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ADAPTATION FUND

CONCEPT NOTE PROPOSAL FOR SINGLE COUNTRY

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme: Enhancing Drought Resilience through the Implementation of Albania's National and Local Adaptation Plans

Country: Albania

Thematic Focal Area: Disaster risk reduction and early warning systems

Type of Implementing Entity: Multilateral Implementing Entity

Implementing Entity: **UNDP**

Executing Entities: Ministry of Environment of Albania

Amount of Financing Requested: 10,003,592 (in U.S Dollars Equivalent)

Project Formulation Grant Request (available to NIEs only): Yes ☒ No ☐

Amount of Requested financing for PFG: 150,000 (in U.S Dollars Equivalent)

Letter of Endorsement (LOE) signed: Yes ☒ No ☐

NOTE: LOEs should be signed by the Designated Authority (DA). The signatory DA must be on file with the Adaptation Fund. To find the DA currently on file check this page: https://www.adaptation-fund.org/apply-funding/designated-authorities

Stage of Submission:

☒ This concept has been submitted before

☐ This is the first submission ever of the concept proposal

In case of a resubmission, please indicate the last submission date: 7/22/2026

Please note that concept note documents should not exceed 50 pages, including annexes. Currently 48 pages

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Project/Programme Background and Context:

Albania faces increasing drought risks due to climate change. Climate projections (Fourth National Communication to UNFCCC[1], the NAP process,[2] and the Local Adaptation Plans findings) show that higher summer temperatures, increased evapotranspiration and shifting precipitation patterns will significantly increase the frequency, intensity, and length of dry periods, leading to increased incidence of meteorological, agricultural and hydrological drought. Additionally, these changes in climate are expected to lead to reduced runoff and increases in hydrological drought.

These changes are already visible: while Albania receives relatively high rainfall annually, much of it falls in winter and spring (particularly December[3]), leaving summer months increasingly hot and dry, with water demand exceeding its availability[4]. This seasonal imbalance, coupled with rising evapotranspiration, turns water into a limiting factor during the growing season and periods of peak energy demand (July and August[5]). Temperature observations between 1951 and 2020 in Albania[6] show interannual changes of annual average temperatures (Figure 1). Three distinct periods can be observed, namely an increase in annual average temperature from 1951 until 2020, 1971 until 2020 and 1991 until 2020. Across the country, observations show a clear increase in surface air temperature: temperature trends in 1991-2020 were higher than the temperature trends in 1951-20207.

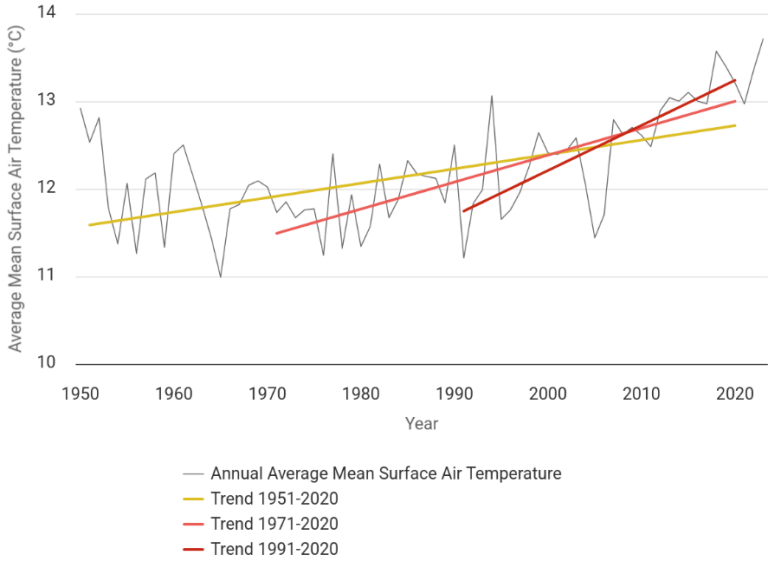


Figure 1: Average mean surface air temperature annual trends with significance of trend per decade (1951-2023)
Source: Climate Change Knowledge Group, 2021

Projected annual changes in mean temperature relative to the reference climatological period (1996–2015) are expected to reach up to 0.8°C (ranging from 0.5°C to 1.1°C) by 2030 and 1.3°C (ranging from 0.8°C to 1.9°C) by 2050. Under the intermediate scenario SSP2-4.5, temperature increases by 2100 are projected to range between 1.4°C and 3.1°C annually, and between 1.9°C and 3.9°C during the summer. The high and very high emission scenarios, SSP3-7.0 and SSP5-8.5, project that annual and summer temperatures could rise by up to 4.6°C (ranging from 3.2°C to 6.8°C) and 6.0°C

[1] https://unfccc.int/documents/620929
[2] Under the NAP process (2021-2025), Baastel 2024.
[3] https://climateknowledgeportal.worldbank.org/country/albania/climate-data-historical
[4] Eftimi, R., Shehu, K., & Sara, F. (2023). Hydrogeological Aspects of the Municipal Water Supply of Albania: Situation and Problems. *Hydrology*, 10(10), 193.
[5] https://ere.gov.al/images/files/2023/07/26/Annual_Report_2022.pdf
[6] NAP (2026-2036), not yet published
[7] Baastel, 2024a

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(ranging from 4.1°C to 8.9°C), respectively, by 2100. All SSPs forecast lower temperature increases in winter and spring relative to summer and autumn, with the most pronounced warming expected during summer under the aggressive scenarios SSP3-7.0 and SSP5-8.5 (Baastel, 2024a).

Seasonal variations in temperature change are also notable. Figure 2below presents the projected temperature changes for 2050 across different seasons, highlighting the greater warming expected during summer and autumn compared to winter and spring

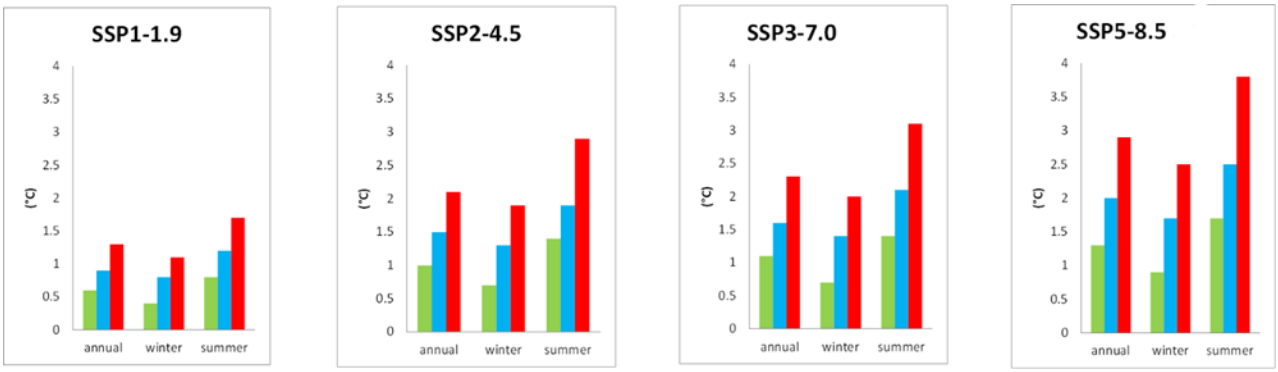


Figure 2: Projected temperature changes for 2050 in different seasons under four Shared Socioeconomic Pathways (SSPs) from lower to higher emissions[8]

Regarding precipitation, all SSPs indicate a probable decline in both annual and seasonal precipitation relative to the 1995–2015 baseline across all projected time horizons up to 2100. The high-emission scenario SSP5-8.5 forecasts the most significant percentage reductions in precipitation, with annual and summer values projected to decrease by up to -5.8% (ranging from -32.7% to +17%) and -17.6% (ranging from -56.2% to +16.9%) respectively by 2050. In contrast, the lowest reductions in precipitation percentages are projected under SSP1-1.9 and SSP1-2.6, except during the summer months, where declines of up to -8.1% (-25.7% to +7.8%) and -10.2% (-32.5% to +9.5%) are anticipated. Differences between seasons for precipitation are less distinct. Figure 3 below illustrates these seasonal contrasts, emphasizing the variability and uncertainty of precipitation changes across different regions and time horizons.

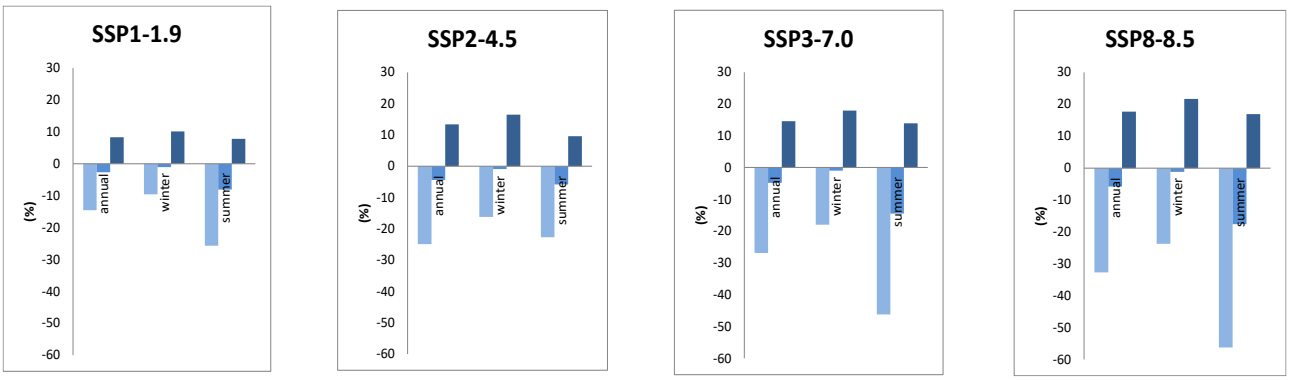


Figure 3: Seasonal differences for precipitation under four Shared Socioeconomic Pathways (SSPs) from lower to higher emissions

The pronounced reduction at the 5th percentile of projected changes suggests a likely increase in drought frequency, while the substantial rise at the 95th percentile indicates a heightened risk of intensified heavy precipitation events[9]. While drought and intensified heavy precipitation are often coupled impacts of climate change, this project focuses on drought to minimize the adverse effect of water scarcity on critical systems like agriculture, energy, and tourism.

Climate scenarios (RCP8.5) project prolonged water shortages, with unmet irrigation and drinking water demands systematically appearing from July to September, being especially acute in

[8]NAP (2026-2036) not yet published
[9] NAP (2026-2036) not yet published

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September. This dynamic illustrates that, under climate change, water scarcity in Albania will not simply be related to a lack of rain, but also to rainfall arriving at the wrong time or in destructive, short-lived bursts, with major implications for water storage, soil erosion, and the natural capacity of landscapes to retain water. Combined with rising temperatures and greater evaporation, these shifts are significantly increasing Albania's vulnerability to drought, with cascading effects on agriculture, ecosystems, energy production, and rural livelihoods.

Albania is committed to reducing climate change-related risks and is establishing the necessary policy, legal and strategic frameworks, institutional arrangements, and information systems to address those risks. Risk reduction measures are being implemented with national resources and international support, including from the Adaptation Fund under the Drini regional project (Integrated climate-resilient transboundary flood risk management in the Drin River basin in the Western Balkans), with a focus on reducing climate change-exacerbated flooding, landslides, avalanches, and wildfires. However, while Albania recognizes the risks drought poses under climate change in the National Disaster Risk Reduction Strategy (2023-2030) and in the National Adaptation Plan (2026-2036) and in the Law No 111/2012 "On the Integrated Management of Water Resources*"* (as amended by law 6/2018), the country is still largely unprepared to address it, lacking drought risk assessments, indicators and thresholds for drought, drought early warning systems and the technical and coordination capacity for drought management from the national to local levels.

Drought management is not mainstreamed in the local governance in Albania, with no development and integration of drought management into Local Adaptation Plans (LAPs) or functional local committees in place. At the national level, Law 111/2012 provides the framework for drought response, and future efforts aim to establish Drought Management Plans within River Basin Management Plans (RBMPs) and a national Drought Management Committee to supervise and coordinate national drought policy development and implementation.

This project seeks to create foundations to systematically address these gaps through national and municipal level actions and through interventions in a river basin at high risk of drought and other specific drought hotspots in the country. The project will specifically target the area managed under the Vjosa Wild River National Park, and the lessons from this project will support its replication and scaling up of drought preparedness interventions along the entire Vjosa River Basin (VRB) and in the other 6 main river basins in the country (Drin, Mati, Ishëm, Erzen, Shkumbin, Seman).

To bridge national policy commitments with concrete territorial action, the VRB has been selected as the project's pilot landscape, with a clear intention for upscaling the project to other regions of the country after the completion of this project. The Vjosa River is of pan-European importance as one of the last intact large river systems in Europe, ranging from narrow gorges to wide braided sections and a near-natural delta at the Adriatic Sea. Largely free of major damming and channeling, it retains a rare natural flow regime. The Vjosa River Basin, VRB (6,784 km²) is Albania's second-largest water system and one of the longest transboundary rivers in the Balkan area, with about one-third of its headwaters in Greece (Aoös) before flowing 190 km through Albania to the Adriatic Sea north of Vlora, nourishing the Narta Lagoon. The Narta Lagoon is considered one of the most important wetland areas of Albania for its biodiversity and the number of habitats. In the southern part of VRB area is Butrinti National Park. It is comprised of a high diversity of natural, semi-natural and artificial habitats that shelter a high diversity of species of global and regional importance. The area around the historic town of Butrinti, given its rich cultural history, has been designated as a UNESCO World Heritage site. In Albania, the Vjosa catchment has a mean elevation of about 855 m, and it is shared among seven districts: Erseke, Permet, Gjirokastër, Tepelenë, Mallakastra, Fieri, and Vlora (Vlora and Gjirokastra Counties/qark). The main water bodies are Vjosa, Drino and Shushica Rivers, Butrinti Lake and Narta and Orikum lagoons[10].

The Vjosa River Basin spans three prefectures: Gjirokastër (60%), Vlorë (25%), and Fier (15%). The basin's population is approximately 130,000 inhabitants, concentrated in eight cities, Gjirokastër,

[10] Albania. National Communication (NC). NC 4

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Libohovë, Përmet, Këlcyrë, Tepelenë, Memaliaj, Vlorë, and Selenicë, as well as numerous smaller villages. The population indirectly affected by basin-related environmental and water balance changes is approximately 540,000 inhabitants, of whom 49.7% are female.

Since 2023, the Vjosa River and its tributaries have been officially protected under the *Vjosa Wild River National Park* (Parku Kombëtar i Lumit të Vjosës - PKLEV)[11], established by *Decision of Council of Ministers No. 153 (13 March 2023)* under the revised Albanian Law No. 81/2017 "On Protected Areas" (as amended by law no.21/2024) and corresponding to Category II of the IUCN system. The park extends from the Greek border through the regions of Korçë, Gjirokastër, Vlorë, and Fier, encompassing the main Vjosa River and its three free-flowing tributaries, the Drino (including Kardhiq), Bënça, and Shushica. Surrounding the park are several other protected areas such as the Hotovë-Dangëllia National Park and the Kardhiq-Rrëzomë Managed Nature Reserve, together forming one of the most ecologically valuable corridors in the Mediterranean.



Figure 4: Vjosa Wild River National Park, cities & main municipalities

The establishment of the park, along with Albania's ongoing efforts to have the *Vjosa Valley* recognized as a UNESCO World Heritage Site (process launched in 2024), marks a major step forward in safeguarding *Europe's last wild river system*. The Vjosa's dynamic hydromorphology, high biodiversity, and interconnected wetland and riparian habitats provide essential ecosystem services, ranging from flood regulation and sediment transport to groundwater recharge and water purification, that are vital for both people and nature. However, the park's ecosystems are increasingly threatened by drought, reduced flows, and land-use pressures, underlining the need for integrated and adaptive management approaches that combine conservation and climate resilience.

Indeed, the VRB is among the most climate-sensitive regions of the country. According to the 4th National Communication, the impact of climate change on several climate indicators was evaluated for the Vjosa River Basin, including maximum temperatures ≥ 35°C, minimum temperatures < -5°C, heat and cold waves, warm and cold days, changes in the growing season, degree days for heating and cooling, the Standardized Precipitation Index (SPI) for droughts, and the Tourism Climate Index (TCI). All scenarios for Vjosa River basin suggest that the area is likely to become warmer. Similarly, increasing trends in annual and seasonal temperatures, both minimum and maximum values, are expected. The climate change scenarios project lower maximum temperature increases in winter and spring compared to summer and fall. In summer, projections of the mean temperature changes are likely to reach up to 1.5°C (1.0-1.9°C) by 2050 for RCP2.6, and from 2.6°C (1.9-3.4°C) to 6.4°C

[11] Vjosa Wild River National Park Management Plan 2024-2033
[11] Under the NAP Process, summary of LAPs Report, Global Factor

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(4.4-8.3°C) for RCP8.5, by 2050 and 2100, respectively. Referring to these projections, the Vjosa basin is likely to experience average maximum temperatures higher than 25°C by the summer of 2050, and average maximum temperatures up to 30°C will dominate in all parts of this zone by 2100.

The projections show that high-percentile temperatures (90%) increase faster than mean temperatures, especially in summer. The projected increase in maximum and minimum temperatures (T_{max} and T_{min}) is expected to have as consequence the increase in number of warm days (T_{max}>35°C) and decrease the number of cold days (T_{min}<0°C). RCP8.5 projects the highest increase in number of warm days (see Figure) and the lowest decrease in number of cold days compared to other scenarios. The temperature extremes are also expected to increase according to all RCPs scenarios. In Permet, the absolute maximum temperature is expected to change from 42.5°C (current record) to 44.2°C (RCP2.6), 44.7°C (RCP4.5) and 45.5°C (RCP8.5) by 2050. On the other hand, the return periods of maximum absolute temperatures are expected to drastically decrease over the VRB area. Temperatures of 40°C that are currently reached once in 50 years might occur more frequently, once in every 3 years (RCP2.6) or 2 years (RCP8.5) in Tepelenë area.

