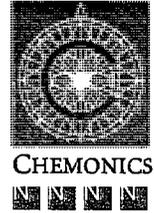


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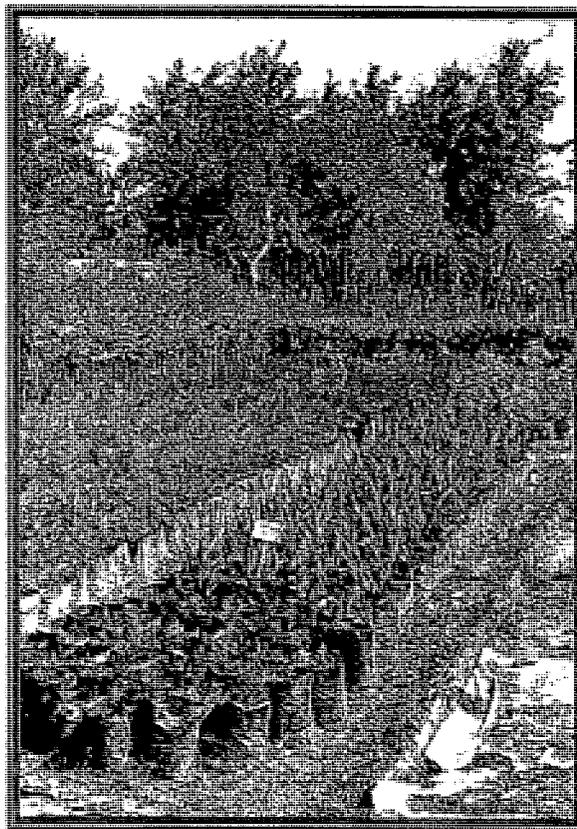
ALBANIA PRIVATE FORESTRY DEVELOPMENT PROGRAM



TWENTIETH QUARTERLY REPORT

July 1 – September 30, 2000

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ACRONYMS

APFDP	Albania Private Forestry Development Program
AUT	Agriculture University of Tirana
AHRI	Animal Husbandry Research Institute
AFP/WB	Albania Forestry Project (World Bank)
BG	Botanical Garden
BMT	Business Management Training
COP	Chief of Party
DAF	Directorate of Agriculture and Food
DGFP	Directorate General of Forest and Pasture
DFS	District Forest Service
FA	Farmers' Association
FPRI	Forest and Pasture Research Institute
FRI	Forage Research Institute
FUA	Forest Users' Association
GOA	Government of Albania
GTZ-SME	German Technical Assistance - Small Medium Enterprise
GLRI	Greek Livestock Research Institute
H.P.I.	Heifer Project International
HO	Home Office
LOP	Life of Project
LSTTA	Local Short Term Technical Assistance
MOAF	Ministry of Agriculture and Food
MPPT	Management Plan Preparation Team
NA	Nursery Association
NGO	Non-governmental Organization
NTFP	Non-timber Forest Products
OI	Opportunity International
PFOA	Private Forest Owners Association
PRA	Participatory Rural Appraisal
REC	Regional Environmental Center

SO	Strategic Objective
SRS	Small Ruminant Station
SRI	Soil Research Institute
STTA	Short Term Technical Assistance
TOR	Terms of Reference
TOT	Training of Trainers
USAID	U.S. Agency for International Development
WMA	Willow Management Association



A. Introduction

The Albania Private Forest Development Program's (APFDP) Twentieth Quarterly Report covers the period from July 1, 2000 through September 30, 2000 and reflects activities proposed under the USAID-approved Year Five Work Plan.

Albania's political and socio-economic situation appears to be growing stronger every day. There continue to be many visible signs of improvements, from road repairs, building renovations and better (privatized) telecommunications to the removal of kiosks and street vendors from Tirana's city parks and major streets. Security and civil order have also improved to the extent that the U.S. Embassy no longer requires advance notification for travel up country, and official personnel can now travel in normal (not bullet proof) cars.

Although there were some security concerns about early October's local elections, they went off with no major problems and were declared "free and fair" by all observing organizations. Although APFDP lost some time due to the elections (as did other projects) as many counterparts were involved, APFDP continues to make significant progress in all Intermediate Results. Highlights for the quarter include:

- *Development of an APFDP Accomplishments and Close Out Plan:* A copy of the plan is provided in Appendix A.
- *Development of two key policy papers; one on non-timber forest products and one on private forestry.* Copies of these policy papers are found in Appendices D and E respectively.
- *Expansion of the komuna forest transfer program into seven additional komunas.* By APFDP's project completion date (January 31, 2001) we expect to have completed the transfer process in 157 villages in 27 komunas (either directly or through NGO partners), resulting in the transfer and improved management of over 30,000 hectares of forest and 6500 hectares of pasture from central to local control. This has benefited almost 17,000 families in rural Albania.
- *Completed the training of 74 komuna foresters on forestry extension techniques and arranged extension training for 36 District Forest Service Directors.* The DGFP General Director has officially announced the creation of a Komuna Forest Transfer and Extension Department with DGFP and the DFSSs, and this APFDP-trained staff will form the core of this Department.

A detailed summary of activities for the quarter by Result and Intermediate Result is provided below.

B. Overall Result: Increased Private and Decentralized Management of Albania's Forest and Pasture Resources.

Progress under this quarter is as follows:

- *Gender integration. Ongoing.* APFDP continues to encourage women participation in its activities such as training courses, meetings, workshops and field-day visits. The following table outlines women's involvement in APFDP events according to type of training during the quarter.

Type of Training	Number of Participants	Number of women	As percentage
Training of DFS specialists in forestry extension techniques	74	2	3 %
HPI training courses and other activities	56	11	20 %
Awareness campaigns on NTFPs	160	74	46 %
Activities on small business development	59	13	22 %
Workshops on komuna forest transfer	271	11	4 %
TOTAL	620	111	18 %

The data provided in the above table as well as in the Appendix A, indicate that women's overall participation during this quarter has increased 7 percent. During the last quarter, APFDP subcontracted "Albaflor" Association, a local NGO, to conduct two awareness campaigns on the importance of proper harvesting and handling of herbs and spices, one in Shengjergj of Tirana District and the other in Bubq of Kruja District. As major players in this important sector, women represented 40 and 55 percent of the participants respectively.

- *Publications and extension materials.* Detailed information on all publications prepared and distributed during this Quarter is provided in following table:

Publications	Number	Target Audience
The Directory of Albanian Herb and Spice Companies and Dealers	500	Albanian and foreign herb and spice companies and dealers.
Brochure on "Chestnut Improvement"	100	Farmers, extension agents, etc.
Brochure on "Walnut Trees"	200	Farmers, extension agents, etc.
"Kurora Dafine" Newsletter on herbs and spices sector in Albania	200	Herb collectors and dealers.

APFDP staff has also written several articles for "Albanian Agriculture" Magazine, the "Bulletin of Agricultural Sciences" and "Kurora e Lezhes" environmental newspaper.

- *Year Five training plan. Ongoing.* During this quarter, 460 participants, including 37 women, attended 10 different training courses and 15 workshops on forest and pastures transfer to komunas, training courses on extension techniques, marketing, record keeping and accounting, and livestock sector development.

Summary of Training Courses, Workshops and Round Tables		
July – September 2000		
<i>Event</i>	<i>Number</i>	<i>Number of participants</i>
Training Courses	10	151
Workshops and Round Tables	15	309
TOTAL	25	460

- *Updating APFDP Events. Ongoing.* Detailed information on training courses and workshops carried out by APFDP during this quarter, is provided in Appendix B. These activities are also reflected in the APFDP Events Information that is provided to World Learning's Transit Office on a quarterly basis.
- *Continued Media Plan Implementation. Ongoing.* APFDP held discussions with REC on the production of up to five 15 minute videos on APFDP/PMU/DGFP activities (komuna forest transfer, private forestry, small business, HPI and one general video) for broadcast during the "December Month of Trees". REC will prepare a budget/proposal for this activity and implementation will begin next quarter with all videos completed and ready for broadcast by December first.

APFDP continues to get good media coverage of its activities. The four regional training courses on forestry extension for DFS komuna foresters were covered by local TV stations in Elbasan, Pogradec, Vlora and Lezha. A summary of these courses was also included in "Kurora Lezhes" newspaper, the only forestry newspaper in country. The botanicals awareness campaigns conducted by Albaflor in Shengjergj and Bubq were covered by both national and local TV stations. The marketing training for botanicals dealers was covered by an "Informative Edition" of GTZ's SME Project.

- *Revision of the Forest Act. Postponed, possibly cancelled.* While the present Forest Act is cumbersome and incomplete, we have been able to work within it. However, there is wide recognition (FAO, World Bank, some DGFP personnel, etc.) that the Forest Act should be completely revised. We had originally scheduled STTA for Fall 2000 to help address this issue - or at least the private and komuna forestry elements - but this will more than likely not take place for three reasons. First, there is still a small element within DGFP who is reluctant to undertake such revisions for reasons that are not clear. Second, local elections are in early October and this will freeze any new legislative initiatives until early November. Finally, the country is getting set to decentralize from 36 districts to 12 "regions". Legislative activity will concentrate on this process through the end of the year at least.
- *Maintenance of the APFDP web site. Ongoing.* During this quarter, APFDP continued to update its web site with more information on project activities. Visitors and potential customers can now see various Albanian wicker products through the online catalogue.

The online Directory of Albanian herb and spice companies and dealers is being updated constantly with new companies.

B1. Intermediate Result 1: Improved utilization of forest and pasture resources on private and refused/non-divided lands

IR1.1 Reformed policies supportive of forestry/pasture initiatives on private and refused non-divided lands

- *Expanded development of private forest owners' network. Ongoing.* The round table discussion on institutionalization of the relations between the Private Forest Owners' Association (PFOA) and DGFP, which was planned to be held during this quarter, was postponed by DGFP for the next quarter.
- *Continue dialogue on private forest legislation. Ongoing.* Based on APFDP's five years of experience in private forestry in Albania, APFDP developed three discussion papers on private forestry policy. A copy of these papers is provided in Appendix E. During next quarter, a national policy workshop on private forestry will be organized in collaboration with DGFP.
- *Continue dialogue on changing the forest and land designation legislation. Ongoing.* The policy issues on changing of the forest and land designation legislation will be addressed and discussed during the national policy workshop on private forestry.

IR1.2 Economically viable and ecologically sustainable land use practices adopted by individuals.

- *Continue Chestnut improvement work. Ongoing.* During this quarter, AUT's Forestry Sciences Faculty (FSF) started, in collaboration with two chestnut owners, the field work on introducing improved chestnut management practices (tree marking and thinning) in Pogradec District. The field work – undertaken by three FSF students and the chestnut owners – was finalized in mid-September and two one hectare demonstration plots were established. FSF also prepared 300 brochures on the new techniques, which were distributed throughout the District. With tree density at 20,000 stems/ha, thinning intensity was high (50%) and the rough value of wood material (sticks, stakes, poles, etc.) was between 30-50,000 Lek/ha. The final workshop was postponed for later in October in order to avoid overlapping of this event with local election campaigns.
- *Continued work on other nuts. Ongoing.* According to the approved work plan, FPRI conducted the second regional walnut workshop in Gramshi District. The workshop was attended by 26 participants including two women. The main issues raised by participants relate to ownership problems during the first years of the transition period in Albania, and the resulting loss of trees. The majority of participants were aware of traditional management techniques for walnut but had little experience in new techniques. Almost all participants consider walnut as fruit tree and its timber, a secondary product. Based on the main findings of two regional workshops, FPRI conducted a two day training session in August for walnut growers, extension and forest specialists and nursery owners. The training was attended by 25 people including two women. A final report on FPRI's activities will be produced during next quarter.

- *Vetiver for erosion control. Ongoing.* The Soil Research Institute (SRI) completed the field survey on vetiver grass performance in three sites and will present the final report on vetiver grass in October. The three-year experiment indicates that vetiver grass performed well in Tirana and Lezha sites but failed under the severe climate of Korça District. SRI believes that this technology can be extended to farmers under the auspices of SRI - in collaboration with the Nursery Association - with no further support by APFDP.
- *Botanical Garden agroforestry/nursery demonstration plot and training center. Ongoing.* During this quarter, the Botanical Garden continued the work on maintenance of the agroforestry/nursery demonstration and the vetiver nursery. Both the agroforestry/nursery demonstration plot and vetiver nursery are in good condition and the Botanical Garden will provide small quantities of seedlings for the tree-planting campaign during December. No further support to the BG is foreseen and the BG will prepare a final report on its activities next quarter.
- *Heifer Project International (HPI) activities.*
 - *Old group activities. Ongoing.* During this quarter, strengthening of the existing ten livestock groups in five districts (Tirana, Lezha, Pogradec, Fier and Vlore) continued via several activities such as group inspections, group meetings, and visits of local specialists to farmers. During this period, 13 livestock group inspections and 6 group meetings were conducted. The situation and functioning of the groups, continues to be the main focus of analyses and discussions. Other important technical aspects such as sheep management and feeding, evaluation, tagging and selection of crossbred animals, reproduction, etc., were also analyzed and discussed. The number of livestock group members has increased significantly due to "passing of the gift"; during this quarter, 33 crossbred *Chios* lambs were "passed" to other community members.
 - *Technical training. Ongoing.* During this quarter, four training courses were conducted on "Shelter and Housing of Sheep" (Fishta, Krajni), "Sheep Reproduction and Breeding" (Topoja, Kota). Also, a brochure on sheep reproduction was prepared and distributed to all members and other farmers. Training on HPI Cornerstones was conducted for group leaders from 15 livestock groups plus the new group from Dragoti village in Tepelena District.
 - *Local study tours. Ongoing.* A revised plan for local study tours was developed during the quarter, which will be implemented next quarter.
 - *New livestock groups. Ongoing.* One additional livestock group was established this quarter in Dragoti village of Tepelena District. This group, which is comprised of 13 farmers, has elected the group leaders and the livestock specialist is currently working on strengthening the group.
 - *Sheep procurement and distribution to new groups. Ongoing.* Given that the EU imposed quarantine on sheep from Greece due to blue tongue disease, APFDP started the identification process for purchasing crossbred animals from the local market. After selection, evaluation and tagging, 34 crossbred male lambs and rams were purchased and distributed to farmers of the five new groups.
- *Pasture improvement demonstration plots. Ongoing.* During the quarter, SRI and FRI monitored the performance of cultivated pasture trials in Kota and Fishta villages and the

management of summer and winter pastures in Kota. SRI and FRI will present final reports on this activity in October. Based on pasture demonstration plot results, members of HPI livestock groups are now interested in extending their areas of cultivated pasture. During the next quarter APFDP and HPI will prepare, in collaboration with FRI, appropriate designs according to farmers' request. Also, APFDP will provide through HPI, poliphyte grass seed to farmers with the intention of establishing a permanent, private seed supply.

B2. Intermediate Result 2: Increased decentralization and sustainable management of state forests and pastures

During this quarter, APFDP continued its activities on the forest and pastures transfer to 13 komunas where the process has begun, and started the process in four new komunas. However, progress during this quarter was slower than expected due to: (i) the involvement of some komuna leaders and DFS involvement in local election campaigns; and (ii) many DFS staff were busy with prevention and fighting forest fires that occurred during the last summer. Activities for the quarter are as follows:

- *Continue to support forest transfer in at least 17 komunas. Ongoing.* Given the increased number of komunas involved in the transfer process and based on the training conducted, APFDP has changed its strategy somewhat by seeking more involvement of trained people in the transfer process. As a result, during this quarter management plans and all transfer documents have been completed for 10 komunas as follows: five komunas of Peqin District, four komunas of Tirana District and one komuna of Kruja District. Because of the local government elections, komunas are expected to approve the documents after the second round of elections and the establishment of new komuna councils (late October). Upon approval, all documents will be forwarded to DGFP for final approval and signature. Additionally, APFDP has continued to support two other komunas of Tirana District and one komuna of Lezhe District, where the transfer process is under way. During this quarter, the transfer process has started in two other komunas and the two municipalities of Kruja District.
- *Develop a plan for expansion into additional komunas. Completed.* Based on APFDP human and financial resources, a draft plan for expanding the transfer process to other komunas was prepared and sent to USAID for approval. This plan includes six new komunas as follows: two komunas of Tirana District (Krrabe and Petrele), three komunas of Kavaja District (Synej, Helmes and Sinaballaj), and komuna Terpan of Berati District. Meetings with the District, DFS and komuna leaders were organized accordingly and all have welcomed the process. The operational plans have been prepared and signed by DFSs and komunas respectively, and the first workshops on procedures of forest and pasture transfer have been conducted in these komunas, with participation of DFS, komuna and village representatives.

IR2.1 Enhanced policy environment for transferring state forests

- *Assistance for the revision of Regulation 308. Postponed.* This was postponed because the Director General of Forests and Pastures has asked APFDP to provide support for

organizing three workshops on forest policy, of which one will address komuna forestry policy. In this framework, different proposals on the revision of Regulation 308 will be discussed and a final proposal will be drafted with DGFP and WB/AFP for approval by the Minister of Agriculture and Food and eventual submission to Parliament.

- *Harmonization of the WB/AFP and APFDP approaches to the transfer. Postponed.* The diverse approaches of WB/AFP and APFDP to transfer will also be discussed during the above mentioned workshop and formalized later. This topic will also be discussed in detail with WB/AFP's mid term review team currently scheduled to arrive in Albania in mid-November.
- *Revision of the Manual on the Transfer of Forests and Pastures. Postponed.* *The Manual on Forests and Pastures Transfer In Use to Komunas and Villages*, will also be revised after and according to outcomes and recommendations of the above mentioned workshop on komuna forestry policy.
- *Training on the transfer process. Ongoing.* During this quarter, 11 training sessions/workshops were organized and conducted in komunas where the forest transfer is under way and in komunas where the process started during this quarter. Details are as follows: (i) five workshops, combining transfer procedures and boundary designation, in three komunas and municipalities of Kruja, one workshop in Komuna Krrabe of Tirana District and another one in Komuna Terpan of Berati District; (ii) four workshops on procedures of forest and pasture transfer in the three recently added komunas of Kavaja and one komuna of Tirana; and (iii) two workshops on management plan preparation in two komunas of Tirana District.
- *Hiring of an additional Komuna Forest Transfer Specialist. Completed.* Due to the fact that the forest transfer process was extended by six additional komunas to a total of 17, APFDP, in consultation with the Director General DGFP, received USAID approval to hire one additional Komuna Forest Transfer Specialist for a total of three specialists now involved in this activity. To ensure the necessary logistic support to the above team, one additional vehicle was leased.

