

UNDP Project Document

UNDP-GEF Medium-Size Project (MSP)

Government of the Former Yugoslav Republic of Macedonia
(Ministry of Environment and Physical Planning)

United Nations Development Programme

PIMS 3728: Strengthening the Ecological, Institutional and Financial sustainability of Macedonia's Protected Area system

Award: 00048303
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Brief description

Macedonia's national legislation, strategies and sector development plans emphasize that one of the key mechanisms to secure this unique biodiversity is the establishment and management of a formal protected area network. As a country in transition, Macedonia is currently seeking to align its legislation and the design, planning and management of its protected area network with global and European best practice.

Despite a number of current threats to Macedonia's protected areas in the context of legal and institutional tenure, capacity of protected area agencies, land-use planning, political and civil support, protected area management, and overall resource availability, the country is currently embarking on a process of developing a more representative network of protected areas, re-evaluating and re-proclaiming all individual protected areas within the network, appointing properly capacitated institutions to manage these protected areas and instituting a planning framework for their management, based on the recently adopted more modern enabling legislation for its protected areas. However, there are a number of barriers to achieving the normative situation.

Therefore, the United Nations Development Programme will assist the Government of Macedonia to implement a project in developing an enabling environment for protected area establishment and management in terms of policy, governance, institutional capacity and management know-how. The objective of the project is to conserve the biological diversity of Macedonia by strengthening the management effectiveness of country's protected area system.

The project strategy is specifically directed toward supporting the Government of Macedonia in meeting the rigorous protected area system planning and proclamation requirements of the Law on Nature Protection. The proposed project will develop the institutional and systemic capacity of the country's protected area agencies to:

- (i) strengthen the national knowledge systems, and apply appropriate technologies, to support the design and development of a more representative and viable protected areas network;
- (ii) strengthen the decision-support tools needed to secure the legal tenure of, and expand, the protected areas in the network; and
- (iii) locally test these decision-support tools and mechanisms in the formal re-proclamation processes of two pilot protected areas.

The project will seek to ensure that the protected area estate in Macedonia graduates in status from poorly managed (ineffective in protecting biodiversity) toward well managed (effectively mitigating threats).

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Acronyms

APR	Annual Project Report
AWP	Annual Work Plan
BSPSM	Bird Study and Protection Society of Macedonia
CARDS	EU Program for Balkan Countries, “Community Assistance for Reconstruction, Development and Stabilisation
CBD	Convention on Biological Diversity
COP	Conference of Parties (CBD)
DEX	Direct Execution
DI	Designated Institution
EA	Executing Agency
EIA	Environmental Impact Assessment
EIS	Environmental Information System
ENR	Ezerani Nature Reserve
EOP	End of Project
EU	European Union
GDP	Gross Domestic Product
GEF	Global Environment Facility
GIS	Geographic Information System
GM	Government of Macedonia
GPS	Global Positioning System
GUI	Graphic User Interface
IA	Implementing Agency
IC	Incremental Cost
IR	Inception Report
IUCN	World Conservation Union
IW	Inception Workshop
KfW	KfW Development Bank – Financial Cooperation from the German Federal Government
LEAP	Local Environmental Action Plan
M&E	Monitoring and Evaluation
MAFWE	Ministry of Agriculture, Forestry and Water Economy
MDG	Millennium Development Goals
MEIC	Macedonian Environmental Information Centre
MEPP	Ministry of Environment and Physical Planning
MES	Macedonian Ecological Society
METT	Management Effectiveness Tracking Tool
NBSAP	National Biodiversity Strategy and Action Plan
NEAP	National Environmental Action Plan
NGO	Non-governmental Organization
NR	Nature Reserve
OP	Operational Program
PA	Protected Area
PC	Project Coordinator
PIR	Project Implementation Review
PMU	Project Management Unit
POC	Project Oversight Committee
RCU	Regional Coordinating Unit (UNDP)
REC	Regional Environment Centre for Central and Eastern Europe
RM	Republic of Macedonia

SEPA	Strategic Environmental Policy Assessment
SDC	Swiss Agency for Development and Cooperation
SGP	Small Grants Program (GEF)
SIDA	Swedish International Development Agency
TBD	To be determined
TPR	Tripartite Review
TTR	Terminal Tripartite Review
UNDP	United Nations Development Programme
UNDP-CO	United Nations Development Programme – Country Office
WB	World Bank

SECTION I: ELABORATION OF THE NARRATIVE

PART I: Situation Analysis

A general characteristic of the biodiversity of the Former Yugoslav Republic of Macedonia (*hereafter referred to as FYR Macedonia or Macedonia*) is its high levels of taxonomic diversity, relictness and endemism. Some 30 plant communities in Macedonia are considered seriously endangered and threatened with extinction, or considerably reduced in their populations and biological viability, while 252 individual plant species are locally endemic and at least 70 species are threatened. Due to the disproportionately high concentration (70-90%) of the biodiversity of the Balkan region concentrated in Macedonia, the country is widely recognized as the top European 'Biodiversity Hotspot'.

To protect this rich biodiversity by removing a number of critical threats such as capacity and resource gaps, insecure legal and institutional tenure and inappropriate land-use and area management, Macedonia is currently embarking on a process of developing a more representative network of protected areas, re-evaluating and re-proclaiming all the individual protected areas within the network, appointing properly capacitated institutions to manage these protected areas and instituting a planning framework for their management based on its legislation, strategies and sector development plans, particularly the new Law on Nature Protection (2004). Meanwhile, the barriers to achieving the 'normative' situation are disjuncture between the legal and policy framework and the actual institutional capacity, limited capacities and resources in most protected areas, unclear land-use and ownership rights, uneven representation of habitats in the protected area network, institutional function duplications and overlaps, and inadequate knowledge management systems.

PART II: Strategy

The project strategy is specifically directed toward supporting Macedonia's Government in meeting the rigorous protected area system planning and proclamation requirements of the Law on Nature Protection. The proposed project will develop the institutional and systemic capacity of the country's protected area agencies to: (i) strengthen the national knowledge systems, and apply appropriate technologies, to support the design and development of a more representative and viable protected areas network; (ii) strengthen the decision-support tools needed to secure the legal tenure of, and expand, the protected areas in the network; and (iii) locally test these decision-support tools and mechanisms in the formal re-proclamation processes of two pilot protected areas. The project will seek to ensure that the protected area estate in Macedonia graduates in status from poorly managed (ineffective in protecting biodiversity) toward well managed (effectively mitigating threats).

Furthermore, the project will align itself with Strategic Objective 1 - 'Catalyzing sustainability of protected area systems' of the Biodiversity Focal Area: Strategic Programming for GEF-4. It will also explicitly address Strategic Program 3 of the Biodiversity Focal Area - 'Strengthening terrestrial protected area networks'. The project will develop a legal, planning and institutional framework for protected areas and protected area agencies to facilitate the rationalization, consolidation and expansion of the protected area network, while supporting the design of an 'ecological network' for Macedonia, strengthening protected area institutions, and developing decision-support tools, to enable the incremental expansion of the protected area estate toward meeting the national protected area expansion targets. The project also intends to develop the ground capacities of protected area institutions through two pilot protected areas, so as to in part support Strategic Program 1 ('Sustainable financing of protected area systems').

PART III : Management Arrangements

The project will be implemented over a period of three years. Project execution will adhere to UNDP national execution (NEX) project requirements. UNDP is the Implementing Agency (IA) for the project. Designated Institution: The Ministry of Foreign Affairs is the focal point for coordinating UNDP's technical cooperation in Macedonia. The Ministry of Environment and Physical Planning (MEPP) will serve as the National Executing Agency (EA) responsible for project implementation. The EA is accountable to the focal point and UNDP for the government's participation in the project. The EA will ensure that internal monitoring and review systems are in place. The EA will prepare the Project Oversight Committee (POC) meetings, and with input from POC members, will provide overall guidance and support to implementation of all project activities. The EA staff and/or experts will be utilized when needed in accordance with UNDP guidelines, and will facilitate interaction among relevant public organizations, research institutions and private organizations. The EA will be responsible for project implementation and the timely and verifiable attainment of project objectives. The EA will be designated to deliver specific inputs (e.g. services, expertise, and operating costs for PMU) to the project and produce specific outputs through an agreement with the UNDP CO. The EA is accountable to the Project Oversight Committee (POC) and UNDP for the proper use of funds provided to it and for the quality, timeliness and effectiveness of the services it provides and the activities it carries out. The EA will nominate a high level official from who will serve as a National Project Director (NDP). Among the other the NPD ensures that all Ministries' inputs committed to the project are made available in a timely fashion and ensures that all applicable rules and procedures are fully met in the course of the project implementation.

