatory tools and methods for training of national staff, and at all times promotes the involvement of all stakeholders. Involvement of the various stakeholders groups, including women associations and representative of vulnerable groups in designing, implementation and monitoring of the project activities promotes accountability and transparency of the development activities. In this context, there are three factors that contribute to securing the sustainability of the project.

Government commitments

Through the PSP, the Kosovo Government is committed to support the development processes outlined through the Paper and the related Action Plan. The full support and collaboration of MAFRD is always sought and forms the corner stone for all activities. The role of the Management Board as a decision making body for the

¹¹Woodfuel Integrated Supply/Demand Overview Mapping.

implementation of PSP, and facilitated by the project, is crucial for reaching successful end results.

Rural families across Kosovo accustomed to using wood e.g. for energy, but not yet active in the forestry will get particular attention in the second phase of the project, in order to engage them in sustainable forest management activities.

Furthermore, gender-sensitive activities aim at allowing equal opportunities for employment and income generation activities for women in local communities.

The project supports the establishment of participatory processes in strategic planning, monitoring and evaluation for sustainable development of the sector. The PSP and its Action Plan are the umbrella under which the project is implemented.

Environmental aspects

Kosovo aspires to fulfil the principles of the UN Conference in Rio de Janeiro 1992 as well as the goals of various European Union agreements on nature protection. To meet these requirements the role of national forests in combating climate change and promoting biodiversity and environmental safety is of utmost importance. Keeping this aspiration in mind the Government is bound to support the implementation of new management practices, which result in better and healthier forests with a beneficial impact on the environment.

Furthermore, introduction of sustainable forest management practices, applying a participatory approach in developing forest management plans and offering organised ways for wood supply, will contribute to reducing the scale of illegal activities in the forest sector, while, contributing to improved health of Kosovo forests.

Cross-cutting themes and gender

Kosovo is a small country with a fragile social situation and undergoing a difficult post-conflict period. The socio-economic pattern is fragmented with an Albanian majority and a number of minorities living in their own villages or territories. The locations of various activities will have to be carefully considered. In phase II activities will be extended to north Kosovo, in order to foster inter-ethnic equality and rights of minorities.

In the north municipalities, the socio-economic situation of Kosovo Serbs remains dire. Most residents are unemployed and rely on social assistance, minimum wages deriving from previous public employment or pensions from Serbia-run institutions. Since 1999, young people, both uneducated and university graduates have had little or no employment prospects in the region. Many have had to leave Kosovo either permanently or to seek seasonal work. In the predominantly Kosovo Serb villages in north Kosovo there are a number of privately-run shops and bars that employ young persons. In most cases, they are not licensed; some people engage in small-scale farming and sell their products predominantly in the markets of northern Mitrovicë/Mitrovica. Other residents find employment with Serbia-run institutions.

Anecdotal evidence shows that in the region of Mitrovicë /Mitrovica, men have been more affected by the economic situation than women. The latter have become more active in seeking employment, sometimes becoming the sole family breadwinner, working in Kosovo institutions such as municipal community offices, at schools, or as nurses in health centres.¹²

¹² Kosovo Communities Profiles 2010 -Organization for Security and

As far as the project implementation is concerned the project team will ensure that, women will have equal rights and opportunities to actively participate in planning and implementation of the project activities related to income and employment generation efforts. This will apply both to the project administration and the jobs in the execution of forest management at the local level. The selection of workforce for project activities will be done in a transparent manner, with set of criteria published in advance, stressing that women are particularly encouraged to participate. In principle, Kosovo is ready to follow the corresponding European Union regulations including those related to gender issues.

According to the Labour Force Survey 2013, vulnerable groups most affected in the labour force are long term unemployed youth, women and non-majority communities. The unemployment rates are higher among women and youth¹³. Even more concerning are the labour force participation rates, standing at only 21.1% among women while 60.2% among men. About 35.3% of the young population belongs to NEET group (Not in Employment, Education or Training). The labour force survey is conducted and includes data from the northern municipalities, but the information is not available at the municipal level. However, the project will focus on supporting the most vulnerable groups identified in the labour market based on the official data of the Kosovo Agency for Statistics, namely, youth, women and ethnic minorities.. These groups are among the beneficiaries of the project in particular for those activities related to component 2, outcome 1, 2 and 4.

With this approach, i.e. provision of equal participation and employment opportunities, the project contributes to reduced tensions among ethnic groups, establishing a basis for provision of long-term employment opportunities. Reduced tensions and employment opportunities are important factors for securing sustainable project results. These aspects will be elaborated in detail in the inception report and in the project work plans.

3.4 Risks and Assumptions

The main risk is that the project will not receive the support from Government institutions and municipalities as expected. This may happen as a result of organisational restructuring, changes of personnel, staff shortages or budgetary constraints. As a consequence of this the functional support could be at a lower level but not absent altogether.

In the forest management component the project will work directly with municipalities and rural people and can through this cooperation alone reach many of its essential objectives. The external inputs, i.e. international and national know-how as well as other resources, provided by FAO are sufficient to implement the project as planned.

Another risk could be referred to as the limited absorption capacity of the staff of recipient entities. In the last few years several projects were running simultaneously in the forest sector offering a lot of activities for a limited number of personnel involved in forestry, however nowadays there are only few.

