



Final Report on the Study on Landscape of Llogara National Park in Albania

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ABBREVIATIONS

BSAP	Biodiversity Strategy and Action Plan
CBD	Convention on Biological Diversity
CITES	Convention on International Trade of Endangered Species
COP	Conference of the Parties
DCM	Decision Council of Ministers
DFS	Directory of Forestry Services
DGFP	Directorate General of Forest and Pastures
GEF	Global Environmental Facility
GoA	Government of Albania
GEF/SGP	Global Environmental Facility/Small Grant Programme
IUCN	International Union of Nature Conservation
LNP	Llogara National Park
MoTE	Ministry of Tourism and Environment
NAPA	National Agency for the Protected Areas
NBSAP	National Biodiversity Strategies and Action Plans
NGO	Non-Governmental Organization
NSSED	National Strategy for Socio-Economic Development
NP	National Park
PA	Protected Areas
RAMSAR	Ramsar Convention on Wetlands of International Importance
RAPA	Regional Agency for the Protected Areas
SPA	Specially Protected Areas
UN	United Nations
UNDP	United Nations Development Programme
WB	World Bank

1. Advancing Protected area sustainability: Status and Trends

1.1. Funding Protected Areas for Biodiversity Conservation

The current scope of the expertise aims to advance the social, cultural and commercial use of Llogara National Park in a way that is consistent with the preservation of the natural, cultural and other values of the area, through designation of site facilities layout, in order to profit economically and preserve nature conservation of both PAs. The main aspect of the design should be based on the relation between the natural site and the eco-friendly construction.

IUCN defines a protected area as “an area of land and/or sea, especially dedicated to the protection and maintenance of biodiversity, and of natural and associated cultural resources, and managed through legal or other effective means”. Protected areas form the core of the conservation efforts around the world. Over the past four decades there has been a ten-fold increase in the number of protected areas listed by the UN, with over 104,000 sites reported in a recent assessment. The area under protection has likewise expanded, from 2.4 million km² in 1962 to over 20 million km² in 2004.

Roughly more than 12% of the global land surface is now defined as protected area. To the aforementioned must be added an unknown area of land that private owners and local communities have set aside for a variety of reasons including recreation, or simple preservation. At the limit, protected areas also include some agricultural, timber and other “productive” lands that are managed in ways that conserve biodiversity or particular landscape features, through the maintenance of field boundaries, native vegetation, limited use of pesticides and other measures. Biodiversity conservation is thus increasingly recognized as a range of activities undertaken across an entire landscape or seascape, including but not restricted to PAs registered on the UN list.

There are in total 800 protected areas (including monuments of nature), which account for over 528,056.63 hectares (ha), or 18.37% of the territory of the country. The figure includes coastal territories and the marine area of Sazan- Karaburun which on itself cover 0.43 % of the total surface of PA in Albania.

The size of protected areas has been considerably increasing since the Strategy and Action Plan on Biodiversity, 2000. Since 2005, the number of protected areas has more than doubled, from 5% to over 16%. The map and key data for protected areas are part of Annex 8 and 9. The current network of Protected areas includes 119,401 ha coastal areas and 13,261 ha marine areas

1.1.1. Protected Area Management

Following the ToRs, the current national provisions define NAPA to function with funding from the state budget through the MoTE, donors, and other legally determined sources. The current funding baseline for the PA system, and the capacities to administer and improve PA revenue streams, are still well below the levels required to ensure that the protected area system is safeguarded. The MoTE and NAPA should: (i) secure sufficient, stable and long-term financial resources for the protected areas; (ii) allocate these resources in a timely manner; and (iii) ensure that the protected areas are managed effectively and efficiently with respect to conservation and other complementary objectives. This specific project was designed to assist the GoA in reducing existing funding gaps for the system of protected areas, enhancing the management of individual protected areas, improving cost-efficiency in individual protected areas and building the financial management capacities of protected area staff in the NAPA etc. The project has two main pillars: (i) build the financial management capacities of the agency responsible for administering the system of protected areas; and (ii) demonstrating the efficacy of different financing strategies in a sub-set of individual protected areas.

Law No. 81 of 04.05.2017 "On protected areas" establishes the criteria for proclamation of protected areas, as well as recognizing particular protected areas of interest for the European Community, by guaranteeing initially the possibility for evaluation of habitats with interest for the European Community, included in the Annex of Directive for Habitats, and then make proposals for these areas, in line with the criteria established in the law and with the Directive for Habitats".

In addition, the law provides for internal sub-zones for each protected area or area in conservation. The concept of division of the protected territory into functional areas based on their characteristics facilitates the performance of community activities in the territories of protected areas provided for the so-called "tampon" effect. The Law determines the procedures for declaring an area as a protected one, regarding local governance and the land owners.

Legislation on the protection of nature is based on the Constitution of the Republic of Albania, 1998; adopted by Law No. 8417, 21.10.1998 "Constitution of the Republic of Albania" Official Gazette: 1998, No. 28, pg. 1073, date of publication 07.12.1998. Article 59 of the Constitution points out that: "The State aims to ensure a healthy and ecologically appropriate environment for the current and future generations, and the rational use of natural resources based on the principle of sustainable development", while aiming at:

- a) Ensuring a healthy and ecologically sustainable environment for the current and future generations;
- b) Rational use of forests, water, pastures and other natural resources on the bases of the principle of sustainable development.

There are several acts that guarantee the protection of nature in the Republic of Albania, including Law "On protection of Biodiversity", No 9587, 20.07.2006, Official Gazette No. 84, date of publication 08.09.2006, pg. 2847, recently amended by Law No. 68/2014, of 03.07.2014:

- Law "On protected areas", amended by Law No. 9868, of 04.02.2008 "On some changes and amendments to Law No. 8906, 06.06.2002 "On protected areas ", No. 8906, of 06.06.2002, Official Gazette No. 29, date of publication 26.06.2002, published in Official Gazette No. 18, 2008, pg. 640, date of publication 19.02.2008;
- Law No. 81/2017, "On protected areas";
- Law "On protection of wild fauna", No. 10006, dated 23.10.2008, Official Gazette No. 168, date of publication 31.10.2008, pg. 8273, amended;
- Law "On rules and procedures for international trade of endangered species of flora and fauna", No. 9867, dated 31.01.2008, Official Gazette No. 18, publication date 19.02.2008, pg. 629, amended;
- Law No. 10.253 dated 11.03. 2010 "On hunting";
- Law "On some changes and additions to Law No. 9587, dated 20.07.2006 "On protection of Biodiversity"", revised, for the full approximation of EC Directive 92/43/EEC, May 22, 1992 "On conservation of natural habitats of wild fauna and flora", adopted on July 2, 2014;
- Law No. 7/2014 "On prohibition of hunting in the Republic of Albania", adopted by the Assembly of the Republic of Albania, on 30.01.2014. In line with the provisions of this law, hunting activity in the country is frozen for a period of two years. The law is published in the Official Gazette of 28.02.2014 and became effective on March 16, 2014.
- DCM No. 57, dated 06.02.2019 "On the criteria and methods of zoning of the territory of an environmentally PA"

For the implementation in practice of Law No. 7/2014 "On prohibition of hunting in the Republic of Albania", the Minister of Environment, on July 2, 2014, drafted and adopted the action plan on the implementation of a moratorium on hunting.

In order to ensure the implementation of these pieces of legislation, a number of by-laws were issued for completing the legal base regarding specific elements of protection of nature, including the list of protected flora and fauna species, as published in the Red Book of the Albanian Flora, and the Red Book of the Albanian Fauna.

The protection of species is in line with the specific provisions of the Law on biodiversity and the Law on protection of wild fauna. Threatened species are protected by the Order No. 1280, dated 20.11.2013 (National red list of protected flora and fauna) of the Ministry of Environment published on the Official Gazette No. 197 of 18.12.2013.

The Law on biodiversity contains provisions on invasive species and protection measures for the conservation of species. Protection of habitats is done through provisions of the Law on protected areas, and the network for protected areas. The network serves to identify and create the ecological network NATURA 2000. The Law on the protection of wild fauna provides for the protection of important habitats for birds in general, and migratory birds in particular.

1.1.2. Using Financial Resources to Strengthen Biodiversity Conservation

Regardless of their different objectives, management regimes or authorities, all categories of PA share a common rationale and overarching goal – effective biodiversity conservation, including natural, cultural, historical and socio-economic aspects. Different categories of PA reflect different means of achieving this goal, as well as the extent to which other objectives are accommodated. Likewise, a key goal, and need, in raising funds for PAs is to contribute towards more effective biodiversity conservation. Many arguments have been advanced over the years, in order to support the case of conserving biodiversity, and thus for PAs. These include utilitarian justifications based on the contributions of PAs to human well-being, as well as appeals to moral concepts of a duty of care (or “stewardship”), spiritual and cultural values, or the inherent “rights” of non-human species and ecosystems. The adoption of the Millennium Development Goals by the United Nations General Assembly in 2000, as well as the re-framing of conservation in terms of “ecosystem services” in the recently published Millennium Ecosystem Assessment, both have profound implications for PAs, especially in the developing world.

Increasingly, international discussions of PA finance are couched in terms of the actual or potential contribution of PAs to poverty reduction and sustainable development, as well as the more traditional goals of conservation and sustainable use of natural resources.

1.2. International declarations on sustainable development

Various policies, strategies and agreements are in place, at global, regional and national levels, which underline the need for and importance of funding PAs. Many countries have ratified international conventions, which set the basis for protected areas and biodiversity conservation, and as such are obliged to abide by their provisions. Almost all of these conventions call in some way for Contracting Parties to allocate funds to biodiversity.

1.2.1. Conservation-related global conventions

Articles 4 and 5 of the World Heritage Convention require Parties to secure sufficient financial resources to ensure the identification, protection, conservation, presentation and transmission to future generations of sites of cultural and natural heritage. Article 15 of the Convention also establishes a World Heritage Fund for the conservation of cultural and natural sites on the List, to be replenished from both obligatory and voluntary contributions by State Parties.

Although financial resources are not explicitly mentioned by two other key international conventions relating to biodiversity conservation, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the Ramsar Convention on Wetlands of International Importance (Ramsar), both have recently taken action in support of PA financing. A Small Grants Fund was established in 1990 under

the auspices of the Ramsar Convention, to act as a mechanism to assist developing countries and economies in transition, in enabling the conservation and wise use of wetland resources. Recently the 12th CITES COP called for a review of “existing and innovative mechanisms to finance the conservation of species of wild fauna and flora”, while also recognizing that PAs form a key part of strategies to implement CITES commitments. COP 12, further noted that developing countries may require international financial assistance to supplement domestic budgetary allocations regarding costs incurred at the national level.

At a global level, the 1993 Convention on Biological Diversity (CBD) provides perhaps the strongest mandate for countries to generate and allocate resources to biodiversity conservation and PAs. The CBD has been influential in shaping donor agendas, regional calls to action and national biodiversity strategies and plans. Article 20 of the CBD calls upon all contracting parties to provide financial support to activities intended to achieve the objectives of the Convention, including new and additional financial resources to be provided from developed countries to developing ones. Article 21 establishes the Global Environment Facility (GEF) as the interim financing mechanism for the Convention. Financial resources and financing mechanisms have since been a recurrent subject of decisions made by the Conference of the Parties to the CBD, and the recommendations of its Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA). The Forum on Financing for Biological Diversity, established under the CBD, provides an opportunity for Parties and Governments, financial mechanisms, funding institutions and development agencies, as well as relevant stakeholders, to exchange views, share experience and information, discuss issues and present outcomes of any research or study on financing of biological diversity.

1.2.2. International declarations on sustainable development

Although rarely stated explicitly, the need to allocate funds to PA management is also central to the provisions of recent development-related declarations and agreements. At the UN Millennium Summit of 2000, world leaders agreed to work together to achieve the Millennium Development Goals, a set of eight objectives aimed at “reducing poverty in all its forms”. Goal 7 deals explicitly with environmental sustainability and includes as a target the need to “integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.” Specific indicators of success towards achieving Goal 7 include the ratio of land area protected to maintain biological diversity to total surface area, and the proportion of land area covered by forest.

The 2002 World Summit on Sustainable Development (WSSD) declared that a more efficient and coherent implementation of the three objectives of the Convention (on Biological Diversity) and the achievement by 2010 of a significant reduction in the current rate of loss of biological diversity will require the provision of new and additional financial and technical resources to developing countries.

1.2.3. Recent targets and decisions on biodiversity finance

Decisions reached at the 6th Conference of the Parties at the CBD, subsequently endorsed at the WSSD, resulted in the adoption of a series of targets to achieve a significant reduction in the rate of biodiversity loss at global, regional and national levels by 2010. One target states that new and additional financial resources are transferred to developing country Parties, to allow for the effective implementation of their commitments under the Convention, in accordance with Article 20. Seven target indicators were agreed to assess progress towards the 2010 target at the global level, including mobilizing financial and technical resources, especially for developing countries, to be measured through Official Development Assistance (ODA) provided in support of the CBD.

The VIUCN World Parks Congress (September 2003) made a number of recommendations concerning PA finance on the seventh meeting of the Conference of the Parties at the CBD. These recommendations are reflected in the Programme of Work on Protected Areas (PoW) adopted by the CBD COP7 (February 2004). With the overall purpose of supporting the establishment and maintenance of comprehensive, effectively managed, and ecologically representative national and regional systems of PAs, one of the goals of PoW is to ensure financial sustainability of protected areas and national and regional systems of protected areas. It specifies that by 2008, sufficient resources to meet the costs to effectively implement and manage

national and regional systems of protected areas are secured. Proposed activities include reviewing national-level PA financing needs and options, establishing country's sustainable financing plans, multi-country collaboration in developing sustainable financing programmes for regional and international systems of PAs, reporting on PA financing, and mainstreaming PAs into development planning.

In June 2005, the CBD Ad Hoc Open-Ended Working Group on Protected Areas held its first meeting, in Montecatini, Italy. Options for mobilizing financial resources for the PoW was one of the three substantive issues covered. In particular, the discussion evolved over the need to identify sources of finance for developing countries, particularly the least developed and small island states. The group made a number of recommendations, emphasizing the urgency of developing sustainable finance strategies for PAs and designing financial sustainability plans for them, in the context of the Millennium Development Goals, and considering a range of both conventional and innovative financing mechanisms.

1.3. National developments

The Government of Albania has prepared and is implementing the NSSD and the European Partnership Action Plan as a mechanism of the EU Stabilization and Association process (SAP). The NSSD and SAP are becoming a stakeholders' forum intended to reach a consensus about government priorities. A Medium Term Budget Programme (MTBP) and national budget are supposed to financially support all government priorities identified in the NSSD and SAP. A critical problem remains, however, when it comes to linking policy priorities to other stages of the policy cycle because the priorities are not properly quantified in terms of measurable indicators, they are not properly programmed, monitored and evaluated with planning, monitoring and reporting systems and frameworks being disconnected from each other. In Albania there is a lack of tradition when it comes to Results Based Management (RBM).

At the national level there have been several efforts to introduce the concept of sustainable development in sectoral strategies and policies. The concept of sustainable development implies that ecological, as well as social and economic, aspects of any human activity must be considered in a balanced and integrated manner, especially when these activities deal with the management and use of natural resources in protected areas. Financing of the preservation of natural resources is an important aspect of sustainable development.

Recent developments in the legal framework for natural resources management tried to address some issues of financing for the sustainable use and preservation of natural resources. The administration and management of protected areas is based on Law No. 81, dated 4 May 2017, "On Protected Areas". The law defines the rules for sharing direct or indirect management costs and economic profits generated by protected areas, by the local population, by the public and private sector. The law stipulates that the financing of protected areas management should be provided by the state budget and international donors.

The Law No. 9385, dated 04.05.2005, "On forests and forest service" regulates the activity of the forest sector in Albania. The law, stipulates that the financial resources of the sector consist of state budget allocations, internal sources (the Revenue account), and international donations.

Several other laws regulating the management and use of natural resources (Law "On pastures", "On fishing", "On collection of oil-etheric and medicinal plants", "On hunting and game management"), among other issues, deal with payments, revenues and incentives on the use or preservation of natural resources.

1.4. Sources of PA finance

At the global level, there is little up-to-date or reliable information on PA finance. The most recent global survey of PA budgets and shortfalls was published by UNEP-WCMC in 1999, based on data collected in 1993 and 1995. Several recent and influential articles on conservation finance continue to rely on this increasingly outdated database. While more detailed and up-to-date information is available for some countries, PA systems and sites, it was beyond the scope of this review to compile comprehensive data on PA budgets and finance.

A recent estimate of global expenditure on existing PAs is around 6.5 billion USD per annum, most of it in the developed world. Although non-governmental and private sector funding are becoming an increasingly important component of PA finance, two sources – domestic government budgets and international donor assistance – provide the bulk of PA funding.

1.4.1. International Assistance

In addition to domestic government budgets, many PAs in the developing world rely on funding from international agencies and other foreign donors. Between 1990 and 1997, for example, multilateral and bilateral donor agencies contributed over 3 billion USD on biodiversity conservation projects in developing countries, or about 400 million USD per year on average. Roughly one-third of this funding was directly linked to protected areas.

1.4.2. Multilateral Funds

Multilateral agencies are a key source of funding for PAs in the developing world. It has been reported that about 3% of development assistance provided by the European Union is directly related to biodiversity conservation and sustainable use, amounting to just under 200 million USD annually. In 2002, the World Bank provided 300 million USD in funding for biodiversity projects through its regular portfolio, and an additional 250 million USD for biodiversity projects through the International Development Association (for the poorest countries). The European Bank for Reconstruction and Development is also providing significant financing for biodiversity projects in countries in the process of accessing the EU.

The GEF, a key source of finance for PAs, provided about 1.1 billion USD in grants and leveraged an additional 2.5 billion USD in co-financing for biodiversity projects between 1991 and 2001. These funds were spread across more than 1,000 protected sites covering 226 million hectares in 86 countries. In September 2005, the GEF Council adopted a new system for allocating financial resources in the biodiversity and climate change focal areas. The new Resource Allocation Framework (RAF) explicitly links the amount of future grants to recipient countries to (1) their potential to generate global environmental benefits in line with relevant global environmental conventions, and (2) past performance, based on national capacity, policies and practices, and an enabling environment that facilitates successful implementation of GEF projects, including transparency and good governance. The impact of these changes on future funding for biodiversity conservation in PAs is uncertain, as is the likely amount of the third GEF replenishment, for the period 2003–2006.

Since political changes in 1990s, Albania has benefited from international funds that have supported the country's transition to a market economy and efforts towards economic development and European integration. The intensity of aid that flows into Albania shows a declining trend, aid as a percentage of GDP falling from 12.7% in 1999 to approximately 5% in 2002, mainly due to the growth of GDP. Multilateral donors are the main source of external aid, providing approximately 60% of the total assistance in Albania with the EU accounting for 28.5% of total aid contributions in the country. The EU is, and will remain, a critical international partner in the context of Albania's ambition for full membership in the Union.

Established in 1992, the year of the Rio Earth Summit, The UNDP/GEF projects embodies the very essence of sustainable development. Grants are made directly to non-governmental organizations (NGOs) and community-based organizations (CBOs) in recognition of the key role they play as a resource and constituency for environmental and development concerns.

The GEF Small Grants Programme is a corporate programme of the GEF, implemented by UNDP and executed by UNOPS. Albania joined the SGP as a participating country in 1996. GEF/SGP in Albania started being operational on April 1998. The long-term goal of the GEF/SGP programme in Albania is to contribute to achieving global environmental benefits through community-level action to conserve biodiversity, protect international waters and reduce the likelihood of adverse climate change. Since its inception, GEF/SGP in Albania has funded more than 80 projects with a total budget of approximately 600,000 USD. During year 2002, GEF/SGP has launched 23 new projects ranging from capacity developments to applied research.

1.4.3. Private and community funds

Significant funding for PAs comes from private sources, including business and philanthropic foundations as well as non-governmental organizations and local communities. However, lack of consistent reporting and the absence of a clearing-house of information on private funding of conservation make it difficult to assess the overall significance of such support.

In addition to gifts from foundations, probably the best documented source of private funding for PAs are non-profit or “charitable” organizations. These include literally hundreds of organizations, both large and small, some of them operating locally and others nationally or internationally. While much of the funding that these organizations devote to PAs and related conservation activities comes from governments or from large foundations, a significant portion of their funding derives from individual contributions by members of the public.