UNDP: Working closely with the EA, the UNDP Country Office (CO) will be responsible for: the recruitment and appointment of the Project Coordinator and of an Administrative assistant in consultation with MEPP; overseeing project budgets and expenditures; project evaluation and reporting; result-based project monitoring; and organizing independent audits to ensure the proper use of UNDP/GEF funds. Procurement, Recruitment, Financial transactions, auditing and reporting will be carried out in compliance UNDP procedures for national execution, based on the Agreement for provision of Support Services signed between UNDP and the ministry of Environment and Physical Planning.

Day-to-day Project Management and Implementation: The Project Manager will assume the day-to-day management responsibility for the MSP implementation, and coordination among partner organizations. The Project Manager will report to National Project Director (nominated by MEPP). Salaries of the Project Manager and the Administrative Assistant will be financed from GEF funds, and operating costs financed by the MEPP. They will be located in administrative offices in Skopje provided by MEPP. The team will be technically supported by contracted national and international service providers. GEF funds will be used to pay the costs associated with international and national specialist input to the project. Recruitment of specialist services for the project will be done by the PM, in consultation with MEPP and UNDP, and through an open and fair competition following standard UNDP hiring procedures. The team will prepare and implement annual work plans and budgets and will also prepare the technical and financial reports to UNDP and GEF. The PM will work closely with the EA staff to coordinate project activities, and link the project with complementary national programs and initiatives.

A Project Oversight Committee (POC): The EA will establish and chair the POC. Membership in the POC will consist of one member from each of the following institutions or stakeholder groups: the MEPP, the National Biodiversity Committee, MAFWE and UNDP as a permanent members and local governments and NGOs from the proposed pilot PAs sites, and academic/research institutions upon request, The POC's role will include: (i) providing technical input and advice; (ii) overseeing project implementation; (iii) approving any major changes in project plans or programs; and (iv) facilitating the implementation of project activities in their respective organizations. The POC will meet on a bi-annual

basis to review project progress and approve project work plans and on demand whenever there are issues for which the decision should be made by the POC. The Implementing Agency will report to the POC at each meeting, with technical and administrative support from the PMU.

Furthermore, in order to accord proper acknowledgement to GEF for providing funding, a GEF should appear on all relevant GEF project publications, including among others, project hardware and vehicles purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgment to GEF. The UNDP logo should be more prominent -- and separated from the GEF logo if possible, as UN visibility is important for security purposes.

PART IV: Monitoring and Evaluation Plan and Budget

Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided the UNDP Country Office (UNDP-CO) with support from UNDP/GEF Regional Coordination Unit in Bratislava Regional Center and the Ministry of Environment and Physical Planning.

Project Inception Phase

A **Project Inception Workshop** will be conducted with the full project team, relevant government counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF Regional Coordinating Unit, as well as UNDP-GEF (HQs) as appropriate. A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goals and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the project's logframe matrix. This will include reviewing the logframe (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise finalize the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project. Additionally, the purpose and objective of the Inception Workshop (IW) will be to: (i) introduce project staff with the UNDP-GEF *expanded team* which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff vis à vis the project team; (iii) provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Project Report (APR), Tripartite Review Meetings, as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget re-phasing.

The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff and decision-making structures will be discussed again, as needed, in order to clarify for all, each party's responsibilities during the project's implementation phase.

Monitoring responsibilities and events A detailed schedule of project reviews meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Tripartite Reviews, Steering Committee Meetings, (or relevant advisory and/or coordination mechanisms) and (ii) project related Monitoring and Evaluation activities.

Day to day monitoring of implementation progress will be the responsibility of the Project Manager, based on the project's Annual Work Plan and its indicators. The PMU will inform the UNDP-CO and the Ministry of Environment and Physical Planning of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

The Project Manager will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF Regional Technical Advisor. Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the Annual Work Plan. The national implementing agency will also take part in the Inception Workshop in which a common vision of overall project goals will be established. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the project team. Measurement of impact indicators related to global benefits will occur according to the schedules defined in the Inception Workshop and tentatively outlined in the indicative Impact Measurement Template at the end of this Annex. The measurement, of these will be undertaken through subcontracts or retainers with relevant institutions (e.g. vegetation cover via analysis of satellite imagery, or populations of key species through inventories) or through specific studies that are to form part of the projects activities or periodic sampling.

Periodic monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the project proponent, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities. UNDP Country Offices and UNDP-GEF RCUs as appropriate, will conduct yearly visits to projects that have field sites, or more often based on an agreed upon schedule to be detailed in the project's Inception Report / Annual Work Plan to assess first hand project progress. Any other member of the Steering Committee can also accompany, as decided by the SC. A Field Visit Report will be prepared by the CO and circulated no less than one month after the visit to the project team, all SC members, and UNDP-GEF.

Annual Monitoring will occur through the **Tripartite Review (TPR)**. This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Tripartite Review (TPR) at least once every year. The first such meeting will be held within the first twelve months of the start of full implementation. The project proponent will prepare an Annual Project Report (APR) and submit it to UNDP-CO and the UNDP-GEF regional office at least two weeks prior to the TPR for review and comments. The APR will be used as one of the basic documents for discussions in the TPR meeting. The project proponent will present the APR to the TPR, highlighting policy issues and recommendations for the decision of the TPR participants. The project proponent also informs the participants of any agreement reached by stakeholders during the APR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary.

The terminal tripartite review is held in the last month of project operations. The project proponent is responsible for preparing the Terminal Report and submitting it to UNDP-CO and LAC-GEF's Regional Coordinating Unit. It shall be prepared in draft at least two months in advance of the TTR in order to allow review, and will serve as the basis for discussions in the TTR. The terminal tripartite review considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation of formulation. The TPR has the authority to suspend disbursement if project performance benchmarks

are not met. Benchmarks are provided will be developed at the Inception Workshop, based on delivery rates, and qualitative assessments of achievements of outputs.

Project Monitoring Reporting: The Project Manager in conjunction with the UNDP-GEF extended team will be responsible for the preparation and submission of the following reports that form part of the monitoring process. Items (a) through (f) are mandatory and strictly related to monitoring, while (g) through (h) have a broader function and the frequency and nature is project specific to be defined throughout implementation. A **Project Inception Report** will be prepared immediately following the Inception Workshop. It will include a detailed First Year/Annual Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan would include the dates of specific field visits, support missions from the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame. The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may effect project implementation. When finalized the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit will review the document.

The **APR** is a UNDP requirement and part of UNDP's Country Office central oversight, monitoring and project management. It is a self -assessment report by project management to the CO and provides input to the country office reporting process and the ROAR, as well as forming a key input to the Tripartite Project Review. An APR will be prepared on an annual basis prior to the Tripartite Project Review, to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work.

The format of the APR is flexible but should include the following: (i) An analysis of project performance over the reporting period, including outputs produced and, where possible, information on the status of the outcome; (ii) The constraints experienced in the progress towards results and the reasons for these; (iii) The three (at most) major constraints to achievement of results; (iv) AWP, CAE and other expenditure reports (ERP generated); (v) Lessons learned; and (vi) Clear recommendations for future orientation in addressing key problems in lack of progress.

The **PIR** is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects. Once the project has been under implementation for a year, a Project Implementation Report must be completed by the CO together with the project. The PIR can be prepared any time during the year (July-June) and ideally prior to the TPR. The PIR should then be discussed in the TPR so that the result would be a PIR that has been agreed upon by the project, the executing agency, UNDP CO and the concerned RC. The individual PIRs are collected, reviewed and analysed by the RCs prior to sending them to the focal area clusters at the UNDP/GEF headquarters. The focal area clusters supported by the UNDP/GEF M&E Unit analyse the PIRs by focal area, theme and region for common issues/results and lessons. The TAs and PTAs play a key role in this consolidating analysis. The focal area PIRs are then discussed in the GEF Interagency Focal Area Task Forces in or around November each year and consolidated reports by focal area are collated by the GEF Independent M&E Unit based on the Task Force findings. The GEF M&E Unit provides the scope and content of the PIR. In light of the similarities of both APR and PIR, UNDP/GEF has prepared a harmonized format for reference.

Quarterly Progress Reports: Short reports outlining main updates in project progress will be provided quarterly to the local UNDP Country Office and the UNDP-GEF regional office by the project team.

Periodic Thematic Reports: As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare Specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team. **Project Terminal Report:** During the last three months of the project the PMU will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved, structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities.