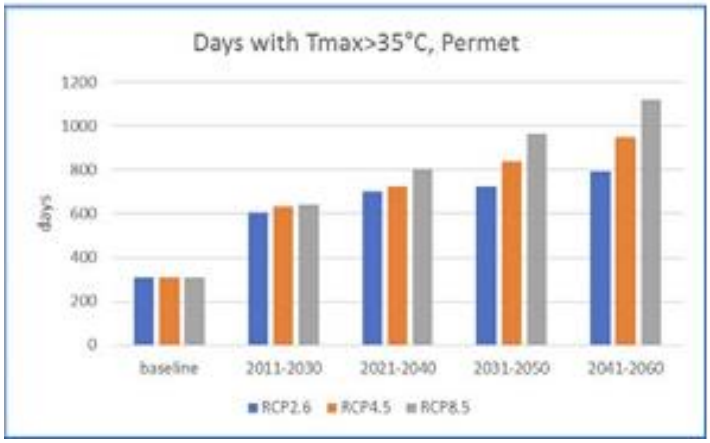


Figure 5: Baseline and projected changes in number of days with Tmax≥35° C, different scenarios, VRB area

The analysis of the precipitation projections according to different RCPs shows that all scenarios project a negative slight trend for all seasons and time horizons. The scenario RCP8.5 projects the highest percentage decreases in precipitation. The annual and summer values are likely to reach up to -7.7% (-45.7% to +29.8%) and -16.0% (-48% to +14.5%) respectively by 2050 (see Figure)

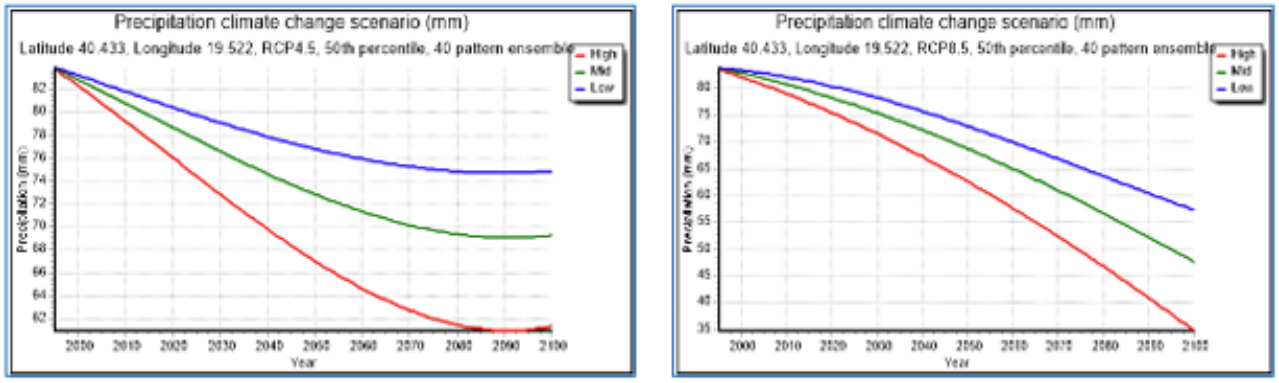


Figure 6: Precipitation projections for RCP4.5 and RCP8.5, Vlora area

Streamflow projections for the Drinos and Përmet catchments within the basin indicate markedly lower flows under drought scenarios, confirming the risk of hydrological drought. SPI analyses (SPI-1 and SPI-3) for the Përmet area further confirm recurrent moderate to extreme dry months in the historical record (1986-2005), highlighting the basin's sensitivity to short-term hydrological stress. While long-term statistical trends remain uncertain due to data gaps and modest precipitation reduction signals, the frequency of such episodes, when combined with projected higher

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evapotranspiration and reduced summer runoff, suggests that future droughts will become longer, more severe, and more damaging. For the Vjosa River Basin (VRB), these climatic shifts are expected to reduce runoff, projected to decline by up to 10.9% by 2050 and 13.5% by 2100, while simultaneously increasing water demand across all sectors. WEAP[12] model results indicate that under RCP8.5 Drought and Hot Drought scenarios, annual unmet water demand emerges as early as 2035. These changes are expected to heighten wildfire risks, reduce soil moisture retention, limit water access and quality, contribute to chronic irrigation shortages and ultimately degrade land productivity.

Tourism, particularly inland, cultural, and food-and-wine tourism, will be increasingly affected by water scarcity, with areas such as Vlora already facing seasonal shortages that threaten both service provision and the preservation of stone-built heritage sites. Together, these findings show that drought impacts in the VRB are cross-sectoral, underscoring the need for comprehensive drought risk assessment and coordinated adaptation measures across water management, agriculture, tourism, and other sectors[13].

The socio-economic implications are significant. Water-intensive sectors such as energy, agriculture and tourism are under strain. One concern is the country's energy sector as Albania's electricity generation is predominantly hydropower-based. For example,[14] a severe drought in 2017 exposed the over-reliance on hydropower, forcing Albania to import electricity at a cost of around USD 240M, which pushed public utilities into financial distress. This event underscored how drought conditions, even in a single year, can undermine energy security and public finance. Hydrological droughts, thus, pose a sustained risk to a country that still derives almost all of its electricity from hydro resources. Compounding this issue, extended dry periods heightens soil erodibility and increases sedimentation of dams when rains return, reducing their storage capacity and generation efficiency. Over time, this sediment buildup means even less water can be stored for dry periods, further weakening energy system resilience. The VRB presents a different but emerging energy risk. Climate change is expected to constrain future hydropower output while also exacerbating coastal erosion and wetland degradation at the Vjosa delta, already highly sensitive to sediment loss and sea-level rise. While coastal erosion and wetland degradation (both addressed by the GCF-funded project ALBAdapt) are severe consequences of climate change, their occurrence is multifactorial and far beyond the sole effect of drought on the causality.

Agriculture, which employs a large share of the rural population, is another sector at risk. As such it will face higher irrigation needs, reduced yields, and greater heat stress, especially in the lowlands where growing seasons overlap with peak summer temperatures The country's lowlands and intermediate hill zones (key agricultural zones) have been identified as very sensitive to the projected reduction in rainfall and more frequent and intense droughts, under all climate change scenarios and time horizons.[15] This is of concern because these areas are already affected by water stress, particularly in summer and the projected decrease in precipitation would significantly extend the period for which irrigation is needed in order to maintain crop yields. Additionally, pest and disease pressures on crops are increasing as the climate warms, adding to the vulnerability of smallholders. Without adaptation, farmers face lower yields and income instability, exacerbating rural poverty. Women, who make up 54.4% of the agricultural workforce compared to 45.6% men (INSTAT, 2023), are particularly exposed to these climate impacts. Their higher representation in the sector means that climate-related disruptions disproportionately affect women's livelihoods. This vulnerability is compounded by structural barriers: women have limited access to resources, are underrepresented in farm registration (only 10.8% of farms), have minimal participation in agricultural extension services (8% of beneficiaries), and enroll at low rates in agricultural vocational education (16%).Strengthening the resilience of women farmers is critical not only for safeguarding

[12] https://www.weap21.org/

[13] National Communication (NC). NC 4

[14] https://www.see-industry.com/en/renewable-energy-opportunities-in-albania/2/2070/

[15] Summary of LAPs Report, Global Factor

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livelihoods but also for ensuring sustainable agricultural development and reducing rural poverty. In agriculture and forestry, the Gender Action Plan[16] focuses on improving women's access to land, credit, and extension services, while also supporting their participation in climate-smart agriculture, producer cooperatives, and forestry value chains. These actions are designed to address women's underrepresentation in productive sectors and to strengthen their role in promoting resilient ecosystems.

Because plant diseases are highly climate-dependent, warming will alter pathogen–host interactions and the severity of outbreaks. Canker stain (*Cerotocystis platani*), which affects *Platanus orientalis*, has expanded rapidly in the Vjosa valley over the past decade, first drying out Kelcyra Gorge and the Suka stream. Even a 1 °C rise can accelerate its spread into the Drino, Kelcyra, Shushice, Sukes, Langarica, upper Vjosa and Izvor valleys. In addition, forest-fire frequency has increased markedly from 1990–2018, mainly between June and September, affecting almost the entire VRB. Vlora prefecture is the most impacted, with 131 recorded events, followed by elevated risk in the municipalities of Vlora, Saranda, Delvina and Gjirokastra.

Land degradation further worsens the water crisis. Soil loss is already 2-3 times higher in Albania than in other Mediterranean countries and 10 to 100 times greater than in many other European countries. This is due to[17] the typically aggressive Mediterranean climate, characterized by intense rainfall events, substantial precipitation, and recurrent drought conditions. Additionally, Albania's topographic and soil characteristics, such as steep slopes, silty soils, and low humus content, already classify over 50% of its territory as naturally prone to erosion. Human activities further exacerbate soil loss, including deforestation, cultivation on steep slopes, vertically oriented agricultural practices, exposed soils post-harvest, excessive grazing, and insufficient implementation of erosion control measures. Heavier downpours under climate change mean that when rain comes, more topsoil is washed away. Losing topsoil at this rate diminishes agricultural productivity, reduces natural water infiltration, and increases sedimentation of rivers and reservoirs, creating a vicious cycle where droughts and floods each amplify land degradation. The economic cost of soil erosion is substantial[18]; it damages infrastructure, reduces arable land, and can take centuries to regenerate (lost soil). Importantly, healthy soils with good organic content retain moisture better. Thus, soil erosion directly worsens drought impacts by lowering the land's water-holding capacity.

Water resource management in Albania is a pivotal point. On one hand, the country is endowed with abundant water in certain regions and seasons, while on the other hand, seasonal imbalances and increasing climate extremes mean water cannot be reliably harnessed when and where needed. Managing drought is therefore not a separate challenge, but an integral component of sustainable water resource management. Addressing drought risk requires balancing water availability and competing uses across sectors, agriculture, energy, ecosystems, and municipal supply, within a coherent, basin-scale framework.

Within this context, the project will initiate its activities at the level of the Vjosa Wild River National Park, ensuring that drought resilience planning complements the park's conservation objectives and management framework. While Albania is currently developing an *Integrated River Basin Management Plan (IRBMP)* for the VRB, no dedicated drought management plan exists for the basin itself. Therefore, this project will support the elaboration of a Drought Management Plan for the National Park, to serve as an annex to the IRBMP, ensuring coherence between climate adaptation and nature protection policies.

The EU Progress Report 2025 on Climate Change highlighted that the country's ability to integrate climate change into sectoral strategies and plans remains weak. At the national level, this project

[16] Gender Action Plan under the NAP (2026-2036), not yet published

[17] Land Degradation Neutrality Target for Albania and Soil Erosion Measurement Norms and Standards https://www.undp.org/sites/g/files/zskgke326/files/migration/al/WEB_final_report.pdf

18 Binaj, A., Veizi, P., Beqiraj, E., Gjoka, F., & Kasa, E. (2014). Economic losses from soil degradation in agricultural area in Albania. Agricultural Economics – Czech, 60(6), 287–293. https://doi.org/10.17221/12/2013-AGRICECON

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will support Albania's progressive alignment with the *EU Water Framework Directive*, *the EU Birds and Habitats Directives*, and the *EU Regulation 2024/1991 on Nature Restoration*, which requires all EU Member States to develop and begin implementing National Restoration Plans by 2026. Although Albania is not yet an EU member, its accession process requires approximation of these directives and the establishment of robust restoration and conservation mechanisms. By integrating drought risk management within the governance of the Vjosa National Park and linking it to basin-wide planning, this initiative supports both EU accession objectives and the Nature Restoration Law's goals of protecting and restoring ecosystems critical to biodiversity and climate adaptation.

Recognizing these challenges, the Government of Albania has stepped up policy efforts on climate adaptation. In 2021, Albania initiated its Second National Adaptation Plan (NAP) process to guide climate change adaptation across key sectors. Agriculture and energy were identified among the top priority sectors in the NAP. In parallel, Albania developed its first-ever Local Adaptation Plans (LAPs) for eight municipalities (Vlora, Fier, Durres, Elbasan, Gjirokaster, Permet, Kukes and Kruje), which lay out climate risks and adaptation actions at the municipal level. Drought risk features prominently in all LAPs, given that these municipalities have experienced water shortages, reduced agriculture outputs, or drought-related wildfires in recent years.

At the national level, Albania is also strengthening its disaster risk management and early warning systems. A recent initiative is the Resilience Strengthening in Albania (RESEAL) project[19], which is establishing a multi-hazard assessment framework and improving the Disaster Risk Reduction (DRR) system. Through RESEAL and associated efforts, Albania now has a National Disaster Risk Assessment (approved in 2023) and a National DRR Strategy and Action Plan 2023-2030. Pilot programs under RESEAL have developed local DRR plans in Lezha and Fier regions, providing blueprints for risk assessment and emergency response at the municipal level. These efforts contribute to Albania's commitments under the Sendai Framework for Disaster Risk Reduction.

Additionally, Albania maintains a disaster loss database using the DesInventar Sendai platform, which records historical damages from events like floods, landslides, and droughts. This database is a valuable tool for understanding hazard impacts and justifying adaptation investments. Despite these advances in DRR, there remains a critical gap in proactive drought management and long-term climate adaptation. Current systems are geared more toward reactive emergency response and multi-hazard preparedness; dedicated mechanisms for drought forecasting, water allocation during scarcity, and climate-resilient infrastructure investments are still nascent.

In summary, the baseline scenario is one of high risk but also of high commitment, with the government formulating plans and policies to address the issues evidenced above. What is urgently needed now is concrete action to implement these plans and close the gap between planning and practice. It's under this context that, aligned with the NAP's goals and the broader national development and environmental policy framework this project aims to strengthen drought management systems and practices to safeguard, livelihoods, socio-economic development, critical ecosystem services and particularly, energy security in Albania.

Initial Gender Assessment Relevant to the Project Scope

In Albania, agriculture contributes 18.6% to GDP and employs 440,872 people (33.9% of total employment), with women comprising 54.4% (239,775) and men 45.6% (201,097). The sector faces climate vulnerabilities including floods, droughts, irregular rainfall, declining crop productivity, and pest outbreaks. Women are disproportionately affected due to their roles in small-scale farming and post-harvest tasks, limited access to land titles, credit, extension services (8%), and vocational education (16%). Only 10.8% of registered farmers are women (≈25,896), and the proportion

[19] **Funding source:** Swedish Sida, Government of Portugal, Government of Albania, UNDP Co-financing
Implementing parties: UNDP – DIM (Direct Implementation Modality)
Total committed budget: USD 2,796,593.00
Duration: July 2020 – June 2025

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benefiting from national support schemes declined from 22% in 2018 (≈52,750) to 16% in 2023 (≈38,364).

In tourism, which employs 42,698 people, women are concentrated in seasonal, informal, and service-oriented roles, making them highly exposed to climate impacts. In urban development, women represent only 3.7% of the workforce (3,586 of 98,179), face inadequate sanitation, safety concerns, and limited participation in planning, and carry increased care responsibilities during crises (from 75% to 79%, affecting ≈23,908 women).

Although not a dedicated gender activity, consultations conducted to inform the Adaptation Fund Concept Note (27–29 October 2025) included approximately 90% women participants, representing national and local authorities, civil society, and stakeholders from the Vjosa River Basin. Drawing on prior gender analyses and the Gender Action Plan, discussions highlighted gaps in gender-disaggregated climate data, limited integration of gender considerations in monitoring and early warning systems, and the disproportionate vulnerability of women in agriculture, tourism, and informal sectors.

Key Gender Challenges:

- Limited land ownership and access to agricultural credit; low reach of extension services for women.
- Underrepresentation of girls and young women in agricultural training.
- Exclusion from leadership positions and markets.
- Low participation of women in forestry and value chains.

Planned Gender-Responsive Actions: To address these challenges, the project will deliver gender-sensitive training and practical tools to government officials, NGOs, and community leaders in the Vjosa River basin. Trainings will ensure inclusive participation of women, youth, and marginalized groups, while addressing barriers such as language, location, and timing to effectively integrate gender into local climate adaptation planning and implementation.

Contribution to Adaptation Outcomes: Gender inclusion in this project shall strengthen participation in farmer support and disaster recovery, irrigation modernization, habitat creation, flood protection, soil erosion control, and forestry/landscape restoration, including nurseries, assisted species migration, and riparian buffers. By promoting equitable access to training, resources, and decision-making, ADRIA reduces systemic barriers, enhances the effectiveness of NAP measures, and ensures sustainable, locally led drought resilience outcomes.

Project Objectives:

The primary objective of the project is to strengthen Albania's preparedness and resilience to climate change-exacerbated drought. Its four key aims are the following:

1. Strengthen Drought Governance and Policy Frameworks: Establish a comprehensive national drought risk assessment, management plan, a national drought monitoring and early warning system and a coordinated drought risk management plan under the leadership of the Water Resources Management Agency (AMBU). Assign drought-management authority to an existing mandated body (AMBU) within the current institutional framework. Create a dedicated drought authority, while aligning water, land, and energy policies with EU standards and Albania's NAP priorities.

2. Advance Integrated Water and Land Resource Management: Promote watershed-level drought management planning and the adoption of sustainable land management (SLM) and nature-based solutions (NbS) to reduce erosion, enhance soil moisture, and improve long-term water retention.