Finally, one must include the myriad investments made by innumerable small businesses, private land owners and local communities that support biodiversity conservation in some way as a real financial contribution to PAs. The scale of such support is difficult to assess. One recent analysis asserts with respect to forests, for example, that the total area under “community conservation” is continuously increasing and that “community spending” on forest management and conservation activities is comparable in value to total annual spending on public protected areas.

The Albania Forestry Project, mainly financed by the World Bank, re-introduced communal forestry as a traditional sustainable approach for forest management. Almost 40% of the forest land in Albania is managed by communes. This includes also some forest areas within protected areas (communal forests in Prespa National Park and Dajti National Park).

2. Incentive Measures

2.1. Introduction

In Article 11 of the Convention, the international community acknowledges the importance of incentivizing measures in achieving conservation and sustainable use of biological diversity.

Article 11 of the Convention states:

"Each Contracting Party shall, as far as possible and as appropriate, adopt economically and socially sound measures that act as incentives for the conservation and sustainable use of components of biological diversity".

The rationale behind this Article is as follow. When left alone, markets fail to adequately reflect the value of biodiversity, which is its essential role in the supply of the myriad of goods and services important for human well-being. The market prices of these goods and services do not properly include the losses to society arising from biodiversity degradation. This market failure leads societal actors – individuals, companies and governments alike – to use biodiversity in an unsustainable manner.

The reason for this failure is simple. Even when some biodiversity components have values that are appropriable by the individual, many others bear characteristics of “public goods”, including the key characteristic of public goods that nobody can be excluded from their use. Consequently, individual societal actors often have insufficient, if any, incentive to conserve biodiversity and use it in a sustainable way. While they would have to bear the costs associated with their effort individually, most, if not all, of the associated benefits would accrue to society-at-large.

Incentive measures seek to “internalize” the public-good value of biodiversity into the decision-making of these actors. When full internalization is not possible due to economic and social circumstances, incentive measures should at least bridge the profitability gap between unsustainable activities and sustainable alternatives and thus induce these actors to conserve biological diversity or to use its components in a sustainable manner. Importantly, such an inducement does not rely on an outright prescription or prohibition of specific activities.

Incentive measures usually take the form of a new policy, law, or economic or social programme. However, a single incentive measure functioning within the broader set of incentives governing human behavior, and its effectiveness depend upon support from the existing social, economic and policy environment. Accordingly, the Convention has encouraged Parties to review existing policies to identify and promote incentives for conservation and sustainable use of biodiversity, and to develop supportive legal and policy frameworks for the design and implementation of incentive measures. Furthermore, the Conference of the Parties has taken a broad approach to the design and implementation of incentive measures that includes social and institutional measures, in addition to formal economic instruments. For instance, stakeholder participation, capacity-building and information provision are recognized as key elements of a successful implementation strategy.

A range of incentive (and disincentive) measures is available to encourage the conservation or sustainable use of biological diversity.

A positive incentive measure is an economic, legal or institutional measure designed to encourage beneficial activities. Positive incentive measures include, inter alia, incentive payments for organic farming, agricultural land set-aside schemes as well as public or grant-aided land purchases or conservation easements.

Negative incentive measures or disincentives are mechanisms designed to discourage harmful or unsustainable activities. Examples of disincentives are user fees or pollution taxes.

Indirect incentive measures seek to change the relative costs and benefits of specific activities in an indirect way. Trading mechanisms and other institutional arrangements create or improve markets for biological resources, thus encouraging the conservation and sustainable use of biological diversity. Examples include inter alia, individual transferable fishing quotas, property right mechanisms, species commercialization, and biodiversity prospecting, emissions trading schemes or certification, and eco-labeling initiatives.

In addition, the Conference of the Parties stressed the importance of taking appropriate action against those incentive measures that threaten biological diversity. These so-called perverse incentives induce unsustainable behavior that destroys biodiversity, often as unanticipated side effects of policies designed to attain other objectives. Such “policy failures” can include government subsidies or other measures, which fail to take into account the existence of environmental externalities, as well as laws or customary practice governing resource use. In order to ensure the conservation of biodiversity and the sustainable use of its components, it is therefore important to identify policies and practices that generate perverse incentives and to consider their removal or the mitigation of their negative impacts through appropriate means.

Finally, the use of appropriate valuation tools was also recognized to be an important component of policies that aim to correct the incentives of societal actors. First, eliciting the hidden value of biodiversity is an important precondition to the internalization of this value in their decision-making. Second, by raising awareness among societal actors of the hidden values of biodiversity, valuation can also act as an incentive measure in its own right.

2.2. Overview of CBD Activities on incentive measures

The Conference of the Parties, at its third and fourth meetings, provided policy guidance to the Parties on the design and implementation of incentive measures (see Decision III/18 and Decision IV/10). Parties, Governments and international organizations have been encouraged to promote the design and implementation of appropriate incentive measures and, in particular, to:

- Review existing policies to identify and promote incentives for the conservation and sustainable use of components of biological diversity;
- Identify perverse incentives and consider the removal or mitigation of their negative effects on biological diversity;
- Undertake value addition and enhancement of naturally occurring genetic resources, based on the participatory approach;
- Ensure adequate incorporation of market and non-market value of biodiversity into plans, policies and programmes, including national accounting systems and investment strategies;
- Incorporate biodiversity considerations into impact assessments;
- Develop training and capacity building programmes and promote private sector initiatives in this area.

In 2000, at its fifth meeting, the Conference of the Parties at the Convention adopted a programme of work on incentive measures, which spells out a number of targets as well as the activities required from Parties, other governments, international organizations and the Secretariat to achieve these targets. The expected results of the work programme are:

- The assessment of representative existing incentive measures, review of case studies, identification of new opportunities for incentive measures, and dissemination of information, through the clearing-house mechanism and other means, as appropriate;
- The development of methods to promote information on biodiversity in consumer decisions, for example through eco-labeling, if appropriate;
- The assessment, as appropriate and applicable to the circumstances of Parties, of the values of biodiversity, in order to better internalize these values in public policy initiatives and private-sector decisions;
- A consideration of biodiversity concern in liability schemes;
- The creation of incentives for integration of biodiversity concerns in all sectors.

Importantly, the Conference of the Parties decided to integrate actions on incentive measures in thematic work programmes and to ensure synergy with activities on sustainable use, noting that incentive measures are essential elements in developing effective approaches to conservation and sustainable use of biological diversity, especially at the level of local communities.

In its programme of work and further decisions, the Conference of the Parties has highlighted positive incentives and the removal or mitigation of perverse incentives as focus areas for investigation under the Convention (see Decision V/15 and Decision VI/15). Furthermore, the assessment of the values of biodiversity is also envisaged as a result of the activities under the programme of work, in order to better internalize these values into public policy initiatives and private-sector decisions.

2.3. Implementation of the Programme of Work

On the international level, achievements made so far under the programme of work, generally, fall into two categories.

The gathering and dissemination of technical and analytical information on incentive measures, including case studies and best practices. The Conference of the Parties repeatedly requested governments and international organizations to submit such information to the Secretariat, and requested the Secretariat to disseminate this information through the Clearing-House Mechanism and other means.

The development of international policy guidance to assist Parties and governments in addressing incentive measures. As an important milestone, the Conference of the Parties endorsed at its sixth meeting, in 2002, a set of proposals for the design and implementation of incentive measures.

At its sixth meeting, held in The Hague, on 7-19 April 2002, the Conference of the Parties endorsed, by Decision VI/15, the Proposals for the Design and Implementation of Incentive Measures, and invited Parties to take these Proposals into consideration when designing and implementing incentive measures for the conservation and sustainable use of biological diversity.

At its seventh meeting, held in Kuala Lumpur, Malaysia, on 9-20 February 2004, the Conference of the Parties acknowledged that the proposals contain valuable and useful elements that provide a general framework to address the removal or mitigation of perverse incentives in different economic sectors and ecosystems, but need further refinement and consideration before adoption by the Conference of the Parties (see Decision VII/18 and its annex). Consequently, the Conference of the Parties requested the Subsidiary Body on Scientific, Technical and Technological Advice at its tenth meeting, as a matter of priority, to further refine and consider, with a view to recommending adoption by the Conference of the Parties, the proposals, giving adequate time for a substantive and conclusive review of the proposals.

The Conference of the Parties also encouraged Parties and governments, as appropriate, to use the proposals as voluntary interim guidance to Parties for the application of ways and means to remove or mitigate policies and practices that generate perverse incentives, and to extend their efforts to an examination of new policies with a view to identifying, and avoiding, potential perverse incentives, bearing in mind that perverse incentives include those that negatively affect biodiversity in other countries. Furthermore, Parties and Governments are also encouraged to use, on a voluntary basis, these proposals as further interim guidance in implementing the Addis Ababa Principles and Guidelines for the Sustainable Use of Biodiversity and, in particular, principles 2 and 3, which address incentive measures.

In Decision VII/18, the Conference of the Parties requested the Executive Secretary to prepare, in cooperation with the Organization for Economic Cooperation and Development and other relevant international organizations, an analysis of existing and new instruments that provide positive incentives, including traditional laws and practices which generate positive incentives, their interaction with other policy measures and their effectiveness, including their requirements for successful application, possible

limitations and shortcomings, and to develop proposals on the application of such positive incentive measures and their integration into relevant policies, programmes or strategies, for consideration by the Subsidiary Body for Scientific, Technical and Technological Advice at a meeting prior to the eighth meeting of the Conference of the Parties.

In Decision VIII/25, the Conference of the Parties recognized that biodiversity and its resources and functions provide important ecosystem services to humankind that need to be adequately recognized and taken into account in private and public decision-making, and also recognized that public and private decisions can be improved if they are informed of the economic value of these ecosystem services under alternative management options and involve deliberative mechanisms that bring to bear non-economic considerations as well. The decision includes an invitation to relevant national, regional and international organizations and initiatives to extend capacity building and training on the valuation of biodiversity resources and functions and associated ecosystem services. Relevant national, regional and international research institutions are also invited to strengthen research activities, including research cooperation and exchange, on a number of pertinent questions associated with the valuation of biodiversity.

2.4. The design and implementation of incentive measures

In general terms, incentive measures should be designed to address the conservation and sustainable use of biological diversity, while taking into account:

- a. Local and regional knowledge, geography, circumstances and institutions;
- b. The mix of policy measures and structures in place, including sectoral considerations;
- c. The need to match the scale of the measure to the scale of the problem;
- d. The measures' relationship to existing international agreements.

The following elements should be taken into consideration in the design and implementation of incentive measures for the conservation and sustainable use of biological diversity.

2.4.1. Identification of the problem: purpose and issue identification

An incentive measure should have a defined purpose. Consistent with Decision V/15, the purpose of incentive measures is to change institutional and individual behavior in order to achieve in whole or in part the following objectives of the Convention on Biological Diversity: the conservation of biodiversity; the sustainable use of the components of biodiversity; and, the fair and equitable sharing of benefits arising out of the utilization of genetic resources.

The identification of the proximate and underlying causes and the importance of threats to biodiversity and its components are a prerequisite for the selection of the appropriate measure to stop or reverse degradation. Policies that create incentives without removing the underlying causes of biodiversity loss (including perverse incentives) are unlikely to succeed. Therefore, prior to embarking on an exercise to develop incentive measures for conservation or sustainable use, it is important to undertake a thorough study to identify and evaluate the respective and mutually reinforced impacts of any underlying pressures.

This study should specifically include threats generated by social or economic forces or by the institutional framework. In some cases social and economic issues are at the root of unsustainable practices and, while addressing market and policy failures with incentive measures may help correct this behavior, the measures may not address core problems such as lack of resources or poverty and unjustified human demands beyond needs. This might also include the analysis of existing incentive measures, at the national and at the international level, specifically, perverse incentives that might threaten biodiversity, and the barriers that stand in the way of their removal, should be identified.

While most of the underlying causes in general are listed in the OECD Handbook of Incentive Measures for Biological Diversity (Design and Implementation), it is important that each country implement incentive measures that are targeted at specific causes relevant to its circumstances. Incentives may be directed to

correct some underlying causes related to economic development trends, poverty, lack of policy integration, sectoral policy impacts, and perverse measures undertaken at the national, supra-national and international levels.

As well as including policy-makers, experts and scientists, the range of stakeholders should include the private sector, women, and local communities as well as individuals, relevant national and multilateral organizations, non-governmental organizations and representatives of indigenous and local communities. These stakeholders may have contributed to the issue and/or have practical knowledge of it and could be key players in its successful implementation. Moreover, different levels of decision-making (local, sub-national, national, sub-regional, regional, international) and their interrelationship must be taken into consideration in order to ensure coherence of the measure.

In order to ensure that incentive measures are developed in a manner that is participatory and promotes effective policy integration and stakeholder participation, processes should be established to facilitate intergovernmental dialogue as well as dialogue with relevant stakeholders including indigenous and local communities, and representatives of civil society.

To the extent feasible, incentive measures should have targets that are specific, measurable, time-driven, and based on an analysis of their effects. The successful monitoring and evaluation of their impacts is an important factor in ensuring the ultimate success of incentive measures. For example, indicators can facilitate the evaluation of a measure and provide useful information in determining the need for corrective action.

2.5. Key elements for the implementation of incentive measures

2.5.1. Information

It is recognized that the effective design and implementation of incentive measures requires a sound body of knowledge and information. Information systems, whether at the national or international level, should be linked to the clearing-house mechanism of the Convention on Biological Diversity. Such information systems would allow Parties to share experiences and lessons learned from other Parties, and facilitate the implementation of incentive measures through the use of guidelines. Parties should carry out an assessment of their national biodiversity strategies and action plans to determine whether they are providing incentives for conservation and sustainable use, and whether they are identifying and removing perverse incentives.

2.5.2. The involvement of stakeholders including local communities

States should develop and apply participatory and coherent approaches to policy-making for biodiversity conservation and sustainable use that fully engage all stakeholders including relevant government departments, non-governmental organizations, the private sector, philanthropic organizations and indigenous and local communities in a meaningful dialogue, in a timely fashion, and promote a consistent approach to the use of incentive measures for conservation and sustainable use of biodiversity. Particular emphasis could be placed on the following elements:

- a. Advising policy makers directly on the design and implementation of incentive measures;
- b. Mobilizing key stakeholder groups in policy dialogues relating to the design and implementation of incentive measures, across governments, non-governmental organizations, the private sector, philanthropic organizations, and indigenous and local communities;
- c. Building a network of experts on biodiversity incentives who can provide guidance and information related to specific requests from Governments, civil society and the private sector.

In order to encourage a participatory approach, the development of a strategy for policy coordination and stakeholder involvement might be considered. This could include an educational component, a

communication component, and a component that highlights successful processes that have been used to generate effective public participation. The Parties would be encouraged to adapt successful processes or components of such a strategy to correspond to their own priorities and situations. Such a coherent and participatory approach to policy-making might also encourage the integration of biodiversity concerns into other sectors and policy areas.

2.5.3. Capacity-building

Another key to the effective development and implementation of incentive measures is the existence of appropriate legal and policy frameworks and supporting human capacity. The Conference of the Parties has encouraged Governments to develop supportive legal and policy frameworks for the design and implementation of incentive measures. Furthermore, raising awareness of decision makers and stakeholders on the importance of incentives to achieve the objectives of the Convention is an important aspect of human capacity-building. The following elements are proposed in order to meet this requirement.

- a. Training biodiversity specialists and decision makers in the design and implementation of incentive measures including training in the use of valuation tools;
- b. Implementing training programmes on basic scientific and economic issues related to the conservation and sustainable use of biodiversity;
- c. Explaining the value of biodiversity at the community level and within sectors, such as agriculture and forestry;
- d. Building capacity related to public awareness;
- e. Developing capacity to conduct research and analysis on incentive measures;
- f. Developing supportive legal and policy frameworks;
- g. Undertaking legislative reviews and providing advice on incentive measures;
- h. Developing avenues for financing where necessary.

2.5.4. Valuation

Despite the challenges associated with non-market valuation, it is nonetheless important to pursue ways of creating market signals for the social, cultural and economic values of biodiversity. The Conference of the Parties has recognized the importance of valuation as a tool for designing appropriate incentives.

Continued work on valuation can be costly, requires considerable expertise and the ultimate results may be difficult to communicate and the derived monetary values open to challenge. Nevertheless, the methodologies for undertaking valuations should be developed further, as they play a strategic role in the development of incentives for biodiversity conservation and sustainable use. Further cooperative work might include:

- a. Continued exploration of methodologies for valuation of biodiversity and biodiversity resources;
- b. Developing and refining non-market methods of valuation;
- c. Disseminating information on existing techniques for valuation.

Work on valuation could be undertaken as a core component of an action plan in partnership with relevant international organizations.

2.5.5. Inter-linkages between multilateral environmental agreements (MEAs)

There is a need to examine the policies and programmes under different multilateral environmental agreements to ensure that they provide mutually reinforcing incentives. In this respect, the Conference of the Parties noted the joint work programme between the Convention on Biological Diversity and the Convention on Wetlands (Ramsar, Iran, 1971), which includes a focus on incentives, and suggested

attention to incentives with regard to other linkages, such as the Convention to Combat Desertification with regard to dryland biodiversity, and the Convention on International Trade in Endangered Species of Wild Fauna and Flora with respect to conservation and sustainable use of species, and the United Nations Framework Convention on Climate Change with respect to land-use change and forest biodiversity. In addition, the United Nations Framework Convention on Climate Change is encouraged to give priority to incentives to avoid deforestation, as a substantial amount of greenhouse gas emissions is due to the destruction of forests, the greatest terrestrial repository of biodiversity.

2.5.6. Linking biodiversity to macro-economic policies

It is important to explore the linkages of international organizations/agreements focused on economic policies, in particular trade policies under the World Trade Organization and other policies such as labor (the International Labor Organization) and health (the World Health Organization). In addition, linkages to regional and sectoral economic organizations/agreements should be explored to determine their incentive compatibility with the objectives of the Convention.

These linkages should not only be explored at the international level but also at the national level. In particular, there is need to link national biodiversity strategies and action plans with economic development strategies at the macro-economic public sector planning and sectoral levels, such as tourism, forestry, fisheries and agriculture.

It is recognized that there is a vast array of incentive measures available. Measures should be tailored to the peculiarities of each situation and country. Consideration should also be given to coordination in the development of incentive measures for different sectors, in order to ensure their coherence.

3. Understanding financial sustainability

3.1. Using PA finance as a tool to improve conservation management

3.1.1. Sustainable finance is more than the amount of funding

The previous chapter has highlighted the widely accepted need for increased funding for PAs. However, while raising funds to cover costs is an important goal in its own right, it is by no means the only issue to be considered. PA managers face multiple financial constraints that create obstacles to effective management. The volume of funds is an important and necessary condition for PAs to be managed effectively, but by itself it is rarely sufficient. All too often, other factors intervene and influence PA financial sustainability, over and above the amount of funding itself. Even when more funds are raised, this will not always lead to better conservation outcomes. In some cases, institutional weaknesses may prevent PA agencies from spending the funds allocated by the government, much less any additional funds from external sources.

3.1.2. Elements of PA financial sustainability

Financing mechanisms can provide an important tool for addressing broader obstacles to effective PA management. In addition to raising more funds, there is a need to address the quality, form, timing and duration, targeting and sourcing of financial resources. When we assess PA financial sustainability and review various financing mechanisms, we must consider a range of elements and issues, including:

- **Building a diverse, stable and secure funding portfolio:** minimizing funding risks and fluctuations.
- **Improving financial administration and effectiveness:** ensuring that funding is allocated and spent in a way that supports PA finance needs and conservation goals.
- **Taking a comprehensive view of costs and benefits:** covering the full range of PA costs, ensuring that those who bear PA costs are recognized and adequately compensated, and that those who benefit from PAs make a fair contribution to their maintenance.
- **Creating an enabling financial and economic framework:** overcoming market, price and policy distortions that undermine PAs or act as obstacles to PA financing.
- **Mainstreaming and building capacity to use financial tools and mechanisms:** factoring financial analysis and mechanisms into PA planning processes.