Technical Reports (project specific- optional): are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the PMU will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

Project Publications (project specific- optional): will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. These publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The PMU will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

Independent Evaluation

The project will be subjected to at least two independent external evaluations as follows. An independent **Mid-Term Evaluation** will be undertaken at the end of the first year of implementation. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. An independent **Final Evaluation** will take place three months prior to the terminal tripartite review meeting, and will focus on the same issues as the mid-term evaluation. The final

evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

Audit Clause

UNDP will engage legally recognized auditor to conduct regular audit of the project according to UNDP Rules and Procedures and provide a copy of the Audit Report to the Implementing Agency i.e. the Ministry of Environment and Physical Planning.

LEARNING AND KNOWLEDGE SHARING

Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition: The project will participate, as relevant and appropriate, in UNDP/GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. UNDP/GEF shall establish a number of networks, such as Integrated Ecosystem Management, eco-tourism, co-management, etc, that will largely function on the basis of an electronic platform. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identify and analyzing lessons learned is an on- going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every 12 months. UNDP/GEF shall provide a format and assist the project team in categorizing, documenting and reporting on lessons learned. To this end a percentage of project resources will need to be allocated for these activities.

Monitoring and Evaluation Plan and Budget¹

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team Staff time</i>	Time frame
Inception Workshop (IW)	<ul style="list-style-type: none"> ▪ Project Manager ▪ UNDP CO, UNDP GEF 	6,000	Within first two months of project start up
Inception Report	<ul style="list-style-type: none"> ▪ Project Team ▪ UNDP CO 	None	Immediately following IW
Measurement of Means of Verification for Project Purpose Indicators	<ul style="list-style-type: none"> ▪ Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members 	To be finalized in Inception Phase and Workshop. Cost to be covered by targeted survey funds.	Start, mid and end of project
Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis)	<ul style="list-style-type: none"> ▪ Oversight by Project GEF Technical Advisor and Project Coordinator ▪ Measurements by regional field officers and local IAs 	TBD as part of the Annual Work Plan's preparation. Cost to be covered by field survey budget.	Annually prior to APR/PIR and to the definition of annual work plans
APR and PIR	<ul style="list-style-type: none"> ▪ Project Team 	None	Annually

¹ Note: All costs include a budget for the translation (English-Macedonian) of key reports and information

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team Staff time</i>	Time frame
	<ul style="list-style-type: none"> ▪ UNDP-CO ▪ UNDP-GEF 		
TPR and TPR report	<ul style="list-style-type: none"> ▪ Government Counterparts ▪ UNDP CO, Project team ▪ UNDP-GEF Regional Coordinating Unit (RCU) 	None	Every year, upon receipt of APR
Steering Committee Meetings	<ul style="list-style-type: none"> ▪ Project Coordinator ▪ UNDP CO 	None	Following IW and annually thereafter.
Periodic status reports	<ul style="list-style-type: none"> ▪ Project team 	1,000	TBD by Project team and UNDP CO
Technical reports	<ul style="list-style-type: none"> ▪ Project team ▪ Hired consultants as needed 	8,000	TBD by Project team and UNDP-CO
Mid-term External Evaluation	<ul style="list-style-type: none"> ▪ Project team ▪ UNDP- CO ▪ UNDP-GEF RCU ▪ External Consultants (evaluation team) 	10,000	At the mid-point of project implementation.
Final External Evaluation	<ul style="list-style-type: none"> ▪ Project team, ▪ UNDP-CO, UNDP-GEF RCU ▪ External Consultants (evaluation team) 	25,000	At the end of project implementation
Terminal Report	<ul style="list-style-type: none"> ▪ Project team ▪ UNDP-CO ▪ External Consultant 	None	At least one month before the end of the project
Lessons learned	<ul style="list-style-type: none"> ▪ Project team ▪ UNDP-GEF RCU (formats for documenting best practices) 	1,000	Yearly
Audit	<ul style="list-style-type: none"> ▪ UNDP-CO ▪ Project team 	3,000	Yearly
Visits to field sites (UNDP staff travel costs to be charged to IA fees)	<ul style="list-style-type: none"> ▪ UNDP CO, UNDP-GEF RCU ▪ Government representatives 	1,000	Yearly average one visit per year
TOTAL INDICATIVE COST <i>Excluding project staff time, UNDP staff and travel expenses.</i>		US\$ 55,000	

1. The project's Monitoring and Evaluation Plan will be presented and finalized at the Project's Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities. The Logical Framework Matrix in Section II provides *performance* and *impact* indicators for project implementation along with their corresponding *means of verification* and *risks and assumptions*. These will form the basis for the project's performance Monitoring and

Evaluation. The baseline METT scores for all the protected areas in the current network along with the 2007 baseline financial scorecard for the national system of protected areas is presented the approved MSP Brief.

PART V: Legal Context

This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement between the Government of FYR Macedonia and the United Nations Development Programme, signed by the parties on 30 October 1995. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

The UNDP Resident Representative in FYR Macedonia is authorized to effect in writing the following types of revision to this Project Document, provided that he/she has verified the agreement thereto by the UNDP-GEF Unit and is assured that the other signatories to the Project Document have no objection to the proposed changes:

- a) Revision of, or addition to, any of the annexes to the Project Document;
- b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- c) Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
- d) Inclusion of additional annexes and attachments only as set out here in this Project Document

SECTION II: STRATEGIC RESULTS FRAMEWORK, SRF AND GEF INCREMENT

Project Strategy	Objectively verifiable indicators				
Goal:	<i>To conserve the biological diversity of Macedonia by strengthening the planning, establishment and management of Macedonia's national system of protected areas.</i>				
Project Purpose	Indicator	Baseline	Target by EOP	Sources of verification	Risks and Assumptions
Objective: A comprehensive, representative and effectively managed national protected area system is in place	1. Increase in number, and extent (ha), of protected of protected areas formally proclaimed in terms of the Law on Nature Protection	1 12,500ha	79 175,581ha	National register of protected areas	Assumptions: The Law on Nature Protection is amended to extend the time frame for re-proclamation processes to be completed All current PAs are re-proclaimed, albeit with rationalized boundaries and/or different classification Risks: Conflicts arising during re-proclamation processes cannot be satisfactorily addressed and resolved Appropriate, and capacitated, institutions cannot be identified as the management entity for each PA PA management entities are not effectively coordinated at a national level The regulations in terms of the Law on Nature Protection are not promulgated within the time frame of the project
	2. Increase in number of protected areas with an effective and properly resourced management institution	3	22	Gazettes of proclamation National EIS	
	3. % contribution of formally proclaimed PA estate to meeting the country representativity targets	<5%	>50%	State of Environment Reports National Reports to CBD	
	4. Financial scorecard for national systems of protected areas	43.55% - see Annexure V	>55% by EOP	Financial scorecard	

Project Strategy	Objectively verifiable indicators				
Goal:	<i>To conserve the biological diversity of Macedonia by strengthening the planning, establishment and management of Macedonia's national system of protected areas.</i>				
Project Purpose	Indicator	Baseline	Target by EOP	Sources of verification	Risks and Assumptions
Outcome 1: A representative national protected area system is designed	1. % of viable populations of endemic and threatened taxa occurring within the formally proclaimed protected area network	<15%	25% by end of year 2 60% by EOP	National EIS National land use database	Assumptions: Organizations with data make this information available for wider dissemination
	1. Extent (as a % of total area) of different habitat types/ biome represented within the formally proclaimed protected area network	Forest: 6% Dryland/ grassland: 2% Mountain: 4% Wetland: 7%	Forest: 10% Dryland/ grassland: 6% Mountain: 7% Wetland: 9%	State of Environment reports National and Regional Spatial Plan	The law on the implementation of the National Spatial Plan is drafted and adopted by the GM The MEPP and municipalities can enforce compliance with spatial plans
	3. % alignment of land use planning and land uses in Macedonia with ecological network requirements	0%	60% alignment of land use planning by EOP >40% alignment of actual land uses by EOP	Regional Development Plans Local Environmental Action Plans Annual reports of protected area management institutions MEPP auditing and monitoring reports	Risks: Protected area institutions do not have adequate technological resources and capacity to access and use data The MEPP does not have adequate capacity and resource allocation to monitor the performance of protected area institutions Other ministries and other public agencies do not cooperate to

