Concept paper in support of a full GEF proposal for the tri-national Prespa Lake Region, March, 2001. Prepared by Dr. Goetz Schuerholz

CONCEPT PAPER IN PREPARATION OF A FULL GEF PROJECT

1. Project Title:

Biodiversity conservation and sustainable development of the transboundary lake region shared by Albania, Macedonia and Greece.

2. GEF Implementing Agency:

United Nations Development Program in cooperation with the Kreditanstalt fuer Wiederaufbau (KfW, Germany) as executing agency and the national governments.

3. Countries in which the project is being implemented:

Albania and Macedonia (Greece participating).

4. GEF Focal Area(s):

(a) Multi-Focal Area; (b) Biodiversity; (c) Climate Change; (d) International Waters.

5. Operational Program/Enabling Activities/ Short-Term Measures:

ad a): OP#12
ad b): OP#2, OP#3, OP#4, OP#13, EA-B
ad c): OP#5, OP#6, EA-CC
ad d): OP#9 and OP#10.

6. Country Drivenness:

In recognition of the ecological and historical/cultural significance of the lake region, the following measures have been taken by the three neighbouring countries:
Macedonia established:

- Pelister National Park in 1948 for the protection of a globally unique mountainous ecosystem to the east of Macro Prespa Lake;
- Galicica National Park in 1958 for the rehabilitation and protection of unique terrestrial ecosystems straddling the Galicica Mountain located between the Macro-Prespa and Ohrid Lakes;
- Bird Sanctuary Ezerani in 1994 (declared a RAMSAR site), bordering the northern section of Macro-Prespa Lake for the protection of resident and migratory waterfowl and shorebirds;
- Ohrid Lake and Macro-Prespa Lake were declared "Natural Monuments" in 1977 (Official Gazettment 45/77);
- Ohrid Lake was declared a "Natural Heritage Site" in 1979;
- The city of Ohrid was declared a "Cultural Heritage Site" in 1981 and has subsequently been registered as "Unique Natural and Cultural World Heritage Site".

Greece established:

- National Park Prespa (a declared RAMSAR site) in 1974 for the protection of the terrestrial and aquatic ecosystems of the Micro-Prespa Lake and its vicinity.
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Albania established:

- Prespa National Park in 1999 for the rehabilitation and sustainable protection of critical terrestrial and aquatic ecosystems of the Macro- and Micro Prespa Lake area;
- Ohrid Landscape Protected Zone in 1999 for the rehabilitation of degraded forest ecosystems and the sustainable development of the area west of Ohrid Lake.

In further recognition of the ecological and economic importance of the Prespa Lake region, the Prime Ministers of Albania, Macedonia and Greece signed a joint declaration regarding transboundary cooperation with reference to the environmental protection of the Prespa Lake system. (i.e., "Declaration on the Creation of the Prespa Park and the Environmental Protection and Sustainable Development of the Prespa Lakes and their Surroundings", 2 February 2000 , the World Wetlands Day). Subsequently, the tri-lateral "Prespa Park Coordination Committee" was established. The Committee will become the legal body responsible for the implementation of the proposed transboundary, tri-lateral environmental and sustainable development program, benefiting the lake region. At present, the Committee is composed of nine permanent members - one representative each from an environmental NGO, a local community leader and the Ministry of Environment - of each of the three countries.

Furthermore, a "Partnership Agreement" between the Albanian Prespa National Park and the Macedonian Galicica National Park was signed on February 4, 2001, within the framework of the Europark Expertise Exchange Program.

7. Context:

The Prespa-Ohrid region is located on the Balkan Peninsula (~41° N latitude, ~23°E longitude) in southeastern Europe (see Map 1). It is characterized by the three inter-linked lakes Ohrid, Macro Prespa, and Micro Prespa and by mountainous ecosystems. With a surface area of approximately 350 km^2, Ohrid Lake is the largest lake, followed by the Macro Prespa at 285 km^2 and Micro Prespa at 44 km^2 .