Apart from securing an increased and stable level of public support, PAs face other financial problems, which are related to serious management constraints. These problems consist of:

- Public sector budgeting procedures are subject to long delays and frequent re-adjustments. Given these uncertainties, it is hard for PA managers to plan or implement a coherent set of conservation activities.
- Albania's PAs rely entirely on centralized public budgets (including donor funding, which is channeled through them). There are only limited opportunities to generate or retain surplus income. This translates into an extremely narrow financial base, and little incentive to generate funds at the individual PA level.

3.2. Building a diverse, stable and secure funding portfolio

Public PAs around the world rely heavily on central government allocations to cover the bulk of their operating costs. In the developing world, foreign donor grants are another important source of funding, mainly used for capital investment. Some, but not all PAs, are able to supplement their budgets by earnings from tourism and other resource use charges. In general, however, few PAs have the luxury of a diversified funding base.

Relying on just one or a small number of funding sources is risky. PAs compete against many other demands for government and donor funding, and they are rarely considered a high priority when difficult budget decisions must be made. In the face of public sector cutbacks and budget constraints, and in the context of an overall trend of declining development spending on the environment, funding for PAs has sometimes declined dramatically.

Earnings from tourist visits, a staple element of PA funding in many countries, can also be insecure and subject to fluctuations.

With the economic growth of Tirana during the last two decades and an increase of tourism and business development, there is an increasing number of visitors entering the park.

The Llogara National Park (LNP) is more attractive and more visited, but up to current days there is no fee for the entrance.

The number of visitors in the LNP was increased year by year since the year 2015. In the year 2018, the park was visited by 361,607 people that have had about 91,000, compared with 357,600 visitors, registered during first 9 months of this year (see figure below for both PAs).



Figure 1 Number of visitors in LNP

The LNP offers great recreational potentials and educational and leisure activities, being one of the most attractive PAs in Albania. However, in both PAs mentioned above, there are observed several difficulties to recognize and access the natural and cultural values that they offer. The difficulties consist in the absence of facility layout that blends into landscape (lack of infrastructure to accommodate those activities, lack of publications and promotions and tourist guides, lack of trails and explanatory charts for the biological and cultural values, sports centers or parking lots etc.) that can change the management strategy of NPs into important touristic destinations.

Despite of the existence of a management plan for the LNP, so far little has been done to implement it, either due to a lack of financial resources or the way of providing them.

However, in the management plan of LNP it was stated that the PA administration has a duty to foster the economic and social well-being of the local communities contained within its borders in ways which are compatible with the PA designation and purpose by working with the local commune leaders, the local authority, local business community, NGOs, agencies, donors and others responsible for these matters, but without incurring significant expenditure for the PA itself. The PA administration will, in developing its own activities, work in partnership with the local stakeholder groups, development agencies and organizations to support the rural economy and communities in ways which will conserve and enhance the special qualities of the site.

4. Generating funds to encourage conservation

4.1. Overview of this category of PA financing mechanisms

Although most PAs are managed by public sector authorities, there are a wide range of other actors who affect, or have the potential to influence, the status and integrity of PAs. A range of financial mechanisms exist to encourage individuals, communities and companies to produce and consume in ways that are compatible with PA conservation.

There are also various ways of spreading the costs or funding burden associated with PAs among different stakeholder groups. Generating funding to encourage conservation thus aims both to provide stronger incentives for biodiversity conservation and sustainable use generally, as well as to raise finance for PAs. Four types of funding to encourage conservation activities are reviewed in this chapter:

- Fiscal instruments;
- Benefit sharing and revenue sharing;
- Sharing the costs of managing PAs and their facilities; and
- Investment, credit and enterprise funds.

4.2. Fiscal instruments

4.2.1. Status

Fiscal instruments, i.e. taxes and subsidies, are mechanisms for raising and transferring funds between sectors. Although traditionally focused on “productive” sectors of the economy, in recent years there has been increasing emphasis on the use of fiscal instruments to generate revenues and influence behavior so as to meet environmental goals. During the last two decades, in particular, many governments have modified their environmental and natural resource tax and subsidy systems to support PAs and biodiversity conservation. Some countries have gone even further, by removing or reducing government support for economic activities that compete with conservation.

International experience has confirmed the potential of environmental fiscal reforms (EFR) to reduce natural resource degradation and pollution. Such reforms may include the introduction of taxes on natural resource extraction, removal of environmentally damaging product subsidies, introduction of new product taxes and user charges, and modifications of other taxes and charges. Properly designed EFR can create economic incentives for more efficient resource use and pollution abatement, by driving up the cost of environmentally harmful activities or increasing the returns to sustainable approaches (e.g. environmental taxes and charges), mobilize funds for environmental protection and natural resource management (e.g. via environmental charges and fiscal transfers), and ensure a more equitable distribution of benefits and costs from the management of environmental resources (e.g. improved access to environmental public goods via public investments and pricing reforms).

Fiscal instruments can be used to finance PAs and biodiversity conservation directly or indirectly. Taxes and other charges can generate substantial revenues for PAs. In many cases, revenues generated by the sale of wildlife-related products or services are reinvested in conservation. In other cases, a proportion of general sales taxes or taxes on products unrelated to biodiversity or PAs have been earmarked for conservation.

Alternatively, fiscal instruments can be used to encourage producers to adopt biodiversity-friendly technologies or activities (examples include tax relief or direct subsidies for “clean” technologies or “green” products). Such instruments can create incentives for producers and consumers to conserve PAs, or to refrain from activities that undermine PAs, such as extensive agriculture or road building in environmentally

sensitive areas. In some cases governments have redeployed or re-focused existing taxes and subsidies, while in other cases they have introduced new fiscal instruments targeted directly at PAs.

In Albania, according to actual legal dispositions, there are two main categories of taxes, national taxes and local taxes (see Annex 3 for details). Since some of the activities and services that pay taxes at national or local level have a significant impact on the environment and natural resources it is advisable to dedicate a share of incomes generated by collecting these taxes to activities for environment protection and preservation, and rehabilitation of natural resources. For example, activities like importing used cars, use of plastic packaging materials, use of fossil fuels, etc., have a significant indirect impact on the environment. In this case, it would be appropriate to dedicate 10-15% of the revenues from taxes paid from these activities to go towards financing activities for nature protection. Activities like fishing or mining (including quarries) have a direct impact on natural resources, so in this case it would be appropriate to dedicate 20-30% of the revenues collected from taxes from these activities to be dedicated for financing of activities for the regeneration and rehabilitation of natural ecosystems. Local taxes are related to activities and services concerning a specific site, so it is easy to identify and assess their impact on the protected area and its natural resources and determine the contribution of these taxes to the regeneration of these areas.

5. Site visits and preselecting of the locations that need interventions

5.1. Short Introduction on LNP values as the precondition for providing protection and conservations of the natural and cultural values

The Llogora National Park was proclaimed respectively on November 21st, 1966 by the DCM No. 96, with a surface of 1,009.27 ha and by Reg. MB No.1, date 27.07.1977, changed in 1992, the status of Managed Natural Reserve with a surface of 17, 102.7 ha. Currently, the surface of the LNP is 18,111.97 ha, under the administration of DGFP and DFS, the Law on Forestry and Forestry Police, and the Law on Wildlife and Hunting. From the administrative point of view, the LNP territory belongs to Vlora District and the PA is managed by the RAPA in Vlora.

The territory of LNP, from the geomorphologic point of view is composed by limestone and dolomite rocks of the upper Cretaceous and less by formations of flushes and molasses. The presence of the dolomites along tributaries of the western slopes of the Çika Mountain and Dukati has created the different forms of karsts.

The geographical positions of the mountains of Çika, Qorre and Karaburun in front of the sea, different landscape forms, as well as specific climate conditions have determined the different types of habitats and vegetation, and the floristic and faunistic richness of the LNP.

The floristic richness of the Karaburun-Çika Mts PA is not known so far, but this complex ecosystem is listed as the richest part of Albania concerning the species with conservation interest.

The PA is home to 9 endemic vascular plants, such as *Arenariacikaea*, *Edraianthuscaespitosus*, *Dianthus sylvestris* subsp. *alboroseus*, *Hypericum haplophylloides*, *Limonium himariense*, *Noccaeacikaea*, *Reichardiaalbanica*, *Sesleriaalbanica*, *Viola acrocerauniensis*. In the LNP occur also 4 endemic terrestrial mollusks (*Chondrulalogaraensis*, *Siciliariapantocratorissplendens*, *Allaegopisamphikypellon*, *Monachaemigratasenitshika*, *Helicigona fuchsia*) and 1 endemic carbid, *Dorcadionalbanicum*.

Further on, in the LNP there are 2 globally threatened species, the Horse Chestnut (*Aesculus hippocastanum*) and Autumn Snowdrop (*Galanthus reginae-olgae*). 6 other species, *Fritillaria graeca*, *Anacamptis pyramidalis*, *Ruscus aculeatus*, *Ophryshelenae*, *Ophrysoestrifera*, *Ramondaserbicae* are with great conservation interest due to their protection from the Habitat Directive (92/43/EEC) and Berne Convention.

Karaburun-Çika Mt ecosystem is also rich with near-endemic plant species, of great conservation interest for Europe and wider. Twelve near-endemics that are recorded in this area have a very narrow distribution range. They are represented by *Acisionica*, *Campanula hawkinsiana*, *Crataegusheldreichii*, *Fritillaria graeca* subsp. *thessala*, *Leontodon albanicus*, *Lilium chalcedonicum*, *Malcolmiagraeca* subsp. *bicolor*, *Minuartiastellata* subsp. *stellata*, *Pedicularisgraeca*, *Pterocephalus perennis* subsp. *bellidifolius*, *Sideritisraeseri* and *Sileneungeri*. The threatened flora of the PA includes also 52 plant species, as part of the red list of protected flora of Albania. The total number of the flora and fauna species is an incomplete knowledge.

All the above species occur in a virgin landscape with diverse vegetation types and habitats. The habitat types which require special management policies include the following: The Arborescent matorral with *Laurus nobilis*; Pseudo-steppe with grasses and annuals of the *Thero-Brachypodietae*; Semi-natural dry grasslands and scrubland faces on calcareous substrates (*Festuco-Brometalia*) (*important orchid sites); Pannonic woods with *Quercus petraea* and *Carpinusbetulus*; (Sub-)Mediterranean pine forests with endemic black pines; Endemic forests with *Juniperusspp.* and Mediterranean *Taxus baccata* woods.

The plant cover vegetation in the LNP was dominated by the following habitat types: Vegetated sea cliffs of the Mediterranean coasts with endemic *Limonium spp.*; Stable xerothermophilous formations with *Buxus*

sempervirens on rock slopes (*Berberidion*p.p.); Hellenic beech forests with *Abiesborisii-regis*; *Quercus ilex* and *Quercus rotundifolia* forests; *Quercus macrolepis* forests and High Oro-Mediterranean pine forests.

The LNP is also rich in invertebrate and vertebrate species. In the area there are reported 98 fish species (both freshwater and marine), 10 Amphibian species, 28 species of Reptiles, 105 species of Birds (mostly in Orikumi lagoon) and 55 Mammal species. The endangered fauna of the PA include 25 invertebrate species and 45 vertebrate species, although there is no exact data for them.

The historical and cultural values of the PA include the **archeological site of Orik** as the most important part of the national culture heritage. It is a city of old civilizations and traditions created and maintained in centuries. Some of the most outstanding cultural and historical values of the sites include also the Castle of GjonBocari (Tragjas), the Tower of Dervish Aliu (Dukat), the Church of Marmiro (Orikum), the Cave of Grama (Karaburuni area) and Haxhi Ali at the Cape of Gjuza or the old path of Jul-Cezare.

Other cultural values include the traditional folk songs and dances, as well as folk's costumes. The Lab polyphony (Albanian Iso-polyphony) is declared as the World Heritage of UNESCO.

5.2. Used Methodology

Site visits and pre-selection of the localities that need intervention

The group of experts of DIAVA Consulting carried out four observation/identification visits in the LNP, in the period of 12 – 26th of October, 2019. The current state of landscapes of both the NPs was assessed, while considering the conditions of facilities within the PAs and their usability and accessibility by different ages and groups. A preliminary inventory of specific amenities and conditions of those amenities is under process.

The principles of the methodology for site preselecting were based on the best practice criteria for the conservation of nature and cultural values of PAs implemented on the NPs of EU countries. Those practices include among other; the fiscal instruments, benefit sharing, costs of managing and investments on PAs as the instruments of management/income generation in those PAs.

The applied methodology ensures also fulfilling of the both PAs mission “**to represent a model of promotion of biodiversity and nature conservation, supporting social, economic, cultural and eco-touristic development, through education, and raising awareness of the community and visitors to living together in a healthy natural environment**”.

The methodology aimed to fulfill also the strategic objectives, which are stated in the management plan of LNP, as following:

- to promote conservation of biodiversity, important habitat types, threatened species or the species with conservation interest;
- to promote conservation of culture heritage, including historical, cultural, architectural and archeological sites of interest;
- to enhance employment creation opportunities and maximize benefits to the people living in and around both NPs;
- to enhance the institutional capacity to manage and implement recommended actions and projects in a “step by step” implementation program.
-
- Identification of indicator species and threatened ones was done by using the current literature, the National Red List of Protected Flora and Fauna (2013), as well as the threatened species of the IUCN (the Red List of Threatened Species, available on: <https://www.iucnredlist.org>), the species that are listed in the annexes of Berne Convention or the Habitat Directive (92/42/CEE) or the last publication of the IUCN on “*European Red List of Trees*” (Rivers et al. 2019).

Identification of the habitat types and priority habitats was done using the Interpretation Manual of European Union Habitats EUR28. NATURA 2000 (2013) and the European Red List of Habitats, Part 2. Terrestrial and freshwater habitats of Janssen et al., 2016, (http://ec.europa.eu/environment/nature/knowledge/pdf/terrestrial_EU_red_list_report).

During the designation of the facility layouts for recreation purposes, parking lots, sports centers, trails of hiking or camping sites, the DIAVA consulting experts intended to avoid or minimize the conflicts with the destination of A1 zone ore Core zone. Following the DCM No. 57, date 06.02.2019, this sub-zone should be on minimum disturbance and no access, except the scientific research, should be allowed. Furthermore, the DCM No. 57, date 06.02.2019, proposes a 100 m buffer zone around this sub-zone.

The recent growth of interest in tourism and ecotourism reflects a rising tide of social concern about the quality of the natural environment and the effects of tourism.

Following the IUCN description, Category II: protected areas are large natural or near natural areas set aside to protect large scale ecological processes, along with the complement of species and ecosystems characteristic of the area, which also provide a foundation for environmentally and culturally compatible spiritual, scientific, educational, recreational and visitor opportunities¹

Table 1 - Matrix of management objectives and IUCN protected area management categories (IUCN, 1994)

Management objectives	Ia	Ib	II	III	IV	V	VI
Scientific research	1	3	2	2	2	2	3
Wilderness protection	2	1	2	3	3	-	2
Preservation of species and genetic diversity	1	2	1	1	1	1	2
Maintenance of environmental services	2	1	1	-	1	2	1
Protection of specific natural/cultural features	-	-	2	1	3	1	3
Tourism and recreation	-	2	1	1	3	1	3
Education	-	-	2	2	2	2	3
Sustainable use of resources from natural Ecosystems	-	3	3	-	2	2	1
Maintenance of cultural/traditional attributes	-	-	-	-	-	1	2

Key: 1= Primary objective; 2= Secondary objective; 3= potentially applicable objective; - = not applicable

6. Site Identification in the LNP

Designation of Site layout that blends into landscape in LNP can serve as a good initiative for change and advancement of NPs in Albania. For the future, it is suggested that PAs can benefit from the tourism development in harmony with management objective of each of them.

The group of Diava Consulting experts is aware on what/who are the natural and cultural values in both PAs and has taken into consideration the best practice criteria in site layout selection for creating sport fields and nature sports trails, picnic areas, ecological camping's, the construction of small eco-friendly amphitheatre, museum and eco-friendly cottages to be used for bars or traditional products shops.

The proposed ecotourism activities inside the LNP took into consideration:

- the responsibility of the NAPA and RAPAs for reducing existing funding gaps on the protected areas, and;
- the need to improve the management of certain areas, which may provide incomes from their better management;
- the need to improve the entire PAs revenue within context of the current management structure.

¹ Dudley, N. (Editor) (2008). *Guidelines for Applying Protected Area Management Categories*. Gland, Switzerland: IUCN.

Each proposed site layout has been selected and designed in accordance with the Management goals for the sustainable and long-term financial income security for PAs in Albania (here referred as LNP), allocation of these resources in a timely manner, and ensuring that the PAs are managed effectively with respect to conservation and sustainable use of their natural resources.

The proposed activities and interventions also aim to present a new challenge in the financial management capacities of the NAPA and RAPAs, in the current legal institutions setup for the management of protected areas; and (ii) demonstrating the efficacy of different financing strategies in a sub-set of individual protected areas.

The group is also aware that all planned interventions in the NPs should be:

- Compatible with natural and cultural values of the NP;
- Compatible with the landscape features of the NP;
- Accessibility and suitability;
- Compatible with current capacities of natural and cultural values to sustain development impacts and visitor activities over time;
- Compatible with ecological integrity through establishing ecological sustainable limits.

The proposed site layouts have been selected taking in consideration contributes to the ecotourism operation through:

- Maintaining and positively enhancing the visitor numbers in the LNP;
- Minimizing the impact of the increased numbers of visitors in the NPs;
- Contribution in the protection of endangered species and species with conservation interest;
- Contribution in protection of the sensitive habitats, priority habitat types and/or avoid activity in vulnerable or highly valued areas;
- Contribution in engagement, involvement and benefits of local communities within and around the NPs and the park administrations too.

Based on collected data and interviews with different stakeholders and end users inside and in vicinity of the LNP, the experts of DIAVA consulting identified a site layout that can be used to diversify recreational and economic activities inside them. All sites identified, do not impact the biological and landscape values of both PAs, and aims to increase the carrying capacities of an increased number of visitors.

In the following are described the site layouts that blend into landscape inside the LNP. They are grouped by the type of activities they provide, such as:

- activities aimed at improving the landscape damage by quarries and fires;
- sports and recreational activities;
- physical activities and ecological activities;
- site layouts related to educational and conservation activities;

6.1. The immediate actions to construct or improve the conditions of some site layout in the LNP

Two sites were identified in the following section, where the intervention is emergent and the cost of intervention is not significant. The first intervention occurs in the most important trail of the LNP.

6.1.1. Improving the hiking trail, Llogara Pas – Çika Mountain

The hiking trail Llogara Pass-Çika Mountain represents one of the most important eco-touristic futures of the LNP. The trail crosses in several type of habitats and beautiful landscapes. The trail also owns further values from the ecological point of view due to presence of some endemic species.

However, in this hiking trail there are two parts that are considered as dangerous for the visitors of different ages. The group of experts and the park administration propose further improvements of this hiking trail in its two parts i.e. Dhiapori-Qorre Pass and below Çika Peak (Figure 3).

The cost intervention and regeneration of the hiking trails from Dhiapor to Qorre Pass and below Çika Peak is expected to not be high.

The architectural style of interventions and materials used in the construction for the ecotourism and/or site recovery shall be defined and specified by the group of experts in a later stage

More details on other site selection and the way how they can contribute in the sustainable ecotourism development on NPs is given in the following reports as stated in the ToRs.



Figure 2 - Planned interventions to improve the hiking trail, Llogara Pass-Çika Peak

6.2. The proposed areas for sports, eco-camping and other recreational activities in the LNP

It is clear that the environments inside PAs offer very few opportunities for sports activities and areas destined for picnic, excluding the Hotels and Bar-Restaurants. Currently, the infrastructure of the LNP cannot handle the large traffic of visitors, particularly over the weekend and during summer season.

Despite this, there are several places that could serve for the establishment of ecological camping and parking lots, creating sport fields and picnic areas. Some of the clearest opportunities are outlined below for and LNP (see Table 2, below).

Following the interviews with the visitors and the Dajti NP staff, the most lacking facility within the park are the parking lots. There are proposed 5 small locations that can serve as parking lots without any impacts on the landscape and biodiversity. In contrary, in the Llogara NP there are foreseen only two places as the most convenient for parking lots, particularly during the holidays, when the number of visitors is higher (Figure 5). Generally, all Bar-Restaurants and Hotels in the Llogara NP offer parkings, even the Llogara Tourist Village offers places for different sports.