Co-operation in Europe Mission in Kosovo

¹³Unemployment rate in Kosovo is 30%; 38.8% among women and 26.9% among men; youth unemployment rate is as high as 55.9%;

Overlapping and duplication of efforts can be avoided by (i) avoiding similar activities in same geographic areas and for same target groups;(ii) opening seminars, workshops and study tours also for staff of other projects;(iii) exchange of specialists between projects from time to time;(iv) exchange of publications, leaflets and other information materials; and(v) having regular contact with other projects.

A particular risk in achieving the project outcomes in Phase II is the overall situation in north Kosovo which is still socially fragile and politically unstable. In order to mitigate the potential risks for implementation of project activities in north Kosovo, the project will apply intensive and transparent process of consultation with forestry stakeholders at all levels, starting from local community level, municipalities, to regional and central Kosovo authorities. In case there is no political will for agreement on transfer of forest management responsibilities in the north, community based field activities related to employment generation will be carried out in other ethnic minority populated areas in Kosovo, e.g. Shterpce and Novoberde municipalities

When it comes to training and employment component, several risks have been identified: the hesitation of businesses to register with the Kosovo authorities, the fictionalization of the Kosovo Ministry of Labour and Social Welfare Employment Offices and Vocational Training Centre, the interest and willingness of people to work and receive services from Kosovo Institutions at local level etc. However, the project has taken into account these risks and mitigation actions have been proposed in the table below. In addition, UNDP has had several consultations in the ground with municipal representatives, employment offices, the VTC, small farmers and citizens. The feedback from the field visits, has been positive in terms of both cooperation with the Kosovo institutions and the project – the training and employment support has been highlighted as crucial for the citizens in the northern municipalities. On the other hand, the Minister of Labour and Social Welfare has shown commitment to engage in functionalizing the employment and training structures in the northern municipalities. All project activities will be implemented in close cooperation with the local structures, namely employment offices and training providers to ensure sustainability of the action beyond project interventions.

In this context, the project will rely on the experiences from previous and ongoing UNDP projects which have built up strong relationships with stakeholders and beneficiaries in the north. The UNDP presence on the ground with the office and staff there can also support the communication with local stakeholders and communities and help overcome any obstacle that may arise.

| Risk No | Risk statement | Impact | Likelihood | Overall ranking (Red/Amb/Green) | Mitigating action | Action owner | Target date |
|---------|------------------------------------------------|--------|------------|---------------------------------|----------------------------------------------------------------|----------------------------------|------------------|
| 1 | Lack of Governmental support | H | ML | G | Substantive coordination activities | Project management + donor | Project lifetime |
| 2 | Limited financial inputs | ML | L | G | Effective use of project resources | Project management | Project lifetime |
| 3 | Limited absorption capacities of beneficiaries | MH | MH | R | Baseline assessment and effective use of counterpart resources | Project management + beneficiary | Project lifetime |
| 4 | Overlap of activities with | MH | MH | G | Regular coordination with | Project management | Project lifetime |

| | other projects | | | | other organisations | | |
|----|---------------------------------------------------------------------------------------------|----|----|---|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------|
| 5 | Unstable political situation in northern Kosovo | H | H | R | Diversification of counterparts including non political | Project management | Project lifetime |
| 6 | Low interests of the local communities for forestry activities | MH | ML | A | Promotion of the opportunities for forestry income generating activities | Project management + beneficiary | Project lifetime |
| 7 | Mistrust between local (four northern municipalities) and central authorities | H | MH | R | Transparency and frequent dialogue in the process of handover | Project management + beneficiary + donor | Project lifetime |
| 8 | Enterprise profiles for undertaking forestry activities | ML | ML | A | Training for increasing the skills | Project management | Project lifetime |
| 9 | Beneficiary limited capacity for managing the grants provided | ML | L | G | Continuestraining, guidance, advise and monitoring | Project management + beneficiary | Project lifetime |
| 10 | Businesses hesitate to register with Kosovo Authorities | MH | MH | R | The project would support expansion of existing registered businesses to create jobs | Kosovo Government (external) | Project lifetime |
| 11 | Functionalization of employment offices and VTC centre | ML | ML | A | Discussion initiated with MLSW. UNDP will support capacity building and introduce tools (ALMP project) | Ministry of Labour and Social Welfare Municipalities UNDP | Project lifetime |
| 12 | Interest and willingness of citizens to receives services from Kosovo authorities | ML | ML | A | Employment incentives envisaged to be provided to unemployed | Ministry of Labour and Social Welfare UNDP | Project lifetime |
| 13 | Delay in achieving the agreement for transfer of responsibilities for forest administration | MH | H | R | Substantive coordination activities | Kosovo Government (external) | Project lifetime |
| 14 | Delay in implementation of FAO-UNDP agreement | M | L | L | Regular coordination | Project management + FAO/UNDP + donor | Project lifetime |

Estimate of effect on project /likelihood: H - High, MH- Middle high, ML - Middle low or L - low

4. IMPLEMENTATION AND MANAGEMENT ARRANGEMENTS

4.1 Institutional framework and coordination

The first phase of the project has been implemented over a period of 45 months, which included a three-month inception period, under the overall responsibility of the Ministry of Agriculture, Forestry and Rural Development from the government side. For the second phase, FAO remains the implementing agency in charge of the project, while the activities in the north Kosovo shall be conducted in partnership with UNDP. This partnership between FAO and UNDP will be formalized according to UN rules and procedures.