Project Strategy	Objectively verifiable indicators				
Goal:	<i>To conserve the biological diversity of Macedonia by strengthening the planning, establishment and management of Macedonia's national system of protected areas.</i>				
Project Purpose	Indicator	Baseline	Target by EOP	Sources of verification	Risks and Assumptions
					align strategies, plans and projects
Outcome 2: Improved systemic and institutional capacity provides the enabling framework for establishing and managing a representative protected area network	1. Number of protected areas with approved management plans	1	12	MEPP auditing and monitoring reports	Assumptions: National service providers are available to assist protected area agencies in drafting management plans
	2. Total government operational budget (including HR and capital budget) allocation for protected area management	<160,000 US\$/annum	> 300,000 US\$/annum	Financial audit reports of protected area institutions	Risks: The MEPP does not develop the enabling regulations for protected area agencies to implement financing mechanisms
	3. Increase in competence, levels and standards of the protected area institutions	34 See Capacity Development Indicator Scorecard (Annexure VIII)	46	HR competence audits of MEPP Annual Capacity Development Indicator Scorecard	The GM does not allocate an annual budget to support protected area management
Outcome 3: PA establishment and planning processes field tested and replicated across the PA network	1. % increase in competence levels of protected area institutions for pilot PA's	34 (see above)	10% increase by year 2 40% by EOP	HR competence audits of protected area institutions	Risks: The MEPP does not develop the capacity or allocate adequate resources, to monitor the performance of protected area institutions
	2. Number of protected areas with delegated management institutions	3	22 by EOP	METT Annual Report National EIS	The GM does not allocate an

Project Strategy	Objectively verifiable indicators				
Goal:	<i>To conserve the biological diversity of Macedonia by strengthening the planning, establishment and management of Macedonia's national system of protected areas.</i>				
Project Purpose	Indicator	Baseline	Target by EOP	Sources of verification	Risks and Assumptions
	3. Number of protected areas exceeding a minimum baseline METT score of 30	8	22 by EOP	Annual METT analyses	annual budget for protected area management Appropriate, and capacitated, institutions cannot be identified as the management entity for each PA
	4. Additional resources (US\$) allocated by the GM to fund the re-proclamation processes in other (unfunded) protected areas	US\$ 30,000	US\$50,000 by year 1 US\$60,000 by year 2	Audited annual financial report for the MEPP	

SECTION III: TOTAL BUDGET AND WORK PLAN

Award ID:	00048303
Award Title:	PIMS 3728 BD MSP: <i>Strengthening the Ecological, Institutional and Financial sustainability of Macedonia's Protected Area system</i>
Business Unit:	MKD10
Project Title:	PIMS 3728 BD MSP: <i>Strengthening the Ecological, Institutional and Financial sustainability of Macedonia's Protected Area system</i>
Project ID	00058373
PIMS No.	3728
Implementing Partner (Executing Agency)	Implementing Agency: UNDP; Executing Agency: Ministry of Environment and Physical Planning

GEF Outcome/Atlas Activity	Responsible Party/Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Total (USD)	Budget note
OUTCOME 1: A representative national protected area system is designed	Ministry of Environment and Physical Planning (MEPP)	62000	GEF	71300	Local Consultants	17,000	10,000	0	27,000	1
				71600	Travel	3,000	2,000	0	5,000	2
				72100	Contractual Services - Companies	92,500	49,250	4,750	146,500	3
				72800	Information Technology Equipment	12,500	0	0	12,500	4
				74500	Miscellaneous	5,500	2,500	1,000	9,000	5
					Total Outcome 1	130,500	63,750	5,750	200,000	
OUTCOME 2: Improved systemic and institutional capacity provides the enabling framework for establishing and managing a representative protected area network	MEPP	62000	GEF	71200	International Consultants	34,000	64,500	7,500	106,000	6
				71300	Local Consultants	4,500	23,500	18,800	46,800	7
				71600	Travel	1,500	1,000	500	3,000	8
				72100	Contractual Services - Companies	88,000	61,500	6,700	156,200	9
				74500	Miscellaneous	6,000	3,000	1,000	10,000	10
					Total Outcome 2	134,000	153,500	34,500	322,000	
OUTCOME 3: PA establishment and planning processes field tested and replicated across the PA network	MEPP	62000	GEF	71300	Local Consultants	37,000	35,000	9,000	81,000	11
				71600	Travel	3,000	6,000	4,500	13,500	12
				72100	Contractual Services - Companies	46,000	75,000	82,000	203,000	13
				72300	Materials and Goods	0	10,000	0	10,000	14
				74500	Miscellaneous	5,000	6,500	5,000	16,500	15

GEF Outcome/Atlas Activity	Responsible Party/Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Total (USD)	Budget note
					Total Outcome 3	91,000	132,500	100,500	324,000	
OUTCOME 4: Monitoring, learning, adaptive feedback and evaluation is achieved	UNDP	62000	GEF	71200	International Consultants	6,000	7,000	6,000	19,000	16
				71300	Local Consultants	4,000	8,000	8,000	20,000	17
				71600	Travel	0	1,000	1,000	2,000	18
				72100	Contractual Services - Companies	5,000	5,000	2,000	12,000	19
				74500	Miscellaneous	0	1,000	1,000	2,000	20
					Total Outcome 4	15,000	22,000	18,000	55,000	
PROJECT MANAGEMENT	MEPP	62000	GEF	71200	International Consultants	12,000	0	0	12,000	21
				71300	Local Consultants	26,000	28,000	24,000	78,000	
				71600	Travel	2,000	2,000	2,000	6,000	22
				72800	Information Technology Equipment	3,000	0	0	3,000	23
					Total Management	43,000	30,000	26,000	99,000	
PROJECT TOTAL						413,500	401,750	184,750	1,000,000	

Budget notes:

1. Contract appointment of Information Management and System Design Specialist (refer to Annexure VI for the terms of reference for consultants and the terms of reference and deliverables for contracted service providers)
2. Travel costs for project management staff and contracted specialists to undertake habitat, species and ecological process mapping/ground-truthing and to assess *in situ* the alternative options and scenarios for the ecological and PA network.
3. Contractual appointment of service provider to undertake conservation assessment and protected area gap analysis. *Pro rata* contribution for appointment of biodiversity specialist under Outcome 3.1 (see also note 13). *Pro rata* contribution for the contractual appointment of the service provider (under Outcome 2.1 and 2.2) to develop the 'Directions' for the national protected area system (see also note 9). Retainer contracts for translation and interpretation services. Retainer contract for layout, printing and binding costs.
4. Acquiring hardware and software to host, maintain and access biodiversity database.
5. Costs associated with (communications, facilitation, etc.) organizing focused specialized stakeholder engagement workshops in: (i) the mapping of species, habitats and ecological processes; (ii) the setting of conservation targets for Macedonia; and (iii) discussion of alternative scenarios for the ecological and PA network and selection of preferred option. Hosting issue-based stakeholder workshops in the development of 'Directions' for the PA network and consolidated workshops to iteratively review the proposed 'directions'.
6. Contract appointment of Environmental Economist
7. Contract appointment of Training and Capacity Building Specialist

8. Travel costs for project management staff and contracted specialists to visit individual PA's and PA institutions.
9. Contractual appointment of service provider to develop the 'Directions' for the establishment, planning, governance, management and monitoring of the national protected area system (see also note 3). Retainer contracts for translation and interpretation services. Retainer contract for layout, printing and binding costs. Contractual appointment of specialist training service provider.
10. Costs associated with (venue hire, communications, facilitation, catering, secretarial services, etc.) hosting focused, specialized stakeholder engagement workshops in: (i) institutional assessments; (ii) tools and methodologies for protected area management planning; (iii) criteria for individual capacity assessments; and (iv) the development of a training program for PA practitioners. Hosting consolidated workshops to iteratively review the proposed institutional arrangements for PA's.
11. Contract appointment of Biodiversity specialist/s
12. Travel costs for project management staff and contracted specialists to visit pilot PA's
13. Retainer contracts for translation and interpretation services. Retainer contract for layout, printing and binding costs. Contractual appointment of service provider to facilitate the rationalization and re-proclamation of the pilot project areas.
14. Acquiring a differential GPS to survey boundaries of pilot protected areas.
15. Capacity building of local communities and other local stakeholder groups to constructively engage in the re-proclamation processes. Costs associated with (venue hire, communications, facilitation, catering, secretarial services, etc.) hosting iterative stakeholder engagement workshops during re-proclamation and PA planning processes for 2 pilot project PAs
16. International consultants to be hired for mid-term and final evaluations as per project Log-Frame and M&E Plan.
17. National consultants to be hired for mid-term and final evaluations as per project Log-Frame and M&E Plan. Included are costs of local personnel related to ensuring project monitoring, evaluation, stakeholder participation, cross-project coordination, lessons dissemination and information sharing.
18. Travel costs for mid-term and final evaluations as per project Log-Frame and M&E Plan.
19. Retainer contract for national service provider to support the design, development and implementation of the monitoring and evaluation program
20. Costs of workshops and meetings to be hosted as part of mid-term and final evaluations as per project Log-Frame and M&E Plan
21. Contract appointment of international and national counterpart service providers to support MEPP at project inception (i.e. inception workshop, development of work plans, project budgeting, appointment of project management staffs) and ongoing project management (i.e. legal advice, specialist inputs, peer reviews, benchmarking, branding, marketing, stakeholder communications, etc.)
22. Travel costs for managing the project.
23. Acquisition of computers and printer for project manager and project administrator.