Table 2 - List of places and their coordinates, proposed for the establishment of recreational infrastructure

Llogara National Park		
40°11'53.3"	19°35'10.5"	Belvedere + recreation
40°11'56.9"	19°34'55.9"	Recreation + camping
40°11'55.22"	19°34'46.49"	Recreation + Parking
40°11'55.5"	19°34'40.9"	Recreation + Parking
40°12'35.25"N	19°34'37.45"E	Sport place
40°12'38.07"N	19°34'39.29"E	Picnic area
40°12'31.38"N	19°34'42.25"E	Picnic area
40°12'34.19"N	19°34'42.12"E	Ecological camping
40°11'53.44"N	19°35'31.14"E	Parking
40°12'53.83"N	19°34'42.30"E	Parking
40°12'40.78"N	19°34'41.99"E	Parking

Two locations for ecological camping are also proposed inside the LNP. One of them is close to the football field with modern ecological cabins, while the other, below the Thanasi Peak.

The picnic areas for NP are proposed to be placed close to the sport fields.

The LNP cover large territories and are difficult to be reached or explored within a day. As it is described below (chapter 6.4), the time to finish several hiking trails is more than 8-14 hours. In this case, exploring of the beauties of Karaburun peninsula, the Qorre and Çika Mountains, require the passing of one or two overnights in the nature.

The amazing benefits of eco-camping are the independent free watching of wildlife in time, to find some much-needed alone time to think and contemplate life or stay with friends.

The interventions for the establishment of sport fields, parking lots, ecological camping and the picnic places are not predicted to have impacts on the threatened plant and animal species.

For this reason, we have proposed as the best and most suitable places to sleep, inside tents, the following eco-camping as shown in Table 3

Table 3 - List of places and their coordinates of eco-camping (tents)

Locality Name	Llogara National Park	
Qorre Pass	40°12'50.52"	19°36'37.59"
Tërbaç	40°14'18.32"	19°38'49.13"

Thanasi Peak	40°11'56.24"	19°34'56.48"
Ravena	40°21'21.66"	19°22'12.86"

6.3. The areas that can be restored after damaged by quarries and fires

The interventions on site rehabilitation and restoration aimed to improve the landscape architecture of the LNP, damaged by quarries that have operated during many years (see Table 4).

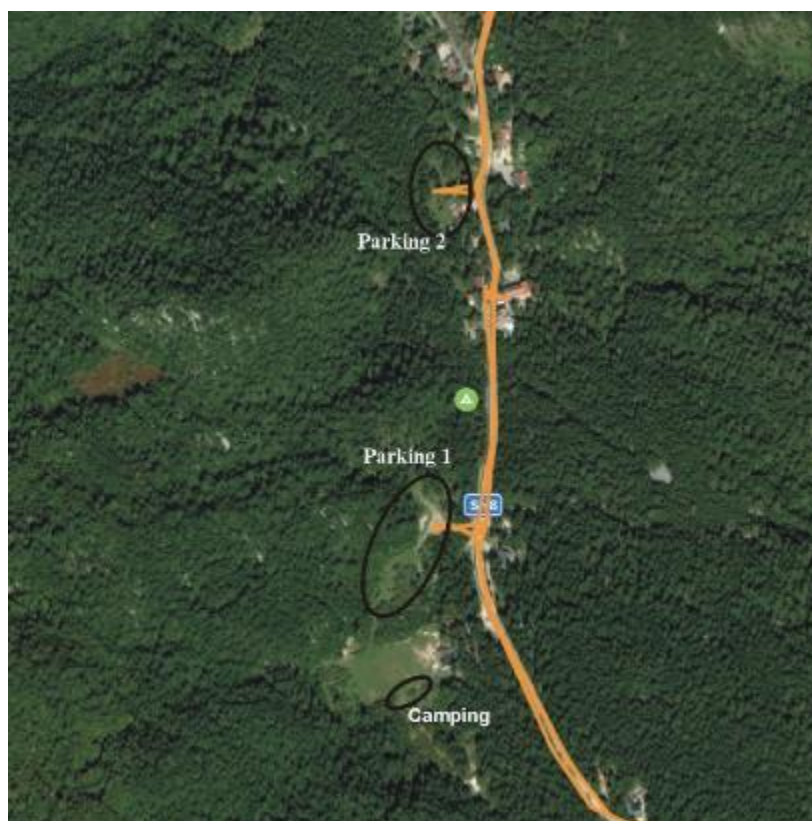


Figure 3 - Proposed places for parking lots and ecological camping in LNP

In LNP there is one places and its coordinates that need restoring activities on landscape damaged by quarries and fires.

Llogara National Park		
40°11'36.56"	19°35'58.47"	Improving landscape

6.4. The proposed areas, designed for physical and ecological activities in the LNP

Since the number of visitors in NPs remains low, more visible ways to attract them to visiting protected areas should be searched. The main way to increase the visitor numbers in the LNP is the usage of natural/landscape and biological values that they offer, through their promotion by leaflets and organization of demonstrations and eco-educational activities in situ.

Rocky slopes or adventure zip line in terrain and landscape beauties can be also one of the ways to attract passionate/adventure visitors to hiking trails in areas of physical difficulties. Increasing the number of visitors in terms of paying for entrance or guided tours in selected eco-hiking trails can provide more incomes for PAs, reducing existing funding gaps for the system of protected areas.

6.4.1. Potential nature sports facilities i.e zip-lines in LNP

The NP of Llogara offers several possibilities for the creation of the ZIPLINE parks. There are currently no zip line parks or zip wires in the Park so far. The presence of high Black Pine (*Pinus nigra*) or Bosnian Pine (*Pinus heldreichii*) trees inside the NP, favorite the creation of a ZIPLINE park close to the football field, in the northern slopes of the mountain. Another possibility occurs in the western slopes of Qorre Mt, close to the Llogara Pass.

The planned parking lots close to both variants of the proposed ZIPLINE parks; make them more visible and possible for construction. Both proposed localities, offer unlimited possibilities for all activities of all ages.

The NP of Llogara and offer also much more possibilities for the development of different visitor activities and resting places.

Since the NP of Llogara represents the richest NP in the biological point of view, the designation of ecological hiking trails can contribute in offering of several possibilities for the observation of plant and animal diversity, as well as the landscape beauties and other physical activities. During free walking in nature, the visitors can learn and check for rare and endemic animal and plant species and observe the mushrooms, butterflies, saprophytic carbides or terrestrial mollusks on the rocky slope fascies. So far there are designed 9 hiking trails in the Llogara NP (Nexhip Hysolokaj, pers. comm., 2019).

Table 4 - List of places and their coordinates, proposed for the construction of the Belvederes, Recreation places and Zip Line

Llogara National Park		
41°21' 14.5"	19°55' 8.4"	Belvedere
41°21' 36.1"	19°54' 41"	Belvedere
41°21' 37.6"	19°54' 42.7"	Improving visitor center landscape (garden)
41°21' 41"	19°54' 36.3"	Belvedere
41°21' 57.6"	19°54' 30.5"	Recreation + parking
41°21' 54.9"	19°54' 26.9"	Recreation + parking
41°22'37.66"	19°54'49.19"	Belvedere
41°26'51.51"	19°51'56.23"	Belvedere
40°12'33.63"	19°34'34.60"	ZIPLINE park (proposed)
40°11'58.82"	19°35'28.84"	ZIPLINE park (proposed)

Based on our investigation in the field we propose the following trails for the LNP.

Ecological hiking trails

The trail of Endemic Plants (Llogara Pass-Qorre Peak). The trail goes through the forested part of the Qorre Mountain. During the walking, the visitors can identify and learn about the Albanian sowthistle (*Reichardaalbanica*), Acroceraune violet (*Viola acrocerauniensis*) and more than 15 butterfly species (see Figure 3).

The trail can be extended towards the Çika Peak, which is also rich with some other endemic and sub-endemic species. This hiking trail is named: **Llogara Pass-Qorre Pass- Çika Mt** (Figure 3 and 15, lower right).



Figure 4 - The proposed ZIPLINE parks and the Round Hiking Trail (Llogara-Qafa e Thellë-Maja e Thanasit-Llogara) in LNP

The Orchid Garden. The hiking trail is very short, ca. 0.5 km long (Figure 4). The hiking trail is very attractive to the visitors who love the beautiful flowers of Orchid species. The pasture of orchids occurs in a small depression surrounded by Bunkers. The visitors of this trail can observe 5 *Ophrys* species like *Ophrys ferrugineum*, *Ophrys lutea*, *Ophrys mammosa*, *Ophrys cornuta*, *Ophrys apifera* and 4 other *Orchis* species such as *Orchis pauciflora*, *Orchis quadripunctata*, *Orchis papilionacea*, *Anacamptis pyramidalis* etc.

The trail of Albanian Moor Grass (*Sesleria albanica*) (Llogara Pass-Maja e Thanasit), ca. 2.5 km long. The hiking trail starts at the Llogara Pass and finishes at Thanasi Peak. It represents a panoramic view for the vegetated slopes of the Qorre Mt and the Ionian Sea.

The upper half part of the trail is covered by the Albanian Moor Grass (*Sesleria albanica*) and during the spring by Dalmatian Saffron (*Crocus dalmaticus*) or Saffron of Mazzaricus (*Crocus mazzaricus*) in the autumn (Figure 15, upper left).

These ecological hiking trails occur inside the Core Zone of the NP of Llogara, therefore, the visitors who use them, should be guided to help the protection of rare or endangered species and halt their collection.

Despite of the above, the population size of the Albanian sowthistle (*Reichardia albanica*), Acroceraune violet (*Viola acrocerauniensis*) and Albanian Moor Grass (*Sesleria albanica*) is healthy and not endangered

by ecological factors or human impact. Escort of visitors by the park staff is necessary also for explaining and monitoring of the species with conservation interest from volunteers.



Figure 5 - The hiking Trail "Orchid Garden" in LNP

Other hiking trails that can be attractive to the visitors

Inside or at the border of the Llogara NP there are several natural monuments, landscape beauties and other cultural and biological values interesting to visit. A list of the most important ones is presented below, some of which are also mapped in the Figure 15 and 16.

The football field-Qafa e Thellë-Grama Bay or Shen Ian Bay, 5.1 km

The football field-Qafa e Thellë-Thanasi Peak-Llogara Pass, 7.2 km

The football field-near Qafa e Thellë-Maja e Thanasi (Peak of Thanasi) - The football field, 6.2 km

Llogara Pass-Qorre Pass- the Peak of Çika Mountain, 5.4 km

Pasha Liman-Ravena-Laurel Bay, 5.3 km

Orikum-Ravena-Bristani Bay, 4.4 km

Llogara Pass-Qorre Peak-Qafa e Shëngjergjit-Dukat, 9.5 km

Llogara Pass-Qorre Peak-Qafa e Shëngjergjit, 6.5 km

Llogara Pass-Thanasi Peak- The football field, 2.5 km

Llogara Pass-Qorre Pass-Çika Peak-Vranisht Village, 11.3 km

Llogara Pass-Qorre Pass- the Horse Chestnut-Tërbaçi Village, 6.8 km

Palasa Resort-Grama Bay, 2.7 km

Jul Cesare path (Palasa Village-Llogara Pass).



Figure 6 - Llogara Pass-Maja e Thanasit (upper right); Round trail of Llogara restaurants (upper left); Palasa-Resort-Grama Bay (lower left) and Llogara Pass-Qafa e Shëngjergjit (1), Llogara Pass-QafëQorre-Tërbaçi Village (2 and 3), Jul Cesare path (4), all in Figure 15 (lower right).

Designation or re-designation of Hiking Trails for both PAs should be accompanied by other actions such as:

- Preparation of explanatory leaflets for the landscape and biological/cultural values that hiking trails offer;
- Preparation of orientation charts for each hiking trail, the degree of difficulty, its length and the time it take to arrive;
- Explanation what is allowed and not allowed for each hiking trails.

6.5. Site layouts that provide educational and conservation activities in LNP

The territory of a PA “is a clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values²”. Based on that, they are the best mechanism and practice for the conservation of natural, cultural and biological values in situ. The efficient use of natural resources i.e. ecosystem services should provide ecological integrity of certain ecosystems inside or around PAs.

² Dudley, 2008: Guidelines for Applying Protected Area Management Categories. Gland, Switzerland-IUCN. <https://portals.iucn.org/library/sites/library/files/documents/PAG-021.pdf>. p.8.

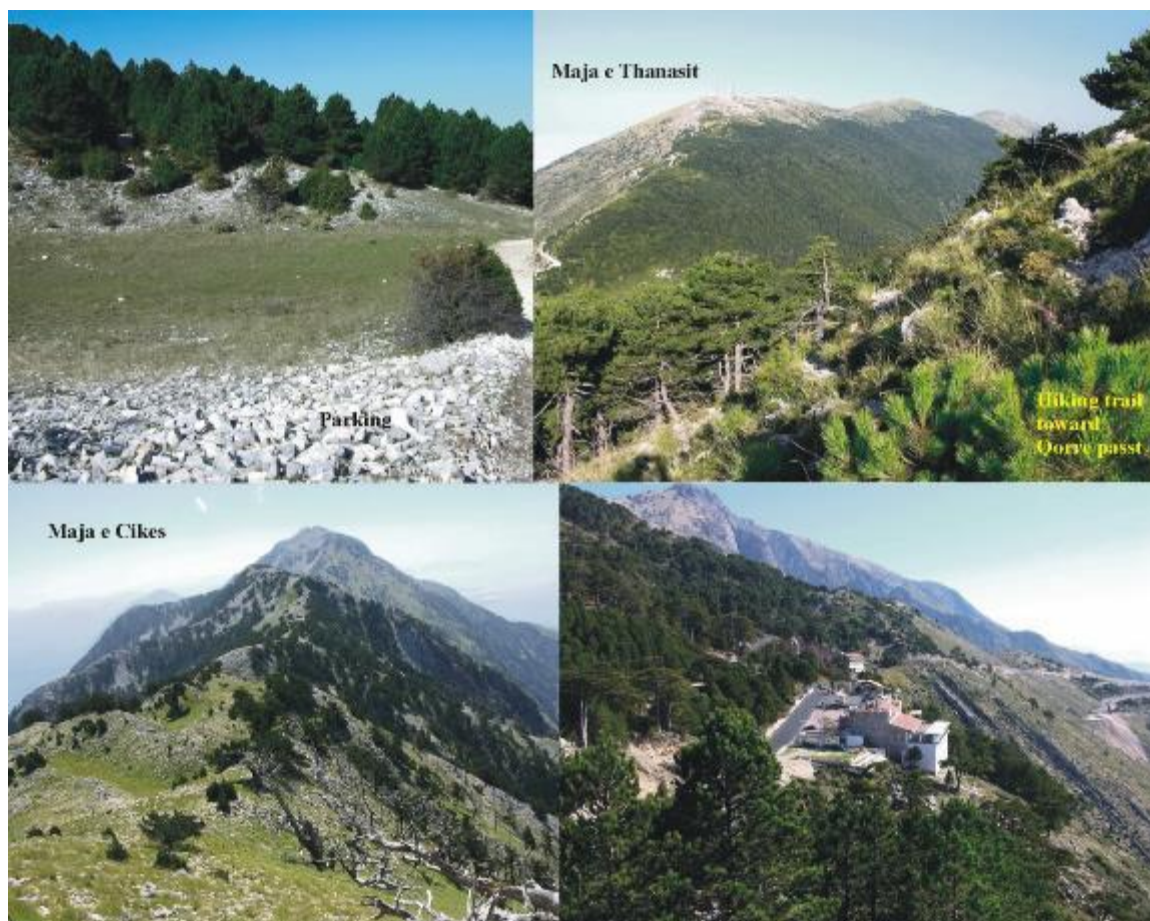


Figure 7 - The planned interventions designed for camping (upper left), trail improving (upper right) and (lower left), and the landscape regeneration (lower right) in Llogara NP.

Protection and conservation of the environment in general, and PAs particularly, including natural, cultural or biodiversity values with global, international or national conservation interest needs collaborative efforts among different stakeholders and all generations.

6.5.1. The designation site layout for construction eco-friendly cottages used for bars or traditional products shops

Ecosystem services, the benefits that people derive from nature and natural capital, is a concept often used to help explain human reliance on nature and frame the decisions we make in terms of the ongoing value of nature to human well-being. Grappling with the human impact on the environment is not new; in some ways, the conversation about the people and nature is centuries old³. On the other hand, involvement of the communities in the process of fair sharing of ecosystem products, can reduce its impact on the PAs.

The production of bio-products in rural areas of Albania faces several challenges related to its traditional use and reclamation. Another major challenge for the development of the bio-product is the limited awareness of the Albanian consumers on organic products and their impact on the community economy⁴. The sustainable management of the natural resources represents an important challenge for responsible institutions like NAPA or RAPA in PAs.

³Bennett , E. & Chaplin-Krame, R. 2016: Science for the sustainable use of ecosystem services. F1000Research, p. 13.

⁴Bernet, T. & Kazazi, I. 2012: Organic Agriculture in Albania Sector Study 2011, report p. 43.

On the other hand, the community of Orikum Region is distinguished for the good tradition of bio-organic products cultivation, such as milk products, honey bee, olive oil, medical and aromatic plants, etc.

Despite of the above, the standards and marketing of bio-products remain far from the level required by the market. In this sense, the certification, modernization and standardization of ecosystem products sales remain to be resolved.

Inside the Llogara NP and near its border there are 3 shops that sell local traditional products. All together, they operate only during summer time.

Based on the unfavorable positions of the two woody shops inside the Llogara NP, we think that construction of a third one at the Llogara Pass, with the coordinates 40°11'53.79"N; 19°35'29.72"E, is necessary. This location has been selected because of a parking space in this location, which is missing in the current two shops.

7. Economic Advancement Analysis

7.1. Description of Economic Activities within the Areas

In 2017, the Government of Albania passed a new law on Protected Areas (PA), aiming to introduce a new management model that in the long-term would further advance their protection, increase effectiveness in their management and strengthen their financial independence. In this new legal framework, tourism plays a key role in rising awareness on the protection of PAs and in increasing the revenues beyond government funding.

Over the last decades the main focus of the government administration has been the protection of the PAs and their ecosystem. Over the years, private initiatives such as opening of bars and restaurants transformed some PAs close to the cities into weekend destinations for families, who enjoyed a Sunday lunch into one of the restaurants while children had the chance to play in open nature. Although this increased the number of visitors, the fact that it did not constitute a proper eco-tourism activity mainly contributed to the further damaging of the PAs and did not help in generating revenues for their management. PAs have emerged as an eco-tourism destination only recently following the increasing number of national and international visitors interested in nature, mountain and rural tourism. This increased interest has been entwined with an increase number of tour-operators providing services in this sector.

As a matter of fact, PAs in Albania are attracting an increasing number of visitors each year. According to the official data provided by the National Agency for Protected Areas (NAPA), the total number of visitors of PAs doubled from 2016 to 2017, reaching more than 2 million. This mainly comes from the remarkable growth of the tourism industry in general as well as the increasing interest towards eco-tourism.

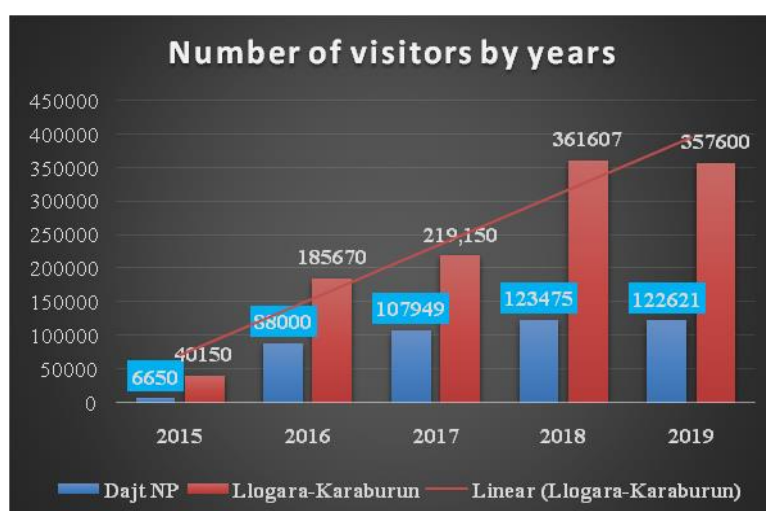


Figure 8 - No. of visitors 2015-2019

Dajti and Llogara National Parks are amongst the PAs with the highest number of yearly visitors. Both parks have a long tradition of being an important tourism destination. The Llogara National Park, on the other hand, benefits from a higher number of visitors compared to Dajti, as the total number of yearly visitors is higher than 350 thousand. The vast majority of these visitors are mainly directed towards the beautiful beaches of the Albanian Riviera and stop for a few hours to rest and have lunch in the numerous restaurants within the park. Nevertheless, there are several hotels within the park which are visited also during the winter by a considerable number of tourists. Several hiking routes are attracting more and more visitors while climbing activities take place in two of the summits within the park. Recently, there have been investments in some hiking and climbing routes while air games and paragliding activities also take place which have branded the park as an extreme sports venue.