3. Support Farmers in Building Climate-Resilient Agriculture: Provide targeted technical support to farmers through sustainable grazing and pasture management, efficient irrigation systems, drought-resistant crop varieties, and climate-smart farming techniques in order to maintain

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productivity under changing climatic conditions and to reinforce the link between local adaptation planning and national drought governance.

4. Empower Communities for Local Adaptation: Support municipalities in drought hotspots to develop and implement Local Adaptation and Drought Management Plans, create and train local committees, and launch community-led adaptation projects to secure water access and safeguard livelihoods.

Project Components and Financing:

Table 1: Project components and financing

Project/Programme Components	Expected Outcomes	Expected Outputs	Amount (US$)
Component 1: Creating an enabling environment for long-term drought resilience at the national and sub-national level	**Outcome 1.1:** Policy, institutional and cross-sectoral coordination and planning strengthened to enable climate science-informed integrated drought risk management	**Output 1.1.1:** Comprehensive National Drought Risk Assessment and Management	$1,150,000
		Output 1.1.2: National Drought Management Authority designated and inter-agency coordination for climate-informed drought management enhanced	$350,000
		Output 1.1.3: Alignment of national water, energy and land use policies, regulations, and public financial planning achieved for enhanced integrated drought risk management	$200,000
Component 2: Climate-resilient drought risk reduction and management at the watershed and community level	**Outcome 2.1:** Increased drought resilience through basin-level integrated sustainable water and land management, nature-based solutions and community-led adaptation action	**Output 2.1.1:** Nature-based erosion control and watershed restoration measures enhance ecosystem resilience to climate change and secure ecosystem services through drought periods	$1,800,000
		Output 2.1.2: Irrigation and Agriculture: Drought resilient and just water management, irrigation and sustainable agriculture practices benefit local farming communities in Vjosa basin	$2,400,000
		Output 2.1.3: Gender-responsive, community-led Drought Adaptation Projects with a targeted focus on women-led households and communities (small grants)	$1,670,000
Component 3: Knowledge management and sharing	**Outcome 3.1:** Climate informed drought risk management knowledge shared and learning processes established to support scaling-up drought resilience across regions	**Output 3.1.1:** Digital and in-person knowledge hubs established to facilitate the continuous exchange of knowledge on efficient, effective and replicable drought risk management practices and innovations across government institutions, farmers and women's groups, and other key actors	$650,000
		Output 3.1.2: Training programs for farmers, national park staff, extension officers, and policymakers on integrating drought management, land degradation	$200,000

Project/Programme Components	Expected Outcomes	Expected Outputs	Amount (US$)
		neutrality (LDN) and Sustainable Land Management (SLM) practices into the national and subnational policy and strategic framework	
Total activity costs			$8,420,000
6. Project/Programme Execution cost (9.5%)			$799,900
7. Total Project/Programme Cost			$9,219,900
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable) at 8.5%			$783,692
Amount of Financing Requested			$10,003,592

Projected Calendar:

The project will be implemented over a period of 5.5 years, reflecting the time required to establish national systems, implement basin- and community-level measures, and consolidate institutional capacity.

Table 2: Project milestones

Milestones	Expected Dates
Start of Project/Programme Implementation	January 2028
Mid-term Review (if planned)	October 2030
Project/Programme Closing	June 2033
Terminal Evaluation	October 2033

PART II: PROJECT / PROGRAMME JUSTIFICATION

A. Describe the project/programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience.

The project is structured around three mutually reinforcing components. At the national level, it strengthens drought risk governance through policy reforms, institutional arrangements, and a comprehensive national drought management plan. At the watershed scale, it advances integrated water and land management, reducing erosion and enhancing natural water retention capacities. At the local level, the project empowers municipalities and communities in drought hotspots to prepare

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and act through locally-led adaptation planning and demonstration projects, supported by small grants. These grants are provided through Low Value Grant Agreements (LVGs)[20], which serve as programmatic instruments to engage civil society and non-governmental partners in generating and soliciting development solutions. At the farm level, it provides direct technical support to farmers, introducing practices and technologies that build agricultural resilience. The interaction of these components ensures that lessons and innovations from communities and farmers feed upward into watershed and national planning, while national frameworks and policies create the enabling environment for scaling up. This coherence secures both immediate resilience gains on the ground and the long-term integration of effective approaches into Albania's adaptation strategy.

Figure 7 synthetizes the project's Theory of Change. It is followed by a description of each component, outcome and output of the project. The following gaps and barriers to climate resilient drought management have been identified and will be addressed through the proposed Outcomes, Outputs and Activities:

Barrier 1 *Limited policy, institutional and coordination frameworks amongst relevant agencies*: Relevant ministries and agencies operate under sectoral mandates that do not explicitly assign drought-risk management responsibilities, being crisis-driven rather than preventive and leading to unclear leadership and reactive responses. Existing coordination structures were not designed for drought-risk and do not address drought's slow-onset nature, leaving inter-agency planning and information sharing ad hoc. Establishing integrated governance mechanisms is a prerequisite for demonstrating institutional readiness under EU accession negotiations.

Barrier 2 *Weak technical and institutional capacity*: Staff within relevant institutions lack specialised training in drought monitoring, early warning systems, and integrated water resource management needed to develop and operationalise a comprehensive Drought Management Plan. Agencies lack the tools, data systems, and dedicated personnel to move from planning to implementation, hindering sustained monitoring, enforcement, and adaptive management of drought measures.

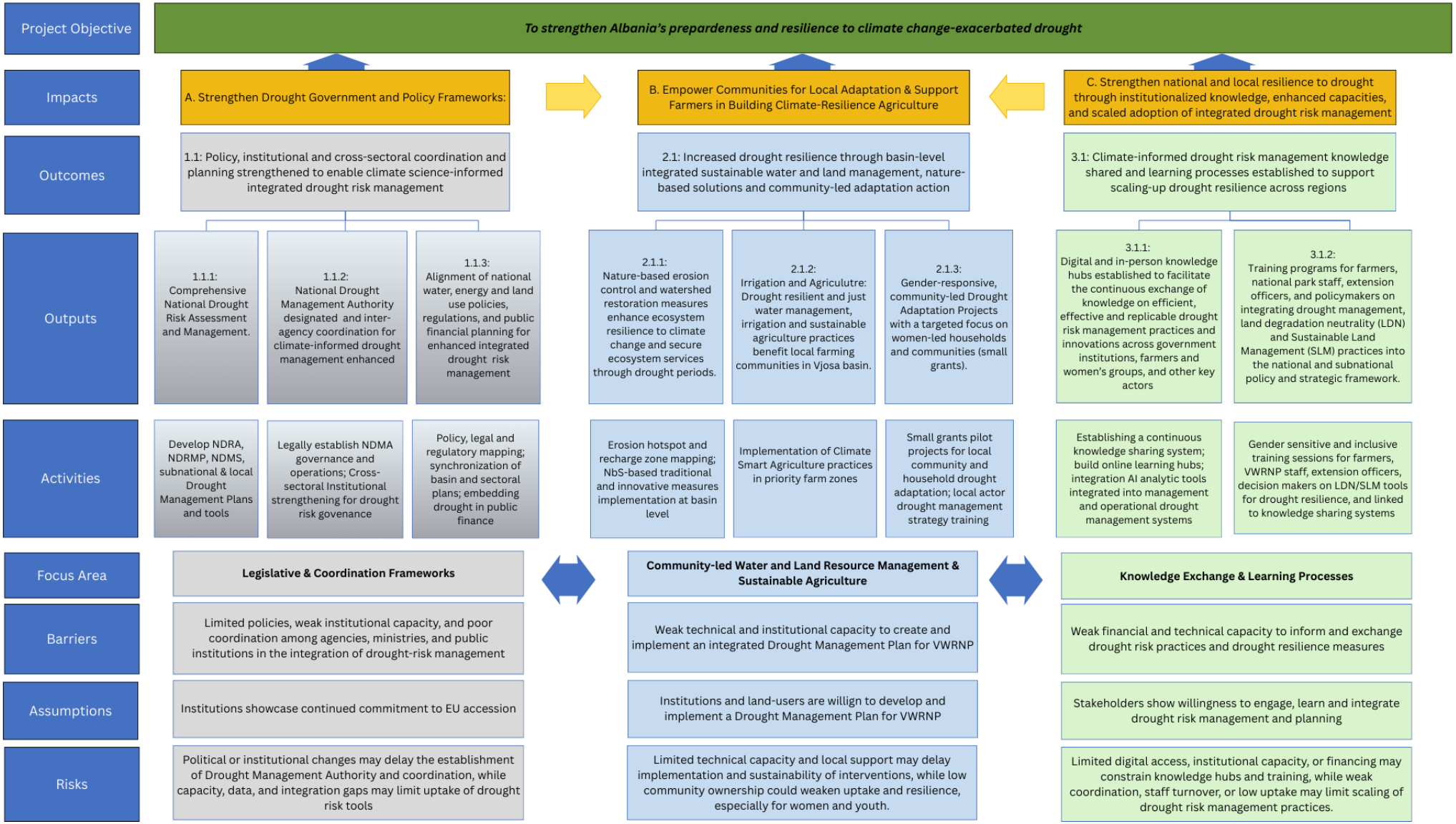
Barrier 3 *Weak financial and technical capacity to update climate-smart practices and drought resilience measures:* There are no dedicated budget lines or accessible financing instruments (e.g., credit, subsidies, grants) to support farmers, land managers, and local authorities in adopting or scaling climate-smart practices and drought resilience measures. End-users lack access to updated guidance, training, and advisory support on climate-smart techniques, leaving them reliant on traditional practices that may be maladapted to increasing drought frequency and severity.

Expected **adaptation impacts**: The proposed project will benefit all communities residing in the Albanian portion of the Vjosa river basin (130,000 people, including 63,440 women) and will deliver indirect benefits to the larger population of 540,000 people dependent on VWRNP economic and ecosystem services. The project will enhance resilience of multiple economic sectors at the national level, including agriculture, water management, tourism, and energy. It will also deliver important biodiversity conservation and SLM co-benefits by enhancing climate resilience of Vjosa ecosystems and ecosystem services. Finally, the project will deliver gender mainstreaming and social inclusion co-benefits by implementing participatory gender-responsive approaches across all proposed Outcomes and Outputs.

[20] The main purposes of LVGs as listed in the LVG Operational guide

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Figure 7: Theory of Change of the Enhancing Drought Resilience through the Implementation of Albania's National and Local Adaptation Plans Project



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Component 1: Creating an enabling environment for long-term drought resilience at the national and sub-national level

Outcome 1.1: Policy, institutional and cross-sectoral coordination and planning strengthened to enable climate science-informed integrated drought risk management

Albania needs a coherent, science-based system that turns climate and hydrological evidence into predictable, early, and coordinated drought action. This outcome builds that backbone by including a national drought risk picture - National Drought Risk Assessment, an operational drought monitoring and classification system with clear and objective thresholds, a national plan that links triggers to measures, an authority to coordinate implementation, and aligned policies so water, energy, land, and municipal decisions pull in the same direction.

- **Output 1.1.1: Comprehensive National Drought Risk Assessment and Management**

There is a risk that decision-making is crisis-driven instead of preventive; therefore, the project will produce a clear, country-wide picture of drought risk with a strong focus on identifying and ranking hotspots, so decision-makers can prepare, act early, and spend wisely.

The National Drought Risk Assessment (NDRA) will consolidate the best available data, verify its quality, and apply a conventional, standard and robust methodology (hazard exposure and vulnerability assessments) based on widely accepted indicators and peer-reviewed practices. In practical terms, the NDRA will quantify the likelihood of drought conditions across the country, show the communities, sectors, services and assets exposed, and translate these findings into comparable risk maps that highlight drought risk hotspots and justify priority interventions. The work sequence includes: a) data collection and compilation, b) data analysis and QA/QC, c) generation of high-quality drought risk maps (using GIS and remote sensing) and profiles, and d) preparation of a note that links each hotspot to feasible measures and explains how the latter was prioritized. Along with high-definition risk maps, the NDRA will include a comprehensive drought risk assessment report, notes on high drought risk areas (hotspots) with links to feasible drought management actions, a synthesis of findings for decision-makers and a straightforward guide for periodic updates. The NDRA sets the factual baseline for the preparation of the National Drought Risk Management Plan including detailed information on triggers, roles and responsibilities, and early and response actions.

Even with the NDRA in place, there is a risk that responsibilities, thresholds, and measures remain unclear, causing delayed and inconsistent action; therefore, building directly on the evidence generated by the NDRA, the project will develop a National Drought Risk Management Plan that converts drought risk knowledge into a clear, operational framework specifying who does what, when, and on what basis.

Using the hotspot maps and drought risk profiles in the NDRA, the National Drought Management Plan (NDRMP) will set alert levels and objective triggers, assign lead and supporting authorities, and sequence practical measures for drought preparedness, early action, response, and recovery across water supply, agriculture, energy, environment, health, and civil protection, acting across coordinated administrative levels. It will establish standard operating procedures, data-informed decision logs, and clear communication routines so that agencies act predictably and the public receives timely guidance. It will align financing by linking priority measures to baseline budget lines and contingency mechanisms to ensure funds flow when thresholds are reached. An implementation calendar will anchor drills, after-action reviews, and periodic updates to the NDRMP as institutions learn and conditions evolve.

The Water Resources Management Agency (AMBU), as the legally mandated authority for integrated water resource management under Law No. 111/2012 (as amended by Law no.6/2018), will serve as the central coordinating body for implementing the NDRMP. Its leadership will ensure that drought risk management is embedded within national water governance frameworks, river basin

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management planning, and the implementation of the EU Water Framework Directive. AMBU will work closely with the Ministry of Environment and the Civil Protection Agency to ensure that the plan's operational protocols and alert mechanisms are fully integrated into Albania's broader disaster risk management architecture.

The development of a robust NDRMP will be carried out through a participatory process involving municipalities and local stakeholders alike, ensuring that local knowledge and capacities are reflected in both the design and the implementation of measures. The Plan will be guided by European Union standards and practices, thereby strengthening the country's preparedness for EU accession, as compliance with EU water and environmental governance frameworks is an important element of accession negotiations. Neighboring countries that have already developed national drought plans will serve as useful models and sources of inspiration, allowing the country to draw on proven approaches and lessons learned. To ensure continuity and effective coordination, a dedicated secretariat will be established.

In addition, to shift from reactive crisis management to proactive, science-based drought preparedness, the project will establish a National Drought Monitoring System (NDMS) that enables real-time classification of drought stages and objective thresholds to trigger anticipatory action.

The system will combine multiple indicator sub-systems capturing the main dimensions of drought:

- Meteorological indicators (Standardised Precipitation Index - SPI, Standardised Precipitation Evapotranspiration Index - SPEI, temperature anomalies);
- Hydrological indicators (Standardised Runoff Index - SRI, river-flow and groundwater-level trends);
- Agricultural indicators (soil-moisture deficit, vegetation stress/FAPAR, evapotranspiration anomalies); and
- Water-use and socio-economic indicators (Water Exploitation Index Plus - WEI+, municipal water restrictions, crop and livestock losses).

Drawing on the EU Common Implementation Strategy (CIS) drought indicator set[21], these parameters will be tailored to Albania's climatic, geographic, and sectoral context through a participatory technical process led by AMBU, in partnership with the Hydrometeorological Service, Institute of Geosciences, agricultural extension institutes, and the Civil Protection Agency. Each indicator will be statistically analyzed against historical climate and hydrological records to determine threshold values that signal transitions between four nationally recognized drought stages:

- Normal Status - Preparedness: Hydrological and meteorological variables remain within long-term averages. Planning focuses on long-term water-efficiency, soil-moisture conservation, and preventive infrastructure measures.
- Pre-Alert Status - Early Warning: Indicators deviate from averages beyond pre-defined percentiles (e.g. SPI < -1). Preventive measures and communication campaigns are activated; voluntary water-saving actions and intensified monitoring begin.
- Alert Status - Crisis Management: Indicators reach alert thresholds (e.g. SPI < -1.5 or SRI < -1), signalling ongoing drought with potential socio-economic impacts. Operational restrictions on non-essential water use and prioritisation of critical needs (drinking water, ecological flows, high-value crops) are enacted.
- Emergency Status - Response and Relief: Indicators fall below critical limits (e.g. SPI < -2), confirming severe drought and supply risk. Emergency response measures, contingency financing, and recovery support are mobilised; data are logged for post-drought evaluation.

Thresholds will be reviewed after drought episodes to validate their performance, ensure consistency across indicators, and incorporate observed impacts. An inter-calibration protocol will align Albania's

[21] Guidelines for preparation of the Drought Management Plans - Development and implementation in the context of the EU Water Framework Directive

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classification with EU Water Framework Directive (WFD) and European Drought Observatory (EDO) standards.

The NDMS will operate as a multi-level early-warning system (complementing the efforts of ALBAdapt), generating:

- Short-term alerts (1-7 days) based on meteorological forecasts;
- Medium-term updates (10-15 days) using hydrological and soil-moisture data; and
- Seasonal outlooks (3-6 months) to inform water-resource planning and agricultural decisions.
  The above methodology will be submitted for validation in a consultation process.

Data from automatic monitoring stations, remote-sensing products, and partner agencies will feed a central digital dashboard hosted by AMBU, interoperable with the national flood and civil-protection platforms. The dashboard will display indicator trends, drought-stage maps, and recommended actions for each level. Automated bulletins and alerts will be disseminated to ministries, municipalities, and the public via SMS, web, and media channels, following established communication protocols.

Targeted training will build operational capacity within AMBU, the Institute of Geosciences, and line ministries to calculate indicators, validate data, and manage threshold updates. Post-drought reviews will institutionalise learning and continuous improvement. The NDMS will thus provide the analytical backbone for the National Drought Risk Management Plan, giving decision-makers objective, harmonised signals for timely action while aligning Albania's monitoring framework with EU acquis and WFD requirements.