In 2011, the Government nominated the Management Board (MB) as a supreme decision making body for the realisation of PSP. The Project Management Team has acted as a Coordination Unit, facilitating the Management Board in its work. The

Board is composed of the representatives of relevant ministries and major forestry stakeholders. The international community is represented in the Board through the two non voting members that are coming one from EU countries and one from US. The Management Board has met at least three times a year, discussed and approved annual work plans, budgets and progress reports as well as given advice and support in the implementation of PSP and project goals and activities. The mandate of the current Management Board's membership will expire in December 2014. The project phase II will assist the new Coordination Unit in MAFRD in reviewing the MB mandate as well as its membership through the midterm review of the Forest Policy and Strategy. It is expected that the new structure of the MB will include the representative of governmental Agency for Gender Equity.

The project has a Management Team of three experts (Chief Technical Adviser, Deputy Team Leader, both based in Pristina, and the Lead Technical Officer of the Project based in the FAO Regional Office in Budapest).

The Management Team is responsible for the management and implementation of project activities in accordance with the approved work plan. They organise the necessary resources, closely monitor the implementation of the project work plan and facilitate the work of the FMB as required.

Short-term international and national experts are used to carry out specific tasks to support the work carried out by the project, in cooperation with MAFRD and other stakeholders.

The CTA and the DTL prepare the terms of reference for all national and international experts and participate in their selection. The long-term consultancies are advertised in local press and a selection committee selects the experts from among applicants on the basis of their qualifications and experience. Selected candidates' documents are submitted to FAO's designated Lead Technical Officer or contributing technical officers for technical clearance.

The Lead Technical Unit for the project is the Forest Economics, Policy and Products Division of FAO's Forestry Department in Rome Headquarters.

The project office is established in Pristina and accommodates the personnel and functions required for the execution of the project.

The project finances are administered by FAO. The project Budget Holder and Operating Unit is FAO's Regional Office for Europe and Central Asia in Budapest, Hungary. The Finnish Ministry for Foreign Affairs finances the project through a funding agreement with FAO.

With regards to arrangements for partnership with UNDP, one local Project Officer will be recruited as UNDP staff working in the UNDP office in Zvecan. This local staff member is foreseen to implement UNDP project activities taking place in northern Kosovo. Also two short-term local consultants are foreseen to be contracted for specific services related to UNDP activities. In addition the UNDP existing project office staff in Zvecan will provide logistic support as needed, including support to FAO-led activities of this project if needed. Because of the long-term presence, and with the help of the UNDP staff present in Zvecan, UNDP will recruit skilled and experienced local project staff in the north to implement UNDP project activities.

UNDP activities are grouped under Component 2, Outcome 4 for clarity of administration, delivery and reporting. UNDP has also appointed an international

Programme Analyst, acting as coordinator for region north, in order to ensure that activities are effectively coordinated with other international and local development interventions in the northern-most municipalities of Kosovo. In addition, UNDP has appointed the Programme Analyst/Portfolio Manager for Inclusive Growth and Sustainable Development to provide oversight and quality assurance for this project and ensure synergies between UNDP related projects,

UNDP's added value to the Phase II of the FAO implemented project "Support to Implementation of the Forest Policy and Strategy in Kosovo – Phase II" is the strong experience in supporting business development, working closely with vulnerable communities and civil society organizations, generating employment and supporting good governance and rule of law. All project activities are to be implemented in seamless cooperation with FAO: UNDP role is to facilitate cooperation, coordination and prepare ground for communication between local and central level authorities, whereas FAO role is to provide technical support in the implementation of project activities in the north Kosovo that will be agreed by the key forest sector stakeholders which are in compliance with Policy and Strategy Paper 2010 -2020. Monthly meetings between the FAO CTA or DTL and the UNDP Programme Analysts and the Project Officer will be held to coordinate activities in the field. The unstable political and security situation in northern Kosovo has caused the local population to be highly sensitive for external interventions, including people that are unknown for the local population, and specific attention must be paid to building of trust with the local authorities and beneficiaries in order to be able to implement any activities.

Project phasing

The planned duration of the phase I of the project was 39 months. The project activities started in March 2011 with the following phases:

- an inception/preparatory phase of three months, which took place before the actual project start-up;
- implementation phase of 33 months;
- an extension of the seven months until 31 December 2014, agreed with the donor in spring 2014;
- a planned phasing out period of three months.

FAO recruited an International Chief Technical Adviser (CTA) and a National Deputy Team Leader (DTL) in May 2011 in order to make the necessary preparatory work so that the project activities could be launched the soonest. Concurrently with the CTA and the DTL, the Government of Kosovo nominated a National Project Coordinator (NPC) for the beginning of the inception period. The Coordination Unit (CU) was established during the inception phase. The CU has acted as the facilitator (operational branch) of the first MB.

During the inception phase the CTA and the DTL compiled an inception report that, among others, includes a detailed work plan.

Project phasing for Phase II

The planned duration of the Phase II of the project is 24 months (including a preparatory phase of two months (for the new activities related to the north only) and will encompass the following phases);

- implementation phase of 19 months; and
- effective phasing out (exit) period of three months.

FAO will re-hire an International Chief Technical Adviser (CTA) and a National Deputy Team Leader (DTL) in January 2015 in order to start with inception phase.

The role and responsibilities of the NPC and the CU, *although the latter transferred to MAFRD*, will remain the same as in phase I.

During the first two months the CTA and DTL will prepare a progress report and detailed work plan for phase II.

The project six-month progress reports and annual work plans will be approved by the project Steering Committee which will continue to provide guidance during project implementation.