7.2. General Description of Llogara National Park

Llogara National Park is situated in the southwestern part of Albania, on a coastal mountain range of Ceraunian Mountains which is laid along the Ionian Sea. Karaburun peninsula is situated at the northeast side of Strait of Otranto, where Adriatic Sea meets the Ionian Sea.

The floristic richness of the Karaburun-Çika Mts PA is not known so far, but this complex ecosystem is listed as the richest part of Albania concerning the species with conservation interest.

The PA is home to 9 endemic vascular plants, such as *Arenariacikaea*, *Edraianthuscaespitosus*, *Dianthus sylvestris* subsp. *alboroseus*, *Hypericum haplophyloides*, *Limonium himariense*, *Noccaeacikaea*, *Reichardiaalbanica*, *Sesleriaalbanica*, *Viola acrocerauniensis*. In the LNP occur also 4 endemic terrestrial mollusks (*Chondrulalogaraensis*, *Siciliariapantocratorissplendens*, *Allaegopisamphikypellon*, *Monachaemigratasenitshika*, *Helicigona fuchsia*) and 1 endemic carbid, *Dorcadionalbanicum*.

Further on, in the LNP there are 2 globally threatened species, the Horse Chestnut (*Aesculus hippocastanum*) and Autumn Snowdrop (*Galanthus reginae-olgae*). 6 other species, *Fritillaria graeca*, *Anacamptis pyramidalis*, *Ruscus aculeatus*, *Ophryshelena*, *Ophrysoestriera*, *Ramondaserbica* are with great conservation interest due to their protection from the Habitat Directive (92/43/EEC) and Berne Convention.

Karaburun-Çika Mt ecosystem is also rich with near-endemic plant species, of great conservation interest for Europe. Twelve near-endemics that are recorded in this area have a very narrow distribution range. They are represented by *Acisionica*, *Campanula hawkinsiana*, *Crataegusheldreichii*, *Fritillaria graeca* subsp. *thessala*, *Leontodon albanicus*, *Lilium chalcedonicum*, *Malcolmiagraeca* subsp. *bicolor*, *Minuartiastellata* subsp. *stellata*, *Pedicularisgraeca*, *Pterocephalus perennis* subsp. *bellidifolius*, *Sideritisraeseri* and *Sileneungeri*. The threatened flora of the PA includes also 52 plant species, as part of the red list of protected flora of Albania. The total number of the flora and fauna species is an incomplete knowledge.

The plant cover vegetation in the LNP was dominated by the following habitat types: Vegetated sea cliffs of the Mediterranean coasts with endemic *Limonium* spp.; Stable xerothermophilous formations with *Buxus sempervirens* on rock slopes (*Berberidion* p.p.); Hellenic beech forests with *Abiesborisii-regis*; *Quercus ilex* and *Quercus rotundifolia* forests; *Quercus macrolepis* forests and High Oro-Mediterranean pine forests.

The LNP is also rich in invertebrate and vertebrate species. In the area there are reported 98 fish species (both freshwater and marine), 10 Amphibian species, 28 species of Reptiles, 105 species of Birds (mostly in Orikumi lagoon) and 55 Mammal species. The endangered fauna of the PA includes 25 invertebrate species and 45 vertebrate species, although there is no exact data for them.

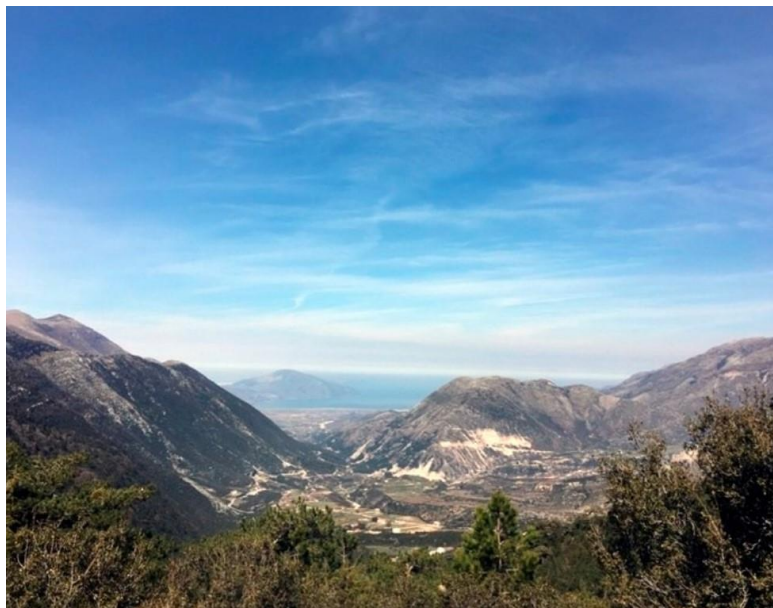
Although, mainly a natural touristic destination, the LNP is also rich in cultural monuments. The historical and cultural values of the PA include the **archeological site of Orik** as the most important part of the national culture heritage. It is a city of old civilizations and traditions created and maintained in centuries. Some of the most outstanding cultural and historical values of the sites include also the Castle of Gjon Bocari (Tragjas), the Tower of Dervish Aliu (Dukat), the Church of Marmiro (Orikum), the Cave of Grama (Karaburuni area) and Haxhi Ali at the Cape of Gjuza or the old scripts in Grama Bay.



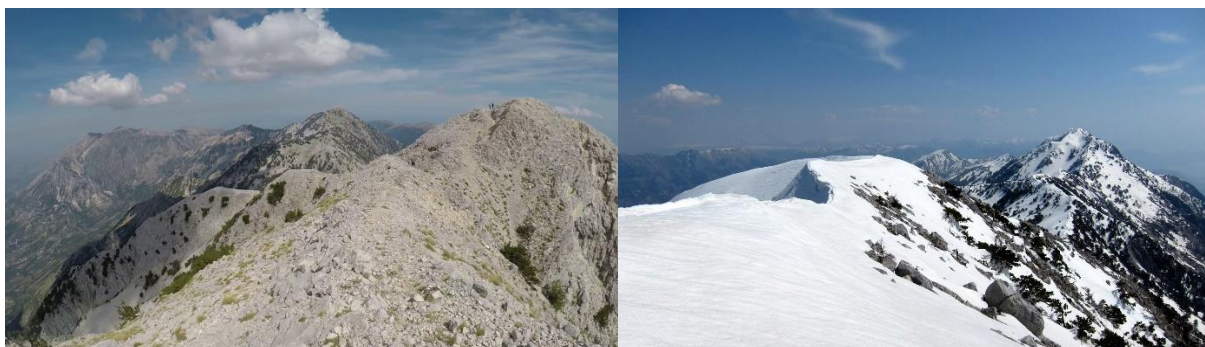
Within the LNP can be found also the flag pine, one of the most well-known nature monuments in Albania.



Within the park, there are several hiking routes, with different length as well as degree of difficulty. The most famous, especially among international tourists, is Caesars path which follows the route of Caesars army in its historic battle with Pompei.



LNP is highly famous for its hiking routes. There are numerous routes that go through the park, some of which take only a few hours while other take days. In addition, the park offers several opportunities also for climbers, both in summer or winter. The two most famous summits are Cika and Qorre.



Lastly, LNP is the main destination in the country when it comes to extreme sports. A balcony for paragliders was constructed recently which is one of the most visited spots within the park. Moreover, the park hosts each year Llogara Air Games which is the main paragliding activity in Albania.



7.3. Proposed Interventions

The report submitted earlier by the project team outlined several interventions in both parks which are summarized in the following sections.

In the LNP the following interventions are foreseen:

1. **Improving of the hiking trail Llogara Pass – Cika Mountain.** As the most important touristic feature of the LNP, this trail has two parts which represent a certain degree of difficulty and even danger for the visitors of different ages. The proposed intervention will increase the safety of the trail and guarantee that it can be visited by a wider range of visitors.
2. **Construction of 3 small car parking lots.** The number of parking lots is smaller compared to DNP because the numerous restaurants and hotels within the park offer wide parking opportunities. However, these parking lots are needed especially for visitors that visit the other facilities of the park.

3. **Construction of 2 camping sites.** Just like DNP, LNP does not have a camping site either. These sites can serve as an excellent opportunity to attract tourists which want to stay longer in the park and step on all its hiking trails.
4. **Construction of 2 picnic areas.** The picnic area will serve the many families that visit the park but do not want to eat in the many restaurants. These areas will help stopping littering or fires in the park.
5. **Construction of 1 belvedere and 3 recreation areas.** This last intervention aims to complete the infrastructure of the park by adding features that can make sure visitors have a pleasant stay while at the park.
6. **Construction of a ZIP Line.** The Zip Line will be an important attraction and together with the paragliding launching pod may help brand LNP as an extremes sport destination.

7.4. Expected Revenues Streams

The budget constraints for the protection and further development of the protected areas have always been an important issue. Nevertheless, even though almost all former strategies or management plans have emphasized the need for new financial resources, the Government Budget still constitutes the only guaranteed revenue source available to the PA Administration. This budget is centrally managed by the Ministry of Environment and Tourism which allocates the yearly funds to NAPA which in turn re-allocates it to the regional PA administrations. These regional agencies do not have the financial space to fund the maintenance and investment costs needed by each of the PAs.

Based on best practices and the international experience, there are several possible revenues sources which may be exploited by NAPA or regional PA administrations. They can be grouped in the three following categories:

- Tariffs and Fees;
- Concessions, Products and Services;
- Donations and grants.

Each of these categories includes several instruments which can generate revenues for DNP and LNP.

7.5. Tariffs and Fees

Tariffs and fees are a form of payment for the right of services or for purchasing products. Although neither NAPA nor the regional PA administrations are revenue-collecting institutions, different tariffs and fees can be introduced for all entities that operate and generate economic activity within the park.

7.5.1. Entrance Fees

Entrance fees are a common instrument used by many parks and PAs to collect revenues. These fees are paid by individuals, cars, tourist groups, etc. In addition to the visit to the park, the fee might include also the usage of the park's facilities such as the camping site or the picnic areas.

Compared to the DNP, the application of entrance fees at the LNP poses more difficulties. This park is permeated by the national road along which are located all the restaurants and hotels and thus the park doesn't have an official entry point. The fee cannot be applied to cars passing through the park to reach the Albanian Riviera and also on the people stopping over for a meal at the restaurants. Additionally, many of the hiking trails start randomly across the national roads thus making it difficult to apply the entrance fee also for hikers. As a result, if an entrance fee will be applied in the future in the LNP, an entry point in the PA should be determined.

The proposed entrance fees are summarized in the following table.

Table 5 - Proposed Entrance Fees

Categories	Proposed Fee
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Cars	300 ALL
Adults	100 ALL
Children	50 ALL
Organized Tourist Groups	1,500 ALL

7.5.2. Tariff for Entities Operating within the PAs

In LNP operate several bars, restaurants, tour-operators and other service providers. These entities are normally registered with the central and local tax offices and pay regularly their taxes. However, starting from the fact that these businesses generate revenue only because they operate inside PAs, the contribution of a symbolic yearly tariff for the protection and advancement of the PAs will not be seen as a burden from them. On the contrary, if the PA will be visited by more tourists the first to benefit will be business operating in the area. In addition, these businesses already exploit territories under the administration of the PAs as parking lots or as playgrounds for children.

The fees have to be affordable for the businesses and ear-marked. Transparency in the management of the funds is a key factor affecting the willingness to pay. If the regional PA administration publishes the interventions it intends to finance with the collected funds – such as a new hiking trail or a new belvedere - , there should be no issues in collecting the tariff. The level of the tariff or fee has to be decided together with the business operating within the parks. Some indicative levels appear in the following table.

Table 6 - Proposed Fee Level

Business	Min. Monthly Fee	Max. Monthly Fee
Hotels with less than 20 Rooms	1,000 ALL	2,000 ALL
Hotels with more than 20 Rooms	1,500 ALL	2,500 ALL
Restaurants	1,500 ALL	2,500 ALL
Tour-Operators	1,000 ALL	2,000 ALL
Other businesses	5,000 ALL	1,000 ALL

7.5.3. Parking Fees

The usage of cars within the park needs to be discouraged as they might damage the eco-system. However, they are the main transporting vehicles used by visitors of PAs in Albania. As parking is one of the main issues raised by visitors and the PA administration, parking fees are expected to be an important source of revenue for LNP. Since visitors of the park stay for longer hours or even days and since they probably will have to pay also entrance fees, parking fees need to be affordable. Nevertheless, they may still constitute an important share in revenues.

Fees have to be based on the length of stay and we propose two fee levels: for visitors that spend half a day at the park (up to 5 hours) who refers to families visiting the park to have lunch or to picnic and for visitors who stay longer than that which is classified as a full day. The proposed parking fees are low based also on the fact that visitors and cars entering the Park will also pay entrance fees. The proposed parking fees are listed in the table below.

Table 7 - Proposed Parking Fees

Length of Stay	Proposed Fee
Half-Day	100 ALL
Full-Day	200 ALL

7.6. Concessions, Products and Services

Some interventions proposed cannot be implemented directly by the PA Administration and need to be administered through other forms of agreements such as concessions or leases. For the time being, NAPA and the regional PA agencies are more focused towards the preservation of the PAs and have little capacities with regard to tourism development, service provision or revenue collection. Private investors can very easily implement some of the interventions with lower costs and higher management and administrative capacities by providing high-quality services to the numerous visitors. By allowing private companies to intervene and provide services within the PA territory, PA administrations can get in return revenues in the form of concessionary tariffs, rent, etc.

7.6.1. Construction and operation of Zip Lines

Following the successful example of the Dajti Adventure Park, the proposed Zip Lines in DNP and LNP could be constructed and operated by a private company. This would guarantee the implementation of the project without any costs for the public budget and, most importantly, will be a key factor in guaranteeing higher management and operational capacities. In addition, the private management of the Zip Lines will make sure the new facilities will have proper advertisement and attract higher numbers of visitors, which in turn will help the entire PA.

Under this framework the PA will sign a long-term agreement with the private company and might benefit either a yearly lump-sum or a percentage of the revenues of the company from operating the Zip Line. The price for each visitor might be around 10 Euros, the same price charged by the Zip Line in Peja and other Zip Lines in the region.

7.6.2. Construction of Eco-shops

For the time being, within the parks there are no official shops that might sell souvenirs or other local products to the visitors. In LNP there are some informal huts that sell honey, medicinal plants or other local products, but these are not regulated and no revenues are generated by the PA from these activities.

Similar to above, under a long-term agreement, these eco-shops might be constructed or purchased and then rented to operators or the local community. The souvenir shops might be constructed near the visitor centers in both PAs. The souvenir shops are a real opportunity as they might sell a wide range of products starting from souvenirs, to branded clothes, foods as well as other products for the hikers and other visitors. Other huts serving as shops are more tangible in the LNP as cars travelling from the Albanian Riviera to Vlorë might stop and purchase some goods.

The revenues that might be generated from the official souvenir shops might be higher, while for the huts (if they will be constructed) the rent will be symbolic. The possible rent costs are summarized in the table below.

Type of Shop	Monthly Rent
Souvenir Shop	65,000-75,000 Lek
Hut/other shops	7,000-12,000 Lek

7.6.3. Other Revenues Sources

There are some other rental or concessionary agreements the PA may reach in order to provide more services to the visitors and generate revenues. The first option is bike rental. The PA may reach an agreement with a private company which will rent bikes within the park and in exchange pay a fee or rent to the PA administration. Indeed, neither of the PAs has an official mountain bike trail, but this might be a future intervention as the interest towards mountain biking is spiking.

Other activities already happening in the park are horse-riding and “hit-the-target” shooting for kids. These activities are also informal and not regulated. If these activities will be regulated and the PA issue a license for them or award a concession/rent contract, then some revenues might be generated also from this stream.

7.7. Donations and Grants

The last revenue sources that might be generated by the PA administration are related to donations and grants. Several parks and protected areas have outdoor donation boxes for visitors to donate which might also be placed in some locations within the parks. If advertised properly this can be an important source of revenues. One way might be the introduction of interventions or initiatives with posters and images attached to the donation box, e.g. “donate to help the PA plant 10 thousand new trees” or “donate to help the PA construct a new hiking trail”. This will help visitors have a clear image of why they are donating for and eventually encourage them to donate. The same initiatives and interventions can be presented to international donors operating in the fields of environment, eco-tourism, etc. This way of communication might be very efficient also for increasing financing from donors.

7.8. Financial Projections

The yearly number of visitors in the LNP has been growing importantly over the last decades. Based on the data released by NAPA, the majority of the visitors are foreign tourists, even though the number of local visitors has shown consistent signs of growth especially over recent years. From 2017 to 2018, the total number of visitors in LNP by 30%. Solid figures can be witnessed also in 2019.

Nevertheless, Covid-19 and the restriction of travelling have hit the tourism economy more than any other sector. Uncertainties on the future of travelling and hospitality make it hard to forecast future number of visitors and hence calculate the possible revenues stemming from the proposed interventions.

As a result, the financial projections will be based on two different scenarios. The first scenario is based on the official data until 2019 and assumes that the number of visitors will increase with the same pace as the average growth rate of the last five years. The second scenario is more conservative and assumes that the number of foreign visitors falls sharply in the next five years and considers only the local visitors.

7.9. First Scenario

For the first scenario we have assumed that the total number of visitors in the PAs will increase with the same rate as the last five years. Over the last 5 years the total number of visitors in LNP show high fluctuations with percentage increases ranging from negative growth to over a thousand percent growth rate. Statistically it is impossible to calculate an average growth rate and project the expected number of visitors in the future. As a result, based on the data, we will assume that the average growth rate for the first five years will be around 12 % while for the remaining five years around 5 %.

Table 8 - % increase of visitors in LNP

Year	% increase cf. previous year	Estimated increase rate
2016	362 %	12 %
2017	18 %	
2018	65 %	

2019	-1.1 %	
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Under this scenario, the total number of visitors increases consistently for LNP. Thus, the total number of visitors in LNP increases from 357,600 in 2020 to 590,825 in 2025 and reaching a maximum of 754,059 in 2030.

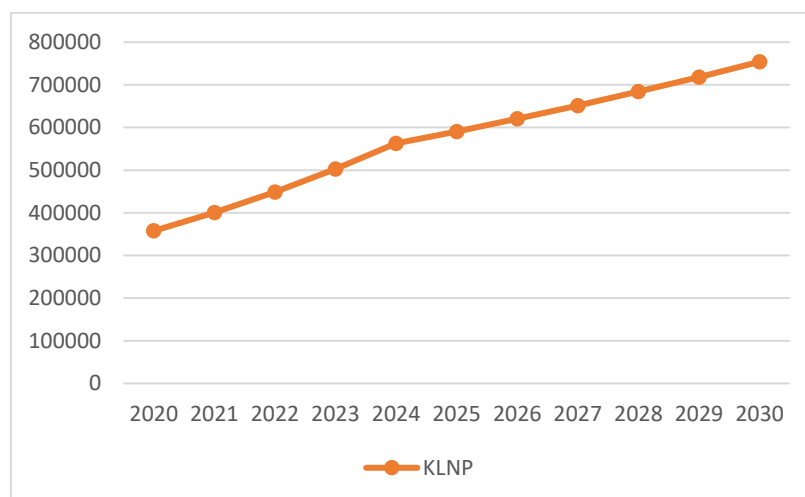


Figure 9 - Estimated No. of Visitors in LNP under Scenario 1

Based on these estimations with regard to the total number of visitors, we have forecasted the expected revenues for the period 2020-2030 if all the above-mentioned interventions will be implemented.