IR2.2 Groundwork laid for sustainable management of transferred komuna forests and pastures

- *Continue support to the development of forest user associations (FUA) and technical assistance in forest management plan implementation.* With APFDP support, the Forest Users' Association (FUA) of Komuna Ungrej of Lezhe District was legally registered and management plan implementation has already begun with WB/AFP providing financial support. Complete sets of documents for the establishment of FUAs in Kallmet (Lezhe) and Cudhi (Kruje) have been prepared and their approval is expected after the second round of elections for local government (after October 15). Meetings and support for establishing FUAs have been organized in five komunas of Peqin District and the necessary documents have been provided; the completion of necessary documentation and legal registration will take place the next quarter. Concurrently, APFDP provided technical assistance for monitoring management plan implementation in the komunas of Blinisht and Ungrej (Lezhe) and Bubq (Kruje).

- *Advocate for posting of komuna foresters. **Completed.*** As stated last quarter, DGFP has formally appointed 27 specialists (one for each district) and 74 forest technicians to be in charge of komuna forest and pasture transfer and management. Although, the Director General DGFP has formally announced that there will be a Komuna Forest Transfer Department within DGFP, no progress has been made in officially establishing or staffing this department.
- *Assist in revising local revenue generation guidelines. **Ongoing.*** In August, expatriate STTA conducted a study on local revenue generation and sustainability of the FUA's. Recommendations stemming from this consultancy focussed on: (i) increasing the ability of associations, district forest services and local government to determine possible sources of income generation from forest and pastures; (ii) developing a model/ strategy for komuna income generation/FUA sustainability based on income generation and management; and (iii) developing a number of training courses and workshops for government, komuna and village representatives on project evaluation, marketing, etc.

The consultant presented his findings at a round table organized by APFDP with participation from representatives of the Ministry of Local Government, DGFP, WB/AFP, FAO and other forestry institutions. The consultant's report has been translated into Albanian and has been widely distributed. Based on the revenue generation consultancy, APFDP will try to institute a permanent revenue scheme in one pilot komuna, although this work may also be influenced by the lack of clarity on national decentralization. In short, we may run out of time - pending Parliament approval of decentralization legislation (expected December) - before we will have sufficient information to proceed with model development.

- *Development of a monitoring system for komuna forest transfer.* During this quarter, APFDP developed a draft monitoring system for tracking komuna forest transfer activities as well as management plan implementation. This system will be discussed and finalized at the komuna forest transfer workshop discussed above and DGFP/WB/AFP will be responsible for implementation on APFDP's departure.

B3. Intermediate Result 3: Increased public and private forestry extension capacity

IR3.1 Groundwork laid for establishing a coherent and dynamic public extension organization.

- *Advocate for posting of komuna foresters. **Completed.*** As stated above, DGFP has formally appointed 27 specialists (one for each district) and 74 forest technicians to be in charge of komuna forest and pasture transfer and management.
- *Continued dialogue on/and development of a DGFP-based public forestry extension plan. **Ongoing.*** During this quarter, APFDP continued to dialogue with the Director General, DGFP, on the development of a broad-based public forestry extension service based on komuna forest transfer. As a result, the Director General DGFP has formally announced that there will be a Komuna Forest Transfer Department within DGFP, but no progress has been made in officially establishing or staffing this department.

Other donors also continue to push for the establishment of such a department and an overall restructuring of DGFP. In this context, a workshop will be organized by DGFP in October with participation of APFDP, FAO and WB/AFP to discuss institutional capacity building as well as DGFP reorganization. A pilot project for a Regional Forest Service Directorate (and Komuna Forest Transfer Department) and its structure will also be subject of discussions.

Should DGFP formally create a KFT/Extension department, we will attempt to organize a forestry extension study tour to Africa for officials assigned to this department (January).

IR3.2 Increased capacity of public organizations, NGOs and private suppliers to provide extension services.

- *Training of komuna foresters on forestry extension techniques. Completed.* During this quarter APFDP conducted a two-week forestry extension training course in four districts: Vlora, Elbasan, Pogradec and Lezha on a cost-sharing basis with WB/AFP. This training was done under a fixed-price subcontract between APFDP and the Extension Department of the AUT. The training program included: (i) basic concepts of extension in forestry; (ii) communication and extension methods; (iii) participatory rural appraisal (PRA); (iv) development of extension programs in forestry using PRA methods; (v) PRA assessment, monitoring and evaluation. The courses were attended by 74 specialists and foresters (including two women) in charge of komuna forest and pasture transfer process from 36 districts. The objectives of the training were to enable participants to: (i) use participatory methods of analysis; (ii) develop extension plans; (iii) assess, monitor, evaluate and report extension activities; (iv) identify most of the problems encountered during the forest transfer process and to provide extension plans for solving them.
- *Training of DFS Directors on forestry extension techniques. Ongoing.* Based on the recommendations of the DFS foresters trained above, APFDP is preparing a training course for Albania's 36 DFS Directors on forestry extension techniques. DGFP has approved the training program and training is expected to take place from October 23 through November 11, 2000. APFDP has signed a fixed price subcontract with the Extension Department of the Agricultural University of Tirana to deliver three one-week training courses for DFS directors on a regional basis (Pogradec, Elbasan and Lezha). As with the previous training of komuna foresters, these training courses will be carried out on a cost-sharing basis with WB/AFP; APFDP will cover the cost of the trainers while WB/AFP will cover participant costs.
- *Implementation of Regional Environmental Center (REC) subcontract. Ongoing.* Under the terms of the third fixed price subcontract with the Regional Environmental Center/Albania, eleven Albanian NGOs have completed or are in the process of completing a variety of awareness campaign activities. The current status and achievements of NGO projects is presented in the following table:

	NGO	Project Name	Project Status and Achievements
1	Ecological Club Lezhe	Publication of "Kurora e Lezhes" environmental newspaper (second phase)	<u>Completed</u> . The awareness campaign included activities aimed at increasing citizens' and farmers' awareness of environmental issues through different communication mechanisms and field activities and was finalized with the publication of five issues of "Kurora Lezhes" environmental newspaper.
2	Ecological Club Kruje	"Qaf Shtama's Forest Park: Together for a better sustainable management"	<u>Completed</u> . The NGO conducted a protected area awareness campaign in Kruja and surrounding villages of Qaf Shtama Forest Park. Information was gathered through questionnaires and posters and leaflets were prepared and distributed. . Also, the NGO conducted a round table on the topic "Together for a better management of Qaf Shtama". Sign boards were also prepared and placed at both park entrances.
3	Environment Protection and Development Association Mat	Transfer of state forest in use to Vinjolli village, Mati District.	<u>Completed</u> . The NGO completed the transfer of 863.6 ha of forest and 35.5 ha of pasture in use to Vinjolli village (10 users) and developed the forest and pasture management plan.
4	Forest Progress Association Kukes	Transfer of state forest in use to Malzi Komuna, Kukesi District	<u>Completed</u> . The NGO completed the transfer of 542 ha of forest, 5 ha of pasture and 8 ha of degraded lands in use to two villages (Shtane and Simon - 143 users) and developed all the documents for the forest transfer and the forest management plan.
5	Ecological and Hunters' Associations Diber	Transfer of state forest in use to Tomin komuna, Dibra District.	<u>Ongoing</u> . The NGO conducted the local awareness campaign, has helped establish the village forest commission and has mapped the village forest boundaries and among forest users.
6	Willow Management Association Shkoder	Transfer of state forest in use to Guri i Zi Komuna, Shkodra District.	<u>Ongoing</u> . The NGO conducted the local awareness campaign, established the village forest commission and has mapped the village and forest boundaries as well as divisions among forest users.
7	Transborder Wildlife Korçe	Transfer of state forest in use to Moçani village, Korca District.	<u>Ongoing</u> . The NGO conducted the local awareness campaign, established the village forest commission and has mapped the village and forest boundaries as well as divisions among forest users.
8	Ecological Club Lezhe	Publication of "Kurora Lezhes" environmental newspaper (Second phase follow-up)	<u>Ongoing</u> . NGO prepared articles for "Kurora Lezhes" newspaper and published the sixth issue.

- Continue to work with Nursery Association on private forestry extension opportunities.*
Ongoing. APFDP's "best bet" in terms of a sustainable extension capacity, is through the private sector, which has a vested interest and can disseminate new species and techniques to customers. The Nursery Association members have already started doing this. STTA will be used to document the role of the NA as a private extension service (December), and results from this assessment will be translated and widely distributed.

B4 Intermediate Result 4: Expanded number/capacity of small-scale non-timber forest product (NTFP) and livestock enterprises

- *Facilitate the establishment of a small dairy processing plant for two livestock groups. Ongoing.* During this quarter, APFDP, WB/AFP, the WB task manager and Land O' Lakes (LOL) held a meeting on possible collaboration. A work plan was developed and a team from AFP/WB and LOL will travel to Peshkopje in October to assess the potential for establishing a cheese plant with a livestock group located in a komuna on Mt. Korabi.

IR4.1 Reformed policies supportive of small-scale non-timber forest product and livestock-related business initiatives

- *Development of NTFP/livestock policy issues paper. Ongoing.* The policy paper on NTFPs was prepared during the quarter, translated and widely distributed. A copy of the paper is found in Appendix F. This paper will form the basis for an NTFP policy workshop to be held in early January. The livestock policy issues paper will be finalized next quarter.
- *Potential for long term leases on state forest land.* Leasehold forestry policy and legislation, particularly for state production forests continues to be a problem, although we have prepared numerous guidelines and policy papers on this subject. The current government is very reluctant to relinquish control (and profits) from this resource. We have made some progress on leasehold of state non-production forests for NTFPs and next quarter, we will draft one additional policy paper on these as models/examples of the benefits of this type of tenure mechanism.

IR4.2 Improved access to market information, affordable inputs and credit

- *Willow-wicker sector development.*
 - *Integration of willow into Shkodra Forestry School Curriculum. Ongoing.* During June 2000, the FTS of Shkodra prepared a draft program on the integration of willow/wicker production in the FTS curriculum. On August 2000, the curriculum was approved by the Ministry of Education and Sciences. Based on the approved program, a textbook is being prepared by the FTS team and it is expected to be camera ready by the end of October. GTZ will publish the textbook
- *NTFP development.*
 - *Support to NTFP sustainable production. Ongoing.* During July 2000, based on the findings and recommendations of APFDP's four komuna NTFP study, APFDP subcontracted "Albaflor" Association to conduct a botanicals awareness campaign in four villages of Bubq Komuna in Kruja District during the period August 1 through September 20. This objective of this activity was to attempt to solve some of the problems encountered by harvesters of these villages such as improper harvesting techniques and season, lack of technical information, etc. Albaflor prepared and published five brochures as well as three posters on these subjects. Also, two field training sessions were organized, one on September 1 and one on September 8, with a

participation of around 50 harvesters in each session. The main field activities were held on September 14-15 including meetings at the center of komuna and another neighboring village. Given the positive results of the Bubq campaign, APFDP will subcontract with Albaflor to conduct one additional campaign in Blinisht komuna in October.

- ❑ *Integration of NTFPs into komuna forest management plans. Ongoing.* Four komunas were selected for this activity; Bubq, Blinisht, Shengjergj and Kallmet. In Bubq Komuna all work has been completed, including plot descriptions and activities budgets. A financial benefit cost analysis was also conducted which suggests an internal rate of return of over 20% for NTFP investment. (e.g., new plantings, maintenance, crop services etc.). Meetings were held with the Project Management Unit of WB/AFP to confirm funding and eventual management plan amendments. Copies of all materials were submitted to the PMU, revisions discussed, proposals modified and PMU will initiate NTFP support for Bubq in November. Work has also begun in Blinisht Komuna where the first part (plot description) has already been prepared and submitted. Based on this work, APFDP will develop a NTFP template for WB/AFP use after APFDP close out.
- ❑ *Botanicals trade association development. Ongoing.* During October 22 - November 2, Trade Association Specialist Peter Furth will assist APFDP in facilitating the establishment of a botanicals trade association in Albania. A detailed work program has been prepared for this assignment, including meetings with private botanicals companies in Albania, public institutions and a number of field trips. A national meeting with herb and spice dealers is scheduled for October 31, in Tirana. During this assignment Mr. Furth will work in close collaboration with IFDC to ensure continued support for such an association after APFDP close out.
- ❑ *NTFP market information, data and publication of newsletter. Ongoing.* During this quarter, APFDP produced and distributed two additional issues of "Kurora Dafines" newsletter using articles and materials provided from Albanian private firms dealing with botanicals. APFDP is working with Albaflor and Salvia company, who will collaboratively continue the publication of this newsletter after APFDP's close-out.
- ❑ *Albanian Herb and Spice samples.* APFDP is supporting small herb dealers in preparing 20 one kilogram Albanian herb samples for export. The samples will be prepared with Albanian quality standards and will be mailed under Albducros auspices (phytosanitary certificates, etc.) to the Herb Research Foundation in the U.S. The Herb Research Foundation has agreed to test and distributed results to interested American companies.
- ❑ *Participation of private herb dealers in the Hot Spice Pavilion.* APFDP, in collaboration with GTZ, is supporting a number of botanicals companies to participate in the Hot Spice Pavilion of the Health Ingredients Europe Fair, which will take place in Frankfurt on November 20-22, 2000. APFDP support includes the preparation of brochures and samples and selection of participants. GTZ will coordinate the participation in the fair, provide visas for participants and coordinate accommodation. Costs of travel, accommodation and participation fees will be borne by participants.

IR4.3 Improved business management and technical skills

- *Marketing training. Ongoing.* During July 2000, APFDP conducted three regional marketing training courses for small NTFP entrepreneurs. APFDP subcontracted with Mr. Aurel Grabocka, marketing specialist from the Korce Regional Business Agency, to conduct this training. Participants included 30 small herb collectors and dealers, and seven private nursery owners.
- *Business Management Training. Ongoing.* During this quarter, APFDP conducted two training courses on Record Keeping and Accounting. The objective of the training was to improve accounting skills of willow growers/processors of Berati and Pogradeci groups, as well as the livestock entrepreneurs and members of HPI groups. The training was attended by 24 participants of whom 13 were women.

C. Impediments to program performance

There were two minor impediments to program performance during the quarter, which may have an impact on APFDP activities in the future:

- *Local elections.* Albania and its politicians are now gearing up for local elections, which will be held in early October. From a work plan point of view, this means that much of APFDP's policy and legislation work has been put on hold as many of our counterparts in the GOA are busy with political campaigns. This has also delayed some komuna forest transfer work as the heads of komunas are obviously more interested in getting re-elected than in forest transfer.
- *The Decentralization Act.* The country is getting set to decentralize from 36 districts to 12 "regions". Parliamentary/legislative activity will concentrate on this process through the end of the year at least. This has two implications. First, all other policy activities including APFDP's efforts on the Forest Act, private forestry, komuna forestry and NTFPs have been place on the back burner. Second, the Decentralization Act will have significant implications for other forest legislation, as in its current form, komunas will now be able to own land. We are waiting to see how this eventually turns out in order to be able to better integrate our proposed policy reforms with decentralization.

D. Expected Progress for the Next Quarter

Result: Increased Private and Decentralized management of Albania's Forest and Pasture Resources

- *Revision of the Forest Act (or reformulation of Regulation 308 and drafting of private forestry legislation).* Follow up the dialogue with DGFP to achieve agreement and finalize the draft legislation on communal and private forests and revise the Regulation 308.

Intermediate Result 1: Improved utilization of forest and pasture resources on private and refused/non-divided lands.

- *Revision of forest policies on private forestry.* Facilitate workshop on improvement of private forestry policies with participation of high level GOA officials and other stakeholders.
- *Expand development of private forest owners network.* Conduct the regional round table with the participation of PFOA and DGFP representative.
- *Management plan preparation.* Assist members of the PFOA with forest management plan development.
- *Chestnut improvement.* In the framework of the Memorandum of Understanding with the FSF, support and facilitate FSF to conduct the workshop on chestnut improvement.
- *Pasture improvement demonstration plots.* Extend the area of poliphyte cultivated pastures in Lezha, Pogradeci and Vlora districts according to farmers' needs and extend the FRI subcontract.
- *Livestock group meetings and visits.* Group meetings and visits will be conducted every three months with the 14 existing livestock groups and new groups. The "passing of the gift", according to HPI principles will continue in four livestock groups during the next quarter. At the same time, farmer to farmer exchange visits and visits of the specialists of the District Agriculture and Food Directorate and HPI will be organized.
- *Technical livestock group training.* Eight training courses for technical groups will be conducted during the next quarter (two training courses on artificial insemination techniques, one on veterinary skills with specialists of livestock groups, and five training courses with members of livestock groups). Local and international expert will be hired to support the work in the livestock project.
- *Livestock Local Study Tours.* Twelve local study tours for livestock group members will be organized in order to share experiences on sheep management. Also, a study tour/visit with group leaders will be carry out during the next quarter.
- *Animal purchase.* Because of the EU ban on animal exports from Greece, the project is still not able to import lambs. Under such circumstances, during the next quarter the project will evaluate, select and purchase approximately 25 crossbred rams from local market.

Intermediate Result 2: Increased decentralization and sustainable management of state forests and pastures.

- *Continue to support forest transfer in 13 komunas.* To accomplish this objective within the next quarter, training/workshops and intensive field work will be necessary to be undertaken by APFDP komuna forest transfer group. Together with local government and DFSs we have agreed to complete the transfer process to all komunas under APFDP support by the end of December.
- *Workshop on komuna forestry policy.* In line with the proposal of the General Director of Forests and Pastures, a workshop on policies related to komuna forestry will be organized during December with participation of about 30 persons. The APFDP experience during the last five years and recommendations for the future will be presented and discussed during this event. This workshop is expected to be attended by representatives of Agricultural Commission of Parliament, Ministry of Agriculture and Food, Ministry of Local Government, Directorate General of Forests and Pastures, World Bank-funded Albania Forestry Project, other central forestry institutions and local government and DFS to participate at the workshop.
- *Assist in the Revision of Regulation 308.* It is expected that diverse aspects of the Regulation 308 will be discussed at the above-mentioned workshop. After this, APFDP will assist DGFP and WB/AFP in revising it and forwarding it for approval.
- *Harmonization of WB/AFP and APFDP approaches to the transfer.* The diverse approaches of WB/AFP and APFDP to the forest and pastures transfer will also be discussed during the above mentioned workshop and formalized later.
- *Training on transfer process.* During the next quarter, the following training courses and workshops will be conducted: (i) four training/workshops on village boundaries designation and forest and pastures division through users in three komunas of Kavaja and one of Tirana; (ii) ten training/workshops on management plan preparation in four komunas and municipalities of Kruje, two komunas of Tirana, three of Kavaja and one komuna of Berati. Through these workshops, the DFSs and local government of related districts will be trained and able to continue the transfer process to other komunas after APFDP will close its activity.
- *Revision of the Manual on the Transfer of Forests and Pastures.* The transfer Manual will also be revised after the above-mentioned workshop on komuna forestry policy.
- *Continued support to development of forest user associations and technical assistance in forest management plan implementation.* APFDP will put all of its efforts to make local people aware and support establishment of FUA in komunas where the transfer process will be completed. In the meantime, the project will supply all the necessary documentation for each komuna. The establishment of FUA will enable komunas and villages to absorb the funding from WB/AFP to implement forest operations as foreseen in management plans. Also, APFDP will provide technical assistance on management plan implementation by FUA as needed.