The two Prespa Lakes are situated at an altitude of 850 m above sea level. Ohrid Lake is located approximately 160 m below the Prespa Lakes, at 690 m above sea level. The Macro and Micro Prespa Lakes are separated from Ohrid Lake by an elongated calciferous mountain block comprised of Galicica and Mali i Thate mountains. The highest peaks reach about 2,200 m above sea level. The Baba Mountain Range borders the lake basin to the east; with its highest peak, Pelister Mountain, rising to 2,600 m above sea level. Micro Prespa Lake on the Greek side is bordered to the south by the Triklarion Mountains, which reach about 1,750 m above sea level. The mountains to the east and south of the watershed are comprised of silicate rock, producing soils and growing conditions that differ significantly from the soils resulting from the calciferous mountains to the north and west of the watershed.

Because the mountains between Ohrid Lake and the two Prespa Lakes are calciferous rock, they do not constitute a barrier to the underground flow of water from the Prespa Lakes to the lower Ohrid Lake, where water surfaces in mighty springs at Drilon (in Albania) and Sveti Naum (in Macedonia). It is also reported that there are springs on the bottom of Ohrid Lake. Due to these characteristics, the three lakes are considered a combined aquatic ecosystem.

Until the end of the 1960s, Albania hosted a fourth lake – Maliqi Lake – that could also have been considered part of this aquatic system. A large swamp of several hundred hectares fed by the Devolli River originally surrounded this shallow lake. The river was channelled at the end of the 60s, which resulted in the draining of Maliqi Lake and the emergence of the swamp.

The watershed, which is about 1500 km^2 in size, was artificially enlarged by two important encroachments. First, the river Sateska was diverted from its original course as a tributary of the Drin River directly into Ohrid Lake. Second, the Devolli River in the south was channelled and partly diverted into Micro Prespa Lake. These two measures enlarged the watershed by approximately 300 km^2.

The climate of the Prespa region is subject to Mediterranean and continental influences and may be termed south-eastern-mountainous-Mediterranean. It is characterised by warm but moderate summers and relatively mild winters. Mean monthly temperatures in the Prespa and Ohrid valleys are around 9-10° C.

Detailed vegetation studies which provide fairly comprehensive reviews (e.g., Pavlides 1997a,b; Rizovski, *et al*.,. 1997) have been undertaken in the Macedonian and Greek parts of the Ohrid/Prespa region. They assume that, in particular, the calcareous mountain of Mali Thate hosts several unique biotopes that are important from a European conservation perspective. A recent study of the trees growing in Galicica National Park (in Macedonia) revealed the presence of about 78 tree species, a comparatively high number. The aquatic ecosystems of the region are rich in endemic species. It is believed that 80 per cent of the Infusoria of Ohrid Lake are endemites. Among vertebrate species, several aquatic endemites have been recorded, including the Ohrid trout (S*almo letnica*), the Ohrid salmon (S*almothymus ohridanus*), the Prespa barbel (B*arbus prespensis*), the Prespa nose (C*hondrostoma nasus prespensis*) and others.

With about 285 bird species, the avifauna of the lake region is highly diverse. Among them are globally endangered species, such as the European Dalmatian pelican (P*elecanus crispus*) and White pelican (P*elecanus onocrotalus*), the Pygmy cormorant (P*halacrocorax pygmaeus*), which breeds and overwinters here, and the globally endangered Ferruginous duck (A*ythya nyroca*), which breeds in the Ezerani Reserve on the Macedonian side.

The water surfaces of the lakes are important wintering sites for waterfowl of the palae-arctic area. The highest number of individual birds was observed in 1999, with 64,948

specimens of 23 species over-wintering at Ohrid Lake, and 41,741 specimens of 23 species over-wintering at Macro Prespa Lake.