7.9.1. Revenues from Entrance Fees

For the forecasting of revenues from entrance fees, we have estimated the following:

- 40% of the total number of visitors in LNP will enter the PAs via cars. Assuming that each car will have on average 4 passengers, we estimated that for the first year, 35,760 cars will enter LNP;
- Out of the total number of visitors, we have assumed that 25% of them are adults, 55% are children and 20% visit the park in organized groups.

Based on the above estimations and the proposed entrance fees, possible revenues are summarized in the table below.

Table 9 - Revenues from Entrance Fees - Scenario 1

Revenues from Entrance Fees	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
KLNP											
Cars	ALL 10,728,000.00	ALL 12,015,360.00	ALL 13,457,203.20	ALL 15,072,067.58	ALL 16,880,715.69	ALL 17,724,751.48	ALL 18,610,989.05	ALL 19,541,538.51	ALL 20,518,615.43	ALL 21,544,546.20	ALL 22,621,773.51
Adults	ALL 8,940,000.00	ALL 10,012,800.00	ALL 11,214,336.00	ALL 12,560,056.32	ALL 14,067,263.08	ALL 14,770,626.23	ALL 15,509,157.54	ALL 16,284,615.42	ALL 17,098,846.19	ALL 17,953,788.50	ALL 18,851,477.93
Children	ALL 9,834,000.00	ALL 11,014,080.00	ALL 12,335,769.60	ALL 13,816,061.95	ALL 15,473,989.39	ALL 16,247,688.86	ALL 17,060,073.30	ALL 17,913,076.96	ALL 18,808,730.81	ALL 19,749,167.35	ALL 20,736,625.72
Groups	ALL 10,728,000.00	ALL 12,015,360.00	ALL 13,457,203.20	ALL 15,072,067.58	ALL 16,880,715.69	ALL 17,724,751.48	ALL 18,610,989.05	ALL 19,541,538.51	ALL 20,518,615.43	ALL 21,544,546.20	ALL 22,621,773.51
Total	ALL 40,230,000.00	ALL 45,057,600.00	ALL 50,464,512.00	ALL 56,520,253.44	ALL 63,302,683.85	ALL 66,467,818.05	ALL 69,791,208.95	ALL 73,280,769.40	ALL 76,944,807.86	ALL 80,792,048.26	ALL 84,831,650.67

If the proposed entrance fees will be applied, LNP around 40 million Lek.

7.9.2. Revenues from Businesses Operating within the Park

As explained on Section 4.1.2 PAs might collect a monthly tariff from the businesses operating within their territories. Based on the typology of the businesses a different fee level is applied. With regard to the number of businesses according to each typology we have estimated the following:

- The number of small hotels (less than 20 rooms) is estimated to be 20 in LNP;
- The number of big hotels with more than 20 rooms is estimated to be 10 in LNP;
- The number of restaurants is assumed to be 30 in LNP;
- The number of tour-operators operating within LNP is estimated to be 15;

- The number of other businesses operating within parks is assumed to be 5 in LNP.

Based on these assumptions, possible revenues from this stream appear in the table below.

Table 10 - Revenues from Businesses - Scenario 1

Revenues from Businesses	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
KLNP											
Small Hotels	ALL 240,000.00	ALL 240,000.00	ALL 240,000.00	ALL 240,000.00	ALL 240,000.00	ALL 360,000.00	ALL 360,000.00	ALL 360,000.00	ALL 360,000.00	ALL 360,000.00	ALL 360,000.00
Big Hotels	ALL 240,000.00	ALL 240,000.00	ALL 240,000.00	ALL 240,000.00	ALL 240,000.00	ALL 300,000.00	ALL 300,000.00	ALL 300,000.00	ALL 300,000.00	ALL 300,000.00	ALL 300,000.00
Restaurants	ALL 540,000.00	ALL 540,000.00	ALL 540,000.00	ALL 540,000.00	ALL 540,000.00	ALL 720,000.00	ALL 720,000.00	ALL 720,000.00	ALL 720,000.00	ALL 720,000.00	ALL 720,000.00
Tour-Operators	ALL 180,000.00	ALL 180,000.00	ALL 180,000.00	ALL 180,000.00	ALL 180,000.00	ALL 270,000.00	ALL 270,000.00	ALL 270,000.00	ALL 270,000.00	ALL 270,000.00	ALL 270,000.00
Other	ALL 30,000.00	ALL 30,000.00	ALL 30,000.00	ALL 30,000.00	ALL 30,000.00	ALL 60,000.00	ALL 60,000.00	ALL 60,000.00	ALL 60,000.00	ALL 60,000.00	ALL 60,000.00
Total	ALL 1,230,000.00	ALL 1,230,000.00	ALL 1,230,000.00	ALL 1,230,000.00	ALL 1,230,000.00	ALL 1,710,000.00	ALL 1,710,000.00	ALL 1,710,000.00	ALL 1,710,000.00	ALL 1,710,000.00	ALL 1,710,000.00

For the first five years business are supposed to pay a lower fee level which slightly increase during the second five years but remaining within the levels proposed in Section 4.1.2.

7.9.3. Revenues from Parking Fees

Revenues from parking fees are based on the number of cars estimated to visit each park as appears on section 5.1.1. assuming that LNP from 35,760 cars. Additionally, we have assumed that half of the cars will park for half day and the other half for a full day. Based on these assumptions, revenues expected from parking appear on the table below.

Table 11 - Revenues from Parking Fees - Scenario 1

Revenues from Parking	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
KLNP											
Half-Day Parking	ALL 1,788,000.00	ALL 2,002,560.00	ALL 2,242,867.20	ALL 2,512,011.26	ALL 2,813,452.62	ALL 2,954,125.25	ALL 3,101,831.51	ALL 3,256,923.08	ALL 3,419,769.24	ALL 3,590,757.70	ALL 3,770,295.59
Full-Day Parking	ALL 3,576,000.00	ALL 4,005,120.00	ALL 4,485,734.40	ALL 5,024,022.53	ALL 5,626,905.23	ALL 5,908,250.49	ALL 6,203,663.02	ALL 6,513,846.17	ALL 6,839,538.48	ALL 7,181,515.40	ALL 7,540,591.17
Total	ALL 5,364,000.00	ALL 6,007,680.00	ALL 6,728,601.60	ALL 7,536,033.79	ALL 8,440,357.85	ALL 8,862,375.74	ALL 9,305,494.53	ALL 9,770,769.25	ALL 10,259,307.72	ALL 10,772,273.10	ALL 11,310,886.76

LNP is forecasted to collect around 5.4 million Lek during the first year. Revenues from parking increase with the same rate as the total number of visitors.

7.9.4. Other Revenues

In this section we have gathered possible revenues from the other interventions, such as the construction of the Zip Line, the construction of a Souvenir Shop, the construction of other shops, other activities (horse-riding, bike rental) as well as donations and grants.

In calculating revenues, we have assumed the following:

- The Zip Line will be constructed and operated by a private investor which in turn will pay the PA 2% of its annual revenues. These revenues are calculated assuming that 10% of the total visitors will use the Zip Line paying a fee of 1,700 Lek (15 Euro);
- One souvenir shop will be constructed near the visitor center in each of the parks and rented to a private operator for a fee of 65,000 Lek. This fee increases over the last five years;
- The line "other revenue" includes possible fees for the usage of the sports fields and tariffs for horse-riding and bike rental;
- Donations/grants we have assumed to be flat rate as this is impossible to be soundly forecasted.

Based on these assumptions, the table below gives on the possible revenues for each intervention.

Table 12 - Revenues from other sources - Scenario 1

Other Revenues	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
KLNP											
Zip Line	ALL 1,215,840.00	ALL 1,361,740.80	ALL 1,525,149.70	ALL 1,708,167.66	ALL 1,913,147.78	ALL 2,008,805.17	ALL 2,109,245.43	ALL 2,214,707.70	ALL 2,325,443.08	ALL 2,441,715.24	ALL 2,563,801.00
Souvenir Shop	ALL 780,000.00	ALL 780,000.00	ALL 780,000.00	ALL 780,000.00	ALL 780,000.00	ALL 780,000.00	ALL 900,000.00	ALL 900,000.00	ALL 900,000.00	ALL 900,000.00	ALL 900,000.00
Hut/other shops	ALL 70,000.00	ALL 70,000.00	ALL 70,000.00	ALL 70,000.00	ALL 70,000.00	ALL 70,000.00	ALL 120,000.00	ALL 120,000.00	ALL 120,000.00	ALL 120,000.00	ALL 120,000.00
Other activities	ALL 300,000.00	ALL 309,000.00	ALL 318,270.00	ALL 327,818.10	ALL 337,652.64	ALL 347,782.22	ALL 358,215.69	ALL 368,962.16	ALL 380,031.02	ALL 391,431.96	ALL 403,174.91
Donations/Grants	ALL 100,000.00	ALL 100,000.00	ALL 100,000.00	ALL 100,000.00	ALL 100,000.00	ALL 100,000.00	ALL 150,000.00	ALL 150,000.00	ALL 150,000.00	ALL 150,000.00	ALL 150,000.00
Total	ALL 2,465,840.00	ALL 2,620,740.80	ALL 2,793,419.70	ALL 2,985,985.76	ALL 3,200,800.42	ALL 3,306,587.39	ALL 3,637,461.11	ALL 3,753,669.86	ALL 3,875,474.11	ALL 4,003,147.19	ALL 4,136,975.91

7.9.5. Total Revenues Under Scenario 1

The total expected revenues for LNP under Scenario 1 are summarized in the table below.

Table 13 - Total Revenues under Scenario 1

Total Revenues	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
KLNP											
Entrance Fees	ALL 40,230,000.00	ALL 45,057,600.00	ALL 50,464,512.00	ALL 56,520,253.44	ALL 63,302,683.85	ALL 66,467,818.05	ALL 69,791,208.95	ALL 73,280,769.40	ALL 76,944,807.86	ALL 80,792,048.26	ALL 84,831,650.67
Businesses	ALL 1,230,000.00	ALL 1,230,000.00	ALL 1,230,000.00	ALL 1,230,000.00	ALL 1,230,000.00	ALL 1,710,000.00	ALL 1,710,000.00	ALL 1,710,000.00	ALL 1,710,000.00	ALL 1,710,000.00	ALL 1,710,000.00
Parking Fees	ALL 5,364,000.00	ALL 6,007,680.00	ALL 6,728,601.60	ALL 7,536,033.79	ALL 8,440,357.85	ALL 8,862,375.74	ALL 9,305,494.53	ALL 9,770,769.25	ALL 10,259,307.72	ALL 10,772,273.10	ALL 11,310,886.76
Other	ALL 2,465,840.00	ALL 2,620,740.80	ALL 2,793,419.70	ALL 2,985,985.76	ALL 3,200,800.42	ALL 3,306,587.39	ALL 3,637,461.11	ALL 3,753,669.86	ALL 3,875,474.11	ALL 4,003,147.19	ALL 4,136,975.91
Total	ALL 49,289,840.00	ALL 54,916,020.80	ALL 61,216,533.30	ALL 68,272,272.99	ALL 76,173,842.12	ALL 80,346,781.17	ALL 84,444,164.59	ALL 88,515,208.50	ALL 92,789,589.69	ALL 97,277,468.55	ALL 101,989,513.34

Under this scenario, LNP is forecasted to collect 49,289,840 Lek during the first year of implementation of the interventions. Over the 10 years reference period, revenues increase as the total number of visitors is expected to increase. During the last year, i.e. 2030, LNP is forecasted to collect more than 100 million Lek.

7.10. Second Scenario

This second scenario draws from the travelling restrictions imposed by the Covid-19 pandemic. Under this scenario we have assumed that the total number of visitors in each PA will experience a sharp decline due to the absence of foreign visitors. In addition, as the country is expected to undergo an economic crisis, we have assumed that domestic expenditures on tourism and outdoor activities will also shrink resulting into lower numbers of local visitors. This scenario assumes that tourism industry will start to recover in 2024 and reach the 2019 level by 2030.

Under this scenario, the total number of expected visitors is expected to be around 50% of the forecasting of Scenario 1. The scenario assumes that the number of visitors will decrease by 5% during 2021 and 2022 and by 3% during 2023. From 2024 onwards the total number of visitors increases by 3% until 2027 and them by 6%.

The total number of visitors under this scenario appear in the following figure.

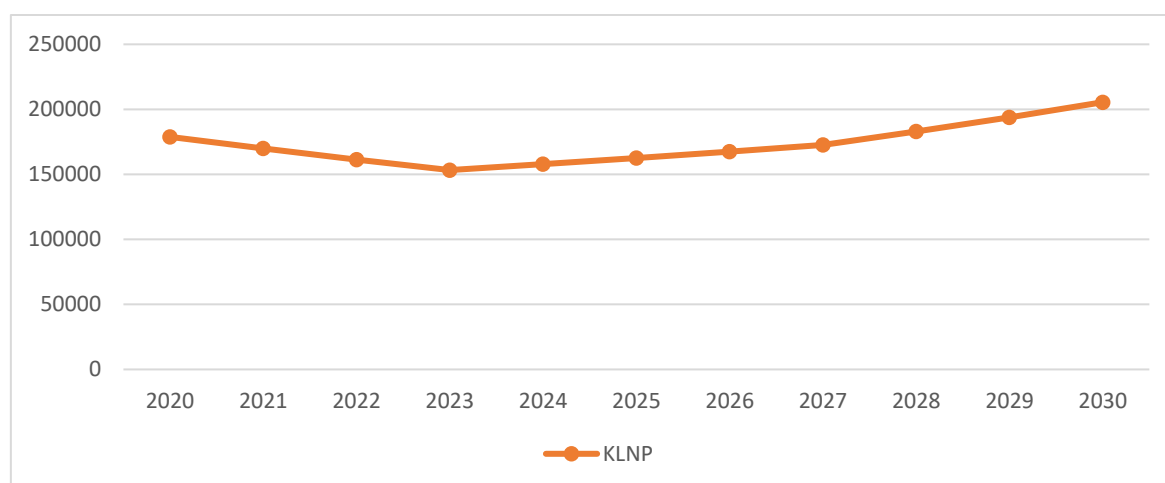


Figure 10 - Estimated No. of Visitors under Scenario 2

As can be seen from the Figure the total number of visitors is expected to decrease until 2023 and from 2024 onwards starts a slow recovery. Nevertheless, under this scenario, the total number of visitors remain way lower compared to the first scenario.

7.10.1. Revenue Forecasting under Scenario 2

For the forecasting of possible revenues under this Scenario the only variable is represented by the total number of visitors, while all other assumptions remain the same. Revenues are tightly correlated with the number of visitors and a fall in visitors causes a fall of the same rate in the total revenues.

As can be seen from the Table below, LNP is expected to collect 25,884,920 Lek in 2020, reaching the lowest revenues in 2023 at 22,574,611 Lek, when revenues start to increasing reaching 30,182,691 Lek in 2030.

Table 14 - Total Revenues under Scenario 2

Total Revenues	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
KLNP											
Entrance Fees	ALL 20,115,000.00	ALL 19,109,250.00	ALL 18,153,787.50	ALL 17,246,098.13	ALL 17,763,481.07	ALL 18,296,385.50	ALL 18,845,277.07	ALL 19,410,635.38	ALL 20,575,273.50	ALL 21,809,789.91	ALL 23,118,377.31
Businesses	ALL 1,230,000.00	ALL 1,230,000.00	ALL 1,230,000.00	ALL 1,230,000.00	ALL 1,230,000.00	ALL 1,710,000.00	ALL 1,710,000.00	ALL 1,710,000.00	ALL 1,710,000.00	ALL 1,710,000.00	ALL 1,710,000.00
Parking Fees	ALL 2,682,000.00	ALL 2,547,900.00	ALL 2,420,505.00	ALL 2,299,479.75	ALL 2,368,464.14	ALL 2,439,518.07	ALL 2,512,703.61	ALL 2,588,084.72	ALL 2,743,369.80	ALL 2,907,971.99	ALL 3,082,450.31
Other	ALL 1,857,920.00	ALL 1,836,524.00	ALL 1,816,917.80	ALL 1,799,033.51	ALL 1,824,504.52	ALL 1,850,739.65	ALL 2,097,761.84	ALL 2,125,594.70	ALL 2,171,861.51	ALL 2,220,572.27	ALL 2,271,863.65
Total	ALL 25,884,920.00	ALL 24,723,674.00	ALL 23,621,210.30	ALL 22,574,611.39	ALL 23,186,449.73	ALL 24,296,643.22	ALL 25,165,742.51	ALL 25,834,314.79	ALL 27,200,504.81	ALL 28,648,334.17	ALL 30,182,691.26

Compared to Scenario 1, revenues of DNP experience a decrease by 43.5% in 2020, while the revenues of LNP decrease by 47.5% for the same year. The decrease of revenues under Scenario 2 wider over the years. Thus, for 2030, revenues of DNP under Scenario 2 are expected to decrease by 56.2% compared to Scenario 1, while revenues from LNP revenues are expected to decrease by 97% compared to Scenario 1.

References

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8. Annexes

8.1. Legal Framework on Protected Areas

8.1.1. Purpose of the Memo

This informative memorandum (hereinafter the “**Memo**”) sets out the main legal aspects under the national legislation on the protected areas in the Republic of Albania.

8.1.1.1. Applicable Laws and Bylaws

In preparing this Memo, we have examined the following applicable laws and bylaws:

Law No. 8417, dated 21/10/1998 “The Constitution of the Republic of Albania”, as amended (hereinafter referred to as the “Constitution”);

Council Directive 92/43 / EEC, dated 21 May 1992 “On the conservation of natural habitats and of wild fauna and flora” (hereinafter referred to as the “Council Directive 92/43 / EEC”);

Law No. 81/2017, dated 04/05/2017 “On Protected Areas”, (hereinafter referred to as the “Law 81/2017”);

Law No. 107/2014 “On Territorial Planning and Development”, amended with Law No. 73/2015; Law No. 28/2017 and Law No. 42/2019;

Law No. 10 440 dated 07/07/2011 “On Environmental Impact Assessment” as amended;

Law No. 10 433 dated 16/06/2011 “For Inspection in the Republic of Albania”;

Law No. 7895, dated 27/01/1995 “The Criminal Code of the Republic of Albania”, as amended (hereinafter referred to as the “Criminal Code”);

Decision of the Council of Ministers No. 57, dated 06/02/2019 “On the criteria and method for zoning the territory of an environmental protected area (EPA)” (hereinafter referred to as the “DCM 57/2019”);

Decision of the Council of Ministers No. 102, dated 04/02/2015 “On the establishment, organization and functioning of the National Agency of Protected Areas and Regional Administrations of Protected Areas”, as amended (hereinafter referred to as the “DCM 102/2015”);

Decision of the Council of Ministers No. 593, dated 09/10/2018 “On the composition, functions, duties and responsibilities of the Management Committees of the Environmental Protected Areas” (hereinafter referred to as the “DCM 593/2018”);

Decision of the Council of Ministers No. 402, dated 21/06/2006 “On the natural ecosystem of Dajti Mountain “National Park” (with extended surface)”, as amended (hereinafter referred to as the “DCM 402/2006”);

Decision of the Council of Ministers No. 289, dated 28/04/2010 “On declaring as “National Park” the natural marine ecosystem near Karaburun Peninsula and Sazan Island”, as amended (hereinafter referred to as the “DCM 289/2010”);

Decision of the Council of Ministers No. 96, dated 21/11/1966 “On declaring Llogara, as Protected Area of Category II “National Park”;

Decision of the Council of Ministers No.686 dated 29.07.2015 “On the rules, responsibilities, timelines for the EIA procedure and the transfer procedure of the decision for the environmental declaration” amended;

Decision of National Territory Council No. 1, date 16/10/2017 “On approval of the General Local Plan (GLP) for Vlora Municipality;

Decision of National Territory Council No. 1, date 14/04/2017 “On approval of the General Local Plan (GLP) for Tirana Municipality.

