

The background features a light green world map centered on the Atlantic Ocean, overlaid on a faint grid pattern. Three circular icons containing upward-pointing arrows are positioned at the top of the slide. The main title is centered in bold black text.

MADA PROGRAM: RURAL ENVIRONMENTAL SERVICES

MADA-Mountain Area Development Agency,
ALBANIA

Governance and institutional challenges, result-based management and the effectiveness of donor support.

Ministry of Environment, Forests and Water Administration (MoEFWA) is the National Body responsible for national environmental management and policy.

MoEFWA has adopted legislative, regulatory, and institutional frameworks to prevent negative effects of climate change and also to identify new methods and technologies..

- Albanian government has approved a new law that will provide funds for building renewable energy plants in the country and will secure feed-in tariffs for the electricity produced by wind farms, bio-fuels and small hydropower plants. The new law created a locally based system of green certificates by forcing the thermal power plants to pay or buy electricity produced from renewable sources.
- According to the new law, “independent producers of the electricity from non-renewable sources with installed capacities more than 50 MW will be forced to produce or inject in the grid an amount of renewable energy at three per cent of their yearly production. That amount will increase by 0.75 per cent per year, in the period 2010-2012. Such obligation will be considered fulfilled if the respective thermal power plants will buy renewable energy in the market.

Donor interventions

There has already been some development of procedures and interventions in Albania for the provision of “commercial” environmental services in rural areas through the interventions of the Natural Resources Development Project, being implemented by the Ministry of Nature Protection with support from the World Bank, the GEF and the Swedish International Development Agency.

Another project initiative in this area is the UNDP sponsored project for Building Capacity to Access Carbon Finance.

MADA Program

Rural Environmental Services recognises the nexus between environmental degradation/climate change mitigation and combating land degradation and aims to create a commercial platform for investment *in the alleviation of environmental damage.*

This has led to:

- the perception of the need to develop future partnerships between rural inhabitants and the private sector, with the explicit aim of creating a platform for facilitating investment in environmental damage alleviation activities.
- engagement with the private sector is crucial in bridging the gap between **the private sector and governmental partners**, successfully integrating climate change mitigation and adaptation into national development programming and creating investment opportunities.

Ongoing study: to ascertain the status and opportunities for commercial environmental services provision in rural areas.

- This study is focused on:
 - Examining the experience gained through the Natural Resources Development Project and the UNDP supported initiative as a means of identifying a suitable model for replication.
 - Assessing the broad-scale commercial environmental opportunities in the programme area, including erosion control, carbon sequestration and reforestation.

Continuing ...

- Recommending an institutional framework at the community level, which would have potential for enabling participation by poor farmers in a commercially beneficial system.
- Reviewing the legal framework governing private provision of environmental services, the contractual arrangements and experience in using the Clean Development Mechanism (CDM) and associated Emissions Reduction Purchase Agreements (ERPAs) and other payment modalities.
- Providing some examples of likely investment and cash flow analysis models for typical commercial environmental services projects.

Some **pilot activities** would develop modalities which are appropriate for implementation by poor rural inhabitants for their own benefit, as well as being sustainably beneficial to the wider environment and to the public. They would provide awareness building for the community, and assist in the development of the appropriate community institutional structure, such as a Forest Users Association (FUA).

Some of the possible activities would include:

- Regeneration of stream catchment areas feeding into hydro-power reservoirs. The elimination of sedimentation from catchments would prolong the life of the reservoirs, reducing the public cost of dredging or replacement of the facility.
- Regeneration of formerly forested areas through enclosure and replanting of local forest species. This would lead to both a reduction of erosion and sedimentation as well as to incremental carbon sequestration.
- Adoption of conservation farming and tillage methods, leading to the regeneration of natural pastures and the reduction of erosion and sedimentation as well as increased carbon sequestration.



Thank you