The phase II of the project will be implemented in close cooperation with UNDP regarding Component 2, Integrated forest management and practice, Outcome 4. Capacities for sustainable forest management in north Kosovo developed (new Outcome for Phase II). For this purpose, following relevant clearance procedures, a UN Agency to UN Agency Contribution Agreement will be signed between FAO and UNDP regulating the responsibilities of both organisations.

Project exit plan

In order to ensure the sustainability of the project outcomes an exit plan should be formulated accordingly. This exit plan will secure the visibility of project achievements and enable consensus for handover of project deliverables to the responsible agencies in order to ensure that capacities for continued use are in place. The framework of project exit plan includes the following:

- Project beneficiaries and the other stakeholders are fully informed about the project achievements and results.
- The agencies responsible for continued engagement in overseeing project outcomes are defined.
- The entities and the staff for ensuring sustainability of the project achievements are familiar and trained to continue with further implementation.
- MAFRD has designed a PiP (Public Investment Program) for continuation of the activities initiated by the project.
- The schedule of activities for handover of the responsibilities and project outcomes is prepared.
- The checklist for handover of the project assets is prepared and agreed.

The project exit plan will be implemented during the last three months of the project life. The exit plan will be implemented jointly with a task group, specifically created for this activity. The task group will comprise members from the project team plus beneficiary institutions assigned by MAFRD.

Quarterly dynamic of project exit strategy

| Quarters 2015- 2016 | | I | II | III | IV | V | VI | VII | VIII | |
|---------------------|-------------------------------------------------------------------------------------------|-----------|----------------|-----|----|---|----|-----|-----------|---------------------------|
| Activities /Phase | | Inception | Implementation | | | | | | Phase-out | Responsibility |
| 1 | Information dissemination on project achievements and results | | | | | | | | | Project |
| 2 | The agencies responsible for continued engagement in overseeing project outcomes assigned | | | | | | | | | MAFRD |
| 3 | Draft a PIP (Public Investment Program) for follow-up project activities | | | | | | | | | Project MAFRD |
| 4 | Schedule of activities for handover of project outcomes | | | | | | | | | Project MAFRD |
| 5 | Effective handover of the project deliverables and assets | | | | | | | | | Project MAFRD FAO |
| 6 | Project wrap up | | | | | | | | | Project MAFRD donor |

4.2 Strategy/Methodology

To ensure successful and sustainable results the following strategies and methodologies are applied (see also 3.3):

- The project will continue to use participatory tools and methods for training of national staff and promoting the involvement of all stakeholders in the implementation of the adopted PSP and Action Plan, new law and related Administrative Regulations;
- MAFRD is the main receiving agency and focal point for the project and a full and seamless collaboration is always be strived at. The project, however, takes into full account the multi-functional role of forestry which means that a number of other ministries/agencies are involved by the project. This means that the project establishes cooperation and contacts with other agencies in the Government. With this the focus of activities is more flexible and adaptable to unexpected political changes which may impact the activities of the project;
- The project strives at engaging rural families, including in north Kosovo, accustomed to use wood for heating purposes. The method will be to direct this kind of wood harvesting to young and over-dense forest stands. This method will result in more sustainable forestry, increased production of fire wood and increased employment opportunities. The project will actively apply the gender balanced approach thus allowing equal opportunities for women and vulnerable groups to benefit directly from the project activities.
- The project supports the establishment of participatory gender sensitive/balanced processes not only in the project design, implementation and monitoring, but generally, in strategic planning, monitoring and evaluation in the decision-making processes. Such processes usually comprise the policies, legal instruments, programme documents, actions and agreements leading towards the sustainable use and conservation of the forest resources. The PSP and its Action Plan will be the umbrella under which the project will be developed.
- In the Phase II of the project the Strategy/Methodology will remain unchanged yet due to complexity of the project the careful planning of phasing out (exit)stage of the intervention will start early in Phase II.

4.3 Government Inputs

Kosovo Government is committed to provide inputs and resources for the implementation of the project activities, with the purpose of achieving the project objectives and to contribute to the integration of the inputs provided by this project, as well act in a complementary manner for optimizing the results of the project. In general, the inputs provided by the government include technical and administrative staff time, office space, facilities for training or, if needed, transportation for technical experts.

The Governmental contributed circa 30,000 EURO for refurbishing the Kosovo Forest Laboratory facility and 18,840 EURO annually for hosting the project during phase I of the project. It is anticipated that MAFRD will contribute 200,000 EURO for project activities during phase II, specifically for geo-referencing of KFIS and for supporting the planned field work activities in north Kosovo.

4.4 Donor Inputs

Professional Experts Team

The project employs the following full-time experts:

- an International Chief Technical Adviser (CTA) who leads the project and, in cooperation with other project personnel, is responsible for preparing and implementing detailed work plans and supervising all project activities. The CTA also provides technical assistance in certain competence areas i.e. forest management. The CTA is furthermore responsible for reporting to FAO Headquarters and liaising with donor/s and international organizations; It is expected that in Phase II the CTA will allocate up to 50% of the effective working time to the activities planned for north Kosovo
- a National Deputy Team Leader (DTL) with main responsibilities for tasks related to Pillar III of PSP and with focus on support to the Forest Management Board and Coordination Unit, liaising with Government bodies, information management and mass media campaigns. DTL is also responsible for preparation of reports within actual competence areas, planning and organizing trainings, study tours and practical demonstrations. In addition, DTL takes a lead role in promotion of the project nationally, regionally and in the Western Balkans in general;

However both CTA and DTL will dedicate their effective time to implementation of all project related activities on whole territory of Kosovo regardless the focus, location and scope;

- UNDP staff

UNDP will engage a local Project Manager with main responsibility to ensure efficient and timely implementation of project activities in northern Kosovo, to regularly keep contact with the local partners and stakeholders in northern municipalities as well as other stakeholders with presence in northern Kosovo.