Together, the NDRA, NDRMP and NDMS ensure that spatial drought risk patterns, temporal drought evolution and institutional response mechanisms are fully aligned. Through linking risk evidence to objective EW signals and predefined response measures, this system enables predictable, early and coordinated drought actions across sectors and administrative levels.

The NDRA and NDRMP set the basis for sub-national and Local Drought Management Planning. On this basis, this project will support the establishment of the Vjosa Wild River National Park (VWRNP) Drought Management Plan and Local Drought Management Plans (LDMPs) for municipalities with LAPs in the VRB[22] and other drought-risk hotspot municipalities identified through the NDRA.

The VWRNP Drought Management Plan will set overarching coordination principles and a package of specific measures for activation during drought and high-water scarcity periods, prioritizing drinking water and ecological flows, the protection of the Park's critical freshwater and riparian ecosystems, and introducing rotational irrigation schedules, adjusting hydropower operations, and triggering emergency supply delivery protocols.

Measures will be designed through inclusive gender-sensitive consultation with energy operators, irrigation authorities, municipalities, and civil society. The VWRNP Drought Management Plan will define responsibilities, thresholds for activation, and communication procedures, ensuring transparent, equitable responses backed by implementing institutions and communities across the 11 municipalities.

These interventions support Albania's Chapter 27 alignment with the EU water acquis by strengthening River Basin Management Plans under the Water Framework Directive, and by preparing a basin-park-level Drought Management Plan as a supplementary instrument recommended in EU guidance to address water scarcity and droughts, reinforcing Albania's profile for EU accession.

[22] Four municipalities (Vlora, Fieri, Permet, Gjirokaster) has LAPs out of which 3 are adopted from Municipality Council. Republic of Albania. (2019). Law No. 45/2019 on Civil Protection. Parliament of the Republic of Albania. Enacted 18 July 2019. Available at: https://faolex.fao.org/docs/pdf/alb220925english.pdf

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At the municipal level, LDMPs will translate the general adaptation priorities of the LAPs into specific, actionable measures for managing drought risk. LDMPs will identify local drought indicators, define early response thresholds, and set out step-by-step protocols for water use, agricultural support, and community mobilization. They will also clarify the roles of different actors, ensuring coordination between municipalities, farmers, civil society groups, and the national drought management framework as described earlier. LDMPs will be treated as living instruments that are actively used, periodically updated and connected to national systems. The emphasis will be on ensuring that municipalities can interpret drought risk information, understand alert levels and thresholds, and coordinate local responses in alignment with the NDRMP, and the National Drought Monitoring Framework.

LDMPs development will be participatory, involving local authorities, farmer associations, women's groups, and technical experts to ensure that measures are realistic and socially inclusive. Each municipality will establish or reinforce Local Adaptation and Drought Management Committees (LADMCs), tasked with overseeing both the preparation and the implementation of these plans. LADMCs will be mandated to coordinate planning, monitor local drought indicators, and liaise with national institutions to ensure consistency between local and national actions. They will be developed in alignment with Albania's existing disaster governance architecture under *the* Law No. 45/2019 "On Civil Protection" as amended in 2024[23], which mandates local disaster management committees in every municipality. Rather than establishing parallel structures, the project will strengthen and adapt these existing bodies to incorporate drought preparedness and climate adaptation functions. Where local committees are inactive or insufficiently resourced, the project will support their reactivation and provide technical guidance to ensure that drought management becomes a standing element of local disaster planning. This approach promotes institutional coherence, avoids duplication, and embeds climate adaptation within the broader national framework for disaster risk reduction and civil protection. Their role will extend beyond plan preparation to long-term governance, enabling continuous updating and cross-municipal learning.

Once in place, LDMPs and LADMCs will provide municipalities with a practical playbook for anticipating and responding to drought, reducing the reliance on ad-hoc crisis management: activating coordination protocols when thresholds are reached, and linking directly to national early warning and impact-based forecasting systems. In this way, the LDMPs will operationalize Albania's adaptation goals at the local level, while maintaining strong vertical alignment with the National Drought Risk Management Plan. They will also create an important demonstration effect: showing how municipal-level drought planning can complement national strategies and be scaled to other drought-prone regions in Albania.

Even where LDMPs exist, their effectiveness depends on whether local institutions and stakeholders have the knowledge and capacity to implement them. Many municipalities in Albania lack the technical expertise, operational tools, and institutional experience needed to monitor drought indicators, interpret early warning data, and translate plans into coordinated action. Without this capacity, plans risk remaining on paper rather than guiding practice. Hence, the project will provide systematic training for Local Drought Management Committees. These committees will become the focal point for municipal-level drought governance. Training will equip them with the skills to:

- interpret climate and hydrological information coming from the national drought monitoring system and, in the future, impact-based forecasting pilots,
- assess local exposure and vulnerabilities (e.g., agricultural, water, and social sectors),
- design and activate anticipatory actions when thresholds are reached (such as prioritizing water allocation, triggering fodder banks, or mobilizing community water conservation campaigns), and
- coordinate emergency and recovery support with national institutions, neighboring municipalities, and community groups.

23 Republic of Albania. (2019). Law No. 45/2019 on Civil Protection. Parliament of the Republic of Albania. Enacted 18 July 2019. Available at: https://faolex.fao.org/docs/pdf/alb220925english.pdf

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The training will be delivered through a combination of workshops, simulation exercises, and peer-to-peer exchanges. For example, municipalities will run scenario-based drills on how to respond when rainfall or soil moisture indicators fall below critical thresholds. These practical exercises will help embed drought management protocols into municipal routines.

Additionally, the LADMCs and some select stakeholders will participate in exchange visits to sites in where prioritized solutions have been successfully implemented.

Gender and social inclusion will be central to this capacity-building. Women's associations, youth groups, and marginalized community representatives will be explicitly engaged in the training, ensuring that drought responses reflect the needs of all social groups and that decision-making is not concentrated in a narrow set of local elites.

- **Output 1.1.2: National Drought Management Authority designated and inter-agency coordination for climate-informed drought management enhanced**

There is a risk that coordination across ministries and sectors remains fragmented, leading to delayed and inconsistent action; therefore, the project will assign a National Drought Management Authority (NDMA), to an existing mandated body (AMBU), as the permanent institutional mechanism to operationalize the National Drought Risk Management Plan (Output 1.1.1).

While the integrated drought risk management system (NDRMA + NDRMP + NDMS) provides the strategic framework, the NDMA will establish the organizational structure, mandate, and day-to-day coordination required to ensure implementation.

The NDMA will be assigned through a legal instrument defining its authority, governance, and interfaces with key sectoral agencies, such as those involved in the Monitoring System and the specific indicators to be tracked (Output 1.1.1), as well as those involved in the management of water, agriculture, energy, environment, health, civil protection, finance, and municipalities. An interministerial board, chaired at senior level, will be supported by a small professional secretariat and designated focal points in each line ministry. The NDMA will ensure that measures defined in the NDRMP are translated into timely actions by issuing operational directives, maintaining a national drought dashboard, convening situation briefings, and recording activation of triggers in official logs. It will oversee intersectoral drills, monitor compliance with standard operating procedures, and organize after-action reviews that feed back into continuous improvement.

For the NDMA's establishment, this project will develop an organizational structure design, staffing profiles and competencies, a first-year workplan and budget, and model agreements for data sharing and operational cooperation. A stakeholder engagement mechanism will connect the NDMA with municipalities, utilities, producer groups, women's organizations, civil society, and the private sector, ensuring broad ownership and accountability.

To ensure that the designated NDMA and associated institutions are able to effectively operationalize their mandates, this output also includes the development and implementation of structured training programs on drought risk governance for local and national policymakers.

There is a risk that authorities respond late and inconsistently because skills, routines, and a common vocabulary for drought governance are lacking; therefore, this component of the output will design and deliver a practical training program that equips policymakers to use NDRA evidence, apply the NDRMP's triggers, and coordinate timely measures across sectors and levels of government.

The training programs will offer short, modular sessions tailored to national, basin, and municipal roles, using real country cases and decision simulations to practise setting alert levels, activating standard operating procedures, and communicating with the public. Training materials will include concise briefing notes, checklists for prioritization, plan activation and financing, and a policymaker's guide to technical teams and dashboards, complemented by an e-learning track for continuity.

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Delivery will be coordinated with the lead authority to ensure participation and will culminate in a table-top exercise that tests inter-agency coordination and records agreed improvements. Success will be evidenced by trained officials applying the plan's procedures during seasonal briefings and alerts, documented decision logs that reference NDRA findings, and post-training action items completed within agreed timelines.

- **Output 1.1.3: Alignment of national water, energy and land use policies, regulations, and public financial planning achieved for enhanced integrated drought risk management**

There is a risk that fragmented or conflicting rules across water, energy, and land use send mixed signals during water scarcity periods, undermining ecological flows, agriculture, drinking-water security, and investment certainty, and exposing the country to non-compliance with EU requirements; therefore, the project will review and align core policies, statutory instruments, and planning procedures so they work together as a single, predictable framework for drought resilience.

The project will map the legal and planning landscape across river-basin management, groundwater protection, abstraction and permitting, reservoir operations and hydropower dispatch, agricultural water use, urban demand management, spatial planning and environmental assessment, then draft targeted amendments and secondary regulations that embed sustainable water and land management principles: clear prioritization during drought (drinking water and ecological flows safeguarded), transparent allocation and temporary curtailment rules, protection of critical aquifers, demand-management obligations for high-use sectors, drought-ready hydropower and irrigation operations, and land-use provisions that avoid locking in water-intensive or risk-exposed development. To ensure alignment with EU requirements, the same definitions, indicators, and reporting practices as the water-related acquis (e.g., Water Framework and Groundwater objectives and drought/scarcity guidance) will be applied. River-basin plans will be cross-referenced with energy, agriculture, and municipal plans. Institutional arrangements will be clarified through interministerial protocols, joint planning cycles, shared datasets and dashboards, and pre-approval checks in permitting and environmental assessments, ensuring that sector decisions reflect drought priorities. The deliverable package comprises a gap analysis and alignment roadmap with timelines, roles and responsibilities, draft legal texts and implementing guidelines, model municipal by-laws and permitting checklists, and a regulator toolkit with training for line agencies and municipalities; progress will be evidenced by adoption of the aligned instruments, routine use of consistency checks in approvals, and documented compliance with EU-referenced obligations during drought alerts.

To ensure that aligned policies and regulations translate into sustained implementation, this output also integrates drought adaptation into national budgetary and public financial management systems. Without such integration, drought-related measures risk remaining underfunded and episodic because they are not anchored in the budget cycle. This integrated element therefore institutionalizes drought adaptation within Albania's routine public financial management processes.

Budget-tagging guidance will be introduced so preparedness and early-action measures are visible in ministry budgets and linked to Albania's Medium-Term Expenditure Framework. Screening criteria will be established for new public investments so that proposals identify drought risks, reference hotspot locations, and include costed adaptation and drought risk mitigation provisions. Contingency finance procedures, eligible measures, activation thresholds, documentation, and rapid procurement rules consistent with national law will be defined to ensure timely disbursement when alerts escalate. A financing map will set out instruments appropriate to different measures (recurrent preparedness, capital upgrades, emergency response) and clarify roles for the Ministry of Finance and relevant line ministries. Capacity building for budget and planning officers will support adoption, while simple monitoring indicators will track the value of tagged allocations, the time from alert to commitment, improved readiness and value for money, without duplicating the assessment or planning functions covered in Output 1.1.1.

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Component 2: Climate-resilient drought risk reduction and management at the watershed and community level

Outcome 2.1: Increased drought resilience through basin-level integrated sustainable water and land management, nature-based solutions and community-led adaptation action

- **Output 2.1.1: Nature-based erosion control and watershed restoration measures enhance ecosystem resilience to climate change and secure ecosystem services through drought periods**

There is a risk that climate change, through more frequent droughts and periods of intense rainfall, accelerates soil erosion and watershed degradation, reducing infiltration capacity, biodiversity and the natural buffering functions of ecosystems. To address this risk, the project will implement nature-based erosion control and watershed restoration measures in priority areas, strengthening ecosystem resilience and sustaining critical ecosystem services during drought periods.

Using GIS-based mapping and field assessments, the project will identify and prioritise erosion-prone slopes, degraded watersheds and critical recharge zones. Spatial analysis will guide precise targeting of interventions, ensure cost-effective allocation of resources, and support ongoing monitoring of land cover, vegetation condition and erosion risk over time.

In erosion-prone areas, the project will implement soil protection and stabilisation measures adapted to local conditions, preferences and suitability. Indicative measures identified as high impact (benefit) – no regrets for this purpose emanate from recent analyses conducted in the framework of the NAP and include agroforestry systems, vegetative cover and terracing to reduce runoff, stabilise slopes and limit soil loss during intense rainfall events, while improving soil moisture retention during dry periods[24]. Demonstration sites will be established to evidence watershed-scale benefits and livelihood gains, and to support learning and replication.

In parallel, watershed restoration measures will be implemented in degraded priority areas to rebuild ecological functions and climate buffering capacity. Activities will include afforestation using native species and wetland restoration in critical recharge zones, enhancing infiltration, groundwater replenishment and biodiversity. GIS-based monitoring will track restoration outcomes, including land-cover change and vegetation recovery. Where appropriate, successful revegetation approaches implemented elsewhere in the basin, such as the use of *Salix* and *Populus* species in Fier, may be assessed for replication.

All interventions will be community-based, consulted, defined, co-designed and validated by local stakeholders through participatory and inclusive processes. Interventions will draw on local and traditional knowledge alongside scientific assessment and engage both women and men in planning and implementation. The output will directly contribute to Albania's Land Degradation Neutrality (LDN) targets and be reflected in UNCCD reporting, ensuring that local nature-based solutions for drought resilience are connected to national and international environmental commitments.

As of today and based on available data, it is preliminarily estimated that the basin-level intervention will provide both direct and indirect benefits to the entire population of the VRB, i.e. ~130,000 people. However, a validated sex-disaggregated (women/men) beneficiary count is not published at *river-basin* scale in the sources underpinning this estimate (they report the basin total, but do not provide a female/male split). The closest *official* sex-disaggregated population data are published by INSTAT at municipality level (Census tables, including "Resident population by municipality, sex and broad age group"), and for the 13 municipalities crossed by the Vjosa basin these totals sum to 143,263 men and 143,661 women (total 286,924). These municipality totals should not be conflated with the VRB basin population (130,000) because the municipalities extend beyond the hydrological basin

[24] Indicative measures for this outcome and output and their alignment with NAP measures and sub-measures are presented in Annex I.

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boundary; therefore, the basin-specific women/men beneficiary numbers will be confirmed during the preparation phase by overlaying the GIS-defined intervention/basin boundary with the INSTAT sex-disaggregated census layers (or equivalent official small-area statistics), and updating the estimate accordingly.

- **Output 2.1.2: Irrigation and Agriculture: Drought resilient and just water management, irrigation and sustainable agriculture practices benefit local farming communities in Vjosa basin**

There is a risk that conventional farming practices, combined with more frequent droughts and periods of intense rainfall, accelerate soil degradation, water stress and yield losses, undermining farm livelihoods and food security. To address this risk, the project will deliver an integrated package of drought-resilient and climate-smart agricultural practices, aligned with national and local adaptation priorities and implemented through a gender-responsive, women- and youth-inclusive approach at farm level.

This output delivers an integrated package of adaptation measures identified under the NAP and relevant LAPs, directly enhancing farmers' capacity to maintain productivity and safeguard livelihoods under increasingly frequent and severe drought conditions.

These measures will translate national and local adaptation priorities into tangible on-farm actions, strengthening the link between policy and practice. Implementation will be coordinated with agricultural extension services and farmer associations to ensure that practices are locally appropriate, technically sound, and economically viable.

The project will promote climate-smart and sustainable agricultural practices in priority agricultural zones identified through GIS-based analysis. These practices will include crop rotation, organic soil amendments, efficient irrigation techniques and appropriate seed selection to improve soil structure, enhance moisture retention and reduce vulnerability to drought stress. GIS mapping and analysis will guide targeting and support monitoring of changes in soil health and productivity over time, ensuring that interventions remain well-focused and adaptive. Specific drought-resilience measures delivered under this output may include:

Pasture resilience through improved rotational management
Pastures and rangelands are a critical resource for Albania's livestock sector but are highly vulnerable to drought and unsustainable use. Continuous grazing depletes vegetation cover, while abandonment of marginal land leads to shrub encroachment and reduced forage quality. Both trends increase soil erosion, lower soil moisture retention, and leave herders with few options during prolonged dry periods.

The project will support rotational grazing systems and improved pasture management to restore and maintain healthy rangelands. By the end of the project, participating herders will have access to more resilient pastures, reducing livestock losses and distress sales in drought years. At landscape scale, healthier pastures will also reduce soil erosion, enhance carbon sequestration, and improve watershed function, generating co-benefits for agriculture and downstream water users.

Adoption of water-efficient irrigation practices
Agriculture in Albania remains largely rain-fed, and where irrigation exists, it is often based on outdated and inefficient flood systems. Under projected climate scenarios, summer water demand in the Vjosa basin will increasingly exceed available supply, especially during July-September when crop water needs are highest. Without more efficient irrigation, farmers face escalating risks of yield loss and competition over scarce water resources.

The project will promote adoption of drip irrigation systems as a practical, scalable response to water stress. It will provide training, demonstrations, and technical support to farmers on installation,

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operation, and maintenance of drip systems. Demonstration plots will showcase water savings and yield improvements for vegetables, fruit orchards, and other high-value crops, creating visible evidence of benefits.