The lake area hosts mammal species that are endangered on the whole continent, such as bears, wolves, and lynx. There are also 25 recorded species of bats in the region. Among these are nine species that are either threatened with extinction or are classified as vulnerable (M*yotis natteri, Nyctalus leisleri, N. noctula,Rrhinolophus ferrum-equinumm, R. euryale, R. hipposideros, R. blasii, Tadarida tenoites and Vespertilio murinus*). Based on the richness of waterfowl, especially during winter, the Macedonian and Greek sides of the lake system are recognised as wetlands of international importance by the *Convention on Protection of Wetlands of International Importance* (RAMSAR, 1971). Also, the Greek side of the wetland system is considered a special area of European nature conservation concern (SPA) and is part of the Greek contribution to the NATURA 2000 network of protected sites according to the Directive on *protection of Fauna, Flora, and their Habitats* (92/43 EEC). It is also recognised as an important bird area and is subject to the *Bird Protection Directive* of the European Union (79/409/EEC).

The lake region is considered a cultural/historic site with high potential for tourism. The region has been inhabited for several centuries. Numerous archaeological sites prove that in ancient times an important trade route of the western Roman empire – the Via Egnatia – passed through the region into its eastern province. Long ago, the city of Ohrid (now located in Macedonia) was the intellectual and spiritual center of the Slavic world. Because of this, the historical center of the town has been declared a UNESCO World Cultural Heritage Site.

The ethnic origin of people around Ohrid and both Prespa lakes, including those who live on the Greek side, is Macedonian. The people on the Albanian side of Ohrid Lake, and a small group on the northeastern shores of Ohrid Lake (on the Macedonian side), are Albanian. Most people in the support zone of the National Park Prespa in Albania are of Macedonian origin. There is also a small group of Vlach people, who are of Romanian origin.

Some 134,600 people live in the lakes region – a relatively dense population that reflects the favourable living conditions of the area. Most settlements are located along the shorelines of the three lakes, although the city of Korca is located in the center of the Korca Plain. The inhabitants of the Prespa basin are distributed as follows: 69.61 per cent live on the Macedonian side, 29.5 per cent live on the Albanian side, and 0.89 per cent live on the Greek side.

All too often conservation programs focus on areas that are too small to meet the habitat requirements of all species. And all too often conservation and resource management goals are too narrow to make either economic or biological sense. Addressing the entire Ohrid-Prespa Lake system as one single ecological entity falls in line with current land use planning approaches that are known as the "bioregional", "ecosystem" or "landscape level" planning approach. Landscape level planning deals with regions that are large enough to include the habitats and ecosystem functions and processes needed to make

biotic communities and populations ecologically viable over the long-term. This, in turn, calls for co-operation among a range of stakeholder groups, including local communities, government agencies at different levels (local, state, national), private enterprises, scientific and educational institutions, etc. The newly created "Prespa Park Coordination Committee" plans to adopt this holistic approach which addresses biodiversity conservation in an ecosystem context, seeking to conserve integral ecological systems within which species can live and evolve. The focus is very much on the conservation of ecosystems rather than on single species.

Large parts of the natural ecosystems of the Lake region have been converted or transformed into agricultural systems of various kinds, or have been replaced by towns, villages and other man-made infrastructures. As a result, many types of 'natural ecosystem' are now confined to relatively restricted areas. Recognition of the restricted and threatened nature of the remaining extents of representative natural ecosystems has been an important stimulus for reinforcing conservation action in the region as indicated by the creation of numerous protected areas in the Lake Region.

8. Project Rationale and Objectives:

This paper provides the rationale for the sustainable management of the tri-national Lake region that is considered an ecological entity of global significance. The ecological integrity of the Lake region is currently threatened through inappropriate land- and resource use, uncontrolled development, ecologically unsound irrigation practices, large-scale forest destruction and erosion, overgrazing, and water and soil contamination from uncontrolled use of pesticides, raw sewage disposal and lake siltation. These problems may only be solved through close cooperation between the three countries.