Intermediate Result 3: Increased public and private forestry extension capacity

- *Implementation of Regional Environmental Center subcontract.* Support and monitor the implementation of the REC subcontract.
- *APFDP support to local NGOs and project implementation follow-up.* Support local NGOs for the project implementation follow-up.
- *Continue to work with Nursery Network of private forestry extension opportunities.* Assist NA members for the development of training centers.
- *Development of a komuna extension organization at DGFP.* DGFP is working to establish the Komuna Forest Directory within its structure. The assignment of this directory and its staff is likely to happen during this quarter. During this quarter, three regional training courses on extension will be organized for DFS Directors. Training courses will take place in Elbasan, Lezha and Pogradec.
- *Media plan implementation.* APFDP will work with local TVs in covering all regional training courses on extension, and following the publication of articles at "Bujqesia Shqiptare" magazine and "Kurora e Lezhes" newspaper.
- *Extension materials.* APFDP will continue to produce and distribute extension messages as required. APFDP is working on the publication of a booklet with figures and data from the forest sector.
- *Year Five Training Plan.* The organization of training courses, workshops and round tables will continue to be in line with the Year Five Training Plan.
- *Update and distribute APFDP events as required.* APFDP will submit information on its events conducted during the quarter to USAID and TRANSIT Office.

Intermediate Result 4: Expanded number/expanded capacity of small-scale non-timber forest product (NTFP) and livestock enterprises

- *Support to NTFP sustainable production.* Continue the support to Albaflor Association in conducting awareness campaign in Komuna Blinisht and other komunas, which have to be selected soon upon completion of activities in Komuna Blinisht.
- *Market information on NTFP.* Continue the work in producing "Kurora e Dafines" newsletter. Distribute the newsletter to interested individuals/dealers.
- *Botanicals Trade Association Development.* Establishment of Botanicals Trade Association. Follow-up with IFDC/ AAATA project.
- *NTFP integration in forest management plans.* Follow up World Bank Project Management Unit potential suggestions on revising the NTFPs amendments for Forest Management Plan of Komuna Bubq, submit those for Komuna Blinisht, and continue work on NTFPs amendments for Komuna Kallmet and Shengjergj.

- *Integration of willow into Shkodra Forestry Technical School (FTS) curriculum.* Preparation of the textbook. Follow-up with GTZ for publication of 500 copies.
- *Albanian Herb and Spice samples.* Prepare herb and spice samples and mail them to Herb Research Foundation.
- *Hot Spice Pavilion.* In collaboration with GTZ, support the participation of six private herb and spice companies in the International Fair in Frankfurt, Germany during November 20-22, 2000. Prepare booklets and brochures for participating Albanian Herb companies.

APPENDIX A

APFDP Accomplishments and Close Out Considerations

RESULT

Increased private and decentralized management of Albania's forest and pasture resources.

Major Activities

- Collaborating with the World Bank funded Albania Forestry Project and DGFP on development of the *National Forests and Pastures Strategy*.
- Facilitated, supported working groups and field studies and conducted workshops on numerous policy issues including refused lands, transfer of state forests to komunas, restitution and management of private forests, leasehold forestry, forestry revenue accounts and non-timber forest products;
- Developed gender integration program for APFDP "events".
- Conducted Environmental Training of Trainers for National Core Environmental Awareness Program Team.
- Collected 55 Albanian policy documents related to forestry drew up an annotated bibliography in Albanian and English, and reproduced and widely distributed documents and bibliography.
- Collected, translated and distributed forest policy related documents from other European countries and the United States.
- Sponsored a series of workshops for GOA officials to focus on the policy formulation process and determination of priority issues;
- Supported/funded research efforts by Albanian specialists on: (a) a study of "Past Experience and Prospects for Small Scale Forestry Activities"; (b) "Community Forestry Management: Experience in Albania"; (c) "The Relationship Between Livestock Management and Forestry Management"; d)"Survey of Refused Lands"; and e) "Marketing of Willow and Willow Products".
- Conducted two courses (one TOT) on Applied Social Benefit: Cost Analysis and Project Appraisal for 30 senior GOA and AUT officials;
- Facilitated participation of 15 high level forestry officials in forest management sustainability study tour to U.S.;
- Sponsored two candidates to participate in forest and natural resource administration course in the United States;

- Prepared seven case studies on successful Albanian experiences with private nurseries, community management of state forests, PRA surveys, alternative uses of refused lands and NGO collaboration in the protection of Bogava Reserve;
- Translated book on economic analysis of agriculture projects for use by AUT and MOAF officials and economic analysis training;
- Developed APFDP website.

Milestones

As a result of the above, APFDP has directly contributed to the following:

- Development of the *National Forests and Pastures Strategy* (Albania's first forest strategy) which has been widely circulated, reviewed and approved by the Council of Ministers in June 1999. The development of a forest strategy is a major indicator for USAID/Albania's Strategic Objective 1.6. One success of the strategy is the decision to transfer 40% (400,000 ha) of the forest estate to local communities;
- Due in part to APFDP training, one participant in the U.S. Forest Administration Seminar held in Colorado has been promoted to Director of the World Bank-funded Albania Forestry Project, APFDP's sister project.
- Core team initiated and completed 14 local awareness campaigns on subject "*Our Forest ... Our Future*", and on sustainable use of non-timber forest products; core team is capable of undertaking awareness campaigns without additional technical assistance.
- Tenfold increase in women's participation in APFDP and other events over the past three years; increased awareness about women's participation in natural resource management among GOA officials and other APFDP partners.

Main studies, reports, etc.

1. The Strategy for the Development of the Forestry and Pasture Sector in Albania
2. Gender and Participation in Natural Resource Baseline Survey
3. Report on Applied Social Benefit: Cost Analysis
4. Environmental Awareness Campaign Training Manual
5. Association Development Consultancy

Sustainability/Close Out Issues

Current Close Out Scenario

The only activity under APFDP's overall result which will not be implemented and for which sustainability is unsure is revision of the Forest Act. While the present Forest Act is cumbersome and incomplete, we have been able to work within it. However, there is wide recognition (FAO, World Bank, some DGFP personnel, etc.) that the Forest Act should be completely revised. We had originally scheduled STTA for Fall 2000 to help address this

issue but this will more than likely not take place for three reasons. First, there is still a small element within DGFP who is reluctant to undertake such revisions for reasons that are not clear. Second, local elections are in early October and this will freeze any new legislative initiatives until early November. Finally, the country is getting set to decentralize from 36 districts to 12 "regions". Legislative activity will concentrate on this process through the end of the year at least.

Close Out Steps and Schedule

1. Continue dialogue with FAO Chief Technical Advisor, World Bank Officials, DGFP, WB/AFP on the need - with FAO assistance - to revise the Forest Act; assist in drafting terms of reference for relevant technical assistance as required (November, December 2000.)
2. Develop three policy papers and conduct three policy workshops (November, December and January) on private forests, komuna forest transfer, and non-timber forest products.

End of Project Status

1. The World Bank project and FAO technical assistance have a vested interest in seeing through changes to both legislation and regulation. We will ensure that they are provided with sufficient documentation on our experiences and proposed "models" to take this effort on. The above policy papers and workshops can be used as a basis for revising the Forest Act, or at a minimum to amend existing legislation.

<p style="text-align: center;">Intermediate Result 1 Improved utilization of forest and pasture resources on private and refused/non-divided lands</p>

IR 1.1 Reformed policies supportive of forestry and pasture initiatives on private lands

Major activities

- ☐ Facilitated, supported working groups and field studies and conducted workshops on refused lands policy, policy on restitution and management of private forests;
- ☐ Assisted in drafting revised GOA policy on refused land;

Milestones

As the result of above, APFDP has directly contributed to the following:

- ☐ Modification of the GOA's refused lands legislation in 1997 so that farmers are now more willing to take back refused lands, have more secure tenure and are thus more willing to invest in increasing productivity of these lands for forest and pasture purposes;

- In 1998, extension of the deadline for restitution of private forests and pastures to ex owners; tenfold increase in private forest and pasture restitution;
- Establishment of a private forest owners association which has become an advocate for policy/legislation modification/reform in the area of management of private forests;
- Development of a proposed set of policies for private forestry development in Albania to be finalized and submitted to Parliament by the end of 2000.

Sustainability/Close Out Issues

Current Close Out Scenario

As stated above, changing legislation – either revising the Forest Act or modifying existing legislation to include private forestry – will not be possible during the last few months of the project.

Close Out Steps and Schedule

1. We will have a last set of meetings with private forest owners to gear them up to become advocates for policy/legislative reform. Withdrawal of support in December.
2. We will continue to liaise with World Bank/FAO so that they can continue the effort in changing private forest legislation. We will regularly meet (monthly up through December) to discuss our experiences that indicate rationale for changing existing law.
3. We will develop a policy paper and conduct a policy workshop on private forestry in Albania (November).

End of Project Status

1. We have organized some of the private forest owners into a network. In that they have a vested interest in changing legislation, they will take over this political process through their representatives.
2. In addition, the World Bank project has a vested interest in seeing through changes to both legislation and regulation. We will ensure that they are provided with sufficient documentation on our experiences and proposed "models" to take this effort on, linked up with the private forest owners. The above policy paper and workshop can be used as a basis for revising the Forest Act, or at a minimum to amend existing legislation.

IR 1.2 Economically viable and ecologically sustainable land use practices adopted by individuals

Major Activities

- Initiated and completed PRA survey and "social" management plan for two private forest in Fieri and Berati districts in collaboration with Nursery Association;
- Conducted three training courses on PRA and "social" management of private forests;
- Collaborating with farmers, Forest and Pasture Research Institute and Forestry Sciences Faculty, APFDP established two demonstration plots on chestnut improvement and blight disease control in Pogradeci district;
- Vetiver/erosion control - collaborating with the Soil Research Institute, APFDP introduced vetiver grass and established three demonstration plots to test its potential as an erosion control device; vetiver slips are now being propagated by private nurseries;
- Developed an agroforestry and nursery demonstration site and training center at the Botanical Garden;
- Purchased and distributed apple root stock to 10 private nurseries; procured forest tree seed, and forest management equipment for distribution to komunas and individuals;
- Produced and widely distributed field handbooks on: 1) medicinal and etheric oil plants; and 2) agroforestry;
- Developed and supported fifteen livestock groups and have distributed a total of 197 head of improved breed of animals (sheep, pigs and goats) to these groups;
- Conducted forty training courses for livestock groups and local veterinarians on animal husbandry, pasture management, new veterinary techniques and artificial insemination;
- Established two non irrigated polyphyte pasture improvement demonstration plot in Kota and Fishta villages;

Milestones

- Farmers have established over 100 demonstration plots (58 hectares) in nine districts with over 400,000 trees planted in various configurations, most of which has been done on previously refused land; farmers contribute 80% of the cost of seedlings and all labor costs for plot establishment; more than one half of the farmers who started this program in 1996 have expanded their sites in subsequent years at full cost;
- Membership in livestock groups has doubled as original members "pass on the gift" to neighbors; sheep meat and milk production among livestock group members has

increased 50%; interest is growing amongst members in developing more formal input or output based farmers associations.

- Training in artificial insemination for six village vets (members of livestock groups) has enabled them to start small but profitable insemination businesses in their respective areas;
- Five farmers from Kota implemented the pasture improvement technology recommended by APFDP and established 4.0 ha of cultivated pasture/meadow without APFDP funds.
- Vetiver slips are currently being propagated and sold by private nurseries.
- Apple rootstock currently being propagated and sold by private nurseries.

Main studies, reports, etc.

1. Silvo-Pastoral Management in Albania
2. Silvo-Pastoral Management in Shengjergji village, Tirana District
3. Report on Pasture Improvement and Training
4. Report on Nut Production Assessment and Training
5. Report on Heifer Project International Training Support
6. Forest Trees in Your Farm and Pastures (Booklet)
7. Cultivation of Medicinal Plants and Herbs (A practical guide)
8. Manual of Agroforestry
9. Consideration on the Management of Private Forests in Albania
10. Study on Refused Lands
11. Study on Pre-1945 Ownership of Forest and Pastures
12. Manual on Development of Simple Management Plans for Private Forests
13. PRA Report and the Management Plan for Shtyllasi Private Forest, Fieri District
14. PRA Report and the Management Plan for Veterik Private Forest, Berati District
15. Survey on Private Nursery Activities in Albania

Sustainability/Close Out Issues

Current Close Out Scenario

Demonstrations have been implemented either by Nursery Association members or research institutions (FPRI, SRI, FRI, AUT and BG). Support will end for these and, where appropriate, the institutions will maintain their own studies for publication of results (and then promotion). On-farm demonstrations in the hands of farmers are fully in their control. Nursery owners use these demonstrations as part of their marketing strategy.

HPI has established a permanent program in Albania and will continue after APFDP closes. APFDP's small ruminant and pasture improvement components will pass to the HPI country program. However, HPI's funds are limited and given HPI's success, APFDP will assist them in seeking additional program support (sheep purchase and livestock group maintenance and expansion) from USAID/Albania.

Close Out Steps and Schedule

1. All subsidies have been removed from nursery purchases and seedling sales are now totally under market forces. Nurseries have been linked in their areas to private forests, refused lands, and komuna forest transfer implementation plans to provide stock for plantings (this generally starts in December and goes through March). We will ensure that planting orders are ready by October so they can prepare for the upcoming season. The Nursery Association has a catalogue and their own marketing strategies. We will also facilitate via STTA, one last meeting of the nursery network in order to determine future directions and support required from AFADA.
2. We will initiate dialogue with USAID/Albania on the possibility of the Mission providing grant support to HPI/Albania after APFDP closes (December).
3. Special studies sub-contracted by APFDP will be concluded and the implementing institutions will use their own publication network to disseminate results (November).

End of Project Status

1. While the Nursery Association itself may become dormant for a time, the 14 active operators have viable businesses and customer bases. All have adequate stocks and training in order to fulfill customer demand. They will have direct links to transferred komuna forest, private forests and land owners and will not be required to go through APFDP as an intermediary.
2. Research institutions have been given the opportunity to try new ideas, techniques and technologies. Most importantly, they have been put in direct contact with end users. SRI will continue to work with vetiver via private nursery owners. FPRI will continue to work with walnuts using its own resources supplemented by AB/AFP funds. FRI will continue to work with pasture improvement with HPI assistance. AUT will continue to work with chestnut blight control and thinnings with GTZ support. The BG will maintain the Botanical Garden nursery, species trials and demonstration plots with some limited donor assistance. Results from these activities will continued to be channeled through both publications and the University system.

<p style="text-align: center;">Intermediate Result 2 Increased decentralization and sustainable Management of state forest and pastures</p>
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IR 2.1 Enhanced policy environment for transferring state forests.

Major Activities

- Facilitated, supported working groups and field studies and conducted workshops on transfer of komuna forest policy;
- Developed Komuna Forest Transfer manual, which details methods and procedures for transferring state forests to komunas.

Milestones

As a result of the above, APFDP has directly contributed to the following:

- DGFP/World Bank now use APFDP's komuna forest transfer manual for district training;
- Manual and APFDP input will be the basis for komuna transfer legislative reform expected to occur by the end of 2000.

Sustainability/Close Out Issues

Current Close Out Scenario

There are three outstanding policy issues with regard to komuna forest transfer: official revision of Regulation 308 which governs the transfer process; official adoption by WB/AFP of APFDP's approach to komuna forest transfer; and developing and passing legislation which recognizes and officially registers village and forest boundaries determined by the transfer process. Although APFDP has laid the groundwork for policy reform in these three areas, there may not be enough time left to actually develop and pass appropriate legislation.

Re revision of Regulation 308, everyone recognizes that this needs to be done but any official action has been placed on hold pending approval of the decentralization legislation which will apparently have (in its current state) significant impact on komuna forest transfer - komunas will now be able to "own" their own land. Decentralization legislation is expected to pass before the new year so APFDP will only have one month in which to assist DGFP in modifying 308.

Re AFP/WB, it's widely recognized that APFDP's approach to transfer is more participatory and less costly than WB/AFP's approach. While DGFP has officially adopted our approach and while WB/AFP has been "unofficially" using our approach, this needs to be formalized by WB/AFP's steering committee and WB technical assistance. We will raise this issue with the WB/AFP review mission currently scheduled for mid-November.

Finally, APFDP's village, forest and user boundary determination process is widely recognized as being the best for resolving local conflicts. Although these boundaries are recognized at the local level, they need to be officially registered with the District Land Registration Offices. Unfortunately, these offices have – up until recently – been dealing with registration of agricultural and urban property and have not had the time to deal with forestry. However, preliminary discussions with the Land Tenure Center suggest that certain districts are now ready to begin registration of forests and pastures and LTC has asked for our assistance in this effort. LTC is also interested in assisting the GOA to develop legislation, which would recognize APFDP's approach and results.

Close Out Steps and Schedule

1. APFDP in collaboration with the USAID-supported Immovable Property Registration Project (LTC) will conduct training in boundary determination for District Land registration offices pending drafting and approval of supporting legislation (December).
2. Drawing on current knowledge of the decentralization legislation, we will draft a policy paper on KFT and sponsor a Closeout Workshop. With wide participation from our development partners and Government, this will be a main vehicle for proposing changes in Regulation 308 (December).
3. Through the monthly Donor Coordination Meeting (WB, APFDP, GTZ, FAO, and now DGFP) we will continue to advocate for continued policy and institutional change. The AFP with FAO technical assistance will assume responsibility for this effort.
5. We will dialogue with the AFP's mid-term review team in order to convince them to convince AFP's steering committee to officially adopt our approach to transfer, and allocate WB/AFP funds directly to the DFSs for KFT.