By project completion, participating farmers will have reduced their vulnerability to drought-induced crop failures, using less water to achieve higher or more stable yields. At the basin scale, improved irrigation efficiency will free up scarce water resources for other agricultural users and for critical household needs during drought periods.

Provision of drought-resistant crop varieties

In the Vjosa basin, farmers face increasing risks of crop failure as hotter and drier summers reduce soil moisture and shorten growing seasons. Varieties currently in use are not bred for these conditions, leaving yields more vulnerable to heat stress and water scarcity. Expanding access to drought-resistant crop varieties is therefore essential to protect food security and stabilize farm incomes under a changing climate.

The project will collaborate with national agricultural research institutes, regional seed banks, and extension services to identify, test, and distribute drought-tolerant varieties of staple and high-value crops, such as cereals, vegetables, and fruit trees. Participatory field trials will allow farmers to directly compare performance with traditional varieties and select those that best meet local needs. Community seed multiplication plots and nurseries will be established to ensure sustainable and affordable supply of improved seeds beyond the life of the project.

Special efforts will be made to reach women farmers and marginalized households, who often face barriers in accessing improved inputs. Training will accompany seed distribution, covering optimal planting techniques, soil management, and integration with other climate-smart practices promoted under this outcome.

By enabling widespread adoption of drought-tolerant varieties, this output will reduce yield losses during dry years, stabilize farm incomes, and strengthen household food security. At the same time, it will build the knowledge base and institutional capacity needed for Albania to integrate climate-resilient seeds into its broader agricultural development and adaptation policies.

Climate-smart agricultural techniques

Beyond single technologies, Albania's farmers require integrated approaches that enhance productivity while building resilience to increasing drought risk. Current practices such as intensive tillage and monocropping deplete soil moisture, reduce fertility, and leave crops highly exposed to climate stress. The project will support the adoption of a suite of climate-smart agricultural (CSA) techniques that directly address these vulnerabilities.

The project will promote practices such as conservation tillage (reducing or eliminating plowing to preserve soil structure and water retention), agroforestry (integrating trees into farming systems to provide shade, reduce evapotranspiration, and diversify income sources), and soil moisture conservation (mulching, cover crops, contour farming). These techniques will be demonstrated through farmer field schools and pilot plots, allowing farmers to see first-hand how CSA methods reduce vulnerability to drought while maintaining or improving yields.

The CSA package will be closely integrated with other interventions under this output: drought-resistant varieties will perform better when combined with improved soil practices, and water-efficient irrigation will be more effective when soils retain moisture. Farmer field schools and extension services will be practical and inclusive, with specific attention to gender roles, youth participation and equitable access to land, credit, inputs and advisory services.

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By project end, hundreds of farmers will have integrated CSA practices into their farming systems, leading to greater soil fertility, reduced erosion, improved water use efficiency, and more stable crop yields under drought conditions. At the landscape level, wider adoption will also contribute to reduced land degradation, enhanced carbon sequestration, and long-term ecological sustainability in the Vjosa basin. Adoption of practices will be tracked using relevant LDN indicators, enabling integration of results into Albania's UNCCD reporting and strengthening the link between local adaptation action and national commitments.

A realistic order of magnitude for Output 2.1.2 is about 3,500 ha reached with improved drought-resilient practices in the Vjosa basin, split as ~1,500 ha of pasture management and ~2,000 ha of climate-smart soil and crop practices. About ~8,000–10,000 direct beneficiaries are estimated based on ~2,000–2,500 adopting households and Albania's 3.7 persons/household average; sex-disaggregated (women/men) direct-beneficiary numbers are not yet available and will be produced from project participation registers during implementation. Indirect beneficiaries correspond to the basin's >130,000 residents, but this basin estimate is not sex-disaggregated in the Vjosa Wild River National Park Management Plan. The closest validated sex-disaggregated baseline is INSTAT Census 2023 for the 13 municipalities crossed by the basin: 148,639 women and 147,889 men (total 296,528); these municipalities extend beyond the basin boundary, so the basin-specific women/men split will be confirmed via GIS overlay during preparation.

Output 2.1.3: Gender-responsive, community-led Drought Adaptation Projects with a targeted focus on women-led households and communities (small grants)

This output will pilot practical, community-driven solutions that directly address local drought challenges, serving as both, immediate resilience measures and demonstrations for national scale-up. Examples include water-efficient irrigation of public green spaces, rainwater harvesting in schools and municipal buildings, and decentralized water storage facilities in drought-prone villages.

The pilots will not be chosen arbitrarily but will be rooted in the LAPs, LDMPs prepared as well as other potential drought hotspots identified through the National Drought Risk Assessment. Through these plans, municipalities will identify priority interventions based on participatory risk assessments, ensuring that selected projects respond to locally defined drought vulnerabilities rather than externally imposed agendas.

To ensure fairness and effectiveness, projects will be prioritized against a set of criteria:

- Clear contribution to reducing local water stress,
- Affordable solutions with potential for wider adoption,
- Benefits for vulnerable households, women, and marginalized groups,
- Co-benefits such as reducing flood risk, enhancing biodiversity, improving public services etc., and
- Technical soundness (based on proven practices or supported by extension services).

The Local Adaptation and Drought Management Committees will convene participatory workshops to shortlist and validate the projects that will be submitted for the small grants program. This process ensures community ownership and transparency, while also strengthening local governance capacity to plan and manage adaptation interventions.

Once selected and the grant awarded, each pilot will be implemented as a demonstration site, supported by technical experts and local contractors. The program will document their effectiveness under real drought conditions, producing case studies and cost-benefit analyses to inform scaling. In this way, this output not only delivers immediate local adaptation benefits but also creates evidence and models that can be mainstreamed into municipal budgets, national policies, and future donor-financed programs.

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Household-level measures are equally critical to reduce everyday vulnerability, safeguard livelihoods, and ensure equitable adaptation benefits. Households often face immediate impacts of drought: reduced drinking water availability, crop and livestock losses, and increased expenses for food and fodder. Many rural families, especially women-headed households, smallholders, and other socially or economically marginalized groups, lack the resources to invest in adaptive solutions on their own. These vulnerabilities are often compounded by limited access to land, finance, extension services, and decision-making processes. This output therefore ensures that adaptation reaches the household scale, where drought impacts are most acutely felt.

Grants to be supported through this output will include:

- Household rainwater harvesting systems, such as rooftop collection with storage tanks, to secure safe drinking water during dry months.
- Small-scale drip irrigation kits for kitchen gardens and small plots, allowing families to sustain food production and reduce dependence on markets during drought periods.
- Improved household water storage solutions, including durable, low-cost reservoirs for both domestic and agricultural use.
- Distribution of household-level drought-resilient inputs, such as drought-tolerant vegetable seedlings and fodder crops for small livestock.

The small grants under this output constitute Unspecified Sub-Projects (USPs) within the meaning of the Adaptation Fund's Environmental and Social Policy and will be implemented in full compliance with UNDP's operational requirements and controls for Low Value Grant Agreements. The selection of beneficiary households will be carried out transparently through criteria defined by the Local Adaptation and Drought Management Committees. Explicit targeting criteria will prioritize women-led households, households with limited income or productive assets, and families facing heightened climate vulnerability, ensuring that adaptation resources reach those most at risk. Priority for the implementation of adaptation solutions, through small grants will be given to the most vulnerable groups, women, youth, elderly, and low-income households, ensuring that adaptation resources are distributed equitably. During the Project Formulation Grant (PFG) stage, a detailed USP screening procedure will be developed, specifying: (i) the full typology of eligible adaptation sub-projects and activities to be financed; (ii) exclusion criteria to ensure environmental and social safeguards are upheld; and (iii) the data sources and methodology to be used for identifying and selecting families facing heightened climate vulnerability, including the use of INSTAT census data, municipal vulnerability assessments, and sex-disaggregated socio-economic indicators.

Implementation will be accompanied by capacity-building sessions at the household level, focusing on maintenance of water systems, efficient use of drip kits, and climate-smart practices for backyard farming. Training approaches will be designed to be accessible to women and marginalized groups, including flexible scheduling and practical, hands-on formats. By embedding technical knowledge alongside the provision of technologies, the programme ensures sustainability rather than one-off assistance.

Monitoring and evaluation will capture the impacts of these household measures on water savings, food security, and cost reductions during drought episodes, with sex-disaggregated data used to assess differential benefits and inform adaptive management. Lessons learned will be documented and fed back into LAP implementation and national-level drought adaptation strategies, ensuring that successful household models can be scaled across other drought-prone areas in Albania.

For Output 2.1.3, a realistic planning magnitude is ~25 community pilots plus ~2,000 targeted households, prioritising women-led and vulnerable groups for measures such as rainwater harvesting, small drip kits, and improved storage. Using Albania’s 3.7 persons/household average, this corresponds to ~7,400 direct household beneficiaries, and together with community pilots a reasonable unique direct reach is ~20,000–30,000 people, with ~130,000 indirect beneficiaries across

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the Vjosa valley. Validated sex-disaggregated baseline population data are available from INSTAT Census 2023 (Tab.7) for the 13 municipalities cited for the Vjosa valley: 143,661 women and 143,263 men (total 286,924); these municipality totals extend beyond the hydrological basin boundary and therefore serve as the closest validated proxy pending GIS-based confirmation.

Component 3: Knowledge management and sharing

Outcome 3.1: Climate informed drought risk management knowledge shared and learning processes established to support scaling-up drought resilience across regions

Effective drought resilience depends not only on sound policies and local action, but also on the ability to *capture experience*, *share knowledge* and *learn across institutions and regions*. In Albania, drought risk management knowledge remains fragmented, limiting its use for replication and scale-up beyond individual initiatives. This outcome establishes structured processes for climate-informed drought risk management knowledge sharing and learning, linking national systems, local experience and sectoral actors. It also supports the scaling-up of effective drought resilience approaches across regions and over time, through strengthening access to practical knowledge and institutional learning across administrative levels.

- **Output 3.1.1: Digital and in-person knowledge hubs established to facilitate the continuous exchange of knowledge on efficient, effective and replicable drought risk management practices and innovations across government institutions, farmers and women's groups, and other key actors**

Drought resilience is not achieved through one-off interventions alone, but requires sustained capacity to learn, adapt and replicate effective practices across locations and over time. This output establishes continuous knowledge-sharing mechanisms that connect local experience, technical expertise and national information systems, ensuring lessons from drought risk management are captured, shared and used beyond pilot sites or project cycles.

The knowledge-sharing system will be developed through complementary digital *and* in-person platforms, designed to reinforce each other. On the digital side, a national online knowledge hub will be established to collect, organise and disseminate information on drought risk management, including implementation experience from LAPs, community-led adaptation projects, nature-based solutions, and drought-resilient agricultural practices. The platform will also host practical guidance for farmers and local institutions, summaries of lessons learned, and case studies documenting costs, performance and replicability under real drought conditions.

The digital platform will be linked to Albania's National Spatial Data Infrastructure and relevant national information systems managed by AMBU, ensuring interoperability with official datasets on hydrology, climate, land use and water management. This integration will allow local experience and adaptation practices to be viewed alongside authoritative spatial and climate data, strengthening evidence-based decision-making and avoiding the fragmentation of knowledge across parallel systems.

To enhance the usefulness of the platform for anticipatory action and operational planning, the digital hub will incorporate AI-based analytical tools tailored to drought risk management needs. These tools will not replace existing monitoring systems, but will support interpretation, synthesis and decision-making by:

- analysing large volumes of climate, hydrological and remote-sensing data to identify emerging drought patterns and anomalies
- supporting short- to medium-term drought risk outlooks by combining historical data with current observations and forecasts
- highlighting spatial correlations between drought indicators, land use and observed impacts to support prioritisation of response measures; and

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- assisting operational users in exploring “what-if” scenarios linked to predefined thresholds and response options under the National Drought Risk Management Plan

By automating data processing and pattern recognition tasks, the AI tools will reduce the analytical burden on institutions and help translate complex datasets into actionable insights for planners, extension services and local decision-makers. Their use is particularly important in a context where data availability is increasing faster than institutional capacity to analyse it, and where apt interpretation of signals can make the difference between early action and delayed response.

The platform will be designed to be accessible in Albanian, user-friendly for non-technical users, and governed by national institutions to ensure long-term ownership, maintenance and data integrity. It will establish clear protocols will define data inputs, validation procedures and user access, in order to ensure transparency and trust in the information provided.

On the in-person side, the output will support regular exchange visits, workshops and community learning events, enabling farmers, municipalities and practitioners from different areas to learn directly from each other’s experience. These exchanges will focus on concrete adaptation practices, such as water harvesting systems, efficient irrigation technologies, pasture management or ecosystem restoration measures, allowing participants to observe results, discuss implementation challenges and adapt solutions to their own contexts. Special attention will be given to the participation of women, youth and marginalised groups, both as contributors and beneficiaries of knowledge exchange.

In addition, training materials and curricula developed under other components of the project will be standardised and consolidated into practical knowledge products, including manuals, visual guides and case studies. These materials will be made available through the digital platform and distributed through in-person channels, ensuring that validated practices and institutional know-how can be reused by other municipalities, extension services and national agencies.

Together, the digital platform, AI-supported analytics, and in-person learning mechanisms will form a living knowledge system that evolves with new data, experience and lessons learned. Anchoring this system within national data infrastructures and institutional frameworks ensures that drought adaptation knowledge is not isolated at project or basin level, but contributes to broader learning, replication and scaling of drought resilience efforts across regions in Albania.

The project will explore anchoring both knowledge hubs within AMBU, for their institutional and financial sustainability, which includes the absorption of recurring costs post-project, for digital hosting and maintenance and exchange visits workshops. The project will also seek to establish agreements with municipalities, extension services, universities and partners, to co-fund and provide in-kind contributions (venues, staff time, and travel).

- **Output 3.1.2: Training programs for farmers, national park staff, extension officers, and policymakers on integrating drought management, land degradation neutrality (LDN) and Sustainable Land Management (SLM) practices into the national and subnational policy and strategic framework**

Effective use of drought risk information, planning tools and adaptation practices requires sustained capacity across institutions and user groups. This output will deliver targeted training programs for farmers, national park staff, extension officers and policymakers to strengthen their ability to apply LDN and SLM principles in climate-informed drought risk management.

Training curricula will focus on practical tools, decision-support approaches and applied learning, linking land use and land management choices with water availability, soil moisture retention and ecosystem resilience under climate change-exacerbated drought conditions. Building on the knowledge products and digital platforms established under Output 3.1.1, the training will enable participants to interpret drought risk information, use relevant guidance and apply lessons from practice in their own institutional and operational contexts.

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The curricula will be aligned with Albania's commitments under the UN Convention to Combat Desertification, with particular attention to LDN monitoring, reporting and use of field-level evidence. Training content will be designed so that improved practice at farm, park and municipal levels directly informs national reporting processes, strengthening the feedback loop between implementation and international obligations coordinated by the National UNCCD Focal Point.

Training delivery will be inclusive and accessible, ensuring equal participation of women and men and addressing different institutional roles and capacities across sectors and administrative levels. By strengthening a shared understanding of drought risk management concepts, tools and indicators, this output will improve coherence, consistency and collaboration among agencies, practitioners and communities, and support the longer-term institutionalisation of climate-informed land and water management decisions.

B. Describe how the project/programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations. Describe how the project/programme will avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.

The proposal is aligned with the Adaptation Fund's Outcomes 1,2,3,4,5,6,7 as outlined in the Part III, Section A of this Concept Note. The project generates substantial economic, social, and environmental benefits for drought-prone communities in the Vjosa River Basin, with a strong focus on the most vulnerable groups, including smallholder farmers, women, youth, elderly persons, and low-income households. The project delivers measurable economic co-benefits by reducing climate-induced loss and damage and improving the cost-effectiveness of drought adaptation investments, thereby directly contributing to the Adaptation Fund Strategic Objective of reducing vulnerability, strengthening resilience, and enhancing adaptive capacity of project beneficiaries.

Based on a Cost–Benefit Analysis conducted under the National Adaptation Plan, using methodologies aligned with European Commission guidance and the IMF–World Bank CPAT tool, the portfolio of 21 green and grey measures shows a **positive cost–benefit ratio and a positive net present value (NPV)** under all tested scenarios and are classified as high-impact, no-regrets adaptation actions, reducing drought-related yield losses through drought-resilient crops, improved irrigation efficiency, and enhanced pasture and grazing management, resulting in more stable farm incomes and reduced income volatility for smallholder households. In parallel, community-led drought adaptation initiatives supported through small grants generate short-term employment opportunities while delivering long-term savings in water use, input costs, and productivity losses. At the public sector level, embedding drought preparedness into municipal planning and budgeting lowers the need for costly emergency response measures, thereby reducing fiscal pressure and improving the cost-effectiveness of public expenditure, while strengthening the institutional capacity of municipalities and national agencies to plan, finance, and implement high-quality, local-level adaptation in line with the Adaptation Fund Strategic Objective on enhanced access and institutional capacity.

The project ensures gender-responsive design, promoting women's leadership roles in committees, farmer field schools, and restoration activities, and ensuring women-headed and low-income households are prioritized for support. It also strengthens social equity, resilience, and human well-being in drought-prone communities, addressing differentiated vulnerabilities across social groups. NAP analysis indicates average socio-development benefits of ~80% from the proposed measures. It enhances the adaptive capacity and leadership of women and girls, ensuring ≥40% participation in agricultural extension, tailored credit, and CSA adoption, and supporting scholarships and safe TVET programs for girls and young women. The project empowers women, youth, and underrepresented groups through women-led cooperatives, gender-targeted employment in forest nurseries, and

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inclusive Local Drought Committees, promoting participatory planning, equitable access to water, information, and resources, and strengthening community networks, contributing to inclusive, locally led adaptation processes that position vulnerable groups as agents of change under the first AF Strategic Objective. These interventions deliver quantifiable, long-term social co-benefits, reinforcing inclusive local development and sustained drought resilience. The project delivers measurable environmental co-benefits through improved watershed management, sustainable land practices, and nature-based solutions. Interventions include planting native tree species along 137.8 ha of the Vjosa River to stabilize riverbanks, reduce erosion and sedimentation, and enhance habitat quality, as well as restoring and rehabilitating dams in Kaludhi, Qilarishti, and Kosina reservoirs (total capacity 150,000 m^3; approx. 7 ha) to secure water supply for communities and ecosystems. Measures such as agroforestry, terracing, and wetland restoration improve soil moisture retention, water quality, and biodiversity, sustaining ecosystem services in the Vjosa Wild River National Park and surrounding municipalities.