Plan of recruitment for short-term international experts for Phase II

| International short-term experts | |
|------------------------------------------------------|------------------------------------------------------------------------|
| Area of expertise | Planned Duration (person/months) and planned number of missions |
| Institutional support and policy evaluation | 1 month, 2 missions |
| Legal specialist, (tendering/concessions) | 1 month, 2 missions |
| Forest management expert | 2 months, 2 missions |
| Forest plantation specialist (site-species matching) | 1 month, 2 missions |
| IT expert | 1 month, 2 missions |
| Forest health expert | 1 month, 2 missions |
| Climate change expert | 1 month, 2 missions |
| Unspecified | 2 months, 4 missions |
| Total | 10 person/months, 18 missions |

The following short-term national experts will be recruited for Phase II:

| National short-term experts | |
|---------------------------------------------|-----------------------------------------|
| Area of expertise | Planned Duration (person/months) |
| Institutional support | 2 |
| Legal issues | 7 |
| Information systems | 3 |
| Forest management | 5 |
| Plantation management expert/silviculturist | 3 |
| Climate change | 3 |
| Forest health expert | 2 |
| Unspecified | 2 |
| Total | 25 person/months |

| National short-term experts to engaged by UNDP | |
|-------------------------------------------------------|-----------------------------------------|
| Area of expertise | Planned Duration (person/months) |
| Negotiation facilitator (4.1.1) | 2 |
| Trainer on Product Quality standards (4.3.5.) | 2 |
| Total | 4months |

General Service and Support Personnel

To support the activities of the project the following personnel is employed:

- an Administrative Assistant responsible for financial and administrative support of activities such as: personnel records, and accounting of expenditures, duties associated with purchase, clearing and delivery of equipment, settlement of periodic payments and expenses, contracting and payment of locally and regionally recruited experts, etc.;

- a Logistic Officer/Driver responsible for scheduling and meeting all project needs for transport, movement of goods and delivery of supplies, maintenance of project vehicles and recording and updating of all asset inventory lists;
- a Project Assistant/Translator responsible for filing, translation of documents, organization of meetings, including translation.
- an IT expert responsible for providing regular and ad hoc maintenance service to computer hardware, software and peripherals consistent with needs and operational efficiency.

Other cost items

- contracts between FAO and local and/or regional companies and service providers. The agreements cover promotion through mass media campaigns regarding forest policy and strategy and importance of the forestry for Kosovo society, development of KFIS and related preliminary design of GIS module, preparation of management plans etc.
- overtime costs related to casual labour needed for translation and other ad-hoc short term assistance during the implementation of the project;
- travel includes international and in-country travel for national and international experts and project personnel, as well as travel of counterparts related to study tours, exchange programmes, training missions and travel for FAO staff from HQ in Rome and from the Regional Office in Budapest;
- training provided to the project beneficiaries by the project staff and national and international experts. These are the expenses associated with in-service training, study tours, exchange programmes and workshops (e.g., fees to study tour hosting institutions, if any, accommodation, audio-visual materials);
- expendable equipment covering the cost of office supplies and other expendable equipment items acquired in the project lifetime;
- non-expendable equipment items such as project vehicle, data processing equipment, forestry equipment (hand tools, chain saws, bush saws, measuring tools, GPS, and laboratory equipments);
- Costs of Technical Support Services provided by FAO's Divisions covering technical and operational backstopping activities as well as participation in monitoring and evaluation missions. This budget line covers also FAO's standard reporting costs for the final report;
- General Operating Expenses: costs such as utility service costs, all vehicle and general operating expenses;
- Project Servicing Costs (standard: 13 percent) are recovered for Administrative and Operational Support (AOS) services provided to projects by FAO Headquarters and other FAO administrative units involved in the project implementation (services related to personnel, procurement, sub-contracting, training, non-technical monitoring, budgeting/accounting, budget holder responsibilities, etc).

| Plan for provision of Advisory Technical Services/Technical Support Services FAO/Rome and Budapest for Phase II | |
|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| Area of expertise | Planned Duration and planned number of missions |
| FAO/FOE contributing technical officer | 4 days/year, 2 missions |
| FAO/Forestry Officer from Budapest | 5 days/year, 4 missions |
| FAO/Programme/ Budget Officer from Budapest | 5 days/year, 2 missions |
| FAO/FOM two contributing technical officers | 8 days/year each, 1 mission each |
| Total | 5 persons/44 days |

4.5 Technical Support/Linkages

Overall technical support to the project is provided by FAO. The project has been identified and formulated based on new policies and strategies for future development of Kosovo's forest resources. The objectives are also fully coherent with European Union Forestry Action Plan and other international agreements on sustainable use of forests and thereby link forestry development in Kosovo to similar processes in Europe.

4.6 Management and Operational Support Arrangements

The administrative and management support is provided by the Field programme unit in REU (Budapest), in close consultation with the Government of Kosovo. The Project CTA is responsible for local level operational support. The local team at the implementation area will play a major role in the overall task of operations at the field level. Representatives of the donor regularly monitor the project. Technical support is an important component of the program where expertise is used towards successful implementation of the project.