As borders between states are political and not ecological, the ecosystems of the Lake Region occur across national boundaries, and are subject to different and even conflicting management and land use practices. The proposed trans-border conservation area offers intriguing possibilities for promoting nature conservation for individual transboundary ecosystems, as well as for trans-border peace parks. As indicated by the tri-lateral presidential agreement, the political will to co-operate in the conservation and sustainable use through common management of the shared ecosystems is present. It is also hoped that the co-operation agreement will ease political tensions in the region, and help to solve existing and to prevent potential future land use conflicts.

Associated with the notion of multiple conservation units is that of connectivity – the idea of linking up core areas that feature representative samples of a region's characteristic biodiversity, through systems of corridors, restored areas and conservation compatible land use which permit the migration and movement of the biota and the adaptation of the overall ecological system. In the Ohrid-Prespa region both the core sites and the corridors are embedded into a matrix of mixed land uses and ownership patterns. A whole spectrum of scientific, social and economic considerations and different perceptions are brought to bear in defining management opportunities and in implementing programs of action and investment.

It is suggested that, in the absence of GEF funds, the uncontrolled land and resource use development in the Lake Region will accelerate the deterioration process of a globally significant ecological entity. On the other hand it is expected that the requested GEF funds would significantly contribute to reducing the alarming loss of ecological integrity of the region's ecosystems.

There is great international interest in synchronized conservation management of the lake region to benefit local people, further the peace movement in the Balkans and secure global long-term benefits by preserving unique ecosystems. The international concern for this region is evident in the comparatively large donor involvement, with financial interventions dedicated to environmental enhancement exceeding $100 million. The requested GEF funding is expected to significantly enhance current donor activities that are mostly directed towards social infrastructure development and the reduction of lake contamination from uncontrolled sewage discharge and other sources.

GEF funding would mostly be utilized to secure sustainable conservation management of the protected areas bordering the Prespa Lakes and to promote an integrated ecosystem management approach in the Prespa Lake region.

Expected focal areas of the proposed GEF intervention would be (a) the rehabilitation of degraded forest ecosystems and severely overgrazed (sub-) alpine grasslands, (b) the rehabilitation of critical micro-watersheds, and (c) land use practices that are compatible with the overall conservation objectives for the area of interest.

The exact nature of the proposed GEF interventions would be identified during the project development phase by stakeholder planning teams to be assembled for this purpose in Macedonia and Albania, the two candidate recipient countries.

9. Expected Outcomes and Activities of Full Project:

The principal result of the project will be a sound land use development plan (spatial planning) for the lake region to be associated with optimum resource allocation and land use that is compatible with the overall conservation objectives for this area. In combination with sustainable economic development, this is expected to assist in poverty alleviation as the recognized root cause of environmental degradation in the project area.

Major results expected are: sustainable protection of the designated conservation units of the lake region; sustainable economic development of the support zones of the protected areas; stabilization of the Little Prespa Lake water system; efficient prevention of lake contamination as caused by uncontrolled discharge of effluents and chemical waste (i.e., fertilizer and pesticides currently used without control for horticulture and crop production around the lakes); rehabilitation of degraded forests of the Albanian Prespa National Park; sustainable range management; improved living conditions of the poor rural population as a result of economic alternatives compatible with the overall

conservation goal (e.g., tourism development, organic fruit and crop production, crop certification process, etc.); and an increased level of environmental awareness.

Lessons learned suggest a minimum time frame of eight years for the project.

10. Sustainability and replicability of the Full Project:

It is hoped that the proposed sustainable development of the lake region to be achieved in cooperation with the international donor community will provide a sound basis for the long range conservation goals for the project area, which are needed to safeguard the sustainability of the proposed interventions.

It is expected that several project components will be replicable (e.g., organic fruit and vegetable farming; ecological model villages; policies and legislation regulating resource use in trans-border areas; participatory management planning for the national parks; sustainable fuelwood production; rehabilitation of degraded watersheds, etc.).

11. Country Eligibility:

Macedonia:

- The Convention on Biological Diversity was ratified by the parliament through Law 54/97 in 1997 and entered into force March 2, 1998;
- The RAMSAR Convention was legalized by the Act for Succession, Sept. 8, 1991;
- The Environmental Action Plan was elaborated in 1995 and approved in 1996.