A national drought monitoring system strengthens environmental stewardship by tracking pressures on water bodies, aquifers, and riparian habitats, and generates evidence and operational lessons from early, high-impact drought interventions that can be replicated and scaled across other basins in Albania, directly contributing to the Adaptation Fund Strategic Objective on generating evidence for effective action and scaling up results.. All interventions use native species, comply with protected area regulations, and follow Adaptation Fund Environmental, Social, and Gender Policies, ensuring risks are avoided or mitigated while promoting long-term ecosystem resilience. Strengthening local committees and participatory processes helps prevent conflict over water allocation during drought periods. Continuous monitoring under the national drought indicator system will ensure early detection of potential environmental impacts and enable corrective action.

Gender equality and women's empowerment are central to the project, building on Albania's NAP process and Gender Action Plan (GAP). To inform the Adaptation Fund Concept Note, a consultation was organized in Tirana and Vlora (27–29 October 2025) with 90% women participants, including national and local authorities, civil society, and stakeholders from the Vjosa River Basin. Consultations drew on prior gender analyses and GAP recommendations, highlighting limited gender-disaggregated climate data, weak integration of gender in monitoring and early warning systems, and the disproportionate vulnerability of women in agriculture, tourism, and informal sectors. Findings emphasized the need for gender-responsive disaster risk reduction, community engagement, capacity-building.

All project initiatives will be designed to integrate gender considerations throughout the project cycle. This includes conducting gender analyses during planning, ensuring inclusive participation of women, youth, marginalized groups, and ethnic minorities in decision-making and local adaptation committees, embedding gender-responsive objectives and indicators in results frameworks, and allocating resources to support women-led households and communities, technical training, and access to climate-smart technologies, while strengthening national and sub-national institutional systems to sustain and replicate gender-responsive drought adaptation beyond the project period. Please refer to the Table 3 below for a summary of economic, social and environmental benefits.

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Table 3: Economic, Social and Environmental Benefits: current situation vs. Benefits after Project/Programme implementation

Type of Benefit	Current Situation	Benefits After the Project/Programme
Economic Benefits	1. **High climate- and drought-related agricultural losses** persist due to delayed responses and reliance on reactive emergency spending.	1. **Reduced climate- and drought-related losses for ~2,500 smallholder farming** households (8,000–10,000 people) through early action, drought-resilient crops, improved grazing, and climate-smart practices.
	2. **Low irrigation efficiency and outdated, fragmented water systems** reduce productivity and raise production costs.	2**. Higher irrigation efficiency across ~3,000 ha** through infrastructure upgrades and better water management, lowering water and energy losses and lifecycle costs.
	3. **High income volatility and economic insecurity for smallholder farmers** and rural households due to recurrent climate shocks and limited risk-reduction tools.	3**. More stable and resilient incomes for ~2,500 rural households** due to reduced yield variability, improved water access, and adoption of CSA practices.
	4. **Weak institutional coordination and limited adaptation capacity** lead to duplication and inefficient resource use.	4. **Stronger institutional capacity in 13 municipalities**, improving planning, budgeting, coordination, and access to climate finance while reducing duplication.
	5. **Adaptation investments remain weakly evidence-based**, though the completed NAP provides 21 priority measures with strong cost-benefit results	5. **Operationalization of three outputs** derived from NAP-prioritized measures, all economically justified and demonstrating strong cost–benefit performance B/C ratios) respectively for the following outputs: Output 2.1.1 = 4.87. Output 2.1.2 = 81.03. Output 2.1.3 = 3.63.
Social benefits	1. **Vulnerable groups**—especially women, youth, the elderly, and low-income households—**face disproportionate drought impacts** due to weak targeting, slow response systems, and limited access to climate information, irrigation water, land, credit, and climate-smart technologies. Women are particularly affected despite representing 54.4% of the agricultural workforce and only 10.8% of registered farm holders.	1. **Approximately 20,000-30,000 people in drought-prone Vjosa Basin** communities (including ~16,000 women) **will benefit directly**, with **130,000 people benefitting indirectly** through improved basin-wide water security and ecosystem resilience.
	2. **Limited and unstable rural economic opportunities**—driven by declining yields, income volatility, and restricted access to productive resources—deepen poverty and reduce participation in climate-resilient livelihoods, particularly for women.	2. **Creation of 500–600 green jobs in restoration, irrigation rehabilitation,** nature-based solutions, drought monitoring, forest nurseries, and CSA value chains, with strong participation from women (40%) and youth (35%).
	3. **Low representation of women and youth in climate-related governance and service delivery** (8% in extension services; 16% in vocational agricultural education) and weak gender/youth integration in monitoring, early warning, and planning undermine the inclusiveness and effectiveness of climate responses.	3. **Gender-responsive institutional planning and indicators, ensuring at least 40% women's** participation (~1,500 women) in extension services, CSA,
	4. **Fragmented and insufficient skills-development opportunities for women and youth**, including limited climate-related training, TVET, and leadership pathways,	4. **Around 300 women and youth gain improved technical and leadership skills** through consolidated, cost-efficient capacity-building, scholarships, and TVET programmes, reducing

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	constrain participation in climate-smart agriculture, cooperatives, and forestry value chains.	fragmentation and expanding entry pathways into climate-resilient sectors.
Environmental benefits	1. **Degraded watershed systems across the Vjosa landscape**, characterized by erosion, declining soil moisture, degraded riparian habitats, and insufficient restoration of riverbanks and natural buffers.	1. **Restoration of 137.8 ha of riparian and riverbank ecosystems,** using GIS-based prioritisation, improving soil stability, moisture retention, habitat quality, and ecological connectivity along the Vjosa River.
	2. **Inefficient and fragmented infrastructure investments,** including degraded reservoirs in Kaludhi, Qilarishti, and Kosina, which are not adequately targeted to high-risk drought zones and fail to secure water supply during drought periods.	2**. Rehabilitation of three key reservoirs (Kaludhi, Qilarishti, Kosina), expanding water storage capacity by 150,000 m³** and improving community and ecosystem drought-period water security at the lowest marginal cost.
	3**. Weak ecosystem resilience due to the absence of integrated watershed** and landscape management approaches.	3**. Ecological restoration across approximately 3,500 ha of adjacent Vjosa landscape ecosystems,** enhancing biodiversity, regulating water flows, and strengthening ecosystem services within and around the Vjosa Wild River National Park.
	4. **No national drought monitoring system**, resulting in delayed detection of environmental stress on water bodies, ecosystems, and watershed functions.	4. **A fully operational drought monitoring system covering 6,700 km² of the Vjosa Basin**, tracking aquifer stress, river flows, soil moisture, and riparian health to enable early, lower-cost, and corrective interventions.
	5. **Low uptake of nature-based solutions**—such as agroforestry, terracing, and wetland restoration—driven by short project cycles and limited technical and institutional support.	5. **Implementation of nature-based solutions (NBS) across ~2000 ha**—including agroforestry, terracing, wetland restoration, and sustainable grazing—delivering higher resilience and lower lifecycle costs compared to grey infrastructure.

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C. Describe or provide an analysis of the cost-effectiveness of the proposed project/programme.

Cost drivers addressed: Drought losses are amplified by late action and high emergency costs, fragmented coordination that creates duplication and delays, weak spatial targeting that spreads resources too thinly, and short project cycles that leave tools and capacities unsupported and require repeated reinvestment.

How the design improves value for money: The project improves cost effectiveness by investing in a small number of system functions that reduce losses repeatedly over time. It enables earlier action at lower unit cost through objective triggers and predefined measures, improves targeting by focusing on hotspots, lowers lifecycle costs by prioritising measures with limited recurrent maintenance and strong co benefits, and reduces transaction costs by working through existing public institutions and delivery channels rather than parallel structures.

Why the selected interventions are cost effective: The measure package is guided by the analytical work undertaken for Albania's National Adaptation Plan, which applied cost benefit analysis and multi criteria analysis to screen and rank adaptation options[25]. The interventions selected for this project are those that consistently ranked at the top of the assessed portfolio, including across a set of 21 measures, on cost benefit ratio and net present value, and that were classified as high impact and no regrets under uncertainty. This evidence-based selection reduces the risk of financing low performing actions and concentrates investment on options with robust economic justification and strong resilience payoffs.

Implementation efficiency and fiduciary discipline: Delivery is structured to control costs and protect results through transparent selection criteria, milestone linked disbursement tied to verified outputs, periodic technical review, and independent monitoring that enables early correction where performance falls short.

Replicability and scale effects: Cost effectiveness increases over time because the project reduces the cost of scaling. Pilots generate practical evidence on performance and delivery, institutions retain routines and skills that reduce dependence on external support, and knowledge mechanisms ensure lessons are reused so subsequent investments do not repeat design and set up costs.

Cost effectiveness of the Small Grants Program: The small grants window reinforces value for money by allocating funds competitively to locally prioritised solutions under a process that follows UNDP's USP requirements and controls in full. Only proposals that pass eligibility checks and achieve the minimum quality threshold are financed, and disbursements are released in tranches against verified milestones, supported by technical review and independent monitoring. The window is explicitly designed for high impact equity outcomes by reserving a defined share for women, youth and vulnerable groups, and by prioritising women led households and those most exposed to drought impacts. This approach concentrates limited resources where marginal benefits are highest, reduces fiduciary risk, and generates comparable evidence on costs and performance for replication through municipal budgets and future programmes.

Sustainability plan: Sustainability is built around institutionalisation, budget anchoring, and low-maintenance replication mechanisms. Core functions are embedded in government systems by

[25] The detailed CBA and MCA methodology and results can be consulted at https://www.undp.org/albania/publications/implementation-plan-prioritized-adaptation-actions

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strengthening the inter-ministerial coordination architecture through clarified roles, operating procedures, and routine integration into planning and budgeting cycles. The Small Grants Facility is designed as a durable pipeline for women-led adaptation by applying UNDP sub-granting controls and linking grantees to follow-on finance and local institutional support. Finally, digital and in-person knowledge hubs curate tools and lessons and convene peer exchange through existing partner channels to avoid high fixed costs while keeping materials updated and actively used after project closure.

Table 3: Project components, approach and alternatives

Project component	**Alternative/Conventional approaches**	**Project approach**
Component 1: Enabling environment for long-term drought resilience (national and sub-national)	Reactive, ad hoc drought response with unclear mandates, no nationally agreed indicators/thresholds, and limited cross-sector coordination. Siloed planning across water, agriculture, energy and civil protection, with weak integration into budgeting and investment appraisal, leading to delayed action and recurrent emergency expenditures.	Establish NDRA evidence, an operational NDRMP with defined roles and triggers, and an NDMS for objective drought staging. Designate/strengthen a National Drought Management Authority hosted at AMBU to coordinate, issue directives, maintain dashboards and decision logs. Align water, land, energy policy and public financial planning so preparedness and early action are triggered and funded through routine government systems.
Component 2: Watershed and community drought risk reduction and management (Vjosa basin)	Predominantly hard-engineered or short-term measures (e.g., emergency water supply, end-of-pipe erosion control rather than seeking the root cause, inefficient irrigation upgrades), implemented with limited spatial targeting and limited community ownership. Farm support focuses on inputs without integrated soil-water resilience, and local adaptation actions remain small-scale and isolated.	GIS-based targeting of erosion-prone slopes, degraded watersheds and recharge zones, followed by nature-based erosion control and restoration (agroforestry, vegetative cover, terracing, afforestation, wetland restoration). Deliver drought-resilient agriculture packages (rotational grazing, efficient irrigation, drought-tolerant varieties, CSA) through extension services and farmer associations. Complement with gender-responsive, community-led small grants that fund practical local and household measures, prioritising vulnerable groups and women-led households. All provide long-term solutions for lasting impact.
Component 3: Knowledge management and capacity development for scaling	One-off reports and trainings that are not maintained, with knowledge dispersed across projects and weak links to national information systems. Limited peer learning, weak uptake of lessons, and repeated transaction costs for re-developing tools and curricula.	Create a sustained digital and in-person knowledge system anchored in AMBU: an online hub linked to national spatial and sector information systems, and regular exchange visits/workshops for practitioners. Consolidate practical guidance and curricula, and deliver targeted training for farmers, park staff, extension officers and policymakers so drought risk management practices are institutionalised and replicable.

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D. Describe how the project/programme is consistent with national or sub-national sustainable development strategies, including, where appropriate, national adaptation plan (NAP), national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.

The project is in alignment with Albania's national development, environmental, climate change and disaster risk management policy, legal, strategic and regulatory framework. Specifically, the project seeks to support the implementation of:

Albania's first National Adaptation Plan (NAP). Through its outputs the project addresses key priority actions identified in the NAP as follows:

- The Drought Early Warning System enhances disaster preparedness and integrates with hydro-meteorological networks, aligning with Priority Action No. 1 (Steering the adaptation process) and No. 4 (Implementation monitoring system).
- The Hydropower and Energy Resilience measures, including hydropower climate risk assessments, reservoir operation optimization, and diversification of energy sources, support Priority Action No. 11 (Energy sector adaptation) and No. 7 (Resilient irrigation, drainage, and flood protection).
- The Integrated Water Resource Management (IWRM) approach, which includes drought management plans and reservoir optimization, aligns with Priority Action No. 8 (Integrated Water Resources Management) and No. 9 (Agricultural resilience and irrigation systems).
- The Community-Level Adaptation efforts, such as local drought management plans, community-led water conservation projects, and training programs, align with Priority Action No. 6 (Climate adaptation in municipal planning) and No. 12 (Initiative for Municipal Climate Change Adaptation Plans).
- The Land Degradation Neutrality and Sustainable Land Management (SLM) measures, such as erosion control, agroforestry, and watershed restoration, support Priority Action No. 5 (Communication and outreach initiatives) and No. 9 (Adaptation in the agricultural sector).
- The Tourism Resilience strategy, including water-saving technologies, greywater recycling, and sustainable tourism policies, aligns with Priority Action No. 13 (Adaptation in Tourism).
- The Institutional Reinforcement and Policy Integration efforts, such as updating water and energy policies and establishing a drought governance task force, align with Priority Action No. 2 (Overarching mainstreaming initiative) and No. 15 (Institutional development and capacity-building).
- The Farming Resilience Support, including index-based insurance, rotational grazing, and climate-smart agriculture, aligns with Priority Action No. 9 (Adaptation in the agricultural sector) and No. 6 (Initiative for Capacity Development on Climate Change Adaptation).
- Overall, the project directly implements Albania's NAP priorities, ensuring climate resilience through cross-sectoral, integrated, and community-focused adaptation measures.

Local Adaptation Plans 2024 - 2040 for eight municipalities (Dürres, Elbasan, Fier, Gjirokastër, Krujë, Kukës, Përmet and Vlora) which present among their measures of very high and high priority: a) the identification of risk areas and preparation of municipal climate vulnerability maps using relevant information for flood risks (including storm surges), heatwaves and droughts to undertake effective adaptation actions, and b) the development of climate change awareness programs that highlight the role of the natural environment and its positive contribution to climate adaptation by reducing the effects of extreme weather events. Also relevant to this project and included as very high and high priority measures in specific LAPS are:

- Improvement of irrigation systems (LAPs of the Elbasan, Fier and Gjirokastër municipalities).
- Nature-based solutions, including forest and other ecosystem rehabilitation, to reduce soil

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erosion and land degradation as well as landslide and wildfire risks (LAPs for the municipalities of Elbasan, Fier, Gjirokastër, Krujë, Përmet, Kukës and Vlora).
- Compilation and/or revision of river basin management plans for rivers that dry up during the summer, affecting for irrigation of agricultural lands (Krujë Municipality LAP).
- Development of surface water management plans (Përmet Municipality LAP).
- Improvement of pastures and use of native species, through collected seeds from respective areas (Vlora Municipality LAP).
- Improvement of data capture on extreme weather event effects on critical infrastructure and buildings through GIS mapping to inform future adaptation planning (Gjirokastër Municipality LAP).
- Development of a 10-year Forest Management Plan to implement in collaboration with community groups (Kukës Municipality LAP).
- Development and delivery of training on climate change, environment and sustainability to municipality staff (Kukës Municipality LAP).
- Delivery of capacity building sessions to the local community, including farmers and businesses, on climate change and it implications (Kukës Municipality LAP).
- Development of a risk assessment of the likely impacts of climate change and their effect on key infrastructure (Krujë Municipality LAP).

The National Strategy for Development and European Integration (NSDEI) to 2030, which offers guidance and provides priorities of the sustainable, economic and social development of Albania on the way to its full European Union Membership. The NSDEI underscores that a Green Transition should bring the gradual shift of the economy and employment from sectors such as the mining industry or construction, towards more productive activities such as tourism based on the protection of ecosystems and biodiversity, productive agriculture based on sustainable local food production methods, the promotion of the circular economy, the effective treatment of waste, air, water and soil pollution, and reduction of greenhouse gas emissions through investments in renewable energies.