5. OVERSIGHT, MONITORING, MANAGEMENT INFORMATION, AND REPORTING

5.1 Oversight and Reviews

The progress of the project is jointly reviewed by representatives of FAO, the Donor and recipient Government. Such a review normally happens once a year in the form of a Tripartite Meeting (TPM) and is organized in order to examine project achievements and decide on eventual follow-up activities. The organisation of the TPM, agenda, timing and place of these reviews are decided through consultation among the concerned institutions. The CTA acts as Secretary of the TPM meetings.

Project reviews maybe based on the six-months Project Progress Reports, which are produced in accordance to the agreement between FAO and the donor.

5.2 Monitoring and Knowledge Sharing

In Phase I, a monitoring and evaluation system has been designed. This system allows the Project Steering Committee and the Governments of Finland and Kosovo to follow and analyse the achievements of the project.

5.3 Communication and Visibility

In the phase I the project developed and implemented Kosovo Forest Sector Communication and Information Strategy using a wide range of communication tools. In phase II, the project will use exiting media tools for promotion. Information regarding the project will be aired on radio and will be screened on television so that large masses of the targeted communities are aware of the results and recommendations of the project.

5.4 Reporting Schedule

The reporting is based on the agreed Logical Framework and the monitoring scheme. The following regular reports are foreseen and are produced in accordance with FAO regulations and practices:

- the CTA and the NTL every six-months prepare a Project Progress Report, using the standard FAO format. The report presents the actual implementation of activities compared to plans, problems and constraints (technical, human, financial, etc.), corrective measures and a detailed work plan for the following reporting period;
- technical reports produced by project experts and submitted to the Project Management and to FAO technical officers for review, finalization and submission to both the recipient and donor governments/ agencies, as necessary;
- UNDP will prepare separate reports on their respective activities implemented in the north. These reports will be integral part of the six-months Project Progress Report and consequently the project Final Report.
- towards the end of the project (Phase II), the CTA will prepare and send to FAO Headquarters a Draft Final Report for technical clearance, finalization and submission to the donor and the host government. The report will assess, in a concise fashion, the extent to which the project's scheduled activities have been carried out, the outputs produced, and progress towards achievement of the objectives. It will also present recommendations for any future follow-up action arising out of the project.

In the Phase II, for the overall evaluation of the intervention the terms of reference and exact timing will be decided in consultation among the concerned parties.

Any party may call for an evaluation at any stage of the project if deemed necessary.

ANNEXES

Annex 1. Budget

Budget for Phase I (as revised in March 2014)

| FAO account code parent/child | Item description | US\$ |
|-------------------------------|-----------------------------------------|--------------------|
| 5011/5300 | Salaries Professional | 937,000 |
| 5012/5500 | Salaries General service | 242,000 |
| 5013/5570 | Consultants (Non-staff human resources) | 620,000 |
| 5014/5650 | Contracts | 718,000 |
| 5020/5660 | Overtime/Locally Contracted Labour | 15,246 |
| 5021/5900 | Travel | 338,600 |
| 5023/5920 | Training | 108,000 |
| 5024/6000 | Expendable equipment/procurement | 69,000 |
| 5025/6100 | Non-expendable equipment/procurement | 279,454 |
| 5027/6150 | Technical support services | 127,000 |
| 5029/6300 | General operating expenses | 74,160 |
| 5040/6400 | General Overhead Expenses | 5,500 |
| Sub-Total | | 3,533,960.2 |
| 5029/6130 | Support costs (13%) | 459,414.8 |
| Total (US\$) | | 3,993,375 |
| Total (EUR) | | 3,000,000 |

Budget for Phase II

| FAO account code parent/child | Item description | US\$ ¹⁴ |
|-------------------------------|------------------------------------------------|--------------------|
| | | Total |
| 5011/5300 | Salaries Professional | 281,633 |
| | International Chief Technical Adviser | 130,612 |
| | National Deputy Team Leader | 151,020 |
| 5012/5500 | Salaries General service | 64,626 |
| 5013/5570 | Consultants (Non-staff human resources) | 120,181 |
| 5014/5650 | Contracts | 289,116 |
| | Contract with local service providers | 73,696 |
| | Contract with UNDP | 215,420 |
| 5021/5900 | Travel | 90,136 |
| 5023/5920 | Training | 49,887 |
| 5024/6000 | Expendable equipment | 11,338 |
| 5025/6100 | Non-expendable equipment | 11,338 |
| 5027/6150 | Technical support services | 56,689 |
| 5028/6300 | General operating expenses | 28,408 |
| Sub-Total | | 1,003,351 |
| 5029/6130 | Support costs (13%) | 130,436 |
| Total (US\$) | | 1,133,787 |
| Total (EUR) | | 1,000,000 |

Note: For a detailed, activity-level budget (in both USD and EUR) for Phase II, please see the attached Excel file. As in Phase I, in Phase II, all financial reporting will be done in USD. Funds remaining from the implementation of Phase I, if any, will be used for the implementation of Phase II.

¹⁴Conversion made using the UN operational rate of exchange for February 2015: 1 USD=0.882 EUR

Annex 2. Logical Framework Matrix (phase I and II)

Please see the attached Word file.