End of Project Status

While we may not been able to get the actual transfer laws changed before our departure, our interpretation of the rules backed up by action has provided a "model" for at least "in use" tenure for rural people, where they are the engine of forest management. We also believe that our work has also contributed to the local empowerment and capacity-building processes leading towards a more democratic society, where citizens both participate in decision-making and also take their part in the responsibility that comes with it.

IR 2.2 Groundwork laid for sustainable management of transferred komuna forests and pastures.

Major Activities

- Conducted thirty-seven workshop/training courses on procedures of forest transfer in use to the komuna/villages, boundaries designation, forest village map preparation, and komuna/village forest and pasture management plan development with komuna forest management teams and members of village forest commission;

- In collaboration with WB/AFP conducted two regional workshops on procedures for komuna forest transfer;
- In collaboration with DGFP and World Bank funded Albania Forestry Project conducted five regional training courses on procedures for komuna forest transfer and komuna/village forest and pasture management plan development with DFS forest specialist charged with state forest and pastures transfer in use to komuna/villages.
- In collaboration with Regional Environmental Center, Albania (REC/A) conducted five training courses on procedures for komuna forest transfer and komuna/village forest and pasture management plan development with members of NGOs involved in the state forest and pastures transfer in use to komuna/villages.
- Produced and widely distributed a "Manual for Transferring the State Forest Estate in Use to Komuna/villages";
- Developed simplified forest management plan format for komuna forest management plans.

Milestones

As a result of the above, APFDP has directly contributed to the following:

- By APFDP's project completion date (January 31, 2001) we expect to have completed the transfer process in 157 villages in 27 komunas (either directly or through NGO partners), resulting in the transfer and improved management of over 30,000 hectares of forest and 6500 hectares of pasture from central to local control. This has benefited almost 17,000 families in rural Albania.
- Six NGOs are now capable of undertaking komuna forest transfer activities with no input or assistance from APFDP.
- In two districts (Kruje, and Peqin), District Forest Service staff and komuna officials have developed plans for (including a reorganization of the District Forest Service) and have continued the komuna forest transfer process in all districts' komunas without APFDP assistance; the transfer process for these komunas is expected to be completed by the end of 2000. These will be the first two Districts in Albania to have transferred all available state forests to the komuna level;

Main studies, reports, etc.

1. Manual for transferring the State Forest Estate in use to Komuna/villages
2. Economic and Financial Analysis of Forest Administration by Communities
3. The Management of State Forest in Albania by Komuna and Farmers
4. The Transfer of State Forest to Komunas for Local Management in Albania
5. Report on Komuna's Forest and Pastures Income Generation and Management.

Sustainability/Close Out Issues

Current Close Out Scenario

The demand for komuna forest transfer continues to exceed supply despite the fact that DGFP has assigned 84 personnel to deal with transfer, and a dozen local NGO's are helping villages to undertake transfers. APFDP has been working alongside DGFP and AFP; we have built capacity in a cadre of local NGO's for the transfer process and have trained assigned DGFP personnel on transfer and extension/communication skills. We have produced and disseminated a manual that turns the process into a participatory set of easy-to-follow steps.

There are, however, four outstanding issues that need to be addressed. First and foremost is the need for the official establishment and staffing of a komuna forest transfer and extension department within DGFP. (See IR 3.1 for details.)

Second, a key part of any decentralized model is a local revenue generation system. In this case of KFT, local revenue can be generated from fees and licenses, fines and penalties, and the like. Such a local revenue system will demonstrate that monies collected locally go back into the community, and re-enforces local responsibility and accountability. Based on the revenue generation consultancy, APFDP will try to institute a permanent revenue scheme in one pilot komuna, although this work may also be influenced by the lack of clarity on national decentralization. In short, we may run out of time - pending Parliament approval of decentralization legislation (expected December) - before we will have sufficient information to proceed with model development.

Third, although the World Bank has agreed to reprogram \$2 million for transfer operations, AFP's steering committee has refused to let the AFP/PMU use funds to support DFSs in the transfer process.

Finally, a major challenge will be to complete the forest transfer of 40% of the forest estate within the time frame suggested by the Forest Strategy. With the end of APFDP in January 2001, and only limited resources available from AFP and the GOA, additional donor resources will need to be found to complete and support the transfer process in all of Albania's 315 komunas

Close Out Steps and Schedule

1. DFS personnel have been trained in KFT (March-April, 2000) and in extension techniques (July-August, 2000). They have been assigned to do KFT though no formal department exists yet, the genesis of which is the responsibility of FAO. We will continue to provide input into the formation and regularization of that department.
2. We increased our KFT personnel by one person (on short-term contract) in August to ensure that all transfers in process are completed by January. FUA's will be in place that can access WB funding for their implementation plans, with technical assistance from DFS.
2. We will revise and re-issue the Komuna Forest Transfer Manual, based on our experiences over the last 2 years, by October.

3. We will attempt to develop the local revenue generation model in Bubq komuna, based on existing knowledge of decentralization legislation.
4. We will dialogue with the APFDP's mid-term review team in order to convince them to allocate WB/AFP funds directly to the DFSs for KFT.

End of Project Status

1. As stated above, by APFDP's project completion date (January 31, 2001) we expect to have completed the transfer process in 157 villages in 27 komunas (either directly or through NGO partners), resulting in the transfer and improved management of over 30,000 hectares of forest and 6500 hectares of pasture from central to local control. This has benefited almost 17,000 families in rural Albania.
2. By the end of the project, APFDP will have leveraged an additional \$250,000 from WB/AFP for komuna forest management plan implementation.
3. AFP has agreed to continue to provide resources to APFDP-trained and supported NGOs in the komuna transfer process; models of APFDP contract with REC and numerous NGOs have been provided to AFP for this purpose.
4. Among APFDP, AFP, DFS and the NGO's, komuna forest transfer is in full swing. APFDP can withdraw from this activity with other actors in place to continue the process providing resources can be found.

<p style="text-align: center;">Intermediate Result 3 Increased public and private forestry extension capacity</p>

IR 3.1 Groundwork laid for establishing a coherent and dynamic public extension organization

Major Activities

- Facilitated, supported working groups and field studies on training needs assessment and conducted workshops on forest extension service policy;
- Continued dialogue with DGFP on the establishment of a komuna forestry Directorate at headquarters and at district levels.
- In collaboration with DGFP and World Bank funded Albania Forestry Project conducted four regional training courses on extension techniques for 74 DFS forest specialist charged with state forest and pastures transfer in use to komuna/villages;
- Sponsored an economist from the AUT faculty to the United States to pursue a masters degree in Natural Resource Economics;
- Sponsored two NGO round table discussions, trained eight NGO representatives in PRA survey methodology, advocacy and a variety of other subjects; developed and

implemented subcontracts with the Regional Environmental Center to provide training and technical support to Albania's nascent NGO community;

Policy Milestones

As a result of the above, APFDP has directly contributed to the following:

- DGFP has formally announced its intention to create and staff a Directorate of Komuna Forestry within DGFP and plans have been made to create and staff komuna sections at the DFSs.
- The GOA now sees NGOs as more of a partner than a threat in forest management; NGOS are now key players in most forest policy decisions and are considered by the GOA as a more appropriate mechanism to reach rural areas; NGOs have also become environmental advocates and as a result of APFDP efforts.

Sustainability Close Out Issues

Close Out Scenario

DGFP has assigned 84 personnel to Komuna Forest Transfer and we have proposed further that this cadre become a Department of Komuna Forest Transfer and Extension. This idea has been accepted, though formalization of the department is still in process (the next steps currently being taken by FAO). These personnel have received 3 weeks training, one week in KFT and two in Extension Techniques. This training was done in cooperation with DGFP, AUT and the World Bank.

The demand for and number of transfers done has created demand for extension services, as well as monitoring of forest management plan implementation. With World Bank funds providing the engine for rehabilitation on transferred forest and pasture, we feel that at the least, the start of a public extension organization will be in place. Since the Komuna Foresters will come from existing staff (basically moved from "zones" to komunas in terms of their territorial coverage), this should not increase the cost burden on the DGFP. We feel that such an extension service would also be able to attract significant external funding.

Phase Out Steps and Schedule

1. We will continue to advocate for formalization of this department (through December) and continue our liaison with FAO and World Bank (through December).
2. We will hold a one-week training for 36 DFS Directors to understand extension and its priority for forestry and participatory forest management in Albania (after the elections in October).
3. Should DGFP formally create a KFT/Extension department, we will attempt to organize a forestry extension study tour to Africa for officials assigned to this department (January).

End of Project Status

1. Because we have been working cooperatively with the multi-lateral agencies, completion of this IR now falls to them. There is no plan for USAID to provide continued support to the Forestry Sector in Albania.

IR 3.2 Increased capacity of public organizations, NGO's and private suppliers to provide extension services.

Major Activities

- Development and support of a private nursery operators network open for training and farmer to farmer study visits;
- Organized display for the 1996, 1997 and 1999 Agriculture and Food and provided information on private forestry initiatives;
- Developed numerous extension packages - 1) Fifty leaflets were developed and distributed by the program, regarding technical and market information on livestock, forestry, komuna forests, non timber forest products, etc. 2) Numerous meetings were organized with farmers informing them about credit lines in Albania, and market information on livestock products, honey and medicinal plants.
- Conducted extension training course for 12 DGFP forest technicians and 11 private forestry extension agents;
- Conducted Participatory Rural Appraisal (PRA) Training of Trainers Workshop for APFDP and DGFP staff;
- Conducted Participatory Rural Appraisal (PRA) Training of Trainers Workshop for seven NGOs;
- Produced and widely distributed a "Training Handbook on Rapid Appraisal for Forestry Extension Workers";
- Conducted Participatory Rural Appraisal Training for 15 APFDP and DGFP extension agents;
- Conducted three adult learning training of trainers workshops for various GOA institutions;
- Sponsored study tour to northern Greece for ten DGFP and private extension agents to see alternative forestry extension systems;
- Sponsored study tour to Turkey for six private nursery owners to see up to date nursery techniques;

Milestones

As a result of the above, APFDP has directly contributed to the following:

- The nursery network is now an officially registered association with dues paying members capable of doing their own advertising and advocacy;
- The nursery association has become an effective private extension mechanism; farmers are not only willing to pay for seedlings but for advice on other forestry related matters as well (e.g., private forest management, advice on-farm agroforestry configurations, etc.);
- Two nursery owners have now established their own training/outreach centers on their own initiative using their own resources;
- Eight NGOs are now capable of developing viable project proposals, implementing them and reporting their results in an appropriate manner;

Main studies, reports, etc.

1. Forestry Extension Handbook
2. Training Handbook on Rapid Appraisal for Forestry Extension Workers
3. Concept Paper on the establishment of a Public and Private Extension Service
4. Guidelines on the Establishment of Groups, Networks and Associations
5. Awareness Campaign Training Manual
6. Training Modules on:
 - Participatory Rural Appraisal
 - Adult Learning Techniques
 - Facilitator Role
 - Forestry Extension Service Concepts
 - Forestry Extension Service Planning
 - Environmental Awareness Campaigns
 - Livestock Groups Technical Training
 - How to organize village meetings
 - Gender Training of Trainers
 - NGO's training
 - Business Management Nursery Practices
 - Willow Techniques
 - Chestnut Techniques
 - Herbs Cultivation
 - Private Veterinarians Training
 - Artificial Insemination
 - Nursery Management
 - Record Keeping and Accounting

Sustainability/Close Out Issues

Current Close Out Scenario

REC, as a multi-country regional NGO, is better established here in Albania as a result of APFDP support. Via the REC, APFDP has been able to train, support and monitor the extension and related activities of over a dozen local NGO's, who have engaged in komuna forest transfer, demonstrations, a newspaper, training of villages and awareness campaigns. Local NGO's have gained experience through follow-on support and participation in APFDP

activities. During this final year of the project APFDP will help REC to document its successes, so that it can market itself and its network to incoming and resident donor organizations (bilateral - particularly USAID, multi-lateral and international NGO's).

Our best bet" in terms of a sustainable extension capacity, however, is through the private sector, which has a vested interest and can disseminate new species and techniques to customers. The Nursery Association members have already started doing this. Demonstrations provide a marketing tool. Komuna Forest Transfer creates demand. Members of the NA will continue to be a conduit for extension materials. Two nursery owners have built training centers at their nurseries.

The future of the Nursery Association itself is more uncertain. Although the NA is now under and receives some support from IFDC's AFADA program, there is a chance that the Association will go dormant after APFDP closes. However, we fully expect that individual members will continue the extension program and that the Association will be reborn a year or two later when nursery owners find their own reasons for establishing an association.

We have provided multiple copies of our extension materials to the assigned DFS forest personnel who will be taking on KFT and extension, to local NGO's and institutions, and to the private nursery operators. APFDP has developed a website with most of our important materials, as well as the names and addresses of our collaborators, on the Internet.

Close Out Steps and Schedule

1. STTA will be used to document the role of the NA as a private extension service (December). Results from this assessment will be translated and widely distributed.
2. We will complete the majority of REC sub-contract activities by October. A few may be extended until December, while the local NGOs seek other support.
3. We will place all of our reports, extension materials, etc., on CD-ROM and make copies available to both DGFP as seed material for the evolving extension department. Copies will also go to USAID and selected NGOs.
4. We have arranged to pre-pay the website for the year 2001 and will turn over management to another USAID project.

End of Project Status

1. Since forestry extension is a new concept in Albania, the materials we have produced (and have been distributed by the thousands) have served as a demonstration of this technique of information dissemination.
2. There is now a critical mass of organizations and individuals in Albania who recognize that forestry needs to be done under the principles of community, or social, forestry; a focus on people rather than on trees; management done locally rather than externally; management based on a relationship with the forest rather than activities done to the forest; sustainable use of forest products, including protection and improvement, to improve incomes and quality of life;

<p style="text-align: center;">Intermediate Result 4 Expanded number/capacity of enterprises based on non-timber forest products.</p>

IR 4.1 Reformed policies supportive of small-scale NTFP-related business initiatives

Major Activities

- Facilitated, supported working groups and field studies and conducted workshops on leasehold policy, forestry revenue account policy and non-timber forest product policy.
- Conducted credit facility survey focusing on credit availability for secondary forestry activities and conditions under which it could be obtained;
- Conducted survey on the impact of GOA's value added tax on private forestry initiatives and made recommendations to GOA for modifications of current legislation;

Milestones

- Two nursery owners have now leased (long-term) state land for cultivation of non-timber forest products;
- One nursery owner and one spice dealer have received credit from Opportunity International for business expansion;
- The nursery association successfully lobbied Government and had the VAT tax on seedlings removed;
- Development of a proposed set of policies for the Albanian non-timber forest products (botanicals) sector.

Sustainability/Close Out Issues

Current Close Out Scenario

Over the last 5 years the business climate has improved throughout Albania. There are more and more productive businesses in place, serving both domestic and regional markets. Of our collaborators, most are still in business and have both expanded their enterprises and have improved their profits. Access to credit is still a problem but has not been a major constraint for forestry related business.

Leasehold forestry policy and legislation, particularly for state production forests continues to be a problem, although we have prepared numerous guidelines and policy papers on this subject. The current government is very reluctant to relinquish control (and profits) from this

resource. We have made some progress on leasehold of state non-production forests for NTFPs and hope to be able to use these as models/example of the benefits of this type of tenure mechanism. We feel that the Watershed Project(s) in Albania will have a vested interest in continuing the dialogue.

Finally, given the time remaining in the project, we will not be able to move very far on NTFP policy other than the policy paper and workshop noted below. The USAID-supported IFDC/AAATA project has expressed interest in continuing work on NTFP policy and development but has been told by USAID/Albania to focus its efforts on horticultural crops.

Close Out Steps and Schedule

1. Draft and present policies for improving the NTFP sector via a workshop (December) with the participation of members of Parliament.
2. Continue the dialogue for leasehold through December. Note that we have identified several people who are cultivating NTFPs on private, "in use" and even rented land, thus serving in themselves as demonstrations. Albflor, who has an interest in cultivation and are gearing up as an advocate organization, can continue the dialogue.
3. Continue to dialogue with USAID/Albania and USAID's strategy Review Team on the importance of NTFPs in Albania (one of the few cash crops Albania has, its comparative advantage in the sector compared to horticultural crops, etc.);

End of Project Status

1. Although we feel that we have not significantly influenced leasehold and NTFP policies, we have developed and issued documents for consideration later.
2. Since NTFPs constitute a potential high-value trade, APFDP's efforts should be picked up by another donor project (existing or new). GTZ has expressed interest in picking up the marketing side but USAID/Albania has shown little interest to date in NTFPs in spite of our efforts to the contrary.

IR 4.2 Improved access to market information, affordable inputs and access to credit.

AND

IR 4.3: Improved business management and technical skills

Major Activities

- Assistance in establishing a national "Willow Management Association";
- Conducted fifteen training courses on business management, record keeping and accounting for private nursery operators, willow producers and processors, herb and spice dealers, livestock group members and other entrepreneurs in Albania;

- Conducted three regional training courses on marketing for private nursery operators, herb and spice dealers in Albania;
- Conducted six regional willow production workshops;
- Publication of "Willow Catalogue" for willow processors in Albania;
- Conducted three regional workshops with herb and spice dealers in Albania;
- Sponsored study tour to Hungary for 6 willow producers and processors to see Hungary's advanced willow industry;
- Sponsored participation of two forestry entrepreneurs to Thessaloniki International Trade Fair to develop export contacts for willow and non timber forest products;
- Publication of "Crown of Laurel" Newspaper for herb and spice dealers in Albania;
- Publication and distribution of directory of Albanian herb and spice dealers;
- Assistance to the development of a botanicals trade association (ON GOING).

Milestones

As a result of the above, APFDP has directly contributed to the following:

- All twelve of private nursery owners in the nursery network have adopted at least some of the technical and business management methods acquired through APFDP training. As a result all have become more profitable; in the past two years three have gone from near bankruptcy to a net profit of over \$20,000 in 1997-98;
- Training in improved willow production and business management techniques has increased production and profits from will by 50% for over 12 willow producers;
- Establishment of the willow network has resulted in an increase of 30% in the selling price of willow wands and the introduction of advance production/purchase contracts; as APFDP has determined that demand for willow far exceeds supply, the willow network is now growing at a rate of almost one new producer and processor per month;
- More than 670 ha of natural willow stands have been transferred in use to 29 villages thus ensuring protection and sustainable use of this resource;
- More than 150 new full time jobs and 600 part time jobs have been created in the private sector.

Main studies, reports, etc.