Evaluation of Legislative Requirements for Construction of Designed Facilities in Dajti National Park Balcony and Llogara National Park

Protected natural - terrestrial or aquatic – and tourist areas in the Republic of Albania have been granted this status due to their biological diversity or natural and cultural resources they offer. These areas are protected by the state and are divided into the following categories according to their importance:

- 2 strictly protected areas which include Gashi River (Tropoja) and Kardhiqi (Gjirokastra);
- 15 national parks;
- 750 natural monuments;
- 23 managed areas;
- 4 protected terrestrial or marine landscapes;
- 4 protected areas of managed resources, *and*
- 4 RAMSAR areas.

According to the Ministry of Environment, the protected areas occupy a total area of 460,060.9 ha, i.e. 15.4% of the country's total area. The practice of protected areas started in 1940 with the announcement or creation of the first state hunting reserve (Kune-Vain-Tale) in Lezha and in the National Park of Tomorri Mountain in Berat.

The Ministry of Tourism and Environment includes in the list of protected areas:

- Llogara, as Protected Area of Category II "National Park" with an area of 1,010.00 ha, approved by the Decision of the Council of Ministers No. 96, dated 21/11/1966;
- Karaburun – Sazan, as Protected Area of Category II "National Park" with an area of 12,428.00 ha, approved by the Decision of the Council of Ministers No. 289, dated 28/04/2010 as amended; *and*
- Dajti Mountain as Protected Area of Category II "National Park" with an area of 58,433.80 ha, approved by the D CM 402/2006.

Natura 2000 is the basic document of the EU's nature policies - the largest network of protected areas in the world. Although growing steadily, the Albanian system of protected areas faces numerous challenges and threats as a result of developments in the country in recent years. To address these issues, the NaturaI project, its partners, organizations and experts have invested heavily in supporting protected areas and launching the Natura 2000 network in the country. The NaturaI project started in 2015, at the same time as the establishment of the National Agency of Protected Areas in Albania, providing support for improving the management of protected areas in the country and launching the creation of the Natura 2000 network.

8.1.2. Legal review of national legislation, EU and international standards

The legal system in the Republic of Albania is based on a variety of rules at the hierarchical level with each other directly dictated by the Constitution.

The Constitution in its Article No. 116 has defined the hierarchy of norms (legal and sub-legal acts). This definition serves to identify the importance of each category belonging to a particular act so that there are no gaps and collisions in the applicability of each.

According to this constitutional provision, the hierarchy of norms in the Republic of Albania is as follows:

1. Normative acts with legal force throughout the territory of the Republic of Albania
 - The Constitution
 - Ratified international agreements
 - Laws
 - Normative acts of the Council of Ministers
2. Acts issued by the local government bodies that have force only within the territorial jurisdiction exercised by these bodies; and

3. Normative acts of ministers and governing bodies of other central institutions that have power throughout the territory of Republic of Albania within the scope of their jurisdiction.

The Constitution is the normative act with the greatest legal force in the territory of the Republic of Albania. This means that any legal or sub-legal act must be based on and be in compliance with the Constitution.

Another important conclusion in terms of the hierarchy of norms is the position of international agreements. According to the provisions of Article No. 116 as defined above, ratified international agreements have been given special importance by classifying them immediately below the Constitution in terms of importance and legal force. This is a clear vision of the legislator, giving primary importance to the international relations and globalization, which has become inevitable, necessary and very efficient nowadays. Constitutional regulations further strengthen this position by referring to Article No. 122 which stipulates that any ratified international agreement is part of the internal legal system after being published in the Official Gazette of the Republic of Albania. It applies directly, except when it is not self-applicable and its implementation requires the enactment of a law. An international agreement ratified by law is superior to the laws of the country that do not agree with it.

Regarding the environment, constitutional arrangements are few, leaving room for other acts to address these aspects more broadly. Incidentally, in Chapter IV, Article 56 it is mentioned that everyone has the right to be informed about the state of the environment and its protection. In addition, a general declarative regulation comes from Chapter V, Social Objectives where Article 59 states that the State, within the constitutional powers and means at its disposal, as well as in addition to private initiative and responsibility aims at a healthy and friendly environment suitable for present and future generations.

In the context of the Stabilization and Association process and membership in the European Union, Albania has become part of the Stabilization and Association Agreement by ratifying it with Law No. 9590 dated 27/07/2006. In legal terms, this act constitutes a ratified international agreement which necessarily shows superiority in relation to domestic laws. One of the main goals of the Association process is precisely the approximation of national legislation with that of the European Community. The approximation goes through gradual phases, making it possible to avoid as many collisions as possible between European Community and national norms in the future where the Republic of Albania will be part of the European family.

In the European context, the Council Directive 92/43 / EEC of 21 May 1992 "*On the conservation of natural habitats and of wild fauna and flora*" has been adopted on the issue under consideration. The aim of this Directive is to contribute towards ensuring bio-diversity through the conservation of natural habitats and of wild fauna and flora in the European territory of the Member States. In the context of the Stabilization and Association Agreement cited in the above paragraph, the Republic of Albania has approved Law No. 81/2017 "*On Protected Areas*" which is partially aligned with Council Directive 92/43 / EEC, dated 21 May 1992. The provisions of this law apply to the areas included within the borders of the protected environmental areas in the Republic of Albania. The purpose of this law is the proclamation, preservation, administration, management and sustainable use of protected environmental areas and their natural and biological resources, based on the principle of sustainable development, to guarantee the fulfillment of environmental, economic, social and cultural functions, in the interest of the whole society, as well as the determination of the responsibilities of public institutions and private natural / legal persons for their safekeeping and sustainable administration, through:

- Identification and determination of protected environmental areas or expansion of existing ones;
- Security, conservation, rehabilitation and renewal of ecosystems of natural habitats, species, reserves and natural landscapes within protected environmental areas;

- Sustainable use of environmentally protected areas, integrating its elements into strategies, plans, programs and decision-making at all levels.

In international aspects, the Republic of Albania has adhered in Convention on “Protection of the marine environment and the coastal area of the Mediterranean Sea”. Adherence to this Convention is made through Law No. 8690, dated 16/11/2000. Along with the convention, it's 6 accompanying protocols have been accepted, namely:

- Protocol on the Prevention and Avoidance of Pollution of the Mediterranean Sea from Ship and Ship Waste or from Fuel Burning at Sea;
- Protocol on co-operation to combat Mediterranean pollution from oil and other harmful substances, in emergencies;
- Protocol for the protection of the Mediterranean Sea from pollution of activities located on land;
- Protocol on specific protected areas and on biological diversity;
- Protocol for the protection of the Mediterranean Sea from pollution caused by the exploration and exploitation of the continental shelf, the seabed and its subsoil;
- Protocol on the Prevention of Pollution of the Mediterranean Sea by the cross-border movement of hazardous waste and their disposal.

Another important international act is the Convention for the conservation of wild flora and fauna and the natural environment of Europe (the Bern Convention) ratified through Law No. 8294 dated 02/03/1998.

8.1.3. International Standards

European Bank for Reconstruction and Development (EBRD) has adopted a comprehensive set of specific Performance Requirements (PRs) for key areas of environmental and social sustainability that projects are required to meet. Central to the PRs is the application of the mitigation hierarchy and good international practice.

The PRs are as follows:

- PR 1 Assessment and Management of Environmental and Social Risks and Impacts
- PR 2 Labour and Working Conditions
- PR 3 Resource Efficiency and Pollution Prevention and Control
- PR 4 Health, Safety and Security
- PR 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
- PR 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
- PR 7 Indigenous Peoples
- PR 8 Cultural Heritage
- PR 9 Financial Intermediaries
- PR 10 Information Disclosure and Stakeholder Engagement

The most important PRs related to this Memo are PR1 & PR 6.

PR 1 on Assessment and Management of Environmental and Social Risks and Impacts recognizes the importance of an integrated assessment to identify the environmental and social risks and impacts associated with projects and the client's management of environmental and social performance throughout the life of the project. A successful and efficient environmental and social management system (ESMS)

promotes sound and sustainable environmental and social performance, and can lead to improved financial, environmental and social outcomes. It is a dynamic, continuous process, initiated and supported by management, and involves meaningful communication between the clients, its workers, the local communities affected by the project and, where appropriate, other stakeholders. This PR outlines the responsibilities of the client in the process of assessing the potential environmental and social risks and impacts associated with the project, and developing and implementing procedures for managing and monitoring these risks and impacts.

PR 6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources recognizes that the conservation of biodiversity and sustainable management of living natural resources are fundamental to environmental and social sustainability. Biodiversity is defined in accordance with the Convention on Biological Diversity as the “variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems”. Living natural resources are defined as being “the plants and animals cultivated for human or animal consumption and use, whether in the wild or in a cultivated situation. It includes all types of forestry, biofuels, agriculture, including both annual and perennial crops and animal husbandry, including livestock; and both wild and capture fisheries including all types of marine and freshwater organisms, both vertebrate and invertebrate”.

PR 6 recognizes the importance of maintaining the core ecological function of habitats, biodiversity and ecosystem services. All ecosystems support a complexity of living organisms and vary in terms of richness, abundance and importance of species. The objective of biodiversity conservation and sustainable management of living resources must be balanced with the potential for utilizing the multiple economic, social and cultural values of biodiversity and living natural resources in an optimized manner.

8.1.4. Categories of Protected Areas

According to Article No. 14 of Law 81/2017, the protected areas are divided into the following categories:

- Strict natural reserve / scientific reserves (category I);
- National Park (category II);
- Natural monument (category III);
- Managed natural reserves / Natural Park (category IV);
- Protected landscape (category V);
- Protected area of managed resources (category VI);
- Municipal Natural Park (category IV);
- Green crown (category V).

Since the subject matter of this Memo is the area of Dajti and Llogara which belong to category II – National Park, the Memo will focus only on the concepts related to this category. “National Parks” are declared the vast territories, usually not less than 1,000 ha, unique in terms of national and international values, preserved and managed for the protection of ecosystems, species, for education and recreation (recreation and entertainment), which regulate sustainable human use of natural resources.

According to the second paragraph of Article No. 16 of Law 81/2017, “National Park” areas are subject to a degree of environmental protection which aims to keep the territory in a natural state, thus preserving biotic communities, genetic resources and species in order to ensure ecological stability and diversity and where:

- human activity is excluded from exploiting or engaging in intensive activities;

- the use of land with intensive technology, by means that cause radical changes in biodiversity, in the structure and functions of ecosystems or that irreparably damage the land surface, is not allowed;
- the construction of urban areas, highways, railways, power lines, such as hydropower plants, high voltage lines and long-distance oil and gas systems is prohibited;
- it is not allowed to change the natural state of water reserves, springs, lakes and systems of wet areas;
- it is forbidden to carry out any activity that contradicts the objectives of the protection of the area and that are defined in the management plan.

The only activities allowed in the “National Park” areas are those that ensure the creation of spiritual, scientific, educational, leisure opportunities for visitors, in accordance with environmental, cultural and management requirements, but only after obtaining the approval of state institutions, which aim to:

- keep the area in a natural state or as close to natural as possible;
- observe of ecological, geomorphological values, sacred or aesthetic objects, for which the area is taken under protection;
- take into account the rights of local residents, such as fishing, grazing and collecting firewood, to the extent that they do not harm other management objectives.

8.1.5. Economic activities that are allowed after prior approval

Upon a written and reasoned proposal of the area protection administration, the National Agency of Protected Areas may approve:

- Grazing and crossing of domestic animals and erection of light or temporary facilities for their maintenance
- Placing stands, data boards, advertisements, signs and posters
- Driving boats, canoes and other non-motorized vessels, always in case such activities do not require prior investment, which require a change in the amount of water or flows of water in the proposed location
- Non-military flights by helicopters, balloons, delta plane, etc.
- Movement and parking of vehicles off certain roads and places
- Climbing, skiing, camping and lighting fires outside certain points
- Collection of plants, fruits, seeds and mushrooms
- Exercise of activities of seasonal tourist structures that do not require final occupation of the land.

When the park's maintenance administration notices that the purpose for which the area has been declared a “National Park” is violated, it may temporarily or permanently restrict the movement of vehicles, fishing and other permitted activities. On the proposal of the National Agency of Protected Areas, the Minister approves the instruction on the temporary suspension procedures of the approved activities when the purpose for which the protected environmental area has been declared is being violated. The management plan for the park, defines clearly and in detail, according to the sub-zones of administration, the allowed activities, the prohibited activities and those for which a permit issued by the competent bodies is required, according to the Albanian legislation in force.

8.1.6. Zoning of the territory of the protected area

To increase the efficiency of management and protection, Law 81/2017 stipulates that the territory of the protected area is divided into subzones, according to the importance of the habitats and ecosystems that

are part of it. The internal zoning may contain the central area, the recreation area, and the traditional use and the sustainable development area, which are all defined by the decision of the Council of Ministers declaring the protected area. The territorial zoning system of a protected area is used for the categories: “National Park”, “Managed Natural Reserves / Natural Park” and “Protected Landscape”.

According to the DCM 57/2019, the process of sub-zoning the territory of the EPA is performed through the following steps:

- Carrying out a preliminary work for the selection / determination of subzones and their placement on basic maps of the territory;
- Collection of complete and necessary information on nature, biodiversity, use of the area, community needs and their livelihood;
- Drafting a list of damaging and threatening factors for EPA, through SWOT analysis (Strength, Weakness, Opportunities, and Threats);
- Gathering information through contact with relevant institutions (research phase), studies conducted, literature, official published reports, as well as field observations;
- Preparation of the project-plan (preparation of digital maps) consultation with stakeholders, the community, on the accuracy and appropriateness of the content of the proposed project-plan;
- Review of the project-plan with stakeholders and the community;
- Reflection of comments on the project-plan and relevant explanatory materials;
- Finalizing the project-plan and submitting the internal zoning of the protected environmental area to be submitted to the Council of Ministers for approval.

The sub-zones are developed or revised during the process of drafting management plans, as the basic document that defines the division of activities into an EPA. The normal sub-zoning procedure begins with a comprehensive study of the territory of the EPA as part of the study of the Regional Management Plan: ecological, socio-economic, vegetative cover, ownership, legal or traditional rights of land use, forestry, pastures, waters and natural resources, archeological sites and archeological parks and areas of cultural landscape, architecture and local traditions, spatial planning and expectations from future developments.

The process of sub-zoning the environmental protected area is led by the Ministry responsible for the environment and the National Agency of Protected Areas, in cooperation with specialists in the field, local or central institutions, all stakeholders and civil society organizations at local or national level.

❖ Core

In the central subzone of an environmental protected area the first degree of protection is applied. The subzone is divided into two levels.

At level A the following are prohibited:

- cutting of trees and bushes
- use of chemicals and chemical fertilizers
- constructions of any kind
- extraction of minerals and peat
- lighting fires
- grazing, crossing of domestic animals and construction of facilities for their maintenance
- establishment of recreational, entertainment and sports facilities

- crossing paths, with the exception of the owner or user of the land
- movement with motor vehicles of any kind, with the exception of the reserve and fire department administration vehicles
- driving boats, canoes and other vessels
- Intensive reproduction of wild fauna species, object of hunting.

At level B the following are prohibited:

- land use with intensive technology, with tools and means that cause radical changes in biodiversity, in the structure and functions of ecosystems or that irreparably damage the soil surface
- neutralization of waste originating outside the territory of the “National Park”
- distribution of non-native animals and plants, when they bring about changes in the biodiversity of the area
- intensive reproduction, with the exception of rescue reproductions
- construction of roads, highways, railways, urban areas, hydropower plants, high voltage lines and long-distance oil and gas systems
- washing and spraying of roads with chemicals
- planting of monoculture forests
- lighting fires outside certain places and points
- movement of means of transport outside certain roads
- extraction of minerals, stones, peat, with the exception of stones and sand for the maintenance of the park
- massive sports, tourist activities, outside certain points
- Organization of competitions with vehicles and motorcycles.

❖ **The subzone of traditional and sustainable use**

In the subzone of the traditional and sustainable use of an environmentally protected area, the second level of protection is applied, where the following are prohibited:

- Change of the natural state of water reserves, springs, lakes and wetland systems
- Chemical deposition
- Movement and parking of vehicles off public roads and designated parking places
- Intensive collection of plants, minerals, paleontological findings and stones
- Placement of stands, data tables, advertisements, signs and posters, with the exception of those that provide data on the objectives of reserve protection
- Alpine climbing, skiing, camping and lighting fires outside certain points and paths.

❖ **Recreation subzone**

In the sub-zone of sustainable use and recreation of an environmentally protected area, the third level of protection is applied, where the following are prohibited:

- Planting of monoculture forests
- Neutralization of waste and ignition of fires outside certain places and points
- Distribution of non-polluting animals and plants
- Construction of highways, floating canals and urban areas

- Movement by means of transport outside certain roads and places.

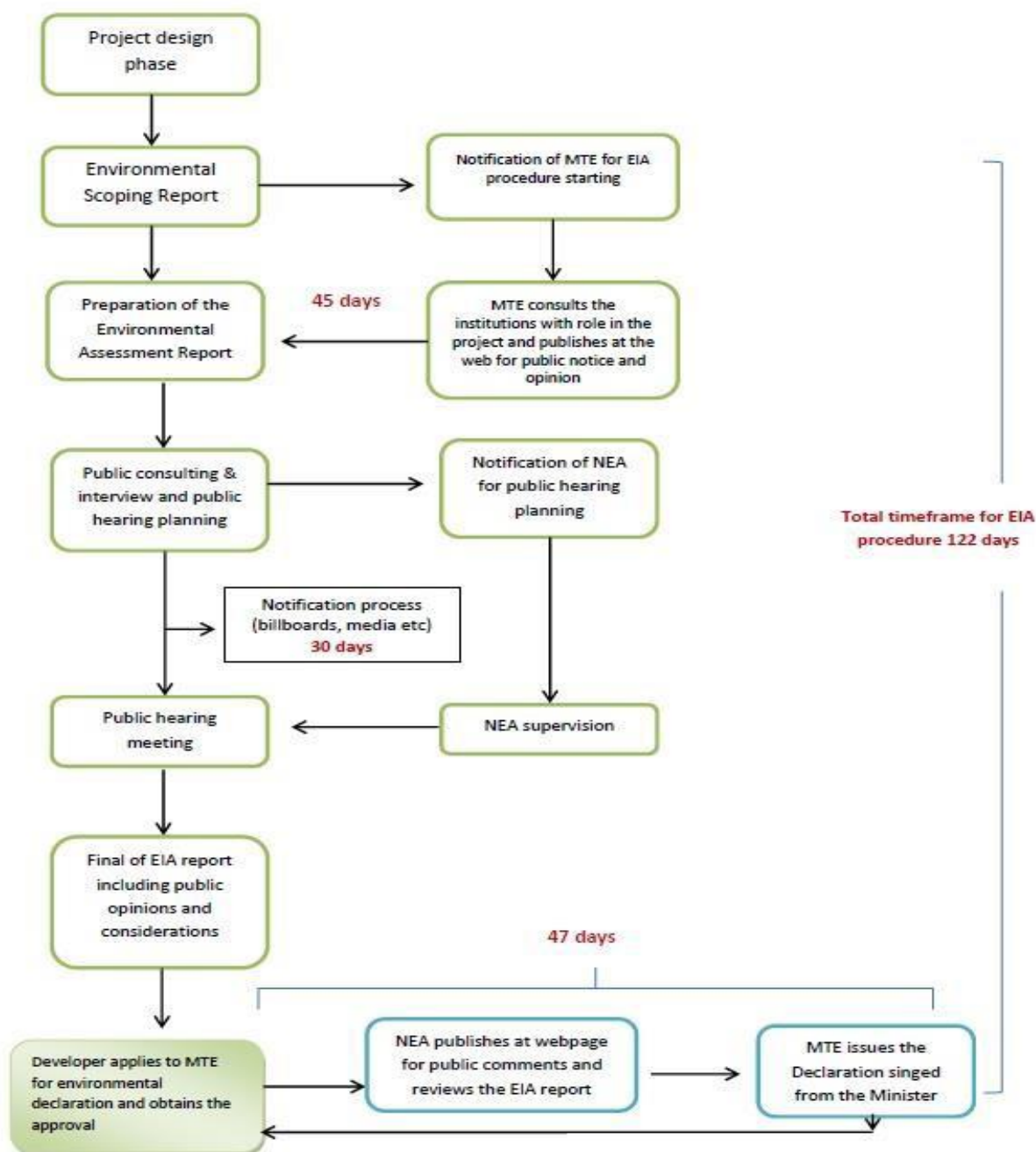
In this subzone, recreation with a tourist and relaxing character is allowed for entertainment purposes and which does not alienate the surface of the subzone for other economic purposes, after approval by the institutions required by law.