Annex 3. Work Plan

Phase II

| Project/Component | YEAR 1 | | | | YEAR 2 | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----|----|----|--------|----|----|----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Preparation and implementation | x | x | x | x | x | x | x | x |
| Phasing out | | | | | | | | x |
| Component 1. Institutional support for the implementation of forest policy and strategy | | | | | | | | |
| Outcome 1: Kosovo Government capacities are further strengthened to Coordinate and Implement the Action Plan (AP) as formulated in the Policy and Strategy Paper 2010–2020. | | | | | | | | |
| Output (1/1) – Phase I and II The Forest Management Board (FMB) for supervising implementation of forest policies and strategies is fully functional, and all the main stakeholders are represented | | | | | | | | |
| Output (1/2) – Phase I and II PSP implementation is facilitated, followed up and monitored by a Coordination Unit | | | | | | | | |
| Output (1/3) – Phase I and II PSP Action Plan has gone through a prioritization process and has a work plan for implementation | | | | | | | | |
| Activity 1.(Outputs 1/1, 1/2, 1/3). Provide initial assistance and guidance to the newly nominated FMB and the newly established Coordination Unit at MAFRD | x | x | x | x | | | | |
| Outcome 2: Basic forest legislation is updated and harmonized with new policy and strategy. | | | | | | | | |
| Output (2/2) – Phase I and II New and revised practices and procedures for information management are implemented at all levels of forestry administration, and the forest policy and legal documents are available and being used by all forestry staff at headquarters as well as in the regions and municipalities. | | | | | | | | |

| | | | | | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|
| Activity 1.(Output 2/2) Provide support in drafting essential secondary legislation (bylaws and administrative Instructions/regulations) related to the New Forest Law | x | x | x | x | x | x | x | x | x |
| Activity 2.(Output 2/2). Facilitate the validation and adoption/approval of the drafted secondary legislation | x | x | x | x | x | x | x | x | x |
| Outcome 3. An information strategy on the importance of the forestry sector is developed and implemented / enhanced with establishment of KFIS (Kosovo Forest Information System) | | | | | | | | | |
| Output (3/1) – Phase I and II The general public (especially young people) are aware of the importance of the forestry sector and they are familiar with the main principles of the adopted forest policy. | | | | | | | | | |
| Output (3/4) – Phase I and II Forestry institutions are active in media, news, documentaries and other releases. | | | | | | | | | |
| Activity 1. (Output 3/1, 3/4). Support the regular updating and maintenance of the Kosovo forest website (including content) | x | x | x | x | x | x | x | x | x |
| Outcome 4: Support the accomplishment of the decentralization process in the forestry sector | | | | | | | | | |
| Output (4/2) – Phase I and II Personnel of the decentralized forestry offices are familiar with the forest policies and legislation and have been trained to carry out their tasks properly | | | | | | | | | |
| Activity 1.(Output 4/2). Support the capacity development of regional and municipal forest administration staff on implementing the new rules and procedures (concession, tendering, contracting etc.) stipulated by the new forest legislation (forest law and bylaws) | x | x | x | x | x | x | x | x | x |
| Outcome 5: Kosovo Forest Information System (KFIS) put into full operation and maintained by MAFRD/KFA – new Outcome for Phase II | | | | | | | | | |
| Output (5/1) – Phase II All KFIS modules (including GIS module) fully deployed | | | | | | | | | |
| Activity 1.(Output 5/1). Develop the GIS module of KFIS | x | x | x | x | x | x | x | x | x |
| Activity 1.5.2. , Geo-reference KFA Departments Module, Monitoring and Evaluation Module with the GIS module and integrate the Forest Management Module (FisKos database and forest inventory developed by | | x | x | x | x | x | x | x | x |

Annex4. Terms of References

International Chief Technical Adviser

The Chief Technical Adviser (CTA), under the overall supervision of FAO and in close cooperation with all project staff and consultants, will facilitate the Ministry of Agriculture, Forestry and Rural Development (MAFRD) in the coordination of the project implementation as well as initiate and oversee all project activities. Duties will include but not be limited to:

- providing overall leadership, management and guidance of all project staff and consultants engaged in project implementation;
- exercising planning and financial monitoring of the project budget, when necessary;
- selecting new project personnel and supervising and evaluating them;
- preparing an Inception Report to cover project activities covering the first three months of operation;
- supervising and monitoring the implementation and progress of all project activities and introducing corrective measures and redirection where required;
- in cooperation with other team members, prepare Terms of Reference for short-term experts engaged in various special tasks;
- preparing contracts for eventual short-term project inputs, compilation of relevant terms of reference and supervision of delivery of services;
- assessment and clearance of technical reports of short-term experts;
- together with other project personnel prepare a detailed work plan for project field activities regarding the integrated forest management component, and act as the main responsible for the implementation;
- apply participatory approach when making agreements with local families on the forest management activities, as required;
- facilitating and directly assisting the execution of forest management piloting in selected rural locations, also in minority communities;
- participate in planning of study tours, deliver training within actual competence areas.

Reporting

The CTA will submit the following reports for technical clearance by FAO prior to submission to the donor and host government:

- inception report within the first two months of the project, containing a detailed work plan for project execution;
- six-monthly progress reports;

- draft Final Report.

Qualifications and experience: University degree in forestry sciences with focus on forest management and with a minimum of ten years progressive work experience in managing forestry projects, preferably in the Balkans or under similar conditions.

Duty Station: Pristina with travel in the country and the western Balkans.