1. Study on Private Nurseries in Albania
2. Survey on Credit Facilities in Albania
3. Willow Production as a Business Activity

4. Survey on Non-Timber Forest Products in Albania
5. Revitalizing the Non-Timber Forest Products Sector in Albania
6. Study on Non-Timber Forest Products in Four APFDP-assisted Forest Transfer to Communities
7. Marketing Survey on Chestnut Production
8. Albanian Botanicals
9. Willow Catalogue
10. "Crown of Laurel" Newspaper
11. Director of botanicals dealers

Sustainability/Close Out Issues

Current Close Out Scenario

APFDP has been working with three types of NTFP enterprises: nuts, willow-wicker, and botanicals, all of whom have established enterprises and have had some success at marketing their products (though not always at the best prices). The market and networks for willow-wicker and nuts are relatively developed. Our experience allows for rapid replication to new areas by both our public and private sector partners. A major concern for nuts has been tenure and disease, but both of these issues have been addressed during the course of APFDP's implementation. Activities in willow have focussed on strengthening of the association of processors and producers, transfer of natural willow forest area to local communities and improving stocks. We feel that all of these activities can continue in APFDP's absence.

Re botanicals, Albania's large and diverse resource base, technical know-how and low labor costs are key advantages, but several obstacles keep this sector from realizing its full potential. Most Albanian dealers are not currently ready to compete on international markets for a number of reasons including: limited business, language and marketing skills; lack of import/export expertise; poor communications infrastructure; poor quality management; and lack of access to capital thus limiting their ability to make needed investments.

We have attempted to help dealers overcome some of these obstacles. To date, we have assisted them in developing a Directory of Suppliers and provided marketing training to them this summer. As noted above, we have also developed a botanicals/non-timber forest product policy issues paper for consideration by both Government and the private sector. Currently, we are using STTA to assist dealers in establishing a botanicals trade association for marketing and lobbying purposes.

On the supply/conservation side, we have contracted with Albflor to conduct botanicals awareness campaigns (conservation, harvesting, storage, etc.), in three komunas.

Unfortunately, sustainability and or transfer of our botanicals activities is less sure, and in spite of our efforts, much remains to be done. In essence, we have laid the groundwork for a new project, and only GTZ appears interested in picking up only certain aspects.

Close Out Steps and Schedule

1. Complete the Willow-Wicker catalogue (September). This awaits final galley review by the entrepreneurs, then it will go to press. The Association has covered 50% of the cost of production and the number of issues should last them several years.
2. Withdraw support from Willow Association (December). The members of the association have established a dues structure that can handle the basic administration of the association. We have established a linkage among them, GTZ and the Shkodra Forestry School to train the next generation of artisans on an apprentice basis.
3. Complete sub-contract with Albflor on environmental awareness raising (October). Albflor capacity building has been turned over to IFDC-AAATA.
4. Develop and implement plan for APFDP support to botanicals trade association until close of project; develop plan for IFDC/AAATA support to the association and ensure orderly transfer of activities (November).
5. Continue to dialogue with USAID/Albania and USAID's Strategy Review Team on the importance of NTFPs in Albania and lobby for their inclusion in USAID's revised strategy.

End of Project Status

1. We assume that the Willow Association will go dormant for a period (unless kept alive by the GTZ-sponsored support to the Shkodra Forestry School and joint orders from international customers). However, we envisage that in a year or two they will re-emerge as a trade association.
2. In the long term, sustainability of herbs and spices will hinge on two aspects: a) determining and making sure people understand optimum sustainable yield (for collection, realizing that most of these plants are perennials), and; b) finding a marketing outlet system that will ensure best prices to the primary producer level. Unfortunately, we do not have the time left to address either of these aspects adequately and given USAID's lack of interest in the sector, a logical follow on to our efforts appears doubtful.

APPENDIX B

Details on APFDP Events held during this Quarter

Training

Event	Date	Trainer/ Facilitator	No. of Participants		Venue
			Total	Women	
Regional Training Courses on Forestry Extension	July 03 - 14, 2000	H. Gushta O. Hoxha Jeff Saussier	19	-	Vlora
Regional Training Courses on Forestry Extension	July 03 - 14, 2000	P. Veizi M. Osmani J. Kreka	20	1	Elbasan
Marketing Training	July 05 - 06, 2000	A. Grabocka A. Ganiu	13	-	Korca
Marketing Training	July 10 - 11, 2000	A. Grabocka A. Ganiu	9	-	Tirana
HPI Cornerstones Training	July 10 - 12, 2000	G. Stefi	18	-	Tirana
Regional Training Courses on Forestry Extension	July 24- Aug 05, 2000	P. Veizi M. Osmani J. Kreka	19	1	Lezha
Regional Training Courses on Forestry Extension	July 24 - Aug.05, 2000	H. Gushta O. Hoxha Jeff Saussier	16		Pograde c
Marketing Training	July 29 - 31, 2000	A. Grabocka A. Ganiu	13	-	Shkodra
Record Keeping and Accounting Training	Aug. 29 - 31, 2000	F. Kalemi A. Ganiu	11	6	Tirana
Record keeping and Accounting Training	Sept. 11 - 13, 2000	F. Kalemi A. Ganiu	13	7	Tirana
TOTAL	Total number of participants: 151 Women 10 % of participants				

Workshops/Round Tables

Event	Date	Trainer/ Facilitator	No.of Participants		Venue
			Total	Women	
Workshop on preparation of forest management plan	July 20, 2000	V. Muharremi Gj. Fierza	30	-	Peze, Tirana district
Workshop on procedures of forest transfer process in Komuna's use	July 21, 2000	Gj. Fierza	34	1	Municipality Kruja
Workshop on procedures of forest transfer process in Komuna's use	July 25, 2000	V. Muharremi Gj. Fierza J. Kreka	29	-	Nikel, Kruja district
Workshop on procedures of forest transfer process in Komuna's use	July 28, 2000	V. Muharremi Gj. Fierza Th. Lako J. Kreka	26	2	Thumane, Kurbin district
Workshop on " sheep reproduction and breeding "	Aug. 17, 2000	G. Stefi F. Bega	14	6	Topoja, Fier district
Workshop on procedures of forest transfer process in Komuna's use	Aug. 30, 2000	V. Muharremi Gj. Fierza J. Kreka	29	-	Petrela, Tirana district
Workshop on procedures of forest transfer process in Komuna's use	Sept. 01, 2000	V. Muharremi Gj. Fierza R. Balla	16	1	Krrabe, Tirana district
Workshop on procedures of forest transfer process in Komuna's use	Sept. 06, 2000	V. Muharremi Gj. Fierza R. Balla	21	-	Helmes, Kavaja district
Workshop on procedures of forest transfer process in Komuna's use	Sept. 07, 2000	V. Muharremi Gj. Fierza R. Balla	18	1	Synej, Kavaja district
Workshop on procedures of forest transfer process in Komuna's use	Sept. 13, 2000	V. Muharremi Gj. Fierza R. Balla	29	1	Terpan, Berat district

Workshop on preparation forest management plan	Sept. 15, 2000	V. Muharremi Gj. Fierza R. Balla	17	-	Municipality Vore
Workshop on the role of optimal environmental in sheep production and how to improve it through good housing	Sept.20, 2000	G. Stefi L. Hajno	9	3	Fishta, Lezha district
Workshop on the role of optimal environmental in sheep production and how to improve it through good housing	Sept. 21, 2000	G. Stefi L. Hajno	7	2	Krajni, Lezha district
Workshop on procedures of forest transfer process in Komuna's use	Sept.22, 2000	V. Muharremi Gj. Fierza R. Balla	22	-	Sineballaj, Kavaja district
Workshop on the role of optimal environmental in sheep production and how to improve it through good housing	Sept. 22, 2000	G. Stefi L. Hajno	8	-	Kodheli Lezha district
TOTAL	Total number of participants : 309 Women : 6 % of participants				

APPENDIX C

Anticipated training events for the next Quarter

Training

Event	Date/Month	Facilitator	Venue
Three Regional Training Courses on Forestry Extension Service	October November 2000	P. Veizi, M. Osmani, H. Gushta, O. Hoxha, J. Kreka, APFDP	Elbasan, Pogradec, Lezhe
Two training courses on artificial insemination techniques.	TBD	G. Stefi	TBD
Five training courses for livestock group members on animals shelter and reproduction.	TBD	G. Stefi	TBD
Twelve local study tours for members of livestock groups	TBD	G.Stefi	
Four training courses on village boundaries designation	TBD	V. Muharremi, Gj. Fierza	Kavaja, Tirana

		R. Balla	
Ten training courses on forest and pastures management plan preparation	TBD	V. Muharremi, Gj. Fierza R. Balla	Kruje, Tirana, Kavaja, Berat

Workshops/Round Table

Event	Date/Month	Facilitator	Venue
Workshop on development of private forestry policies in Albania.	TBD	J. Seyler Th. Lako, V. Muharremi E. Nielsen	TBD
Workshop on development of komuna forestry policies in Albania.	TBD	J. Seyler V. Muharremi, Gj. Fierza, Th. Lako J. Kreka	TBD
Workshop on development of policies for the Albanian NTFP Sector.	TBD	J. Seyler S. Kostreci J. Kreka	TBD
Regional round table on development of private forest owners' network	TBD	Th. Lako	TBD

APPENDIX D

Private Forestry Policy Paper

A PROPOSED SET OF POLICIES FOR THE IMPROVEMENT OF THE PRIVATE FORESTRY DEVELOPMENT IN ALBANIA

Summary

Since 1995, the Albania Private Forestry Development Program (APFD) has been working to develop the private forest initiative through two main objectives:

- Assist the GOA to create more coherent and dynamic policies and institutions which are supportive of community and private forestry;
- Facilitate increased adoption by komunas, villages and individuals of replicable, economically and environmentally sustainable forest, pasture and livestock management practices.

During the transition period, the main objective in developing private forestry policy has been to recognize ownership of forests and pastures before 1945 and their partial /full restitution to the ex-owners.

The right for ownership recognition and restitution of seized property during 1945-1990 is stipulated in the Constitution of the Republic of Albania, approved on 21.10.1998 (Articles 41 and 181). Article 181 states that the goal of Parliament is to amend and complete legal provisions within 2-3 years that regulate seizures and confiscation accomplished before the approval of the Constitution. The DGFP prepared Strategy for the Development of the Forest/Pasture Sector in Albania, states that "*The recognition of private property rights and the privatization of the public property*" (page 45).

There are numerous policy issues for the development of private forestry in Albania. These include objectives to develop agroforestry in non-forest lands in addition to goals for a sustainable management of private forests. The need to formulate an inter-sector forestry policy for the development of private forests is also due to characteristics of the rural zones in Albania.

A significant feature of rural development in Albania is the disproportionate distribution of the rural population and natural resources. From 1991 – 1992, the low land area where 65.4% of the rural population lived, consisted of 40% forestry area, 39% pasture and 73% arable land. The mountainous area where 34.5% of the rural population lived consisted respectively of 60%–61% forests and pastures and 27% arable land (table 1). Because of the free move, the population of urban/rural centers has increased and the population of mountainous areas has substantially decreased.

Tab. 1. Distribution of the rural population and natural resources.

No	Zone	Rural Population		Agriculture land		Forests		Pastures		Agriculture land (ha/family)
		000/inhabitants	%	000/ha	%	000/ha	%	000/ha	%	
1	Low land	1 359	65.4	512.0	73	418.1	40	160.2	39	1.44
2	Mountain	718	34.6	191.0	27	627.9	60	249.2	61	1.22
	TOTAL	2 077	100	703.0	100	1 046.0	100	409.4	100	1.40

(**Source:** An Agriculture Strategy for Albania. World Bank Report, October 1992)

Based on the above data, the low land rural populations have few accessible forest/pasture resources to meet their needs for fire wood, construction material, pasture and non-forest products. The development of agroforestry should be a priority for forestry policy issues, the improvement of living conditions and a better management of agricultural land. It is necessary that forestry policy in Albania address several issues to improve current situations in the sector.

I. The Albanian Government should recognize private ownership before 1945. Due to the Sherihat Law of the Osman Empire, the private forest area in Albania was rather small and didn't exceed 5% of the total forest area (63,000 ha). Due to the limitations of Law No. 7699, dated 21.4.1993. On the compensation and restitution of the ex-owners of the agricultural land, forests, forest land and pastures, in value or in kind," the forestry area restituted to the ex-owners is less than 10,000 ha. Although this is not large area, the profits gained from its non-productive functions should always be taken into consideration.

In contrast to the private forests, agroforestry is of great importance, especially for the restrain of land degradation. The degradation of the environment in Albania is a well-known fact. This is not only for the forest and pasture sector, but for the agricultural land as well. Soil erosion is one of the main problems of the Albanian environment. In Albania, 82% of agricultural land is cultivated and 123,000 ha are non-divided or refused lands (MOAF - Annual statistics directory 1996, Tirana 1997). This land doesn't stimulate attention and risks further degradation. Another aspect is the consumption of firewood for heating and cooking in rural zones. Over 400,000 families live in these zones which consume around 1.2 million m. of firewood per year, the majority of which is obtained through illegal cuttings in the state-run forests. Agroforestry practices for the cultivating fast growth species in marginal lands and the combined with agricultural crops of high value forest species, serve not only to protect the soil, but also to reduce pressure and illegal cuttings in state forests.

II. The Government should address the objective of support for the development of private forests as a means of having an impact on two aspects. a) An increase in the farmer families' incomes and to better meet their demands by combining of agricultural crops /forages, forest species and rationally utilizing soil fertility. b) Restrain environmental degradation, erosion control, and profits that derive from non-productive functions of the sustainable management of agricultural land.

The objectives of private forestry policy may be segregated into three categories: i) creation of the mechanisms to enhance sustainable management of private forests; ii) creation/improvement of the mechanisms to promote the development of agroforestry and iii) improvement of the social-economic environment to enhance the development of private forestry.

1. Sustainable management of private forests

- i. The improvement of the legal framework, procedures and information system in terms of the restitution of the forests and pastures to the ex- owners.
- ii. Improvement of provisions on the enhancement of private forestry activities.
- iii. Creation and implementation of the appropriate instruments for promoting sustainable managed private forests.

2. Development of agroforestry

- iv. Improvement of both land provisions and information systems to promote the development of agroforestry.
- v. Improvement of the legal framework related to the refused/undivided land with the aim of promoting private forestry activities.
- vi. Creation and implementation of instruments for the enhancement of appropriate agroforestry practices and sustainable management of the land.

3. Social-economic environment

- vii. Institutional development
- iii. Promotion of private forestry/agroforestry businesses.
- ix. Leasing of forests and pastures
- x. Promotion of private forestry productions.

Creation/Improvement of the Mechanisms to Enhance the Agroforestry Development

1.1 Premise

Private forests in Albania covered 63,000 ha up to 1945, according to the available data, and they did not have a decisive role in the total forestry area of 1 379 000 ha. After 1945 the mass nationalization process of private property started and a few years later the private ownership concept vanished. The recognition and restitution of private forests to the ex-owners started after 1996, thus only 6,300 ha or 10% of the private area was restituted to the ex-owners until June 2000. The restitution process is very slow and the ex-owners are facing various problems.

Private ownership has become a reality, but it is not very enticing. Market economy development opened up new fields for the development of several activities in the private forestry sector. Leasing forestry land to cultivate of the medicinal/ aromatic plants, improvement of degraded forests and afforestation enhance the development of the private forest sector. The state and private sector partnership creates other possibilities to repress further degradation of forests and to improve them.

In Albania, the policy for sustainability in managed private forests is not complete. As a consequence, the instruments to implement this do not exist. The provision framework does not reflect the actual changes of the transition period. The Forest Act and the "Strategy for the Development of a Forest and Pasture Sector" briefly mention the private forests, but they do not define goals, nor do they show how to manage them.

To enhance sustainable management of the private forestry sector in Albania, forest policy needs to be improved. The policy objectives can be reached through the combination of several instruments such as legal, financial, and institutional mechanisms. The participation of the owners in both the formulation and implementation of this policy remains a necessity.

1.2 Recap from legal framework

Recap of Law No. 7623, Date 13.10.1992 " On forests and forest service policy":

1. The law defines that "*The private forests constitute different species and afforestation that are created and exist within the boundaries of the land which belongs to them*". (Article 4)
2. The afforested area less than 1,000 m² (Article 3) and the group of woods within the territory or around the agriculture land and pastures, stables, along the irrigation and drainage channels and water streams etc., (Article 5) are not included in the forest area.

3. The state defines the criteria through a special regulation by the Minister of Agriculture and Food on the definition of the private forests and the rules needed for their administration. (Article 4).
4. The state provides financial /technical assistance for the development of agroforestry and the creation of the private forests. (Article 4)
5. The administration, development and management of the state run, private and communal forests is done in conformity with the disposition of this Law. (Article 6)
6. The management and protection of forests from illegal cuttings, grazing, infections, diseases, fires and contamination, regardless of ownership, remains a permanent obligation for the forestry staff. (Article 38)
7. The landowners do not have the right to deforest or change the destination of private forests without the approval of the relevant offices, provided they have paid the defined fee, which will be used for the afforestation of an equal area. (Article 7)
8. Private owners do not have the right to establish sites of any species in their own forests, provided the administration office has issued them a license. (Article 9)
9. The private owners are prohibited to have any kind of activity that reduces the productivity, hinders the regeneration, or weakens the conservation and social function of the forest. (Article 21)
10. Private owners are obliged to ensure the protection of both forests and their property and woods out of the forestry area. (Article 40)

Recap of Law No. 7875, Date 23.11.1994
"On the conservation of the wild fauna and hunting"

11. Wild fauna is a national property and is administered and protected by the Government. (Article 1)
12. The hunting area consists of the forests and pastures, meadows, agriculture lands, etc, regardless of the ownership. (Article 7)
13. Private territories can be included in the hunting and fauna areas when the approval of the owner is secured. (Article 10)
14. The Government promotes private investments for the conservation, management and cultivation of the wild fauna. (Article 14)
15. Legal persons can manage and raise artificially wild fauna provided they have permission from the DGFP, in the private forests, for recreation and commercial aims. (Article 15)
16. The District Directorate of the Forestry Service leads, organizes controls and is responsible for the conservation and management of the wild fauna in all the hunting zones, regardless of ownership. (Article 31)
17. Legal persons or the owners of the area included in the hunting zones are obliged to fulfill all the dispositions of this law. (Article 31)

Recap of Law No.7699, date 21.04.1993

“On the compensation in cash or building sites of the ex -proprietors of the agriculture lands, pastures, meadows, forests plots and forests” with some amendments and appendixes:

18. The right for the compensation of the owners or their heirs, in cash or in kind, regarding the agriculture land, meadows, pastures is recognized, provided this property is duly registered, or in cases of missing documents, this property should be certified by a court case. (Art. 4).
19. Pastures, meadows, forests plots, and forests, that are certified as private property by documents, are restituted to the ex-owners and their legal heirs (not exceeding 100 ha of forests), in conformity with the cadastre files of August 1, 1991 (Article 70).
20. The pastures, meadows, forest plots and forests are not restituted to the ex- owners but are compensated in kind, when situated within the boundaries of the recreation and protected zones, as defined in the regulations and dispositions. Exceptions are made for cases where the Council of Ministers have approved tourist projects. (Article 70).
21. When pastures, meadows, forests plots and forests are located thoroughly or partly within the designated boundaries of the tourist zones, the compensation in kind is complete but not exceeding 10.000 m. The compensation in kind is done in line with specific urban studies. (Article 7).
22. The deadline to present the ownership claiming documents is one year from the day the respective acts have come to force. After that deadline no documents are accepted (Art. 7).