Summary of Funds: ²

	Year 1	Year 2	Year 3	TOTAL
GEF	\$413,500	\$401,750	\$184,750	\$1,000,000
MEPP	\$100,000	\$50,000	\$48,000	\$198,000
MEPP in kind	\$24,000	\$24,400	\$20,000	\$68,400
KfW	\$350,000	\$600,000	\$124,000	\$1,074,000
SDC	\$250,000	\$300,000	\$246,000	\$796,000
Italian Cooperation	\$240,000	\$1,200,000	\$560,000	\$2,000,000
Municipality of Skopje	\$5,000	\$15,000	\$5,000	\$25,000
TOTAL	\$1,382,500	\$2,591,150	\$1,187,750	\$5,161,400

² Summary table should include all other co-financing (cash and in-kind) that is not passing through UNDP.

SECTION IV: ADDITIONAL INFORMATION

PART I: Approved Project Identification Form (PIF)

Note: The attached document below is the main section of the GEF approved PIF, which allowed for the MSP Brief preparation process. The MSP Brief approved by the GEF CEO on which this project document is based is available as a separate document and shall be referred to as a technical document that describes further technical specifications and details of this project.

A - PROJECT SUMMARY

Macedonia is land-locked country located on the Balkan Peninsula in Southeastern Europe. Although the entire territory of Macedonia encompasses only 0.5% of the European continent, a disproportionately large portion of European biodiversity is concentrated within this small country, ranging from approximately 34% of vascular plants, 12% of the freshwater fish species, 29% amphibians, 29% reptiles, 62% birds and 50% of mammal species. At the regional scale the biodiversity of Macedonia encompasses 70-90% of the entire Balkan biodiversity.³ The heterogeneity and high degree of relictness and endemism are the most striking characteristics of biological diversity in the Republic of Macedonia. A total of 7.3 % of the territory is classified as protected. Macedonia's protected areas system is composed of 64 small protected areas of different categories, three national parks and two strict nature reserves. Management responsibility for the two Strict Natural Reserves (Ezerani and Tikves) belongs to the local water management enterprises, which have neither the capacity nor the proclivity to manage a protected area. The remaining 64 protected area were established with no provisions for a management authority or long-term financing resulting in a total lack of any management.

In the absence of protected areas, which effectively protect diversity and maintain it across the landscape, much of Macedonia's biological diversity faces "death from thousand cuts", as there is no one major threat to biological diversity, but rather a host of different threats, which over time will result in the destruction of the remaining pockets of biological diversity throughout the country. Although there are many problems associated with making Macedonia's protected areas more effective, the potential for strengthening Macedonia's protected areas has improved significantly in recent years with the passing of two landmark laws: the new Law on Nature Protection (2005) and Law on Environment Protection (2004). Among many improvements, these laws adopt new IUCN categories for protected areas as the official categories of Macedonia and make specific provisions for management partnerships between local-national government bodies and between government and non-governmental organizations. But even with the basic foundation of law in place for improved biodiversity conservation and protected area management, there are still significant knowledge, experiential, and law and policy barriers that must be overcome in order to enable stakeholders to capitalize effectively on the new opportunities for protected area management. The proposed project addressed Macedonia's national priorities for action in biodiversity conservation as identified in the NBSAP (2004) as the "Improvement of Protected Area System in Macedonia". It will also create an enabling environment for achievement one of the goals of the Spatial (Land Use) Plan of the Republic of Macedonia (2004) as well as an MDG 7 (i.e. increased percentage of protected areas from 7,3 up to 11,54).

³ Crivelli, 1996; Gasc et al., 1997; Harrison, 1982; Mitchell-Jones et. al., 1999.

B – Project Objective

The project goal is long-term conservation of Macedonia's biological diversity. The project objective is increased management effectiveness of the national PA network. It is expected that the objective should be attained through the achievement of the following inter-linked outcomes: (i) Improved systemic capacity provides the enabling framework for enhancing PA management effectiveness; (ii) Institutional capacities for PA management are strengthened, resulting in more effective use of financial and human resources; and (iii) PA management know-how is expanded and reinforced through innovative field management demonstrations.

C – PRIORITY THREATS/ROOT CAUSES AND BARRIERS TO BE ADDRESSED

The main threats to biodiversity in Macedonia are: (i) Habitat degradation and fragmentation); (ii) Over-harvesting of biological resources (forests, non-timber forest products, wildlife, fish); and (iii) progressive loss of species over time from small isolated habitats. The following barriers have been identified as hampering the PA system effectiveness in conserving biodiversity:

No policy frameworks for PA management and PA management partnerships. While the new Law on Nature enables partnerships to be formed, there are no policies to operationalize this, hampering the implementation of this provision.

Ecological and business planning tools are not applied to PA management. Proper business planning has only been applied to two protected areas in Macedonia and only in rudimentary fashion. There is very little experience in Macedonia with modern protected area planning and management tools, methods and practice rooted in sociology, economics, ecology and conservation biology.

Isolation (institutional). Institutionally, the existing protected areas are isolated from one another and do not benefit from being part of a more organized protected areas system, through which long-term support can be proffered, accountability maintained, landscape connectivity maximized, experiences exchanged, management effectiveness monitored and improved.

Paucity of information and data on PA management effectiveness. Decision makers have very little status, condition, and trend data reflecting PA management effectiveness upon which to make decisions. For example, none of the protected areas are monitored for changes in status, condition or extent of biological diversity. Presently no one knows the status of most of these areas, whether they are under some pressure or not, and whether their status and condition are declining or improving.

D – GLOBAL BENEFITS EXPECTED

Pressure on globally threatened species as well as relict and endemic species within the protected areas will be significantly reduced by overcoming the barriers that prevent the protected area system to effectively and efficiently conserve the globally significant biodiversity of Macedonia.

E – FIT WITH FOCAL AREA STRATEGY

The project is in line with the Biodiversity Strategy for GEF and specifically fits under the Strategic Objective 1 - Catalyzing Sustainability of Protected Areas Systems at national level that is aimed at achieving sustainable protected area systems at the national level. The project will build institutional, managerial and financial capacities on national level. It will emphasize strengthening the national system of protected areas through effective business planning and sustainable financing at both the PA and national level, as well as the development of new sustainable management options for protected areas in Macedonia including building new public-private partnership. By the end of the project the PA system would demonstrate improved management effectiveness against the baseline scenario and at least 184,137 hectares of protected areas will be supported of which at least two would be freshwater PAs.

F – POTENTIAL RISK AND MITIGATION

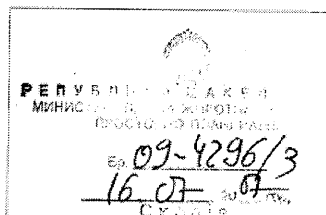
Preliminary list of potential risks that need to be further refined during the PDF A phase is provided in the table below:

Risk	Risk Rating	Risk Mitigation Strategy
Slow progress in drafting the regulations/bylaws related to the Law on Nature Protection	Medium to Low	The Government is committed to approximate the legal framework to the EU framework and has already developed an action plan. The bylaws/regulations related to the Law on Nature Protection are on the priority list of the Ministry of Environment and Physical Planning and they have started the process supported by the donors present in the country
Lack of coordination and insufficient collaboration among the key stakeholders	Medium to Low	During the PDF A phase participation plan will be developed which will define specific means through which stakeholder participation will be ensured in the execution of the MSP.
The costs of management of PA system exceed the incoming financing from national sources.	Medium to Low	Economic analysis will be carried out in order to establish an accurate picture of protected area revenue/expenditure, budget needs as well as the economic benefits of parks. The economic analysis will give consideration to direct use values, inside and outside of protected areas and including linkages, as well as ecological services (indirect use values) and option and existence values. Based on the data, a feasibility study for generating additional funds to meet the needs of PAs will be conducted, including possibility of establishing sustainable financing mechanisms and for private sector investment

2 Other agreements



MINISTRY OF ENVIRONMENT
AND PHYSICAL PLANNING
Republic of Macedonia



To:	Ms. Monique Barbut GEF CEO Ms. Mariua Luisa Silva Mejias Resident Representative UNDP, R.Macedonia
Subject:	Submission of Letter of Endorsement
Connection:	GEFSEC project ID 3292, "Strengthening the Ecological, Institutional and Financial sustainability of Macedonia's national protected areas system"

Dear Ms. Barbut,

In my capacity as GEF Operational Focal Point for the Republic of Macedonia, hereby I endorse the Project "Strengthening the Ecological, Institutional and Financial sustainability of Macedonia's national protected areas system" (GEFSEC project ID 3292; I/ExA project ID 3728) to be presented to Global Environmental Facility through United Nations Development Programme (UNDP) as an Implementing Agency.