8.1.7. Environmental Impact Assessment

Albania has specific legislation requiring the need for an Environmental Impact Assessment. The 2002 Law on Environmental Protection established environmental protection requirements, including the requirement to conduct an Environmental Impact Assessment (EIA) and to obtain an environmental permit before initiating a project. It establishes monitoring requirements to identify project impacts during construction, operation and rehabilitation, as well as requirements during the project closure phase. The law was appealed by Law No.10431, dated 09.06.2011 "On Environmental Protection" amended, which aims to mirror European Union Directives and best practice towards environment management. The 2011 Law on Environmental Protection (as amended) establishes the environmental protection framework, institutional framework and competencies, environmental impact assessment principles and environmental permitting. It defines activities affecting the environment as "any economic and social activity that uses the environment or part of it, or that discharges materials and energy by changing its characteristics".

All projects associated with potential impacts on the environment shall undertake an Environmental Impact Assessment prior to starting the implementation. The EIA report and other necessary documents will be submitted to the Ministry of Tourism and Environment (MTE) who will transfer the project files to the National Environmental Agency (NEA) for review. The project shall be approved with Environmental Decision/Declaration of the NEA and MTE. The procedure of EIA is detailed in DCM No.686 dated 29.07.2015 "On the rules, responsibilities, timelines for the EIA procedure and the transfer procedure of the decision for the environmental declaration" amended.

Figure below shows EIA procedure and timeline according to Albanian national legislation.



8.1.8. Management Structures and Responsible Institutions of Protected Areas

This section summarizes the responsible structures and the role of each in the administration, management, preservation and development of protected areas.

Institution	Roles and Responsibilities
Ministry of Tourism and Environment	<ul style="list-style-type: none"> The central policy-making institution for the protection and administration of protected areas in the Republic of Albania. Responsible for proposing the proclamation of the creation, change or removal of the status of protected areas, approval and drafting of

Institution	Roles and Responsibilities
	<p>their management plans, zoning, surface increase, review of the status of protected areas.</p>
National Agency of Protected Areas	<ul style="list-style-type: none"> • Is the central state institution responsible for protected areas, depending on the minister, and has the task of administering and controlling them throughout the territory of the Republic of Albania. • Continuous management, organization and control of the depended structures of the protected areas. • Approval of activities in protected areas, as part of the process of obtaining an environmental permit for activities that have an impact on the environment in protected areas. • Supporting and developing sustainable economic activities within protected areas in cooperation with the State Aid Commission. • Financial management of the network of protected areas.
National Council of Territory	<ul style="list-style-type: none"> • The National Council of the Territory (NCT) is a collegial body that functions within the Council of Ministers and is chaired by the Prime Minister. The NCT consists of the Chairman, and 8 members. • NCT decides on the approval, approval by amendments or postponement of the review of planning documents, requested for approval by the planning authorities; • NCT decides on the approval of sectoral planning documents, defined by special legislation, and which have effects on the territory; • NCT determines the national importance of an issue, area or object in territorial planning, and approves detailed plans for areas of national importance; • NCT is the authority responsible for decision-making on development permits and construction permits for the types of complex development, defined in the development regulations and those related to issues, areas, objects of national importance or with strategic investments for the interests of the country.
National Territorial Planning Agency	<ul style="list-style-type: none"> • processes of improving the territorial planning legislation; • administration and maintenance of the territorial planning database, (National Territorial Planning Register); • informing the public about the planning processes of the territory, as well as about the promotion of its participation during the processes of drafting and implementing the planning documents; • providing legal, technical and methodological standards in the field of territorial planning; • preparation of studies for the Integrated Planning System in the Republic of Albania and proposals for the Minister responsible for territorial planning and development, the National Council of the Territory and the Council of Ministers, for measures for the sustainable development of the territory and for processes and activities related to territorial planning; • Drafting the Annual Monitoring Report on the Implementation of Goals and Objectives, stated in the General Territorial Plan and detailed plans for areas of national importance.

Institution	Roles and Responsibilities
National Coastal Agency	<ul style="list-style-type: none"> • Aims to protect the coastal area, promote and monitor projects, monitor the development of the coastal area and plans approved by the planning authorities; • Protection and sustainable development of the coastal area; • Implement policies and strategies for integrated coastal area management; • Promoting investment in the coastal area; • Cooperation with relevant bodies for projects and activities for the protection and development of the coast and monitoring their implementation.
Regional administrations of protected areas	<ul style="list-style-type: none"> • The regional administrations of the protected areas are institutions, under the National Agency of Protected Areas, based in each region and constitute the specialized local institutional network, which implements the tasks for the protection and development of the protected environmental areas located in the region.
Municipalities	<ul style="list-style-type: none"> • Municipalities implement the legal requirements regarding the protected areas within the administrative territory where they exercise their activity. • During the exercise of their functions, the municipalities, in relation to the protected areas, cooperate with the regional administration of the protected areas. • Municipalities, according to the practical possibilities, establish within their administration the protection unit of its environment. • Drafting and implementation of general local plans for territorial planning.
Management Committees	<ul style="list-style-type: none"> • In order to follow the implementation of management plans in protected areas, management committees are set up, consisting of the municipality / municipalities, within the administrative territory of which the protected area is located, by local institutions that have direct links with them, such as agriculture, tourism, infrastructure, civil society, representatives of forest and pasture owners located in protected areas and run by the mayor. • The Committee has a supervisory function for the implementation of management plans in environmental protected areas and functions according to the regulation approved by it and the role of the technical secretariat for it is played by the administration of the protected area, which administers all documentation reflecting the work of the committee.

8.1.9. Management Plans

The Ministry, in cooperation with line ministries, municipalities, groups of interest and the public, civil society and private owners, whose properties extend within the territory of the protected area, approves for each protected area its management plan, drafted by the National Agency of Protected Areas. The structure of the management plan, the content and the criteria for its review are approved through an Instruction of the

Minister. Environmental protection zone management plans are drafted for a period of 10 years. The management plan, defines, according to the sub-zones of administration, the prohibited activities and those that can be exercised after being provided with an environmental permit or that require the approval of the administration of the area.

8.1.10. Administrative Offenses

The following violations constitute administrative contraventions (when such violations do not constitute a criminal offense) according to the Law on Protected Areas:

- for the pollution and damage of the area protected from over-discharge of activities that take place outside the area, but in its vicinity, the subject is punished with a fine from ALL 100,000 to ALL 300,000;
- for the development in the area of activities that are not provided with an environmental permit, the subject is punished with a fine from ALL 1,000,000 to ALL 2,000,000;
- for non-compliance and non-compliance with the requirements, principles and conditions of the relevant environmental permit, according to the provisions of the law, the subject is punished with a fine from ALL 500.000 to ALL 1,000,000;
- for damaging the areas protected by the owners of private properties located within the area, the subject is punished with a fine from ALL 50,000 to ALL 80,000;
- For damage to protected areas by users of the area, with a fine from ALL 50,000 to ALL 80,000.

According to the Law No. 10 006, dated 23/10/2008 “On Protection of Wild Fauna and Flora”, as amended, there are several types of administrative contraventions listed such as:

- Exercising activities for the reproduction of wild fauna species for commercial purposes, contrary to the provisions of this law, is punishable by a fine of ALL 30,000 to ALL 50,000;
- The addition and reproduction of species, in order to redistribute them, in violation of the provisions of this law, with a fine, is punished in the amount of ALL 30,000 to ALL 50,000;
- The capture of birds at the time of the fall of the feathers, when they have frozen from the cold, as well as the capture of wild fauna species during floods, fires and other natural disasters, contrary to the provisions of this law, is punishable by a fine, to the extent ALL 30,000 to ALL 50,000;
- Breaking down nurseries, damaging, collecting and taking eggs and newborns, killing or removing from the nest and exterminating those in them; capturing and killing individuals of wild fauna when they are in difficult conditions as a result of frost, floods, fires and other natural disasters; Destruction of habitats and conditions of wild fauna breeding; Local exposure of embalmed individuals or their parts, when they belong to protected species, constitute all administrative offenses punishable under the law cited.

According to the Law No. 10 431, dated 09/06/2011 “ On Environment Protection”, there are several types of administrative contraventions listed such as:

- failure to provide information on the discharge and transfer of pollutants from the operator;
- non-fulfillment of requirements for production, import, export, marketing and use of ozone depleting substances, as well as import, export, marketing and use of products and equipment containing these substances;
- non-compliance with the requirements for the deliberate release into the environment of Genetically Modified Organisms, for purposes other than placing them on the market as products aimed at protecting the environment and human health;

- non-compliance with the requirements for the prohibition of production, import, marketing and use, to reduce emissions, minimize and eliminate sustainable organic pollutants;
- non-fulfillment of requirements for the discharge of unpleasant odors from new and existing activities;
- non-compliance by the authorized person, who performs environmental monitoring, as much as possible, of the requirements for minimizing the interference on land use and non-compliance, after performing the activity, as much as possible, of the requirements for return of land in its previous state;
- Failure to notify the National Environmental Agency of the possibility of a direct threat of such damage by the operator.

According to the Law No. 9385, dated 04/05/2005 “For forests and forest service”, amended with Law No. 36/2013, there are several types of administrative contraventions listed such as:

- illegal logging of forests, new forests, spruce and seedlings, as well as their damage to forest land, when the material consequences are light;
- cutting trees without the stamp of forest service bodies, when the material consequences are light;
- illegal use of funds and forest land;
- unauthorized cutting or damage to forests, privately owned, by owners or entities, which have been leased or leased, when the material consequences are light;
- collection of forest and non-forest products, such as resin, cones, needles, leaves, grass, bark, humus, root and bark, flowers, fruits, buds and herbs, mushrooms, medicinal plants, stumps, bandages, twigs, bows, bandits, spears and reeds, stones, gravel and sand, without the relevant permission of the forest service body;
- demolition, deletion or damage of boundary, geodetic and topographic signs, warning or indicative signs, placed in the national forest fund;
- construction of lime kilns and charcoal fireplaces in the forest fund, without the approval of the forest service bodies;
- construction of simple constructions, fences, campsites, within the fenced territories of the forest fund and those declared with a protective and special function, contrary to the rules;
- dumping of urban waste and inert inside the forest or forest land and outside certain places, when the material consequences are light;
- parking of vehicles, placement of rollers in forests with protective and special function, in national parks, in reservoirs of breeding of wild flora and fauna, in forest nurseries or in other places of the forest fund, of special importance, without approval of forest service bodies;
- change of cadastral item or forest crops by the private owner, without the approval of the forest service bodies;

In addition to the fines applied for administrative offenses, an inspection body and the administration of protected areas may propose to the Minister the revocation of the environmental permit and the closure of all activity or parts thereof permanently or for a certain period of time, in accordance to the legislation in force for environmental permits. According to the inspection law, an inspection is authorized based on a program of inspection. Inspection programming is designed by the inspectorate itself, based on risk assessment methodologies and the obligation for periodic inspection in cases provided by a special law. The inspection program of the state inspectorate is approved by the responsible minister after receiving the advisory opinion from the Central Inspectorate, while the inspection program of the local inspectorate is approved by the executive body of the local government unit. Exceptionally, a concrete inspection may be authorized outside the inspection program for specific cases provided in the law on inspections and in case there is a denunciation or information received from third parties when there is a suspicion of violation of legal requirements by certain subjects.

8.1.11. Criminal Offenses

Albanian criminal legislation is rich in land, environmental, habitat and species protection. Specifically, section XI of the Criminal Code, Articles 199; 199 / a; 199 / b and 200 are devoted to the protection of the legal regime of land. This section includes criminal offenses of land use; illegal constructions; providing assistance for illegal construction and occupation of land. In addition to Section XI, the Criminal Code provides special protection for the environment as well. Chapter IV lists and clarifies 10 criminal offenses that harm the environment. Specifically, these offenses are listed below:

- Environmental pollution (soil, water and air);
- Transportation of toxic waste;
- Prohibited fishing;
- Illegal deforestation;
- Cutting decorative and fruit trees;
- Fire destruction of forests and forest environment (intentionally or negligently);
- Violation of plant and animal quarantine.

Law No. 44/2019 “On some additions and amendments to the Criminal Code of the Republic of Albania” completed the criminal legal framework in terms of environmental protection. These changes and additions were dictated by the need to be consistent with the Law No. 81/2017 as well as the need to ensure sustainability and efficiency in the fight against environmental abusers. The provisions of this law are complete in the form of a comment and do not need analysis or elaboration to highlight their comprehensibility, so their content is summarized below exactly according to the Criminal Code.

Article No. 201, Air, water and soil pollution:

Air pollution, pollution of surface and groundwater, pollution of the surface or depth of the earth, severe damage to animals or plants, through the discharge, emission or introduction of ionizing radiation or a quantity of materials in the air, soil or water, beyond the limit of norms permitted by law, are punishable by imprisonment of up to three years.

The same act, when committed in areas specifically protected by law, such as areas of environmental, cultural, artistic, historical, architectural or archaeological value, or when it has caused or is likely to cause serious damage to the ecosystem, biodiversity, flora or fauna, is punishable by imprisonment of one to five years.

When the criminal offense provided for in the first paragraph of this Article has caused or is likely to cause minor injury to one or more persons, he shall be punished by imprisonment of one to seven years.

When this offense has caused or is likely to cause serious injury to one or more persons, it is punishable by imprisonment of two to ten years.

The same act, when it has caused or is likely to cause the death of one or more persons, shall be punishable by imprisonment of five to fifteen years.

As can be seen, for most of the violations identified above as administrative offenses, the laws cited also mention minor consequences. This prediction was made because the serious consequences classify these violations automatically as criminal offenses and not as administrative offenses. The amplitude of the consequences is the main difference for violations of environmental protection rules. The provability of the consequences can often require the relevant inspectors to analyze and research by preparing an expertise report. For all cases where inspectors identify violations which they consider beyond the administrative nature, they notify the Judicial Police Officers under whose jurisdiction the area where the violation was

committed or may refer the case directly to the District Prosecutor according to the relevant jurisdiction. The proceeding of the criminal proceedings is taken care of by the prosecuting authorities and maintains constant contact with the competent environmental authorities for the coordination of work. In cases where the proceedings end with the punishment of the offender, the authorities for the care and protection of the protected areas as well as the authorities responsible for the protection of the environment may also claim civil damages from the convicted subject.

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This Memo shall be construed in accordance with Albanian law as it stands at the date of this Memo. It is prepared only for the recipient and may not be transmitted to, nor relied upon, by any other person or used for any other purpose without our written consent.

8.2. Examples of Bio-prospecting and PAs

One well-known example is the collaboration between Merck (an international pharmaceutical company) and the National Biodiversity Institute (INBio) of Costa Rica. Their agreement, which dates from the early 1990s, grants Merck access to natural material from which compounds are extracted and screened, using various bioassays to see whether they have medically useful properties. Compounds identified as having potential are, of course, not immediately brought to market but must go through a long process of animal and human trials and certification before they can be produced and sold. INBio coordinates the collection of material and the initial extraction of compounds. Under the terms of the agreement, Merck supports the strengthening of INBio's capacity to carry out its work, as well, promising a portion of the profits arising from any successful drug produced. INBio, in turn provides a share of this funding to Costa Rica's protected areas (some 300,000 USD has been paid, most of which has gone to Cocos Island National Park). INBio, now negotiated similar agreements with a number of other companies, including Givaudan-Roure (fragrances for use in the cosmetic industry), Recombinant Bio-Catalysis (micro-organisms living in harsh conditions), Bristol-Myers Squibb (insects as input to drug development), AnaLyticum and INDENA (dermatological products). Despite criticism of these deals (mainly concerning transparency, public accountability and the price paid by companies for access to resources), there is no doubt that INBio's innovative approach has demonstrated the potential of securing additional funding for PAs from commercial bio-prospecting.

Another approach is illustrated by Shaman Pharmaceuticals, a company set up to conduct bio-prospecting. A key feature of Shaman's approach is to focus on drugs from species that indigenous peoples believe to be efficacious. A second feature is that Shaman pools risk and profits among its indigenous collaborators. Shaman has also established the Healing Forest Conservancy, a non-profit organization which aims to channel a portion of profits directly to cooperating indigenous peoples in Asia, Africa and Latin America; other funds are provided directly to PA management agencies. Whether indigenous groups will invest in maintaining the biodiversity that is the source of medicinal plants, for example through PAs, remains to be seen.

A third bio-prospecting model is presented by another company — Andes Pharmaceuticals. Like Shaman, Andes is dedicated to bio-prospecting in cooperation with indigenous peoples. In addition, however, the Andes approach builds capacity to screen biological materials for useful products in the country of origin. Andes has signed agreements with several South American universities and NGOs to transfer state-of-the-art screening technology to laboratories in the countries where materials are being collected. In this case, not only does the source country benefit from capacity building, but what had previously been costs (for screening) subtracted from potential profits can become a new source of income to local institutions. Moreover, because both the developing country institution and the company would jointly hold any resulting patents, a larger share of the ultimate value of the drugs (rather than a 1 or 2% royalty) would go to the country of origin. On the other hand, Andes' approach does not include any direct or explicit benefit for the protected areas from which samples are derived.

8.3. Examples of instrument for incentive measures

Instrument	Advantages	Disadvantages	Applicability
Environmental taxes/charges	<p>Maximize economic efficiency.</p> <p>Easily understandable.</p>	<p>Rely on measurability of single components and on agreement about external cost values.</p> <p>Can require extensive monitoring.</p>	<p>Applicable in situations where impacts are easily measurable (e.g., hunting) and sources of impacts can be easily monitored.</p>
Market creation	<p>Results in the most efficient allocation of resources between competing users, and generation of appropriate prices for them.</p> <p>Low monitoring requirements.</p>	<p>May be imperfect when there are (large) external effects and/or monopolies.</p>	<p>Applicable where clearly defined property rights can be established and upheld for easily identifiable goods and services, and transaction costs are low enough.</p>
Removal of perverse incentives	<p>Reforming or removing these incentives can lead to an easing of pressures on the environment, improved economic efficiency and reduced fiscal expenditures.</p>	<p>Perverse incentives can often be difficult to identify (lack of transparency).</p> <p>They may be politically difficult to reform because of the strong opposition from recipients.</p>	<p>Applicable where clear benefits in terms of budgetary, economic efficiency and/or environmental goals can be identified and potential compensatory measures exist to facilitate the support removal process.</p>
Regulations	<p>Easily understandable.</p> <p>Legally binding.</p> <p>Can target directly particular activities or processes.</p>	<p>Can be economically inefficient or costly method of achieving environmental goals, especially if prescribing certain technologies.</p> <p>Strict enforcement is necessary.</p> <p>Inflexible.</p> <p>May be complex and detailed.</p>	<p>Most applicable where there is a limited range of easily identifiable environmental impacts that need circumscription and/or where the number of actors is limited.</p>
Environmental funds	<p>Transparent and high visibility.</p>	<p>May not maximize economic efficiency.</p>	<p>Applicable where Governments have</p>

	Positive public relations.	May be inflexible because funds are earmarked to some extent.	difficulties raising general funds, where fiscal infrastructure is weak, and where clearly identifiable and highly popular causes exist.
Public financing	Popular with recipients. Promotes desirable activities rather than prohibiting undesirable ones.	Requires funding. May lead to economic inefficiencies. May encourage rent-seeking behavior.	Applicable in situations where desirable activities would not be undertaken without support, or to create a differential in favor of such activities where it is not feasible to discourage the undesirable alternatives.

8.4. Project Implementation Schedule

[illegible]

No	Activity Plan - Timeline	Months											
		1	2	3	4	5	6	7	8	9	10	11	12
4.1	<i>Prepare a detailed report on providing economic inputs deriving from recreation activities and eco-friendly facilities to be constructed</i>												
4.2	<i>Develop Guidelines on how to develop previous experiences of eco-tours in order to fulfill the ecological sustainability, to ensure land preservation and protection of natural and cultural values of the area</i>												
5	<i>Exit phase</i>												
5.1	<i>Final workshop</i>												
5.2	<i>Final report</i>												