1.3 Discussion

An analysis of the legal framework of the forest sector indicates that there are no comprehensive long-term objectives in forest policy for the development of this private sector. The Forest and Hunting Acts compiled in 1991-1993 fail to consider the possibility of recognizing private ownership and restituting it to the ex-owners. These laws deal mainly with the obligations of private owners, not their rights.

Further developments in Albania and progress in the market economy are reflected in the way owners perceive forest and their restitution. In 1996, several amendments and changes were done to Law No. 7699, dated 21.04.1993 "On the compensation in cash or building sites of the ex-owners of agricultural lands, pastures, meadows, forests plots and forests", these amendments reflect the new developments in forestry policy. Later, the Law on Leasing state agricultural land, forests, meadows and pastures, created the possibility for the development of private forestry.

The recognition of ownership and its restitution have created a new reality, but it is evident that the proper instruments and mechanisms for forestry policy are lacking. The private owners are mostly interested in increasing incomes through the management of their forests, but the Forest Act does not consider the management of private forests. Further more, the forestry policy changes and developments related to ownership recognition are not included in the relevant legislation. The legal framework on the sale and leasehold of private land is also lacking; however, this did not obstruct several owners from bargaining to sell them.

The relations between private owners and the state are not defined by law, which leaves room for abusive actions. There are no mechanisms to secure the public participation of private owners in the process of preparing neither policy issues nor ways to implement them. There is no information on responsible institutions which provide technical assistance and investments for the development of private forestry, although this is foreseen in the Forest Act. The Law on Fauna and Hunting also lacks technical assistance from the state for the private sector regarding activities such as the management of fauna, raising game and the establishment of private game reserves. The legal framework for conserving, administering and raising wild fauna also lacks technical assistance.

The improvement of legal framework to achieve the objective of a sustainable management of private forests should not only take into consideration the rights/ responsibilities of the state and obligations of the private owners, but they should also consider the rights of private owners. Several recommendations are given below on the rights and responsibilities of the state and owners regarding sustainable management of private forests.

Proposed orientations on the rights and obligations of the state and the private owners in terms of the sustainable management of the private forests

Rights and obligations ...	
<i>Of the state</i>	<i>Of private owners</i>
<ul style="list-style-type: none"> • Protects the interests of the whole society. 	<ul style="list-style-type: none"> • The change of land use is prohibited. Private owners can change their use of the land, provided they have the permission of relevant organizations and through afforestation of an equal surface to the deforested one.
<ul style="list-style-type: none"> • Ensures the participation and consent of forest owners on the formulation of forest policy and charging issues in terms of private forest management and relevant legislation. 	<ul style="list-style-type: none"> • Participate in formulating forest policy and relevant legislation.
<ul style="list-style-type: none"> • Defines the limits on private forests that will be used for a forest management plan. 	<ul style="list-style-type: none"> • Private owners may be organized in groups to reach their limits.
<ul style="list-style-type: none"> • Compiles guidelines on the management of private forests and provides technical assistance for the preparation of a management plan. 	<ul style="list-style-type: none"> • Takes an active part in the management process of private forest.
<ul style="list-style-type: none"> • Guaranties training to private owners and provides assistance to protect forests upon request. 	<ul style="list-style-type: none"> • The owner ensures protection of private forest from the illegal cuttings, fires, diseases and damaging factors, etc.
<ul style="list-style-type: none"> • Prepares guidelines and ensures accessible technical assistance to private owners. 	<ul style="list-style-type: none"> • Properly implements a management plan to conserve the ecological and social functions as well as the productivity of the forest.
<ul style="list-style-type: none"> • Prepares guidelines on the taxes of forest products and provides incentives for those having a management plan. 	<ul style="list-style-type: none"> • Have the obligation to pay taxes and the right to profit from the management of their forests in line with their management plans.
<ul style="list-style-type: none"> • Compensates for losses of the owners or buys the forest when it is located in a recreational zone, as decided by the relevant institutions. 	<ul style="list-style-type: none"> • Profits from the change of land use or has the right to sell their forest to the state.
<ul style="list-style-type: none"> • Prepares guidelines on the procedures of leasing and sale of the private forests. 	<ul style="list-style-type: none"> • The right of forest leasing and sale.
<ul style="list-style-type: none"> • Ensures access to private forests through the construction of forest roads. 	<ul style="list-style-type: none"> • Pays fees and taxes for the maintenance of the forest road.

Rights and obligations ...	
<i>Of the state</i>	<i>Of private owners</i>
<ul style="list-style-type: none"> • Promotes free initiative. 	<ul style="list-style-type: none"> • The right to generate incomes from the multipurpose management of the forest.

2.4 Proposed Instruments and Mechanisms

The proposed instruments and mechanisms for enhancing the development of the private forest sector can be grouped as such: I) legal instruments; ii) institutional instruments, iii) financial instruments and mechanisms and iv) public participation of farmers in formulating the policies and decisions for the development of private forestry.

1.4.1 Improvement of legal framework.

First and foremost, work should be focussed to complete the legal framework and necessary amendments for private forests and their sustainable management and necessary improvements to facilitate the development of the private forest sector and relevant activities.

1. The Law on the restitution of property. Some of the main improvements proposed have to do with: the recognition of property, (it should be done according to the documents, not witnessed in court); the withdrawal of restrictions in terms of the restitution of private forests and pastures; the postponing of deadlines for the submission of claiming documents (e.g. the deadline defined by law, by the German Parliament for the recognition of private property in East Germany is 17 years).
2. The Law "On forests and the forest service police". The juridical nomination on the private forests should be changed in this law. A special chapter should be added on private forests and their sustainable management taking into consideration the rights and obligations of both the state and the owners, on the basis of which the relevant acts and sub-acts should be prepared.
3. The Law on Fauna and Hunting. The main amendment proposed has to do with the recognition of the rights of private forest owners to generate incomes from fauna management and hunting licenses in their own land. The Law should recognize hunting zones and the establishment of hunting preserves on these private areas, etc. This Law should also clearly define the obligations of the state for the promotion of private investments with regards to conservation, administration and raising of the wild fauna as well as the development of the private activities in the hunting field.

1.4.2 Institutional framework.

DGFP is the sole institution responsible for supporting and monitoring private forest management, but due to the slow forest transfer process, the special structure necessary for this has not yet been established. The defined objectives for the restitution of forests and the development of forest related activities require that DGFP play a leading role through a proper institutional response. Some of the key directions might be as follows: I) the preparation of guidelines on private forest management; ii) development of a proper information system and iii) development of a structure to train private owners.

4. The preparation of guidelines on the management of private forests. The management of private forest is somewhat specialized, thus the current guidelines on the management of communal and state forests can not be used; these guidelines should be simple and comprehensive to the owners, who lack the proper education in the field.
5. Information system to support private forest management. DGFP should establish a proper information/communication with private owners. This system should not only provide information on forest legislation, but also market information on wood materials and other forest products. Several publications should be used, such as leaflets, bulletins, etc. on the sustainable management of private forests.
6. Training of private forest owners. DGFP, in cooperation with the Faculty of Forestry Science and the Forestry School of Shkodra, should set up proper structures to be able to respond to the training needs of private owners. The establishment of the extension department to support the communal forests can well meet the training needs of the private sector.

1.4.3 Financial Instruments and Mechanisms

Private forests restituted to the ex-owners are normally very degraded due to intensive cuttings and overgrazing. In most cases, the owners can not generate income from their forest management. Since the Government secures indirect revenues through the ecological conservation functions of the forest, it is proposed that the government provide financial facilities and enhance a sustainable management through i) taxes and ii) incentives to promote forest management plan implementation, etc.

7. Taxes system. In Albania, there is no available tariff system on private forests, but it is evident that this situation will not last for long. As a rule, real estate is taxed, and the taxation of private forests is expected in the near future. It would be wise to put taxes on the harvested forest products instead of the forest land.
8. Incentives to promote sustainable management of private forests. The involvement of private owners in sustainable management needs time. It is necessary for the Government to provide incentives and financial support for owners who manage their forests in line with their management plans. These incentives should motivate other owners to follow in their path.

1.4.4 Public participation of the forest owners

9. The active participation of private owners in the formulation of policies and decision-making. In the establishment of the DGFP partnership, private owners need to ensure that public participation is their main objective. In order to accomplish this, it is necessary to: promote the organization of private owners in Associations; establish good DGFP/owner association relations; and, seek the active participation of the owners in the formulation of policies and decision making, as well as in other activities on the national, district and local level.

Creation/Improvement of the Mechanisms to Enhance the Agroforestry Development

2.1 Introduction

After 1945, Albania inherited less than 300 thousand ha agricultural land, whereas in the 80's, due to the policy for the development of extensive agriculture, the area of agricultural land reached up to 710 thousand ha. This land was built by the drainage of coastal and continental lagoons (~ 150,000 ha), deforestation, and by changing the winter and summer pastures into agricultural land. Through a simple analysis we can come to the conclusion that within the period 1945-1980, the cadastre has registered to almost 260.000 ha of agricultural land from forests and pasture areas, and during the same period the forest and pasture areas were reduced respectively to 240,000 and 400,000 ha.

The following figures speak clearly of its negative impact on the environment and the damage of the lagoon, forest and pasture ecosystems of Albania. The ruin of lagoons destroyed the equilibrium of both maritime and earthy ecosystems, and as a consequence, a major part of the land provided was salted. The deforestation and the change of natural pastures into agricultural lands did not have any returns and around 120.000 ha of low quality agricultural land was refused as a property or not divided at all. The ecological destruction of forests and pastures increased to 300,000 ha in the categories of unproductive lands, which constitute 25% of the country's territory.

After the 90's, Albanian agriculture was thoroughly transformed and entered into the market economy. The main objective of agricultural policy for the transition years was to privatize of the land through land reform. During 1992-1995 private farms consisted of 550,000 ha, and 120,000 ha of agricultural land that was refused or wasn't divided. The poor quality agricultural land that was far from the urban area was refused or was not divided. Due to the demographic move and immigration, a new phenomenon became evident in Albania: - the abandoned agricultural land was given to the farmers as property. The abandoned agricultural areas increase year after year due to the lack of proper agricultural policies and hard living conditions in the hilly and mountainous area.

The Ministry of Agriculture and Food has prepared "The Strategy for the Development of Agriculture in Albania", the so-called "Green Strategy", approved in December 1998 by the Council of Ministers, with the aim of being ahead of new agriculture developments. This document stipulates that the development strategy of agriculture is based on the ecological principles of sustainable development. "The Green Strategy" to rehabilitate the agricultural environment (Page 4) calls for:

- preparation of an appropriate legal framework;
- creation of the proper organizational structure;
- creation of a special budget for rehabilitating the agricultural environment.

The environmental policies included in the strategy create a premise for the promotion of appropriate agroforestry policies to restrain the ecological degradation of non-divided, refused and abandoned lands, in order to increase the incomes of farmer families who manage their property in line with these practices.

2.2 Recap on the legal framework

Recap of Law No. 7501, Date 19.7.1991 “On the land”

1. The agricultural land constitutes land planted with crops, fruit and olive orchards, wherever they are situated, regardless of their size. (Article 1)
2. The owners of the agricultural land can lease their land to legal native or foreign persons. (Article 3)
3. The agricultural land, given as a property or in use is duly registered in the cadastre. (Article 10); in the cadastre every change is registered, after the initial registering. The change of land use, arable land, vineyards, fruit orchards are done by the owner him/herself. He/she is responsible to inform the cadastre office to do the relevant operations.
4. The refused agricultural land remains under the jurisdiction of the state. (Article 10)

Recap of Law No. 8312, Date 26.3.1998 “On non-divided agriculture land”

5. The non-divided agricultural land includes all the registered areas that are not divided or refused by families or other individuals. (Article 2)
6. The Komuna/Municipality Council charged with their division administers the non-divided agriculture area. (Article 5)
7. The Komuna/Municipality Council is responsible for the enforcement of the law over the non-divided agriculture land.

2.3 Discussion

Albania inherited from the past a very restrained policy in terms of agricultural land management and the change of its use. During 1945-1990, the central government implemented a liberal policy regarding deforestation and a change of designation of natural pastures into agricultural lands, not taking into consideration their negative impact on the environment. In most cases, changing the use of land was under the jurisdiction of the local government and the competence for changing the land designation on pastures went down to the komunas. The contrary happened to the agricultural land. Changing its use into forests, pastures, meadows, or unproductive land, was a taboo, and was under the jurisdiction of the Central Government.

The social-economic changes after the 90's were associated with new developments. The market driven economy created a premise for the development of private farms as well as to support agriculture production through private initiatives. The recognition of land ownership, regardless of the legal framework lacking, created the premise for the leasehold/sale process of the agricultural land. The taboo to change the land use was broken and according to legislation, the owner should have the right to change its use. Vineyards, fruits/olive orchards can be planted in line with the interests of the owner. The legislation on agriculture does not stipulate that the prohibition of land use change into forests and pastures. The owner should ask for permission by the local government only in cases when the agricultural land changes its use into unproductive land.

The main feature of agricultural policy implemented so far in Albania is its neglect of environmental conservation and protection. It is well known that the main factor of land degradation in our country is erosion. The current studies indicate that 24% of the territory is completely threatened by soil erosion, 59% of the territory is half- threatened, and 17% is erosion free. Erosion effects are evident in terms of reduction of the irrigation capacity of the reservoirs which is due to the sediments and the change of the coastal line. For the first time in the Green Strategy, the environmental policy is mentioned and stipulates that. "*The strategy of the agricultural development is based on the ecological principles for a sustainable development.*" The most important instruments to achieve the main objectives of environmental policy for the rehabilitation of the agricultural environment include legislation and institutional and financial aspects.

The development of agroforestry is a real potential for sustainable development of agriculture and protection of the environment. The forest woods and shrubs planted on farms play two important functions. First, they ensure products such as fire wood, fodder for the livestock, fruits, food and medicinal herbs to meet the needs of the farmer's families. Second, they provide services such as erosion control, pollution control, effective utilization of the water, recycling of nutritional elements and improvement of environmental conditions, which increase agricultural productions. The results achieved through APFDP and the farmer's agroforestry practices (the establishment of windbreaks, or woodlot with fast growing species such as poplar, eucalyptus, black locust, the cultivation of the medicinal/ aromatic plants, the planting of forest trees into pasture, etc.) are very positive steps and confirm the advantages of agroforestry.

"The Green Strategy" creates space for the development of agroforestry and for the cultivation of undivided, refused, or abandoned lands. Agroforestry is an intensive system for the management of land, which aims to get maximum profits through biological cooperation such as in the cases of combination of woods and shrubs with agricultural crops, or in livestock management. The defined instruments in The Green Strategy such as the preparation of appropriate legal framework, establishment of the organizational structure to address the needs of ecological rehabilitation, and the establishment of a special budget for the rehabilitation of an agricultural environment, provide favorable conditions for the development of agroforestry. It also provides for the involvement of a large number of farmers in the implementation of sustainable management practices on agricultural land.

The following table provides several issues on the rights and obligations of both the Central Government and farmers. It shows where they should focus their legal, financial and institutional instruments and mechanisms to promote agroforestry development and sustainable management of agricultural land.

Several trends on the rights and obligation of the state and farmers for the development of agroforestry and for sustainable management of agricultural land.

Rights and obligations ...	
<i>Of the state</i>	<i>Of farmers</i>
<ul style="list-style-type: none"> • Protects agricultural land as a national property and preserve the interests of the whole society. 	<ul style="list-style-type: none"> • The owners can change the use of agricultural land, but without creating problems in the neighboring land.
<ul style="list-style-type: none"> • Ensures the participation of farmers and their consent on the formulation of agriculture and taxing policies as well as the relevant legislation concerning sustainable management of agricultural land and the development of agroforestry. 	<ul style="list-style-type: none"> • Active participation in the formulation of agriculture/taxing policies and the preparation of relevant legislation for sustainable management of agricultural land and the development of agroforestry.
<ul style="list-style-type: none"> • Compiles guidelines on the sustainable management of agricultural land and agroforestry practices. 	<ul style="list-style-type: none"> • Takes active part in the preparation process of guidelines on sustainable management of agricultural land and the agroforestry practices.
<ul style="list-style-type: none"> • Guaranties training of the farmers and provides assistance requested by them on soil conservation, crop rotation, preparation of agroforestry projects, etc. 	<ul style="list-style-type: none"> • The owner is responsible for soil conservation, crop rotation, implementation of agroforestry projects, maintenance of irrigation net situated in his land, etc.
<ul style="list-style-type: none"> • Prepares guidelines and provides technical assistance on soil conservation. 	<ul style="list-style-type: none"> • Implements correctly the guidelines on soil conservation to protect its fertility through the implementation of agroforestry practices.
<ul style="list-style-type: none"> • Prepares guidelines on a taxing process and provides taxing facilities for the promotion of sustainable management of agricultural land. 	<ul style="list-style-type: none"> • Obligation to pay the fees and the right to profit from the taxing facilities for sustainable management of agricultural land and the development of agroforestry.
<ul style="list-style-type: none"> • Motivates farmers to implement agroforestry practices and sustainable management of agricultural land through several subventions. 	<ul style="list-style-type: none"> • Has access to several subventions while carrying out the practices of agroforestry and sustainable management of agriculture
<ul style="list-style-type: none"> • Prepares guidelines on the leasing /sale procedures of agricultural land. 	<ul style="list-style-type: none"> • The right to lease and sell agricultural land.
<ul style="list-style-type: none"> • Guaranties free initiative. 	<ul style="list-style-type: none"> • The right to generate incomes from integrated management of agricultural land.