Albania:

- The Convention on Biological Diversity was ratified Jan.5, 1994, and came into force April 5, 1994;
- The Council of Ministers ratified the RAMSAR Convention in March 1996;
- The Biodiversity Strategy and Action Plan was elaborated and approved in 1999.

Greece (one of the tri-lateral partners):

- The Convention on Biological Diversity was ratified by the parliament through Law 2204 in 1994;
- The RAMSAR Convention was ratified in 1974 by Greece as one of the founding countries. The amendment was ratified through Law 1950 in 1991.

12. Stakeholders Involved in Project:

Key stakeholders are the Ministries of Environment of the three countries, although other public agencies will be involved to varying degrees, depending on the proposed interventions. In Albania, the Forestry Department will be a major stakeholder with the legal mandate for the management of Prespa National Park and the management of forests in the support zone of Prespa. The Ministries of Agriculture and government

agencies with responsibility for land use planning, economic development and tourism will play an important role in the project. Major stakeholders are summarized in the following table.

Country	Sector	Stakeholder
Macedonia	Private NGO Communities Public Agencies Others	To be identified Bird Protection Society Resen and others Ministry of Environment University Skopje Euronature
Albania	Private NGO Communities Public Agencies Others	To be identified PPNEA Korca and others Ministry of Environment Department of Forests Euronature
Greece	Private NGO Communities Public Agencies Others	To be identified SPP Florina and others To be identified EU

13. Information on Project Proponent:

The German Bank for Reconstruction and Development (Kreditanstalt fuer Wiederaufbau, in short: 'KfW') is the project proponent and will serve as the implementing agency for the project. The KfW continues to be very active in the lake region and has excellent corporate experience with the implementation of environmental projects. The KfW will provide major co-financing, well in excess of the to-be-specified GEF grant. Past, current and programmed projects in the project area financed by the KfW are summarized in the following table. Furthermore, KfW has over 5 Mio DM available for wetland conservation in Greece of which a portion may be spent on the Greek side of the Prespa Lake system in the framework of this project.

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Ongoing Projects	**Title**	**Budget in DM**	**Duration**
Protection of Ohrid Lake, Albania Cofinancing SECO	Sewage treatment plant Progradec Potable water supply	34 Mio 10 Mio Grant	2000-2003 2001-
Potable Water Supply, Macedonia (EBWE co-financing)	Water supply for city of Struga	10 Mio Grant	2001-
Protection Prespa Lake, Macedonia	Sewage treatment plant Resen	14 Mio Grant	In preparation
Prespa Region, Macedonia	Social infrastructure for 13 communities in Prespa /Ohrid region	16 Mio Grant	2001-
Prespa Region, Macedonia	Social infrastructure	7.5 Mio Grant	2002
Prespa Region, Albania (ADF)	Social infrastructure for selected villages PNP	0.5 Mio Grant	2001
Prespa region, Albania (ADF)	Environmental pilot projects in support zone of PNP	4 Mio Grant	In preparation
Budget Total		**96 Mio**	

14. Financing Plan of Full Project:

Although the interventions to be financed by the proposed GEF grant cannot be specified in detail at this stage, the estimated grant request will be approximately USD 15 Mio., to be split evenly between Macedonia and Albania as the recipient countries.
Co-financing will be available as follows:
USD 25 Mio secured by KfW
USD 5 Mio secured by SECO
USD 500,000 secured by Greece
USD 2 Mio secured by ADF
USD 1 Mio secured by Albanian forest sector loan through the World Bank.

15. IA Coordination and Linkages to GEF and IA Programs and Activities:

The project builds on lessons learned from the GEF financed Ohrid Lake Conservation Project of 4 Mio USD. This project is being implemented by the World Bank. With a four-year duration, the project will be finalized in the current calendar year. There will be no geographic overlap between the two GEF projects since the focal-area of the proposed project will be the Prespa Lakes region. Current and proposed KfW projects in the Ohrid Lake region complement the ongoing GEF-financed Ohrid Lake project.