Duration: Throughout the project duration

Deputy National Team Leader

The National Deputy Team Leader (DTL) will work under the supervision of FAO's Chief Technical Advisor, in consultation with the Ministry of Agriculture, Forestry and Rural Development. The DTL will participate in the management and implementation of the project, and with focus on issues related to Pillar III of the PSP. Duties will include but not be limited to:

- establish the project office, and together with the CTA, recruit support staff and set administrative procedures;
- coordinate and organize the working environment for the activities of international and national consultants and local staff;
- maintain the appropriate liaison of the project with MAFRD;
- support in establishment of the Forest Management Board, assist in preparation of the MB meetings and assist the CTA in his/her duties in the Coordination Unit;
- support the development of the project activities under a participatory approach;
- together with the CTA, identify national consultants and prepare terms of reference as required;
- support with identification of the various subjects to undertake specific project activities under the contract services;
- Maintain the Monitoring & Evaluation system for the project activities;
- liaise/collaborate with officials of the various governmental and non-governmental institutions concerned with forestry and related areas, including private sector representatives, academics, donor/assistance agencies and others, to facilitate the implementation of the project;
- facilitate the PSP review process
- coordinate and organize project study tours within region and other European countries;
- support the awareness raising campaign about forest importance in Kosovo;
- support on organizing public project events and various workshops, seminars, round tables, etc;
- support in developing, translating and printing information materials (leaflets, posters, etc);
- as necessary, ensure that the purchases are made on time and that the project accounts are kept according to donor instructions;
- prepare progress reports and other reports as required;
- carry out other duties as required for successful implementation of the project.

Qualifications:

A university degree in subjects relevant to the project objectives and activities, with minimum five years of progressive work experience is required. Experience from implementation of donor-funded development projects and the institutional structure is an distinct advantage. Good command of English, fluency in Albanian and Serbian languages is required.

Duty Station: Pristina (with in-country travel)

Duration: Throughout the project duration

Annex5. Partnership with UNDP for Phase II

Partnership with UNDP for Implementation of activities under Outcome 4. Capacities for sustainable forest management in north Kosovo developed

Background

The project “Support to Implementation of the Forest Policy and Strategy in Kosovo“ GCP/KOS/005/FIN aims at increasing the contribution of the forestry sector to the national economy through sustainable use of forest resources, taking into account multipurpose forestry and including the economic, social and environmental benefits as well as its contribution to climate change mitigation. The project has three areas of interventions, namely: to provide institutional support for the implementation of forest policy and strategy, than to introduce the integrated forest management and practices and to define the adoption and mitigation measures in the forestry sector regarding the climate change.

The forests in northern Kosovo are currently under the actual management of the parallel Forest Public Enterprise. In the spirit of the Brussels Agreement, a transfer of management responsibilities from the parallel Forest Public Enterprise to the KFA is expected. The transfer, including transfer of staff, will be a very politically sensitive process requiring skilful facilitation and trusted working relationships.

Illegal wood-cutting is a major problem across Kosovo. The unclear management in the north has made it more vulnerable to illegal activities. Addressing one of the biggest root causes, poor socio economic conditions and unemployment, will have a significant impact on environmental crime while at the same time contributing to economic development in the area.

Objective

Phase II of the project which starts in January 2015 will continue the support of Governmental institutions for implementation of PSP and will have a specific objective to facilitate integration of north Kosovo forest management operations within the framework of Kosovo legal system.

Tasks and responsibilities

The phase II of the project will be implemented in close cooperation with UNDP regarding Component 2, Integrated forest management and practice, Outcome 4. Capacities for sustainable forest management in north Kosovo developed (new Outcome for Phase II). For this purpose, following relevant clearance procedures, a UN Agency to

UN Agency Contribution Agreement will be signed between FAO and UNDP regulating the responsibilities of both organisations.

The project will focus on supporting the most vulnerable groups in the region, namely the youth, women and ethnic minorities. UNDP, through other projects, by adopting a gender sensitive approach and introducing mechanisms (such as quotas for participation of women and minority communities in the programmes, linking the performance of municipal officials to meeting the targets set etc) has ensured equal participation of women and men in the programmes, participation of minority communities and people with disabilities in the training and employment schemes, increased awareness among young women and men on the services available etc. The already tested approaches to ensure equal training and employment opportunities for women and men, minority communities and other vulnerable groups shall be replicated in the context of the northern municipalities.

Specifically, UNDP will be responsible for the following activities and sub-activities:

- Establish a coordination mechanism between local and central authorities to facilitate the transfer of forestry management responsibilities to the Kosovo Forestry Agency (KFA) in the spirit of the Agreement on normalization of relations between Prishtina and Belgrade (Brussels 19.04.2013)
- Identify potential beneficiaries, private forest owners and potential entrepreneurs in the forestry sector (unemployed jobseekers, potential employers and contractors)
- Support development of forest-related businesses and promote entrepreneurship initiatives, including provision of grants. This activity targets especially women and youth, and small farmers that are not eligible or do not have the skills required to receive support from other sources such as EU Calls. The project will focus especially to encourage vulnerable individuals from minority communities in the region of north Kosovo to participate in this activity, to address the so-called double-vulnerability.
- Promote forestry related self-employment programmes for women and youth.
- Promote active employment measures, focusing on young women and men, in forestry sector.
- Provide training to women and men small farmers on how to apply for grants offered by the Ministry for Agriculture, Forestry and Rural Development Facilitate short-term employment opportunities through implementation of public works projects (such as reforestation etc).