2.4 The proposed policy instruments and mechanisms

The proposed policy instruments and mechanisms to enhance the development of agroforestry coincide with the proposed policy instruments of the Green Strategy 's environmental objectives, including public participation of farmers in the process of policy formulation and decision-making for the development of agroforestry and the sustainable management of agricultural land.

2.4.1 Improvement of the legal framework

The first policy issue that needs to be addressed is the preparation of legal framework for soil conservation and sustainable management of agricultural land and the improvement of the law "On the land" and the law on non-divided agricultural land to provide possibilities for the development of agroforestry.

1. The preparation of legislation on soil conservation and sustainable management of agricultural land. Albania is lacking the legal framework for soil conservation and sustainable management of agricultural land. The preparation of this legislation is one of the goals of the Green Strategy. That's why it is recommended that during the preparation of this legislation, apart from the rehabilitation aspects, the promotion of the private farmers and facilitation of the development of agroforestry should be taken into account.
2. Law On land. The preparation of the legal framework for sustainable management, protection and erosion control of the agriculture land, etc., will require several amendments and changes on the "Law on land". One of the proposed amendments is the right of the owner to change not only the use of the land, but also the use of agricultural land into a forest, pasture or meadow.
3. Law on non-divided agriculture land. The legal framework on non-divided agriculture land is not complete. It is necessary to make the needed amendments, taking into account the above mentioned orientations on soil conservation and sustainable management of agricultural land. The law empowers the Local Government (Komuna/Municipality Council) to administer non-divided/refused land, but the law is still lacking provisions in terms of leasing. This would provide a chance for better utilization of non-divided/refused land at the benefit of the community.

2.4.2 Institutional framework

The Department of Agriculture and Food Directorates in the districts, the General Directorate of Forest and Pastures and the Ministry of Agriculture and Food are the central institutions which can guaranty the necessary institutional support for sustainable management of agricultural land and the development of agroforestry. The main trends on which the work should be focussed are : i) institutional strengthening; ii) the establishment of an information system and iii) the establishment of training capacities of the farmers.

4. Institutional strengthening. "The Green Strategy " recommends the establishment of an appropriate organizational structure for the rehabilitation of an agricultural environment, but the creation of a new structure would be impossible at a time when the policy of the Government intends intensive reduction of the administrative staff. The most appropriate way is to strengthen the responsible institutions in the agriculture sector and assure them constant training with the aim of providing proper technical assistance to the farmers as well as the necessary logistics supply for the implementation of environmental policy goals in agriculture.
5. Information on the development of agroforestry. MOAF should improve the information systems to develop an appropriate communication with the farmers. This system should provide not only information on the new agricultural/taxes legislation, in terms of soil conservation, sustainable management, agroforestry development, but it also should

provide market information, agroforestry crops information as well as leaflets, brochures, on the land management, erosion control, agroforestry practices etc.

6. Training of the farmers. The sustainable management of the land and the development of agroforestry require that farmers have the appropriate knowledge. This requires necessary training. The establishment of the extension service schools at AUT and the district agricultural schools would provide potential possibilities for training of farmers in terms of sustainable land management, agroforestry, agriculture and livestock production, private forestry, marketing etc.

2.4.3 Fiscal Instruments and Mechanisms

It is proposed that a policy be adopted that uses tariffs as a policy instrument to effectively enhance and better motivate farmers to be involved in the implementation of sustainable management of agricultural land. The following are recommended tariff policy instruments and mechanisms for sustainable management of agricultural land and for the implementation of appropriate agroforestry practices: i) taxes; ii) incentives, and iii) credit system.

7. The taxation policy. The fee over land can be used as a mechanism for the promotion of sustainable management of agricultural land. The present tariff policy on agricultural land is not yet working, but this situation will not last for long. The land fee is based on land fertility. The Green Strategy stipulates a revision of the land fee, taking into account the distance from the market, infrastructure, etc. It is advised that the owners/ users who plant forest species or implement sustainable agroforestry practices are charged with a minimum or zero fee.
8. Incentives for the promotion of sustainable management of the land and agroforestry. The sustainable management of the agricultural land and implementation of agroforestry practices have an impact in the rehabilitation of the environment, erosion control, reduction of sediments in the reservoirs etc. These various ecological effects cover a larger area, and the main beneficent is the Central Government. It would be very useful for the Central Government to support the training of farmers, and to provide incentives for the promotion of soil conservation and sustainable management practices in the agricultural land. These incentives would better motivate the farmers to follow on this path.
9. Credit policy. The investments for the sustainable management of the agricultural land and the implementation of agroforestry practices are needed long term to receive returns. Creating the conditions for accessible, favorable credits would assist to rehabilitate the agricultural environment, sustain the management of agriculture and agroforestry in particular.

2.4.4 Active participation of the farmers.

10. The participation of farmers in the formulating process of agriculture policies and decision making . The main goal to ensure public participation of the farmers in the formulating process of agriculture policies and decision making would be to establish a MOAF-farmers partnership. To achieve this goal, it is necessary to make the farmers aware of the actual situation; promote their organization in associations; institutionalize the MOAF-association relationship; establish forums for active participation of the

farmers' associations in the formulating process of policies and decision making of the agricultural sector on a country, district or regional level; and to establish their participation in all the like activities.

The Improvement of the social-economic environment for the enhancement of the private forestry

3.1 Premise

The lack of integrated policies for a sustainable management of the natural resources in Albania has influenced a great deal in the degradation of the land. The accomplished studies indicate that 5/6 of the territory is eroded while 1/6, although not threatened by erosion, is open to sediments and floods.

One of the most efficacious means of restraining land degradation in Albania, is to develop the private forestry and agroforestry sectors, but DGFP and MOAF do not work on policy issues to enhance these sectors. The rehabilitation, protection and conservation of both the land and environment constitute complex national problems. The Albanian Government needs to address integrated policies that will support improvement measures.

3.2 Present situation

Agricultural land, forests and pastures constitute 75% of Albanian territories, but for almost 50 years, policy had a negative impact on these resources. The deforestation and intensive opening of new lands did not justify the accomplished investments, and around 120,000 ha of agricultural land were not divided or refused. A major part of the agricultural land produced by the drainage of lagoons are salted and the forests, particularly those situated close to the rural zones, are very degraded due to illegal cuttings and overgrazing. The surface of unproductive lands has increased more than 300,000 ha because of incorrect management in forests and pastures.

After the 90's, Albania became a market driven economy country. One of the priorities of the Albanian Government was to make policy on privatization, not only in the agriculture sector, but in other national sectors as well. This policy was followed and implemented effectively. The land privatization and the restitution of the private forests and pastures to the ex-owners created potential possibilities to restrain the degradation of the environment and for the sustainable management of natural resources. The development of private forestry and agroforestry and their integration to the conservation policies will rehabilitate the environment in Albania.

In the current social-economic conditions of the country, private forestry and agroforestry provide potential possibilities to restrain environmental degradation and its rehabilitation because of the following:

I. Over 450,000 farmer families inhabit the rural zones of the country. Their survival is based mainly on the utilization of agricultural land, forests and pastures. The factor of "*People*" is the decisive one; it is closely linked and defines whether the natural resources are sustainable or not. For this reason it is recommended that the awareness campaign be the main goal of the policies in developing forestry and agroforestry.

II. Implementing sustainable private forestry and agroforestry has a direct impact on the restraint of further degradation of the state forests. Meeting the production needs of the farmers who manage their own forests and increase their incomes will be associated with the reduction of illegal cuttings and pasture pressure in state forests. The implementation of promoting practices for the development of private forestry and agroforestry will have very positive effects on state-administered natural resources.

It is necessary to improve the social-economic environment to ensure public involvement for the implementation of sustainable management practices on natural resources and to promote agricultural land rehabilitation and in particular, sustainable management.

3.3 Improvement of the social-economic environment

The proposed policy instruments and mechanisms for improving the social-economic environment is to enhance the development of sustainable practices related to private forestry and agroforestry as follows: i) institutional development; ii) enhancement of private forestry and agroforestry; iii) leasing the forests and pastures; iv) promotion of the private forest products.

3.3.1 Institutional development

Institutional development should aim to improve existing public and private capacities to play an active role in the awareness process of rural people. It should create the climate for land rehabilitation and its sustainable management. It should enable farmers' participation in both the policy formulation and decision making processes. It should motivate private owners to ensure the sustainable management of natural resources.

1. Public awareness. "*People*" are the key factor in securing the success of sustainable management in natural resources. The Albanian Central Government should address an awareness campaign in rural zones for the rehabilitation, protection and conservation of the environment. The organizing of an awareness campaign should not include the schemes of several years before. The creation of a national task force, their training and exploitation of existing appropriate capacities for the arrangement of awareness campaigns should be the most effective way to work with the public. Schools, University, the scientific institutions, public and private mass media, as well as the NGOs, can play a very important role.
2. Information on sustainable practices of private forestry, agroforestry, marketing, and their product. Public/private institutions should provide an information/ communication system on the rehabilitation, conservation and protection of the environment according to the characteristics of rural zones. This system should provide not only information on the new developments in this sector, but also attract the opinions and the contribution of people in

terms of environmental policies, legislation and other policy instruments. Special attention should be paid to the enhancement of organic products in rural zones and certification system to promote appropriate technologies in agriculture, animal and agroforestry products that are in line with the orientations of sustainable development in the environment.

3. Extension Service Schools. To achieve the objective of better involvement in rural zones' rehabilitation, protection and conservation of the environment, the awareness raising should be associated with the training of farmers in terms of the implementation of agriculture, animal and agroforestry technologies; this coincides with the principles of sustainable development of the environment. This aims to serve the establishment of extension service schools at the AUT and the district technical high schools. They also need necessary logistic assistance for the training of farmers. The subvention of these schools by the Central/Local Government would promote farmers to adopt appropriate technologies in terms of land rehabilitation and environment protection/conservation.

3.3.2 The enhancement of private forestry/agroforestry businesses

For the large involvement of rural zones in implementing appropriate technologies for land rehabilitation and protection of the environment, the tariff system policy of the Government should be oriented towards: i) enhancement of the private business which supports the development of the forestry/agroforestry; ii) incentives for the implementation of private forestry/agroforestry in the refused/non-divided land, and iii) facilitate and provide long term credits in the private forestry/agroforestry sector.

4. The enhancement of private businesses related to private forestry/agroforestry. The implementation of appropriate technologies to rehabilitate the land and the development of private forestry/agroforestry require support to secure the planting material, (seeds, seedlings, etc) and other inputs. So it is necessary that the fiscal policy goal should be to enhance several special businesses such as forestry/fruit tree nurseries and the propagation of medicinal/aromatic plants, etc. The establishment of a private nursery up to the komuna or district level would serve not only to meet the needs for planting material, but it would also provide potential possibilities for extension service.
5. Incentives for the implementation of private forestry/agroforestry in non-divided/refused or abandoned lands. The implementation of appropriate technologies to rehabilitate the land and for the development of private forestry/agroforestry requires considerable initial investments from farmer families and returns that are seen after several years. The sustainable management of private forestry is associated with the increase of ecological-social functions and their effects obtained indirectly by the whole society. It would be useful for the Government to provide incentives to share part of the planting cost for planting forestry seedlings, as well as for implementing the agroforestry practices in non-divided/refused or abandoned lands. This experience is carried out in European Union countries.

6. Facilities for long-term credits in private forestry/agroforestry sectors. The investments for rehabilitating the land and protecting/conserving the environment usually require a long period of time before seeing the returns. It would be wise for the Government to provide conditions to provide support for appropriate technologies in terms of land rehabilitation or forestry/agroforestry development through long term credits. Another possibility would be support from foreign donors as well as investments by other countries in the framework of the convention for protection/conservation of the environment.

3.3.3 Leasing the forests and forests land

7. Leasing the forests and the forest land. In present conditions of the countries' development, the Government lacks the financial means to improve degraded forests through afforestation or forest improvement. Under this situation, the Central Government should take advantage of the potential possibility for the development of forests offered by the private business through the facilitation of a leasing process. The legal provisions are not complete in terms of leasing forests and forestlands. The Forest Law does not stipulate leasing of forests while Law No 8314 speaks about leasing of the forestland; thus it needs several improvements and amendments with the aim of facilitating the leasing process and the development of sustainable private forest operations. It is recommended that the leasing of forests and forestlands and the relevant sub-acts be included as an organic part of the Forest Law.

3.3.4 Promotion of the private forestry

8. The active promotion of forestry/agroforestry products. The products obtained by the implementation of the sustainable private forestry/agroforestry, are in general organic products in line with the principles of sustainable development of the environment. The development of such practices require that the Central Government play an active role in the near future to certify and promote these products, both in the country and abroad.

APPENDIX E

NTFP Policy Paper

A Proposed Set of Policies for the Albanian Non-Timber Forest Product (Botanicals) Sector

Summary

APFDP has been investigating improvement to the Non-Timber Forest Products sector in Albania for the last year. To that end we commissioned three consultancies: Maureen DeCoursey (1999 and 2000), Robert McCaleb of the Herbs Research Foundation (April-May, 2000) and Skerdi Kostreci (who did a field study in 4 Komunas that have undergone Komuna Forest Transfer). APFDP has also supported some of the botanical dealers with training and technical assistance and has funded ALBAFLOR to do awareness raising campaigns on the protection and proper management of botanicals.

The NTFP sector can be broken into three main types: a) nuts (such as chestnuts, walnuts and hazelnuts); b) willow-wicker (used for furniture and decorative items), and; c) botanicals (herbs, spices, medicinal, ornamentals and oils. Nuts do not command much of an export market. Wicker falls more to industrial policy, since much of the raw material is processed cultivated willow and the end product is not perishable. Botanicals, however, constitute a sub-sector in itself. This discussion will focus only on this third sub-sector.

The botanical market has been evolving worldwide in a manner that Albania can exploit particular competitive advantages. First, most botanicals in Albania are wild collected plants, thus are generally considered organic (not touched by fertilizer or pesticide). Second, the small size of Albania allows for information gathering and analysis to ensure sustainability, the newest market “call” (the “green trade”). Finally, Albania’s relatively low costs in harvesting and processing keep Albanian prices competitive. Exploiting and then maintaining those competitive advantages requires the Government to address a range of policy issues that can improve Albania’s position in the sector.

First and foremost, Government needs to recognize the importance of this sector and its potential to the Albanian economy. Exports of botanicals are estimated at 15,000 MT, about 1/3 of its previous production (that reached 50,000 MT and generated \$30 million per year). We have identified 49 dealers and collector-agents, and it is estimated that the sector might be employing up to 75,000 people on a part-time basis as harvesters (most of these are rural women). In comparing with other current forest products, the botanical sector is emerging as one of the largest and most important.

Therefore, Government’s goal should be to revitalize the sector as a means to generate employment, increase incomes and revenues, and, be an engine for the transition of the economy to private free enterprise. However, at the same time Government needs to play its vital role in

regulating the industry to ensure highest standards, sustainability of the natural resource base, and, enforcement of its commercial law.

Policy objectives for the sector can be segregated into three broad categories: a) improving information systems and using those systems to regulate the sector; b) providing certification and standards mechanisms to ensure quality and sustainability, as well as adhere to international conventions, and; c) improving the operating environment to better promote the sector.

Information Systems

1. Improve the collection and analysis of information on the inventory of stocks and the extraction of botanicals.
2. Use this information to drive the internal tariff (collection fee) system to ensure that species do not become over-exploited.

Certification and Standards

3. Develop mechanisms to certify that botanicals are organic, meet quality standards and have been extracted using sustainable criteria. This requires improving the certification of origin.
4. Improve international credibility by becoming a signatory to the CITES treaty.

Operating Environment

5. Promote the use of long-term leasehold on forest estate to provide an incentive for the private sector to sustainably manage and improve the stocks.
6. Promote cultivation of botanicals to reduce the pressure on forests, and as a high-value alternative use for agricultural and marginal lands.
7. Ensure that the front-line labor force, the rural harvesters (most of whom are women) have adequate protection and representation, to reduce exploitation of that workforce, as well as reduce pressure to over-exploit the natural resource base (through low prices paid and/or early harvesting).
8. Attract foreign investment and support, through improving the banking system and contract laws (especially arbitration/litigation and setting up joint ventures), thus improving the “comfort level” of potential investors.
9. Actively promote the botanical sector in official representation bodies (embassies and trade delegations).

The Use of Information and Tariffs to Regulate the Botanicals Trade

Premise

Tariffs, as a policy instrument, can be used as a dis-incentive to regulate harvest of threatened and/or endangered species of herbs, spices, medicinal and oil plants. This requires DGFP/DFS to have in place an information management system upon which decisions can be made, and a system for use of that information

While mentioned tangentially in the Forest Act, there is no comprehensive policy on non-timber forest products. They are not specifically mentioned in either the Green Strategy or Forest Sector Strategy. However, there is a law that governs the collection of particular types of NTFP's.

Recap of Law 7722

1. Non-timber forest products (herbs, spices, medicinals, oils and tannins) are to be considered part of the national wealth.
2. DGFP is authorized to regulate the collection on state lands
3. DFS issues permits for harvesting/collection
4. In October of each year a list of threatened and endangered species is published. The Minister, based on this information, may prohibit the collection of certain plants.
5. Harvesting will be based on technical criteria. The Minister is empowered to develop and enforce such regulations.
6. The DFS is empowered to enforce regulations, through the establishment of a commission to review and adjudicate contravention.
7. Penalties for infraction over Lek 1000 may be levied from Lek 250 to Lek 10,000, as well as seizure of stock.
8. The Minister may develop sub-regulations according to this law.

Discussion

The last list of threatened and endangered species was published in 1997 and contained 282 different plants, some of which are imported ornamentals. The list does not analyze what the stocks are nor in what places they are most threatened.

The DFS is authorized to issue annual permits for collection of botanicals. However, it is not clear on what basis they decide where and how much are good management of the resource.

The Minister is empowered to put species on a prohibition. In other words, harvest/collection is unregulated up to the point where harvest must be stopped outright. A good information base with proper analysis would allow the minister to have a sliding scale of options: unlimited harvest, quota harvest, high tariff harvest and prohibition. This provides more flexibility in managing species recovery.

In other words, the lack of information does not allow for the best possible decision-making, nor does it provide sufficient guidance upon which to regulate by tariff.

Note: in a recent study it was found that species on the 1997 list are still being collected, one of them actually an endangered species (the green-winged orchid, used to make salep and Turkish ice cream). Either the market supply chain is disregarding the law (and government is not controlling at point of export), or, the market chain is unaware of a necessary prohibition.