The National Strategy on Irrigation and Drainage 2019-2031 and Action Plan, which addresses the major challenges for irrigation, drainage, dams and reservoirs, and flood protection and aims to optimize all relevant infrastructural investments. This strategy recognizes the need to rehabilitate and modernize irrigation systems, to examine changing storage capacities in the nation's reservoirs, and to evaluate dam management practices and dam safety in the context of increasing rainfall unpredictability and likelihood of drought and flood events.

The National Strategy of Energy 2018-2030, which aims to achieve efficient use of the water resources for renewable energy production, while diversifying electricity production away from hydropower and promote alternative sources of renewable energy while complying with environmental standards and establish an organized day-ahead electricity market.

The National Strategy for Integrated Water Resources Management of 2018, and in force for the period 2018-2027, which provides the framework for protecting valuable water resources, and aims to ensure a sustainable water use by all other sectors and sets the following five strategic objectives: 1) on water quantity to secure a fair and sustainable use of all water resources that serves all interests; 2) on water quality to secure the attainment of good water quality in all water resources by the year 2027; 3) on water risks, to contain the risks associated with floods and drought through management and investments; 4) on water information, to ensure trustworthy water and climate data and models are secured for all stakeholders, and adequate policy advice is provided based on these; and 5) on Water Governance, to foster the application of inclusive and sustainable water management practices that yield equitable profits to all involved stakeholders. This Strategy addresses all resource development and management aspects arising out of the Global Water Partnership definition, while ascertaining that all topics of the relevant EU Water Directives are covered.

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The Law on Climate Change (No 155/2020) which calls for action to "accelerate adaptation to climate change with a view to mitigating the harmful effects of climate change" as well as to establish "the legal framework and set up the institutional bases to take action". This law emphasizes the importance of integrating climate change mitigation and adaptation into sectoral strategies and legislation and provides guidance on adaptation planning, monitoring, and reporting.

The Law on Water Resources (No 29/2024), which has as purpose the protection of water resources and the improvement of the water environment, ensuring their preservation, development and rational use. It defines the legal and institutional framework for administration and management of water resources, with the aim of: a) protection, improvement and prevention of further deterioration of the status of terrestrial and wetland ecosystems according to their water needs; b) promoting the sustainable use of water, based on the long-term protection of available water resources; c) strengthening the protection and improvement of the water environment, among others, through the implementation of special measures for water pollution control, mitigation of the effects of floods and drought. The Law also calls for the full coordination of all activities between the competent authorities in the granting of relevant environmental authorizations, permits and concessions for the use of protection of water bodies.

The Law on Civil Protection (No 45/2019 as amended in 2024) which seeks "to reduce disaster risks and achieve civil protection to guarantee the protection of human life, livestock, property, cultural heritage and environment by strengthening the civil protection system" This Law governs the functioning of the civil protection system and its institutions. It calls for the protection of critical infrastructure, including energy generation, transmission and distribution systems, water supply infrastructure and agriculture, food production and distribution infrastructure. The Law calls for the accountable and adequate management of environment, land, water and other natural resources to reduce disaster risks and for risk assessments to be undertaken at the central, district and local level on a periodic basis. Further, the Law provides guidance on institutional collaboration for early warning, monitoring and notification, and calls for the elaboration of local disaster risk reduction strategies every five years.

The Law on the Promotion and Use of Energy from Renewable Sources (No 24/2023), which, as stated in its purpose, seeks to increase and promote energy production from renewable sources to ensure Albania's sustainable development, reduce the import of fossil fuels, and increase the diversification of energy sources and the security of energy supply in the country, and promote, through energy supply, the development of rural and isolated areas. The Law introduces a new national target for renewable energy sources to make up 54.4% of the gross final consumption by 2030, encompasses regulations for energy generation from wind and photovoltaic sources, and proposes demonstration projects to showcase the application of innovative energy technologies.

The project also enables Albania to implement measures coherent with its international commitments, including:

The "Forest for Climate" Declaration (COP24, Katowice, 2018), through which the country committed to halt and reverse forest loss and land degradation by 2030, while delivering sustainable development and promoting an inclusive rural transformation.

The EU Adaptation Strategy (2021) which calls for disaster risk management processes and tools to be included in disaster risk management plans and be reflected in budgetary planning and in governance and institutional arrangements and for disaster risk financing to be complemented with a combination of risk management and risk sharing instruments.

Nationally Determined Contribution (NDC 3.0) - Albania is updating its Third Nationally

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Determined Contribution (NDC 3.0) for 2030-2035, including a dedicated adaptation component supported by the NAP process, with a strong focus on climate risks such as drought. The NAP process generated updated vulnerability and risk assessments across key sectors, including agriculture & forestry, urban development, tourism, energy, and transport, and identified national adaptation priorities to ensure that the revised NDC reflects realistic, implementable, and country-owned targets. By integrating drought-resilient measures into sectoral policies and strengthening national systems for tracking adaptation actions under the Enhanced Transparency Framework, the NDC 3.0 directly supports local resilience, improves climate governance, and aligns Albania's adaptation efforts with both EU and international commitments.

Technology Needs Assessment - The project aligns with Albania's Technology Needs Assessment and proposed Technology Action Plan to promote the deployment of climate-resilient technologies that enhance drought adaptation at the farm and household levels. It focuses on technologies identified as national priorities, including small-scale irrigation systems, rainwater harvesting, soil moisture monitoring, and drought-tolerant crop varieties, ensuring that interventions are evidence-based and cost-effective. The project addresses adoption barriers, financial, technical, and social, through targeted support for women-led and youth-led households, including access to small grants, tailored extension services, and capacity-building initiatives. By implementing these technologies in alignment with national priorities, the project strengthens local drought resilience, contributes to the achievement of NAP and NDC 3.0 adaptation goals, and creates a foundation for scaling up investments and replication across other vulnerable regions, thereby enhancing both sustainability and long-term climate impact.

E. Describe how the project/programme meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and complies with the Environmental and Social Policy of the Adaptation Fund.

The project fully aligns with relevant national technical standards, sectoral regulations, and the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy (GP). Compliance is embedded across all activities, particularly small-scale, community-based drought adaptation measures that promote environmental sustainability, social inclusion, and equitable access.

Integration of Standards into Project Design: The Social and Environmental Screening Procedure (SESP) Tool identified potential social and environmental risks and appropriate mitigation measures for project design, budgeting, and implementation. UNDP will apply the Environmental and Social Management Framework (ESMF) through implementation, ensuring interventions address local challenges inclusively and in a gender-responsive manner. By supporting nature-based solutions (NbS) and ecosystem-based adaptation (EbA)—including erosion control, watershed restoration, afforestation, and degraded land restoration—the project avoids high-risk activities such as relocation or major ecosystem disturbance. The ESMF will guide mitigation measures in line with national laws (EIA, permitting, environmental protection) and the Adaptation Fund ESP. Any unforeseen risks will be addressed through ESMF updates.

Social Safeguards and Stakeholder Engagement: Inclusive consultations were conducted during the concept note preparation and will continue throughout implementation to ensure meaningful participation of women, youth, and persons with disabilities in decision-making. A project-level Grievance Redress Mechanism (GRM)
will be established during inception to handle concerns transparently, and will be disseminated publicly through consultations, media, and accessible sites.

Standards for Construction and Infrastructure Activities: Construction and ecosystem restoration will comply with national technical standards and regulations,including:

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Law no. 10440/2011 On Environmental Impact Assessment
Law no. 52/2020 On Environmental Permits
Law no. 81/2017 On Protected Areas
Law no. 41/2020 On Biodiversity
Law no. 111/2012 On Integrated Water Resources Management
Law no. 24/2017 On Administration of Irrigation and Drainage
Law no. 57/2020 On Forests

Environmental and social impact assessments (ESIAs) will be conducted for major activities to ensure compliance with Albanian environmental laws and mitigate potential risks. UNDP construction requirements will also be followed: activities will be executed by certified contractors, designed by qualified professionals, and approved by competent authorities. Preventive measures will minimize health and safety risks to workers and communities. Community-level interventions (e.g., small-scale irrigation, rainwater harvesting, drought-tolerant crops) funded under the small grants mechanism will meet national environmental, land, water, and agricultural standards. Local Adaptation and Drought Management Committees will validate proposals through participatory review, ensuring technical soundness and community acceptance.

Monitoring Compliance: Grantees are responsible for implementing activities in accordance with their approved proposals, safeguards, and standards. Monitoring will include periodic reporting, submission of environmental screening and community consent documentation, and participation in oversight visits by project and UNDP technical staff. This ensures that adaptation measures remain safe, lawful, and replicable.

F. Describe if there is duplication of project/programme with other funding sources, if any.

The project will ensure close coordination with ongoing and planned initiatives (see table 4) to maximize complementarity and avoid duplication.

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Table 4: Relevant recent and ongoing projects

Project title	Funding Source & Budget (in Million USD)	Overlap/Complementarity	Lessons Learned
ALBAdapt (GIZ, NAPA- National)	GCF Total: 41.7 GCF: 27.6 Co-fin.: 14.07	The Project complements ALBAdapt by adding drought-specific monitoring, thresholds, and decision-support tools to upgraded climate services and multi-hazard early warning systems.	Ongoing
Resilience Strengthening in Albania (RESEAL) (UNDP-National)	Swiss SECO, Govt. of Albania Total: 26.973	The project builds on RESEAL's strengthened disaster risk reduction frameworks and early warning systems by integrating climate-driven water risks, drought governance, and anticipatory water security planning, while reinforcing local preparedness capacities supported under Phase II.	Importance of strong legal and policy alignment, standardised risk assessment methodologies, and coordinated national-to-local implementation mechanisms
EU4Rivers (ADA-National)	EU & Austrian Development Agency Total: 10.390	The Project complements EU4Rivers' support to river basin management, water quality monitoring, and EU Water Framework Directive alignment by integrating climate-related disaster risk reduction, drought resilience planning, and multi-hazard early warning approaches.	Ongoing
National Adaptation Plans (NAP)[26] (UNDP-National, Regional, Local)	GCF Total: 2.997	The project operationalises NAP adaptation priorities by strengthening MHEWS, drought risk management, and climate-informed water resources planning. It builds on NAP governance, stakeholder engagement, and monitoring frameworks to scale adaptation actions and ensure alignment between national adaptation policies and local risk reduction implementation.	Importance of evidence-based planning, strong inter-institutional coordination, and locally driven adaptation planning through Local Adaptation Plans
Implementing the Strategic Action Programme of the Drin Basin to Strengthen Transboundary Cooperation and Enable Integrated Natural Resources Management (UNDP-Regional)	GEF 7 Total: 48.44 Co-fin.: 40.66 GEF: 7.78	Both initiatives support climate-informed water governance, enhanced data sharing, capacity development, and improved policy and technical tools for basin management. The Project Enhancing Drought Resilience through the implementation of Albania's National and Local Adaptation Plans complements these efforts by strengthening multi-hazard early warning systems, drought risk management, and climate services, thereby expanding hazard coverage and supporting climate-resilient water security and anticipatory risk management at national, basin, and community levels.	Ongoing
Integrated climate-resilient transboundary flood risk management in the Drin River basin in the Western (UNDP-Regional/National)	Adaptation Fund Total: 9.927	The project expands DRB flood risk management achievements by strengthening drought monitoring, climate services, and multi-hazard risk governance, enhancing integrated water management and anticipatory climate adaptation.	1) Leveraging existing regional governance structures strengthens ownership, efficiency, and sustainability. 2) Basin-wide coordination, data sharing, and alignment with regional policy processes (e.g., EU accession) are essential for effective climate and flood risk management.
Scaling up climate-resilient flood risk management in Bosnia and Herzegovina (UNDP-Regional)	GCF GCF: 14.4 Co-Fin: 72.69	The project exchanges lessons learned and best practices with this GCF project in Bosnia by extending climate-resilient flood risk management approaches to include drought risk management, multi-hazard early warning, and integrated climate-resilient water governance.	Ongoing
Integrated Drought Management in the riverine countries of the Drin Basin (WMO, GWP-Regional)	Adaptation Fund Total: 13.733	The project contributes to this initiative by informing and sharing approaches to support drought-resilient water governance and community-level resilience in the Drin Basin. The current initiative will be further informed from the project to ensure alignment of the Albanian lessons learned in Drini basin and beyond.	Pre CN endorsed

[26] Although currently not operational, the NAP process involved a country-driven inclusive action from 2021 to 2025 serving as the foundational framework for the development the Enhancing Drought Resilience through the Implementation of Albania's National and Local Adaptation Plan project.

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G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.

The project embeds learning and knowledge management across all levels of implementation to ensure that drought resilience measures are continually improved, replicated, and institutionalized. At the local level, the project strengthens learning processes through participatory development of Local Drought Management Plans, scenario-based drills, and the establishment of Local Adaptation and Drought Management Committees. These committees will track local drought indicators, interpret alerts issued by the national drought monitoring system, and coordinate community responses, thereby generating ongoing learning cycles grounded in real drought conditions.

Under Component 3, the project will establish both digital and in-person knowledge hubs to facilitate continuous exchange among farmers, municipal officials, women's groups, and civil society. These hubs will disseminate technical guidance, host case studies from the project's community-led demonstrations and promote the adoption of sustainable land and water management practices. The digital platform will be linked with Albania's National Spatial Data Infrastructure and relevant national information systems managed by AMBU, enabling climate hazard, vulnerability, and drought-status maps to be shared with vulnerable communities.

At the national level, institutional learning will be embedded through the development and operationalization of the National Drought Risk Management Plan and the National Drought Monitoring System. Post-drought evaluations and after-action reviews will be incorporated into the Plan's governance cycle, allowing thresholds, indicators, and response protocols to be updated based on observed impacts and lessons learned. Training for policymakers and technical agencies will reinforce a shared understanding of drought triggers, roles, and decision procedures, enabling consistent learning across sectors.

By anchoring these knowledge management functions within permanent institutions, AMBU, the future National Drought Management Authority, river basin councils, and municipalities, the project ensures that learning is not a one-off exercise but an enduring feature of Albania's drought governance system. Through this multi-level architecture, the project will generate, capture, and disseminate practical lessons that can be scaled across the Vjosa River Basin and applied to other river basins in Albania.

H. Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.

The preparation of this Concept Note was initiated by UNDP at the request of the Ministry of Environment. Based on the NAP, concerns raised by the Ministry of Environment and other stakeholders, it was decided that the focus of the project would be on drought, a silent hazard that is already affecting Albania and is expected to increasingly impact its people, livelihoods, ecosystems and economy under climate change.

Between 27 and 29 of October 2025 consultative meetings took place with national stakeholders, including relevant Government agencies and ministries (Ministry of Environment, Ministry of Agriculture, Ministry of Infrastructure, National Forestry Agency), academic institutions (the Institute of GeoSciences), Local Adaptation Plan Committees (LAP Vlora Committee), the administration of the Vjosa Wild River National Park, and with representatives of ongoing projects (the EU4Rivers Project), to discuss the project, integrate their views, and address any concern.

The consultations involved a total of 38 participants (20 women and 18 men) and validated the

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need for a national drought risk assessment and drought management plan, as well as for the implementation of drought risk reduction measures at the local level, linked to the ongoing NAP process.

Specifically, stakeholders highlighted significant institutional and sectoral vulnerabilities to drought across Albania, with the **Ministry of Agriculture and Rural Development** confirming the absence of a national drought management strategy despite increasing drought frequency and severity and identifying agricultural drought as a major risk due to high summer water demand and the lack of clear emergency indicators. The Ministry underscored the need for strong coordination between national and local institutions to identify high-risk areas, called for strengthening the Agency for Water Resources Management (AMBU) as the lead body for integrated water management with clearer mandates and responsibilities, and raised concerns over sediment accumulation in drainage canals, recommending targeted investments through river basin programs. **The Ministry of Infrastructure and Energy** emphasized the energy sector's extreme vulnerability to drought given its heavy reliance on hydropower, advocating for the development of a national drought management plan aligned with EU directives and improved data availability and monitoring systems. Forestry authorities highlighted their primarily advisory role within a decentralized framework, reported severe wildfire impacts in 2024, uneven municipal capacities, and the introduction of a new national forestry data platform, while **the Institute of Geosciences** identified the absence of a national drought assessment, strategy, and Early Warning System as a critical gap, recommending the establishment of a coordinated national EWS focused on key hotspots. Civil society organizations emphasized synergies with ongoing initiatives in the Vjosa River Basin, promoted nature-based and community-based solutions, and recommended a phased, pilot-based approach centered on capacity building, practical training, and scalable best practices; these priorities were reinforced during consultations in **Vlora municipality** and with the **Vjosa National Park Administration**, which stressed the importance of integrated, ecosystem-based approaches and coordinated implementation of National and Local Adaptation Plan measures to strengthen drought resilience at both river basin and municipal levels.

Other inputs emerging from the consultations that contributed to refine the current document include:

a) Use of existing national structures for drought management at national, sub national and local levels;
b) Focus implementation at community level within ongoing LAP processes, which will help bring the NAP from theory to action;
c) Additional data and information on soil erosion processes in segments of the Vjosa River Basin;
d) Preference of NbS over hard infrastructural solutions, to avoid to the extent possible the use of heavy machinery and may result in sedimentation disbalances in coastal areas;
e) Synergies and complementarities with ongoing processes;
f) Including the Vjosa River Basin Drought Management Plan as an annex of the Vjosa River Basin Management Plan to facilitate and strengthen its long-term implementation and monitoring;
g) Not to include forest fire issues in the project implementation at the local level, as forest fires has not been a problem at the VRB.

I. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.

Despite its limited historical contribution to global greenhouse gas emissions, Albania is already bearing multiple climate change impacts. The Government of Albania is accelerating its efforts to establish an enabling environment for adaptation planning and implementation in key socioeconomic sectors, and to support the internalization of adaptation costs, to the extent possible.