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16. Proposed Project Development Strategy:

In the year 2000, KfW commissioned a feasibility study in support of the newly established Albanian National Park Prespa. The study area covered the National Park Prespa and its support zone, including the Korca plain and the Maliqui wastelands to the south of the park. The rather comprehensive feasibility assessment detailed infrastructure needs for the park and identified a priority action program for the support zone of the park that was elaborated in cooperation with local stakeholders. This includes *inter alia* a comprehensive feasibility assessment of the Little Prespa Lake water regime, watershed rehabilitation, social infrastructure development of support zone and park area communities, the development of a regional tourism plan, and many other activities essential to safeguard the sustainable development of the Albanian part of the Prespa region. The feasibility study highlighted the need for trans-border conservation management and recommended the participatory elaboration of management plans for Galicica and the Albanian Prespa National Park to be synchronized with management policies for the Greek Prespa National Park.

The feasibility study provides most of the baseline information for the Albanian section of the project area that would be needed for the formulation of a full GEF proposal.

As a follow-up to the February 2001 workshop of the Prespa Coordination Committee in Skopje, the Government of Greece through its Ministry of Environment provided a USD 150,000 grant for additional data collection in the lake region, needed for the formulation of an action plan for the study area to be finalized by January 2002. The money will be given in full to the Greek NGO SPP which will provide approximately USD 45,000 each to an NGO in Macedonia and the PPNEA in Albania for additional data collection in preparation of the action plan.

It is suggested that the proposed action plan will provide most of the information needed for the formulation of the full GEF project. To complement this undertaking, the KfW volunteers to finance the implementation of participatory stakeholder workshops in Macedonia.

On completion of the data compilation period by early 2002, the KfW would spearhead the formulation of a full GEF proposal.

17. Endorsements of this concept paper

Albania:

1) National Environmental Agency of Albania, Tirana
Principal contact:
Mr.Zamir Dedej
Director Nature Protection Directorate of Albania
Tel: 355 4 364 904 (Tirana)

2) Directorate General of Forestry and Pasture of Albania, Tirana
Principal contact:
Mr.Kole Malaj
Director General
Tel.: 355 4 256 784 (Tirana)

3) PPNEA, Albania
Principal contact:
Dr. Spase Shumka
NGO representative and member of the Prespa Lake Coordination Committee
Tel.: 355 42 22889 (Tirana)

4) UNDP, Albania
Principal Contact:
Mr. Vladimir Malkaj
National Program Officer
Tel.: 355 42 33122, Tirana

Macedonia:

1) Ministry of Environment and Physical Planning, Skopje
Principal contact:
Mr. Metodija Dimovski
Assistant Minister and Acting Chair of the Prespa Lake Coordination Committee
Tel.: 389 2 366 930, Skopje

2) University of Skopje (NGOs)
Principal contact:
Dr. Ljupco Melovski
As NGO representative member of the Prespa Lake Coordination Committee
Tel.: 389 2 521 772

3) City of Resen
Principal contact:
Dr. Dimko Toskovski
Mayor of City of Resen and member of the Prespa Lake Coordination Committee
Tel.: 389 96 454 450

4) UNDP Office
Principal contact:
Mr. Rikard Elfving
Programme Officer, Skopje
Tel.: 389 91 116 335

Greece:

1) Ministry of Environment
Principal contact:
Mr. Spyros Kouvelis
Advisor to the Deputy Minister for the Environment, Athens, and member of the Prespa Lake Coordination Committee
Tel.: 30 1 6447493

2) SPP, NGO
Principal contact:
Ms. Myrsini Malacou
Director SPP, and member of the Prespa Lake Coordination Committee
Tel.: 30 385 51211

3) RAMSAR Athens
Principal contact:
Mr. Thymio Papayannis
Senior Advisor on Mediterranean Wetlands
Tel.: 30 136 00711