Present Business System (Abridged)

An herb dealer first must register as a business, thereby creating a corporate entity. Then, the dealer secures a license to specialize in the botanicals trade. An annual permit is secured in the district (by DFS) to collect botanicals.

Dealers must pay tariffs (a rate based on the part of the plant and a ceiling quantity) on botanicals collected, as well as taxes (VAT and income). They must get a certificate of origin and a permit to transport. In other words, the dealers assume most of the burden for government revenue in the sector. They must recover this by lower prices to the harvesters. They have little to no bargaining power with the exporters.

Present Tariff System

The present tariff system is not regularly updated or analyzed based on sustainability criteria. It is not species specific, but only segregates by plant parts. In other words, its use as a policy tool is basically to generate revenue, not improve the sector.

The tariff rate is so low that, for example, a metric ton (10 quintal) of the endangered green-winged orchid would fetch Lek 3100 (\$22) in tariff/revenue. The tariff on roots (that reduce the stocks since it removes the entire plant) is Lek 190 per quintal (\$13.57 per metric ton), while fruits and seeds (perennial product) is Lek 160 per quintal (\$11.43). In other words, the tariff

system does not try to protect valuable and difficult to replace botanical resources, especially if the threatened species analysis and tariff rates are not rationalized.

Tariffs

Tariffs can be used as either incentive or dis-incentive. When the government feels that a plant is threatened, it should be able to raise the tariff sufficiently to overcome increased prices from increased demand (and short supply). When the government wishes to promote a particular plant (through cultivation, for example), it lowers or removes the tariff as an incentive. Note: Under WTO/GATT rules, the Government must inform WTO if it bans any plants from export, or, places an “export tax” to prevent over-exploitation.

The Bulgaria Example

As an annual supplement to the Medicinal Plant Act, the Bulgarian Council of Ministers approves a schedule of fees for different medicinal plants, as well as other wood products, based on analysis of former extraction and an inventory of current stocks. The fees are paid upon issuance of the permit that stipulates how much can be extracted from a particular area (that is covered under article 10 of the law). Incidentally, this schedule also determines the per animal fee for grazing on particular state lands.

Also in the law (for a further discussion), the equivalent of the DFS issues the permit for a particular locality and the amount (ceiling) that can be gathered. The Municipality (equivalent of the Komuna) issues the certificate of origin and stipulates whether the herbs are collected or cultivated. Cultivated herbs or those on private lands do not fall to permit (Article 21).

Jurisdiction and the Cultivation Debate

The first policy issue that needs to be addressed is establishment of jurisdiction over land. Present law gives regulatory power to the DGFP/DFS on “state lands”. But what presently constitutes state lands is unclear, since transferred forest is from one department of government to another, and tenure to individuals is “in use” not titled. Actual private land is so limited that it is of little importance in policy. So it must be determined who, in the new order of things, will be authorized to collect tariffs and issue licenses. While the DFS can still perform this service, it should be remembered that the komuna now has significant management responsibility for forest area management.

Where forest has been transferred to the komuna, it would seem most appropriate for the komuna (forester) to issue such a permit, for counter-signature by DFS to confirm that threatened species are not being harvested in large quantities. In the case of transferred forest, the FUA needs to have a role in determining whether extraction fits within their forest management plan

Cultivated herbs and spices seem to fall under the same tariff system as wild collected botanicals. It should be government policy to promote high-value herb and spice cultivation by ensuring that cultivated botanicals are not subject to tariff.

Since cultivated botanicals would most likely be done on agricultural land, outside the jurisdiction of the DFS, it would be proposed that the komuna agronomist could issue a certificate of origin. With present tariffs so low it is doubtful there is much incentive for abuse (paying a bribe to have collected herbs designated as cultivated).

A Proposed Policy Mechanism

It is proposed that a policy be adopted that **uses tariffs as a policy instrument to regulate the trade in botanical products. Further, tariffs will be based on analysis of information that allows for effective decision-making.**

The policy objective is **to ensure that Albania has a sustainable supply of commercial botanicals** (remember that presently the sector is only up to 1/3 of its former strength, and is an important source of income for thousands of rural families). This is in line with the Green Strategy policy action to exploit the forest based on sustainability criteria. It is complementary to the Forestry Sector Policies of: a) transition to market economy and commercialization of products; b) sustainable management; c) sustained yield.

While tariff policies are usually designed to generate government revenues, this is of secondary importance in this case, especially considering the present low-level state of the sector. It is doubtful that the tariff rates can cover the full cost of policy implementation and generate excess revenues for the general fund (though a revitalization of this sector could increase revenues). However, sometimes it is necessary to subsidize the regulation activity to secure long term goals.

1. DFS is responsible to collect information on a regular basis to determine (as a best estimate), by locality: stocks of different botanicals, status of these stocks, estimated sustained yield, rates of removal and regeneration, **by species.**
2. DGFP is responsible to compile and analyze this information and advise the Minister (at least annually, in line with present law) on the status of NTFP botanicals. The DGFP will advise the Minister on how **annual (or at the very least, every three years) tariffs need to be adjusted (either nationally or regionally)**, using tariffs as dis-incentive.
3. Tariff increases for presently or potentially threatened species must be high enough to use market forces to regulate removal, but realistic enough to ensure legal compliance. It must be noted as a matter of policy that the tariffs can not, and for the sake of sustaining this important income source for rural people, and should not cover the entire costs of policy implementation.

4. Prohibition of species declared threatened or endangered must be rigorously enforced. This must be done at all levels: Forest User Associations (FUA's), Komuna, District/Regional (DFS) and up through the final Export System.
5. The list of endangered and threatened species, as well as the tariff guidelines, should be openly published in the popular media (not just given to permittees). This will allow for better public awareness-raising, education and creation of commitment towards preserving the natural resource base. It also demonstrates government transparency and concern for the sector.
6. Cultivation of herbs and spices are to be excluded from the tariff system. This allows for the development of this high-value agricultural commodity. At the same time, it can relieve some of the pressure on the forest resources.

NTFP (Botanicals) Policy Discussion Paper #2

Certification of Botanicals and Compliance to International Conventions

Premise

Certification of botanicals (origin, organic, wild/collected, quality and sustainable) can exploit Albania's competitive advantages and can expand Albania's international market niche and improve international credibility (thus yield higher value for Albanian products). This requires the GOA to build capacity to issue certification, either through internal mechanisms or seeking foreign assistance, much of which can become available by becoming an adherent to the international conventions.

Background: Some Present Trends in the International Marketplace

The international marketplace in botanicals has been moving towards a "green" position over the last decade. The buying public of botanical products (herbs and spices, ethereal oils, medicinals, other unprocessed, semi-processed or processed products) are more and more willing to pay higher prices for natural, organic and sustainable products. International organizations have responded by promoting more and more natural and sustainable products. The private sector has also responded by making these available.

However, the international private sector, in trying to reap increased profits from higher-value natural products, tend to exploit the lower levels of the supply chain. The lower level of the supply chain (point of origin) needs to protect itself and reap some of these benefits.

The biggest new market phenomenon is the call for organic products, that is, where inorganic fertilizers and pesticides do not enter into the growth of the plants. The second call is for more natural products, wild and collected products, over cultivated products (part of this is the backlash to genetic engineering). However, this call for the natural also brings with it the call for sustainability, that is, that botanicals are taken in ways that do not do long term harm to the environment. All of these “calls” can only be met if there is a clear chain of origin upon which these factors can be affirmed.

Present Situation

1. Albania is the source of about 15,000 metric tons (1/3 of the former levels) of botanical products per year (we are still awaiting export data to confirm, that does not account for non-reported exports). These are purchased by international companies that do most of the processing and packaging in another country. From there, their distribution chain takes these products into the international marketplace. They are almost never labeled as being of Albanian origin. Without the advantages of certification (able to market on the new “calls” by customers), there is no need to do such identification.
2. There is no formal mechanism in place and available to certify botanical products as being organic, whether they are collected or cultivated. There are no Government sponsored laboratories that can provide this service. At least one dealer has claimed to have received organic certification from IMO (International Agro-Industry Organization) in Switzerland. Note: It has been noted that this “organic producer” buys botanicals from villager harvesters who use fertilizer bags in the collection process, thus breaking the organic certification. If this was discovered by the certifying authority the dealer would lose his certification, and this might have consequences for others seeking to gain certification.
3. Certification of origin is problematic. Some claim that this is under the jurisdiction of the local Chamber of Commerce (and this is the present procedure). The purpose of origin certification is for transport within Albania. Sometimes DFS issues certification of origin if the products were taken from state forest areas. No matter who does the origin certification, there is no mechanism in place to collect and analyze data to determine how much of what is being taken, versus sustainable yield (see Discussion Paper on Tariffs), which should be one of the major functions of origin certification. Note: The result of the decentralization laws under consideration and the transfer of forest to komunas will definitely impact on the jurisdiction of certification of origin.
4. There is no mechanism for calling on the international community to identify that these are “Product of Albania” as a matter of the rules of engagement for foreign companies to operate in the country (though in other places this is a common practice, unless the products from several sources are mixed).

5. There is no distinction between collected and cultivated products. Collected products are more prone to be organic. Second, cultivated products should not be subject to the same tariff schedules as forest products.
6. Albanian products have been accused of being of lower quality than botanicals from other countries. However, there is no way to confirm that. Without some internationally recognized testing and certification regimen the international private sector can continue this claim, the result being lower prices paid to Albania. Dealers must pass this reduction back to the harvesters, mostly rural women. It must be noted that lower prices then stimulates higher and higher rates of collection.
7. There is no mechanism in place that can confirm that botanical collection is based on sustainable criteria. There are already at least 5 botanicals threatened and one on the endangered list. Discussion of this issue was made in the Discussion Paper on Tariffs.
8. Albania is not a signatory to the CITES treaty that bans the trade in endangered species. This means that certain international organizations that could provide assistance are constrained from doing so. Albania is also trying to join the WTO, which may require commitment to certain international standards and practices.

Subsequent Results

The results of the above is that Albanian products are treated as inferior in the marketplace, resulting in lower prices for this valuable commodity. Lower prices mean lower revenues for government and continued lower incomes for Albanians engaged in all levels of this sector.

Policy Challenges

The Green Strategy (Agriculture Policy) calls for:

- local authority, NGO's and the private sector will be more involved in the protection and management of forests and pastures (short term)
- exploitation of the forest will be based on sustainable criteria (medium term)
- improve marketing of wood materials, liberalize exports and prices and develop the wood industry (it is felt that NTFP were left out because formerly they fell to a different set of State Enterprises and have yet been formally addressed in forest policy)
- The Strategy for the Forest Sector calls for:
 - transition to a market driven economy for the commercialization of all products of the forests and pastures

- consideration of the internal conventions, strengthen cooperation with the international institutions and agencies

A Proposed Policy Mechanism

It is proposed that policy be established that, to improve quality and value of Albanian botanical products, a revised series of certifications be put in place. In addition it is proposed that policy be codified to join and comply to international conventions, standards and practices, towards an overall goal of improving the reputation and credibility of Albanian botanical products in order to increase the incomes of Albanians engaged at all levels of the sector.

The objectives of the policy are to have in place: a) a certificate of origin based on jurisdiction and to provide information for analysis, and to segregate cultivated from wild/collected and cultivated products; b) certification of organic sources; c) certification of quality based on international standards; d) certification demonstrating that products are being collected within accurate sustainability criteria.

1. Certification of origin should be under the exclusive purview of DGFP/DFS. This will allow a single source for monitoring of what is being taken from where and in what quantities. This information is vital for determining whether stocks are being over-exploited (see Discussion Paper on Tariffs). Such a certification would identify the source (area, species and quantity). Cultivated products can be certified by the komuna authority, to exclude them from tariff.
2. At present there is no recognized certification procedure for organic products. Rather, individuals must engage international organizations. It would be prudent for Government to build capacity of the Forest and Pastures Research Institute (the agency of the Ministry with the most experience with botanicals) or the Department of Agro-Industry (the agency of the Ministry most acquainted with inspectorate functions) to be qualified for issuing organic certificates (this would require upgrading of laboratory facilities and externally-recognized approval of analysis procedures). This certification could cover both wild and cultivated sources. Rather than IMO certifying dealers, this same international organization could qualify a department of government to issue such certificates.
3. Quality certification will always be problematic, because it lends itself to “opinion”, whereas the markets will claim low quality and the indigenous sector will claim high quality. While a three-way partnership among Government, the indigenous private sector and the international companies that would agree on quality would be a theoretical solution, in practice it is difficult to implement. However, Government can facilitate arbitration services to both sides through legal recognition of a quasi-independent trade association, made up of dealers and government participation on its board that can engage with the international companies. Through agreement on standards Albanian products could be transparently graded and/or a series of grades established. Higher grade products should be identified as a “Product of Albania”, in line with established norms used by other countries.

4. Sustainability certification requires intensive and rigorous scientific study, measuring the stocks and their regenerative capacity against the rate of harvest, done by species and locality. This was discussed in the paper on tariffs, but in this instance the DFS would issue sustainable yield certification as part of or concurrently with the certificate of origin. This set of documentation would be used to comply with the annual analysis of threatened species and through comparison with export documentation, be used to reduce “leakage” from the official regulated supply chain.

5. The GOA should become a signatory to the CITES treaty. Entry into WTO is not sufficient in itself, since phytosanitary requirements remain a bilateral issue. The Government of Albania should actively promote its botanical products and its advantage of being a reliable source of organic, sustainable and high quality botanical products.

Improving the Enabling Environment to Promote the Sector

Premise

Government should take an active role in promoting NTFP (botanicals) as an industry that can increase rural incomes, be an engine of the transition of the economy, and, improve Albania's reputation in the sector

In short, the private sector has outpaced Government in re-activating the industry. Government needs to foster this re-building and expansion, while at the same time maintaining minimum and adequate regulatory capabilities.

Much of this third policy discussion paper falls outside of technical forestry and into the overall enabling environment for the private sector. DGFP can serve as facilitator to other areas of Government in promotion of an enabling environment that supports its goals in privatization, improved economic engagement (as an exporter) and re-establishing Albania's reputation.

Background

During the Communist era, botanicals fell to the State Enterprise, which exported up to 50,000 metric tons and generated up to \$30 million in state revenue per year. There was a research body (the precursor to FPRI) that ensured quality and sustainability, as well promoted new products and techniques.

With the transition, former employees of the State Enterprise, and perhaps others, have established themselves with private businesses, using their former contacts to build the internal supply chain. This internal supply chain starts with the field harvesters, mostly rural women living in economically depressed mountain villages. The dealers have agents called collectors in each area; the collector is the representative of the dealer. Botanicals then go to the dealers, who dry, sort, package and sell (mostly to Albducross, formerly a French company, recently purchased by the US transnational, McCormick and Company).

Many of the herbs and spices are collected from state forest. However, the only mechanism for extraction is a permit. There is no incentive for the private sector to make investments in sustainability or improved quality; they merely get a permit for another area. Without adequate monitoring (see policy discussion paper #1), there is no accountability for the long-term sustainability of these important natural resources.

In addition, while there has been some private sector initiative to cultivate certain herbs and spices, this potential source has not been promoted. Cultivation could relieve some of the

pressure on the collected stocks. Cultivation could also be an attractive alternative use of agricultural and marginal lands, since herbs and spices fetch a much higher price than traditional crops. Finally, there is virtually no organized internal market for Albanian herbs and herbal products, the result being importation of products that could be readily available from internal sources.

Botanical products fall among several sectors and areas of governmental jurisdiction. Collected herbs and spices generally fall to the Forestry Sector. Cultivated plants fall to Agriculture. Their movement inside Albania becomes an issue of general administration and taxation. Origin certification in many cases is not even within government purview (see discussion papers 1&2). The enterprises above the harvester-collector, the dealers, are artificial corporate entities and must comply with that set of law. Finally, in the export component the product becomes a matter for the laws governing Export, Customs and International Commerce.

Resultant Issues

Because of Albania's isolation for many years, the private sector does not have experience in the international marketplace. They are not acquainted with international business practices, law, quality standards and practices.

The international marketplace is not yet comfortable with working in Albania. There is still a residual effect from the 1997 breakdown. Enforceable contract law and banking facilities are way behind the needs of the sector. Albania's previous trading partners, the soviet sphere, are no longer a major market.

Proposed Policy Measures

The policies can be grouped in two main categories – enhancing productive capacity, and, enhancing the business climate.

Enhancing Productive Capacity

1. Leasehold. Presently the government issues permits for collection of herbs and spices on state land (issued to dealers and collectors, not harvesters). Without adequate information systems (see policy discussion paper #1) it is impossible to properly regulate extraction. As an alternative, Government should provide long-term tenure to individuals for segments of the state forest estate for systematic collection based on sustainability criteria. This way there is but one known source of extraction to be monitored, and it is in the interest of the leaseholder to manage the stocks properly. A similar mechanism has been proposed for leasehold in forests allocated for wood material extraction.

2. Promote Cultivation. While the market pays a high price for wild organic (and sustainable) botanicals, organic cultivation is also lucrative. It reduces the pressure on wild stocks and is a viable alternative for agricultural and even marginal lands. Government should

promote cultivation of high-value botanical products without regard to the type of land being cultivated (agricultural, forest area, marginal and human settlement lands).

3. Special Attention to the Plight of Harvesters. The rural women who gather botanical products (especially during the summer when livestock prices are low) do so for subsistence income – they depend on this income to provide for the family. Government through its extension services should particularly keep abreast of the problems and concerns of the harvester level. It goes without saying that the harvesters represent a base of 75,000 families (over 10% of the total population of the country). Associations of harvesters should also qualify for leasehold and cultivation promotion activities. Government needs to ensure that dealers and/or others do not unfairly exploit this vulnerable work force.

Enhancing the Business Climate

4. Attract Foreign Investment and Support. Albania is a primary producer of botanical products with little processing capability, processing that would create jobs and add value to products. This will require support and investment from the international market. This will require: a) a firm commitment by Government to promote value-added processing over primary production and export of raw materials; b) an enforceable set of contract laws to improve the comfort of foreign companies doing business with Albania; c) a commitment to promote joint ventures and partnerships with Albanian companies, and; d) improvement of banking systems to allow smoother movement of capital in and out of the country. Many of these issues are already in the works, but DGFP needs to remind those working on these problems that it represents a potentially large export activity.

In addition, improving processing would allow for the development of an internal market, replacing present imports.

5. Active Promotion of the Sector. Every country promotes itself and its products through its embassies and trade missions. Albania needs to promote the NTFP trade (be it botanicals, willow-wicker, honey, snails and even hunting/fishing) through its representations abroad. This would include catalogues, posters, product samples and contact addresses