Please be informed that we are fully aware that project will consume part of resources within the biodiversity focal area, earmarked for Republic of Macedonia which is part of a group of countries with group indicative allocation, subject to a country level upper limit.

Since non of those allocations have been committed for implementation of any national project as of yet, hereby I endorse allocation of the GEF funds from Biodiversity focal area for above mentioned project in the total amount of \$ 1.1 million.

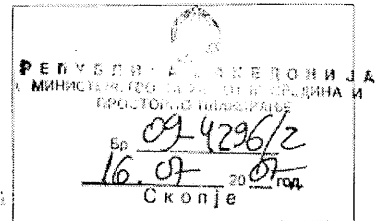
Looking forward to your kind consideration in this meter and to our successful further cooperation, I remain

Sincerely,

Gordana Kozuharova
GEF Operational Focal Point



MINISTRY OF ENVIRONMENT
AND PHYSICAL PLANNING
Republic of Macedonia



To:	Ms. Monique Barbut GEF CEO Ms. Mariua Luisa Silva Mejias Resident Representative UNDP, R.Macedonia
Subject:	Submission of Letter for co-funding
Connection:	GEFSEC project ID 3292, "Strengthening the Ecological, Institutional and Financial sustainability of Macedonia's national protected areas system"

Dear Ms. Barbut,

Please be informed that the Ministry of Environment and Physical Planning (MoEPP) of the Republic of Macedonia will support the implementation of activities within the project "Strengthening the Ecological, Institutional and Financial sustainability of Macedonia's national protected areas system" during the three years of project implementation, in the amount of 266,400 USD.

The annual allocations of financial sources by MoEPP will be claimed from the Ministry of Finance according to the previously submitted quarterly programme and it will be in parallel with realization/planning of the project activities.

Project presented to GEF through United Nations Development Programme (UNDP) as an Implementing Agency for funding consideration is considered as a priority on the agenda of the country. We are also strongly pursued that through long term conservation of Macedonia's biological diversity within this project contribution to effective and efficient conservation of the globally significant biodiversity will be achieved.

We look forward to your kind consideration in this matter and to our successful further cooperation, I remain
Sincerely,

Dzelil Bajrami

Minister

Drezdenska 52, 1000 Skopje, Macedonia tel. +389 2 3066 930, fax. +389 2 30 66 931
e-mail: info@moep.gov.mk www.moep.gov.mk



CITY OF SKOPJE
bul. Ilinden ,1000 Skopje

tel: 02/3217-007

To: Ms. Monique Barbut
CEO GEF Secretariat

Subject: Letter of Commitment for Co-financing

Dear Ms. Barbut,

The City of Skopje is delighted to confirm its commitment to support the proposed GEF project, **"Strengthening the Ecological, Institutional and Financial Sustainability of Macedonia's Protected Area System"** through its parallel interventions in the subject area.

The City, through the Sector for Environmental and Nature Protection and Sector for Local Economic Development – Tourism Unit, will assist Canyon Matka Protected Area, which is identified as one of the two pilot sites within the proposed GEF project, in increasing its conservation and income-generation capacities. For this, the City has committed \$25,000 USD towards interventions at Canyon Matka during the proposed GEF project period.

The City believes that this proposed GEF project, which will be implemented by the United Nations Development Programme addresses key issues in the area of biodiversity protection in Macedonia, and its approach and interventions are closely in line with the City's environmental agenda for Canyon Matka. Therefore, the City wishes to express its full support for this proposed project.

We look forward to our continued cooperation and approval of this project.

Sincerely yours,

Mr. Tash Kostovski
Mayor of the City of Skopje



C.c. Ms. Maria Luisa Sliva Mejias
Resident Representative/UN Resident Coordinator
UNDP CO Macedonia

SDC

SWISS AGENCY FOR DEVELOPMENT AND COOPERATION



Staatssekretariat für Wirtschaft
Secrétariat d'Etat à l'économie
Segretariato di Stato dell'economia
State Secretariat for Economic Affairs
s e c o

SWISS COOPERATION OFFICE MACEDONIA / Швајцарска Кооперација за соработка Македонија
Embassy of Switzerland / Амбасада на Швајцарија

From:
Romain Darbellay
Romain.darbellay@sdc.net

To: GEF Chief Executive Officer
Ms. Monique Barbut
Cc: UNDP
Ms. Maria Luisa Silva Majias
Resident Representative

02 July 2007

Ref: 86/07

Subject: information on the Swiss contribution for the development of the Pelister National Park

Dear Ms Barbut,

It is my pleasure to inform you that the Swiss Agency for Development and Cooperation (SDC) is financing the project "Support to the Pelister National Park Management Plan Implementation", as the third phase of the Swiss contribution to Pelister region since 2000. The project started in January 2007 and it is implemented by the Public Institution Pelister National Park (PIPNP). Within the main objective, implementation of the Management Plan, several others objectives are set, including priority measures for protection of species and habitats, development of facilities and infrastructure for visitors of the Park, development of economic activities of the local population and strengthening of the capacity of the PIPNP. Total budget of the project for three years of implementation is CHF 1'640'000. The Pelister National Park is the first protected area in Macedonia for which a Management Plan has been elaborated following the new national legislation and with the support of the project the PIPNP will be able to achieve the goals set in the Plan and in the Vision of the Park.

Although there is no a direct link with the new UNDP project on Protected Areas, we have fruitful collaboration with the UNDP Office in Skopje, exchanging ideas and experiences in the area of nature protection. The Project Brief on protected Areas that was presented to us confirmed that there are complementarities of both projects.

Yours Sincerely,


Romain Darbellay
Head of Cooperation

St. Maksim Gorki 19 · 1000 Skopje · Macedonia · Phone 00 389 2 310 33 40 · Fax 00 389 2 310 33 41 · www.deza.ch

Ул. Максим Горки 19 · 1000 Скопје · Македонија · Телефон 00 389 2 310 33 40 · Факс 00 389 2 310 33 41 · www.deza.ch



Telefax number: 3892-3118-261
United Nations Development Programme
Mrs. Anita Kodzoman

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E-Mail: Beate.Richter@kfw.de
Date: 06-29-2007
No. of pages: 2

Please forward to:

GEF Chief Executive Officer
Mrs. Monique Barbut

Cc: Maria Luisa Silva Mejias, UN Resident Coordinator and UNDP Resident Representative

**German Financial Cooperation with Macedonia and Albania
Program: "Transboundary Biosphere Reserve Prespa"**

The overall objective of the program is to contribute to the sustainable conservation of biodiversity in the transboundary Prespa Park region. Equally, the project contributes to enhance transboundary co-operation in the Prespa Park region. The objective of the Macedonian and Albanian program components is to reduce current and future pressures on the ecosystems and to improve the management effectiveness of the national parks in Albania and Macedonia so that they effectively contribute to the sustainable ecological and economic development in the transboundary Prespa Park region.

This program will be financed by KfW, with financial contributions of € 1.53 mn (National Park Galicica Macedonia) and of € 3.56 mn (National Park Prespa Albania). The pre-qualification process for the Macedonian program component has been started. There will be an overall implementation time of 3 years for the Macedonian component and 5 years for the Albanian component.

The Program "Transboundary Biosphere Reserve Prespa" is in accordance with the objectives of the UNDP project "Strengthening the Ecological, Institutional and Financial sustainability of Macedonia's Protected Area system". The final draft of the latter project brief has been submitted in June and will be considered in implementing the program concept.

The main results of the KfW supported program are proposed as follows:



KfW • Palmengartenstraße 5-8 • 60325 Frankfurt, Germany • Phone: +49 69 7431-0 • Fax: +49 69 7431-2644 • www.kfw.de

1. Park Administration and Park management is improved
2. Forests and pastures are rehabilitated and conserved for sustainable use by residents
3. Community involvement and the awareness of the park among all stakeholders are increased
4. The project measures are integrated into the land use of the Prespa Park region and the transboundary cooperation coordinated by the PPCC

The program comprises (amongst others) the following measures:

- To re-orientate the activities and capacities of the Park Administrations towards conservation management and support the Park Administrations logistically (vehicles, equipment, a boat if necessary),
- To elaborate a participatory Management Plan as basis for effective conservation management and to improve the conservation management including amongst others:
 - the restoration of degraded zones (including removal of dilapidated infrastructure and waste) and pastures identified to be actively managed
 - a monitoring system allowing for planning and following up on measures for protection and conservation and
 - the development of diversified income sources for the National Park to ensure sustainable conservation,
- To coordinate activities in protected area management and for local economic development (i.e. tourism development) between the municipalities / communities / NGOs and the Park Administration and integrate environmentally-friendly behavior amongst the stakeholders in and around the protected area by increased public involvement and awareness campaigns among all shareholders,
- To integrate the National Parks into the land use and spatial planning and enhance the co-operation between the National Parks and the Municipalities,
- To establish linkages on the working level between the two National Parks Prespa and Galicica.

KW



Dr. Mark Schwiete
Principal Sector Economist



Elke Dullenkopf
Senior Project Manager



*Ambasciata d'Italia
Skopje*

To:
Mrs. Anita Kodzoman
United Nation Development Programme
Telefax number: +389 2 3118 261

Prot. M. 966

Please forward to:
GEF Chief Executive Officer
Mrs. Monique Barbut

CC: Maria Luisa Silvia Mejias
UN Resident Coordinator and UNDP Resident Representative

*Subject: Strengthening the planning and management of the national
protected area system of Macedonia*

The Ministry of Foreign Affairs of the Government of Italy with support from the Italian Embassy in Skopje is drafting a Program for supporting the planning and management of the national protected area system of Macedonia. The amount of the financial contribution is expected to be around 2M.Euro approximately.

The project aims to support the Ministry of Environment and Physical Planning (MEPP) by demonstrating and expanding best practices for the development of the national protected area system of Macedonia. This will be achieved by supporting the re-validation, re-classification and re-proclamation of the *Mavrovo* National Park. The project will strengthen the decision-support strategies, the knowledge systems and tools to advance the re-proclamation process. A management plan will be established according to the current legal obligations under the Law on Nature Protection and taking into account local governance and economic development issues.

The project is designed to complement ongoing capacity building initiatives aimed at reinforcing the Macedonian PA system, and is in accordance with UNDP/GEF funded project to "*Strengthen the Ecological, Institutional and Financial sustainability of Macedonia's Protected Area system*". The final draft of the latter project brief submitted in June, will be considered in implementing the programme concept.

Outline proposed project structure

Project goal

To conserve biological diversity and ecological services in Macedonia by strengthening the planning and management of the national system of protected areas.

Objective

To demonstrate and expand best practices for the development of the national protected area system of Macedonia.

Outcomes

1. The *Mavrovo* NP is re-proclaimed and its management system upgraded to demonstrate the new legal, technical and policy framework developed at national level by the MEPP.
2. Sustainable tourism best practices are demonstrated and national policy for the development of sustainable tourism in protected areas is developed.
3. The Macedonian protected area system is promoted nationally and internationally through the design and implementation of a targeted IEC strategy and action plan.

Skopje, 13.07.2007



Embassy of Italy
Dr. Roberto Rizzo
The Second Secretary

PART II: Terms of References for key project staff and main sub-contracts

Project Staff

Position: **Project Manager (national)**

Position level: **SC6**

Duration: 34 months

Indicative budget: \$56,000

Duties and responsibilities:

- Deliver results and manage funds in line with the work plan approved by POC;
- Analyze and evaluate achieved results regularly to ensure that the project is meeting the target beneficiaries' needs, and communicating them to all POC members;
- Record and resolve project issues occurring during the implementation within the tolerance level initially defined by POC;
- Report issues to POC with recommendations for solutions to project issues that exceed the defined tolerance level;
- Discuss and deal with local and national authorities on matters pertaining to activities described in the project document;
- Ensure timely preparation and submission of yearly/quarterly project work plans and reports;
- Lead the recruitment process of the necessary local experts in the areas identified in the project document in accordance with UNDP rules and regulations;
- Collect, register and maintain information on project activities by reviewing reports and through firsthand sources; and
- Advises all project counterparts on applicable administrative procedures and ensures their proper implementation.

Knowledge and skills:

University degree in related field (higher an asset). Excellent computer literacy (MS Office; Windows XP); excellent communication and negotiation skills; Good analytical skills.

Experience:

Three years of professional experience in project management and the related administrative and/or financial operations, preferably on similar projects.

Languages:

Language proficiency in both written and oral English and Macedonian. Knowledge of Albanian language will be an asset.

Position: **Administrative Assistant (national)**

Position level: **SC 5**

Duration: 32 months

Indicative budget: \$34,000

Duties and responsibilities:

- Collects, registers and maintains information on project activities by reviewing reports and through first-hand sources;
- Contributes to the preparation and implementation of variety of progress reports, by providing information, preparation tables and etc

- Monitors project activities by reviewing a variety of records, including control plans, project inputs, budgets and financial expenditures;
- Advises all project counterparts on applicable administrative procedures and ensures their proper implementation;
- Initiates correspondence and communication to verify data, answer queries and obtains additional information on administrative and financial issues as required;
- Supports the preparations of project work-plans and operational and financial planning processes;
- Provides recommendations on ways to improve project implementation system;
- Initiates procurement process and assists the preparation of Receiving Reports for the procurement of equipment, other goods and services for the project;
- Assists in the preparation of Payments requests (RDP's) for operational expenses, salaries, insurance, etc. against project budgets and work plans;
- Follow-up on timely disbursements by UNDP CO;
- Receives, screens and distributes correspondence and attaches necessary background information;
- Prepares routine correspondence and memoranda for supervisor' signature, checking enclosures and addresses;
- Assists in logistical organization of meetings, trainings, workshops;
- Prepares agenda and arranges field visits, appointments and meetings both internal and external related to the project activities and writes minutes from the meetings;
- Maintains files on various subject, in a properly and orderly way;
- Provides interpretation and translation of basic documents and correspondence;
- Assists in the recruitment processes of supporting staff and consultants under SSA contract modality, in accordance with the UNDP established procedures;
- Maintains records over project equipment inventory; and
- Performs other duties as required.

Knowledge and skills:

University degree in related field. Excellent computer literacy (MS Office; Windows).

Experience:

Three years of relevant experience in administrative line of work.

Languages:

Language proficiency in both written and oral English and Macedonian. Knowledge of Albanian language will be an asset.

Specialist Consultants

Position: **Information management and system design specialist (national)**

Duration: 12 months

Indicative budget: \$27,000

Duties and responsibilities:

- Assesses the current system design and data structure of the national EIS hosted by the MEIC;
- Identifies the minimum data requirements for the development of a 'biodiversity database' for incorporation into the national EIS;
- Assesses the current source, and format of electronic and hard copy data required to populate a biodiversity database;
- Negotiates data sharing agreements with data providers;
- Designs a database system for the biodiversity database;
- Identifies the hardware and software requirements for the biodiversity database;
- Supports the MEIC in sourcing the software and hardware according to the required specifications;
- Defines the required data structure for the inclusion of biodiversity data into the database;

- Validates the available biodiversity data, converts it into the requisite format and integrates into the database;
- Develops a simple graphic user interface to enable web-based access to the biodiversity database;
- Develops data access and data maintenance protocols for biodiversity data;
- Establishes a metadatabase for the biodiversity data.

Knowledge and skills: Post graduate qualification in computer science or equivalent.
Excellent skills in database design, data structures, GIS, data conversion, and Graphic User Interface design.

Experience: At least 5 years experience in database design and development.
Languages: Language proficiency in both written and oral English and Macedonian.
Knowledge of Albanian language will be an asset.

Position: **Environmental economics specialist (international)**

Duration: 6 months

Indicative budget: \$34,000

Duties and responsibilities:

- Describes the current financing mechanisms, and levels of income, for protected areas;
- Identifies and describes the range of appropriate financing mechanisms for protected areas that could be implemented;
- Analyzes the opportunities and constraints of each financing mechanism, with explicit recommendations of what needs to be done to facilitate and optimize its implementation;
- Assesses the projected expenditure requirements of the protected areas and protected area system;
- Assesses the feasibility of the potential income streams, individually and collectively, in meeting these projected expenditure needs; and
- Collates the information into an “Assessment of financing mechanisms for protected areas in Macedonia” report.

Knowledge and skills: Post graduate qualification in environmental economics.
Excellent skills in: cost-benefit analyses; financial planning; risk analyses; environmental economics; protected area financial planning.

Experience: At least 10 years relevant experience in environmental economics and financial planning. Experience in the protected area sector would be an added advantage.

Languages: Proficiency in English. Working knowledge of Macedonian or Albanian would be an advantage.

Position: **Training and capacity building specialist (national)**

Duration: 12 months

Indicative budget: \$46,800

Duties and responsibilities:

- Develops a compendium of the competence, levels and occupational standards required for effective protected area management in Macedonia;
- Based on this skills compendium, collates a skills gap assessment of the current protected area planning and management staff;

- Assesses and identifies options for human resource development and training programs that could address this skills gap;
- Pilots the design and implementation of a training and development program for protected area staff in two protected areas (Matka Canyon and Tikvesh) to test the efficacy of these development and training programs; and
- Collates the information, and lessons learnt into a “Competence standards for Macedonia’s protected area system” report.

<u>Knowledge and skills:</u>	University qualification in human resource development (or equivalent). Excellent skills in: development of competence standards; development of training programs; implementation of training programs; and human capacity building.
<u>Experience:</u>	At least 5 years relevant experience in capacity building, training and human resource development. Experience of capacity building in the environmental sector would be an added advantage.
<u>Languages:</u>	Language proficiency in both written and oral English and Macedonian. Knowledge of Albanian language will be an asset.

Position: **Biodiversity specialist/s (national)**

Duration: 18 months

Indicative budget: \$81,000

Duties and responsibilities:

- Sources, assesses and collates biodiversity data for integration into the biodiversity database
- Sources and collates the biodiversity, geodiversity, ecological process and heritage data for the pilot protected areas;
- Assesses the biodiversity and heritage significance of the pilot protected areas and the contribution of the pilot protected area to meeting national conservation targets;
- Provide biodiversity inputs into the rationalization of the pilot protected area boundaries;
- Documents lessons learnt.

<u>Knowledge and skills:</u>	Post-graduate qualification in natural sciences and/or heritage conservation; Excellent skills in: species identification; habitat classification; documentation of heritage features and ecological process mapping
<u>Experience:</u>	At least 10 years relevant experience in natural science or heritage conservation. Extensive knowledge of Macedonian biodiversity and/or heritage.
<u>Languages:</u>	Language proficiency in both written and oral English and Macedonian. Knowledge of Albanian language will be an asset.

Service Contracts

Service contract: **Conservation assessment and protected area gap analysis**

Indicative budget: \$97,400

Terms of Reference:

In intensive consultation with key stakeholder groups:

- Assess and map the different type of habitats in Macedonia, and the extent to which they are endangered or threatened;
- Assess and map the species distributions for endemic and threatened taxa;
- Assess and map spatial surrogates for ecological and evolutionary processes;
- Assess and map the distribution of the different categories of protected areas;
- Assess and map the current extent of land transformation;
- Analyze species, habitat and ecological process data and identify biodiversity priority areas for conservation;
- Develop explicit and quantitative national conservation targets for habitats and species;
- Integrate the collated datasets and conservation targets and generate a map of ‘environmentally important areas’ in Macedonia;
- Assess options for linking these environmentally important areas through ecological corridors to conserve landscape-scale ecological processes; and
- Develop a consolidated map of, and implementation strategy for, a consolidated ‘ecological network’ for Macedonia that links to regional and European ecological networks.

Deliverables:

- Baseline database – habitats, threatened species, ecological processes, land use, protected areas and threats
- Map of biodiversity targets and priority areas for conservation (‘environmentally important areas’)
- Map of informal conservation and formal protected area targets (‘ecological network’) and (representative ‘protected area system’)

Service contract: Directions for the establishment, planning, governance, management and monitoring of the national protected area system

Indicative budget: \$222,000

Terms of Reference:

In extensive consultation with key stakeholder groups:

- Review the current protected area context in Macedonia;
- Compile a succinct review of best practice in protected area establishment, planning and management in countries with similar challenges to Macedonia;
- Develop spatially explicit short- and medium-term targets for a representative network of protected areas in Macedonia (based on information generated by the Conservation Planning specialist);
- Develop detailed national guidelines to direct the establishment of a new protected area, or re-proclamation of an existing protected area, that operationalize the requirements of the Law on Nature Protection;
- Identify the management principles for the different categories of protected areas contained in the Law on Nature Protection;
- Identify the options for the sustainable financing of the different categories of protected areas contained in the Law on Nature Protection;
- Identify the role of the private and NGO sector in the establishment and management of the different categories of protected areas that align with the requirements of the Law on Nature Protection;
- Identify the monitoring, evaluation and review requirements for the protected area system;
- Identify the roles and responsibilities of all the different public institutions and agencies in protected area management; and
- Collate all the above information into a “Directions for the Macedonian Protected Area System” report.

SIGNATURE PAGE

Country: FYR Macedonia

UNDAF Outcome(s)/Indicator(s):

Effective and equitable management of natural resource and environment protection based on the principles of sustainable development ensured.

Expected Outcome(s)/Indicator (s):

1. Good environmental governance on national and local level achieved (indicator: new laws/regulations approximated to EU legislation).
2. The country obligations related to the ratified environmental conventions met (indicator: Annual reporting on environmental data and MDGs).

Expected Output(s)/Indicator(s):

- 1.1. Policy, institutional, regulatory and financial capacities in place for environmental management and energy efficiency, and Improved ability to monitor state of environment (indicator: Availability of trusted, reliable data; policy for energy efficiency in place)
- 1.2. Capacities to implement the ratified Multilateral Environmental Agreements/Protocols improved (indicators: CBD implemented (additional: NCCC, and NAP on Desertification adopted and recommendations implemented))

Implementing partner:

Ministry of Foreign Affairs (Designated Institution)
Ministry of Environment and Physical Planning (Implementing Agency)

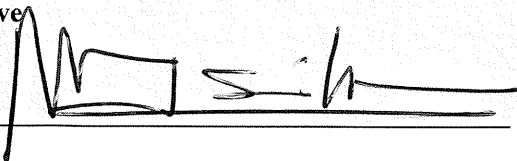
Programme Period:	2005 -2009
Programme Component:	Goal 3. Energy and environment for sustainable development
Project Title:	PIMS 3728: Strengthening the Ecological, Institutional ad Financial sustainability of Macedonia's Protected Area system
Project ID:	00058373
Award	00048303
PIMS	3728
Project Duration:	January 2008 – December 2010
Management Arrangement:	National Execution (NEX)

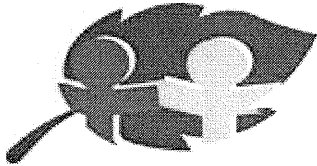
Total budget:	US\$ 5,161,400
GEF	US\$ 1,000,000
Allocated resources:	
• Government	US\$ 198,000
• Gov. local	US\$ 25,000
• Other:	
○ KfW	US\$ 1,074,000
○ SDC	US\$ 796,000
○ Italian Cooperation	US\$ 2,000,000
In kind contributions	
• Government	US\$ 68,400

Agreed by Mr. Dzelil Bajrami, Minister of Environment and Physical Planning

Signature _____ Date: _____

Agreed by Ms. Maria Luisa Silva Mejias, UN Resident Coordinator and UNDP Resident Representative

Signature  Date: 16.11.2007



**MINISTRY OF ENVIRONMENT
AND PHYSICAL PLANNING**
Republic of Macedonia

LETTER OF ACCEPTANCE

With reference to the United Nations Development Programme Project Document titled "**PIMS 3728: Strengthening the Ecological, Institutional and Financial sustainability of Macedonia's Protected Area system**", I hereby confirm, on behalf of the Government of the Republic of Macedonia, that the Government of the Republic of Macedonia agrees to be bound by the aforementioned Project and accepts the rights and duties stipulated in the said Project.

This acceptance of the Ministry of Environment and Physical Planning on behalf of the Government of the Republic of Macedonia that the Project Document is concluded by the Letter of Acceptance does not prejudice that the Government of the Republic of Macedonia accepts to refer to itself otherwise than its constitutional name of our country - Republic of Macedonia.

Hereby the Government of the Republic of Macedonia understands that the aforementioned Project as attached to this Letter of Acceptance constitute an agreement to be obligatory for the both parties to this Project.

Date: 16 Nov 2007

Minister of Environment and
Physical Planning

Xhelil Bajrami

Ms. Maria Luisa Silva Mejias
Resident Representative
United Nations Development Programme