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However, external financial support for adaptation is still required, particularly to strengthen national, subnational and sectoral frameworks, to continue building capacity for adaptation at all levels, and for projects that demonstrate the value and benefits of adaptation interventions, incentivize wider adoption and leverage investment from various sources for scaling up.

Adaptation Fund support is therefore critical to cover the full incremental cost of adaptation, enabling Albania to shift from reactive, crisis-driven drought response to proactive, science-informed management. The project creates the enabling environment needed for this transition by financing a comprehensive National Drought Risk Assessment, the National Drought Risk Management Plan, and the establishment of a permanent drought governance structure. These foundational elements, together with the National Drought Monitoring System, cannot be financed through existing domestic resources but are indispensable for effective anticipatory action and alignment with EU water and climate requirements.

At the watershed and community levels, AF financing will enable municipalities, especially in the drought-prone Vjosa basin, to develop Local Adaptation Plans and Local Drought Management Plans, activate and train Local Adaptation and Drought Management Committees, and implement community-led measures that reduce vulnerability and strengthen livelihoods. These are public goods with high social value but no viable market-based financing model. AF funding will also catalyze the adoption of sustainable land and water management measures, nature-based solutions, and climate-resilient farming practices that improve soil moisture, safeguard water resources, and enhance food security for the most vulnerable households.
Without international support, Albania would remain dependent on fragmented, reactive, and largely underfunded drought response efforts, with little capacity to anticipate impacts or protect rural livelihoods. With the project in place, drought governance systems, local planning tools, monitoring infrastructure, institutional capacity, and community resilience will be significantly strengthened, enabling Albania to prevent losses, secure water resources, and protect vulnerable populations.

All proposed interventions are fully deliverable within this project's scope and implementation period. The project's results do not depend on the timing or performance of other ongoing or planned external initiatives.

The following table provides a comparison of the Business-as-Usual scenario and the adaptation scenario under the project.

Table 5: Comparison of the Business-as-Usual scenario and the Adaptation scenario to be reached with AF financing

Dimension	Business-as-Usual (No AF Project)	Adaptation Scenario (With AF Project)
National Drought Governance & Planning	No national drought risk assessment; no harmonized indicators, thresholds, or early warning; fragmented institutional roles; reactive crisis response.	Comprehensive National Drought Risk Assessment completed; National Drought Risk Management Plan operationalized; coordinated triggers, thresholds, SOPs established nationwide.
Institutional Capacity	No permanent body responsible for intersectoral drought management; weak coordination across ministries and river basin authorities.	AMBU designated as the National Drought Management Authority with interministerial coordination, a secretariat, and clear mandates; national–basin–municipal linkages strengthened.
Monitoring & Early Warning	Drought monitoring fragmented across institutions; absence of unified indicators, thresholds, and operational alerts; municipalities lack actionable information.	National Drought Monitoring System established, integrating meteorological, hydrological, agricultural and water-use indicators with clear alert stages and communication protocols.

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Policy & Regulatory Alignment	Water, agriculture, energy, and land-use policies remain siloed; lack of mechanisms to prioritize drinking water and ecological flows during drought.	Policies and regulations aligned with EU Water Framework Directive and national adaptation priorities; integrated rules ensure balanced and climate-resilient water allocation.
Watershed-Level Management (Vjosa WRNP)	No basin-specific drought management; uncoordinated actions across municipalities; growing pressures on ecosystems in the Vjosa Wild River National Park.	Drought Management Plan prepared for the Vjosa WRNP (11 municipalities), supporting balanced use between agriculture, ecosystems, municipalities, and hydropower; contributes to EU Chapter 27 alignment.
Land & Ecosystem Resilience (SLM/NbS)	Continued land degradation, erosion, and soil moisture loss; low adoption of SLM/NbS; increased vulnerability of rural landscapes.	Implementation of erosion control, sustainable agriculture, and watershed restoration (SLM + NbS) to improve soil retention, water infiltration, and biodiversity resilience.
Local Adaptation Planning & Preparedness	Many municipalities lack LAPs or any drought-specific plan; no committees functioning; local responses are ad hoc and under-resourced.	Local Drought Management Plans developed in Vjosa WRNP municipalities and complementary LDMPs in 8 LAP municipalities; Local Drought Management Committees created and trained.
Community-Level Adaptation	Communities rely on emergency relief; no structured local measures or anticipatory action; high exposure of households to water stress and livelihood loss.	Community-led drought adaptation projects (small grants), household-level measures, and training hubs operational; improved access to water, green spaces, and climate-resilient services.
Agricultural Resilience	Farmers face declining yields, water scarcity, and soil degradation; limited capacity for CSA or drought-resilient practices; climate information not accessible.	Technical support for farm-level drought resilience aligned with NAP/LAPs: CSA practices, efficient irrigation, drought-tolerant varieties, soil restoration and improved water management.
Economic Impacts	Increasing costs from emergency response, crop losses, and energy shortages; no long-term reduction in risk exposure.	Reduced fiscal burden through anticipatory action, stable hydropower production, improved agricultural productivity, and long-term livelihood security in drought-prone areas.
Social Impacts & Vulnerable Groups	Rural and low-income households remain highly vulnerable; limited participation in planning; gender disparities persist in access to information and resources.	Inclusive planning processes, capacity-building for women and marginalized groups, and targeted benefits for vulnerable households through small grants and community projects.
Environmental Integrity	Drought pressures degrade ecosystems, wetlands, soils and biodiversity, including within the Vjosa WRNP.	Ecosystems restored and protected; improved soil health, water retention, and long-term ecological resilience across the watershed and communities.

J. Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project/programme.

The project ensures long-term sustainability by embedding drought resilience directly into Albania's policies, institutions, and local governance systems. At the national level, sustainability is achieved through the establishment of a unified National Drought Risk Management Plan, supported by a permanent National Drought Management Authority, and the creation of a National Drought Monitoring System with indicators, thresholds, and operational protocols. These systems institutionalize anticipatory action, ensuring that drought preparedness and response continue beyond the life of the project.

Sustainability is further reinforced through policy alignment and regulatory reforms that integrate drought risk considerations into water, land, energy, and municipal planning, using the same standards and terminology as EU directives. This reduces fragmented decision-making and ensures

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long-term coherence across sectors.

At the watershed and community levels, the project invests in nature-based solutions and sustainable land management practices that enhance soil health, water retention, and ecosystem resilience with low maintenance requirements. Local Drought Management Plans and Local Committees strengthen municipal governance structures, enabling continued planning, monitoring, and early action. Community-led projects and household-level measures build ownership and ensure that adaptation benefits persist after project completion. Detailed operations and maintenance plans and responsibilities for the various measures implemented under the project, including the allocation of operations and maintenance functions across national, municipal, and community-level actors, as well as the arrangements for sustaining knowledge products beyond the project period, will be further elaborated during the Project Formulation Grant (PFG) stage.

Farm-level support promotes durable behavior change by providing training, climate-smart agriculture practices, and technical packages aligned with NAP and LAP priorities. These interventions improve productivity while reducing vulnerability, offering clear economic incentives for sustained adoption.

The Small Grants Facility will be designed to secure sustainability of community-based initiatives. First, sustainability criteria will be built into the small grants call for proposals to secure a pipeline of sustainable women-led adaptation initiatives. Second, by their nature the locally-led adaptation projects built community resilience to climate change and make communities more sustainable. Third, the project will provide advice, peer-to-peer learning and link grantees to follow-on finance and local institutional support.

The project's strong emphasis on capacity-building, across national institutions, municipalities, local committees, and farmers, ensures that knowledge, tools, and operating procedures remain institutionalized. Continuous learning is supported through knowledge hubs and integration of monitoring data into national and local decision-making.

To guarantee sustainability and long-term maintenance, the project will put in place a set of reinforcing financial, social, regulatory, institutional, economic, and environmental arrangements:

Financial arrangements: Mainstream drought actions into the annual budget and medium-term budget cycle (tagging + costed plans), and set trigger-based contingency financing so funds are released automatically when drought thresholds are reached.

Social arrangements: embed participation, transparency, and accountability through standing stakeholder engagement mechanisms (municipalities, utilities, producer groups, women's organizations, youth and civil society); ensure locally owned decision-making via LADMCs and participatory prioritization of measures; and maintain accessible risk communication (public bulletins, guidance, and feedback channels) so drought actions remain trusted and used.

Regulatory arrangements: adopt legal instruments that formalize the NDMA mandate, define alert levels and triggers, require drought-consistency checks in permitting and EIAs, and establish enforceable water allocation/temporary curtailment rules that safeguard drinking water and ecological flows; align definitions and reporting practices with EU water acquis to secure long-term policy coherence and compliance incentives.

Institutional arrangements: clarify roles and interfaces across AMBU, Civil Protection, line ministries, and municipalities through SOPs, decision logs, and inter-ministerial protocols; institutionalize joint planning cycles and data-sharing agreements; and anchor routine drills and after-action reviews in national governance calendars to sustain operational readiness beyond the project.

Economic arrangements: Prioritize measures that pay for themselves (avoided losses, higher yields, lower water costs) and require drought-risk screening for public investments so adaptation

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costs are built into normal project and municipal budgets.

Environmental arrangements: prioritize low-regret, low-maintenance measures (NbS, watershed restoration, soil conservation, efficient irrigation) that deliver lasting ecosystem services; establish maintenance protocols and monitoring indicators (land cover, vegetation condition, erosion risk, groundwater recharge) so performance can be tracked and corrected; and align reporting with UNCCD/LDN commitments to sustain national attention and resourcing.

By strengthening institutions, improving governance, restoring ecosystems, and empowering communities, the project establishes a sustainable foundation for long-term drought resilience aligned with national strategies and EU accession requirements.

The sustainability plan for the National Drought Management Authority hosted at AMBU's will roll out as follows:

At the outputs level, the project will develop a sustainability, operation, and maintenance plan during implementation.

Year 1 – institutional anchoring – funded by Adaptation Fund from the project

Establish the NDMA through a Council of Ministers Decision, formally hosted at AMBU. Draft Terms of Reference that define the Authority's mandate (early warning, coordination, response planning), governance structure, and reporting lines. The TORs should specify membership from the Ministry of Agriculture, Ministry of Environment, Ministry of Infrastructure, Civil Protection Agency, and AMBU, ensuring cross-sectoral ownership from inception.

Years 1–2: Inter-Ministerial Integration - funded by Adaptation Fund from the project

Embed the NDMA within existing inter-ministerial coordination mechanisms, ideally as a standing technical committee under the National Committee for Civil Emergencies or the Inter-Ministerial Committee on Climate Change. This positions drought management within established and funded decision-making architecture rather than creating parallel structures, facilitating political buy-in and operational continuity.

Years 2-4: Budget Sustainability - funds are acquired through a gradual migration process from project funds to governmental budget cycles

Transition from Adaptation Fund seed financing to domestic budget allocation through a phased approach:

- Year 2: Prepare a costed operational plan and submit for inclusion in AMBU's Medium-Term Budget Program (MTBP)
- Year 3: Secure a dedicated budget line for NDMA operations (staff, monitoring, coordination) within the Ministry of Environment or AMBU annual budget
- Year 4: Institutionalize recurrent funding through the national budget cycle, with performance indicators linked to Albania's National Adaptation Plan implementation

The staffing prioritizes secondments from member ministries initially, transitioning to permanent civil service positions as budget lines are confirmed, ensuring institutional memory and technical capacity beyond project-funded periods.

K. Provide an overview of the environmental and social impacts and risks identified as being relevant to the project/programme.

Based on the preliminary screening from an environmental and socioeconomic risks perspective, the project (across its three components) has been rated as Moderate Risk based on the UNDP Social and Environmental Standards and Category B based on the Adaptation Fund ESPs.
This proposal will include Unspecified Sub-Projects (USPs) according to the AF ESPs. Detailed information on the measures for environmental and social risk management, including the screening

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procedure for USPs, will be presented in the ESMF to be developed with the full proposal.

Table 6. Environmental and social Impacts and risks relevant to the project

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
Compliance with the Law		Low risk: Misalignment with national policy and legislation The project components adhere to national policies, laws and regulations, as described in section E. Compliance assessment during implementation may be required
Access and Equity		Low risk: Unequal allocation and sharing of project benefits among different groups Compliance assessment during implementation may be required The project will engage all relevant stakeholders and groups in the definition and implementation of specific interventions at all levels and using existing governance structures. At the local level, stakeholder engagement and meaningful participation will be secured through the highly participatory LAP committees established under the NAP, which will ensure inclusion and equity in benefit sharing. Monitoring implementation of local drought interventions, and beneficiaries of the project will be conducted with established mechanisms under the LAPs and NAP.
Marginalized and Vulnerable Groups		Low risk: Discrimination of marginalized and vulnerable groups from project benefits due to lack of power or authority. Compliance assessment during implementation may be required. The project is highly participatory, places special emphasis in reaching marginalized and vulnerable groups (including women, youth, elderly, and small farmers) and will ensure that their adaptation needs and vulnerabilities are specifically addressed. The project will also encourage vulnerable groups to make decisions on concrete adaptation measures and will prioritize their submission of small grants applications.
Human Rights		Low risk: Denial rights of opinion and participation in decision making of community members without influence. The project is anchored in national laws, will use the highly participatory and well-established NAP and LAP mechanisms, and will timely and broadly communicate stakeholder engagement opportunities, to ensure no-one is left behind. Compliance assessment during implementation may be required.
Gender Equality and Women's Empower-ment		Low risk: Unequal participation of women in project activities and benefits Gender equality and women's empowerment are central to the project. All activities have been designed to be gender sensitive. With support from UNDP gender specialists, the project will ensure the views, needs, and interests of both women and men are analyzed and integrated into project implementation to reduce any potential gender bias. Women empowerment and leadership will be strengthened through participation in all capacity building activities, decision-making and implementation opportunities brought by the project. Compliance checks during implementation will identify and address any potential gender inequality-related risks.
Core Labour Rights		Low risk: Low levels of awareness of national and international labour rights at the national and sub national level, potentially leading to disrespecting the rights of workers. All project activities will ensure respect for international and national labour legislation, and will be overseen by national, sub national and local authorities with a good knowledge of labour laws. However, compliance checks during implementation will help identify and address any potential labour issue.
Indigenous Peoples	X	No risk: There is no specific national legislation on this aspect, and there is no record of indigenous peoples in the Vjosa River Basin.

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		However, the project will ensure respect for existing local traditions and culture and ensure the way of life of the areas where local level implementation will take place is integrated in planning and implementation processes. This will also ensure meaningful participation and support from the intended project beneficiaries
Involuntary Resettlement	X	No risk There will be no involuntary resettlement in this project.
Protection of Natural Habitats		Low risk: Degradation of natural habitats due to the project interventions This project takes place in a national park where non-intrusive interventions and nature-based solutions will be implemented to safeguard the natural ecosystems and agroecological systems from drought-related degradation. The project will ensure that any NbS will use species that already exist in the national park area to reduce any potential alteration of ecosystems and biodiversity (e.g. to avoid the introduction of invasive species).
Conservation of Biological Diversity		Low risk: Reduction in biodiversity of the Vjosa Wild River National Park due to project interventions. The project interventions will be designed to reduce the strain of erosion and soil loss that due to climate change-induced drought is increasingly affecting terrestrial and riverine ecosystems and biodiversity. Only nature-based solutions and non-intrusive interventions will be implemented in the National Park area.
Climate Change	X	No risk Beyond the use of light machinery and vehicles for project interventions on the ground, which will produce insignificant GHG emissions, not expected to exacerbate climate change, the project will directly contribute to climate adaptation at national, sub national and local levels, and will have some mitigation co-benefits by contributing to to sustaining vegetative cover through NbS, and reducing soil erosion and soil carbon sink properties.
Pollution Prevention and Resource Efficiency		Low risk: Low pollution level from interventions on the ground At the basin level interventions will use minimum and light machinery and will be mostly NbS-based, and at the local community level will not entail major infrastructure construction, therefore, the project is not expected to create any significant level of air, soil or water pollution. On the contrary, reducing drought-induced soil erosion may make a significant contribution to reducing sedimentation and agro-chemical pollution from farms along the Vjosa River.
Public Health		Low risk: public health issues arising from local drought-management interventions The project will ensure that any intervention to be implemented at the local level is screened against health risks. However, these risks are low, considering that interventions will be NbS-based or
Physical and Cultural Heritage	X	No risk
Lands and Soil Conservation	X	No risk

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PART III: IMPLEMENTATION ARRANGEMENTS

A. Demonstrate how the project/programme aligns with the Results Framework of the Adaptation Fund

Table 7: Project alignment with the Adaptation Fund's Results Framework

Project Objective(s)	Project Objective Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
Objective: To strengthen Albania's preparedness and resilience to climate change-exacerbated drought	• Number of people with increased resilience to climate-induced droughts (direct & indirect, sex-disaggregated) • Number of hectares of productive land and ecosystems under more drought-resilient management	Outcome 1: Reduced exposure to climate-related hazards and threats	1. Relevant threat and hazard information generated and disseminated to stakeholders on a timely basis	**1,150,000**
		Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses	2.1 Capacity of staff to respond to, and mitigate impacts of, climate-related events from targeted institutions increased	**350,000**
		Outcome 7: Improved policies and regulations that promote and enforce resilience measures	7. Climate change priorities are integrated into national development strategy	**200,000**
		Outcome 4: Increased adaptive capacity within relevant development sector services and infrastructure assets	4.1 Responsiveness of development sector services to evolving needs from changing and variable climate	**2,400,000**
		Outcome 5: Increased ecosystem resilience in response to climate change and variability-induced stress	5. Ecosystem services and natural resource assets maintained or improved under climate change and variability-induced stress	**1,800,000**
		Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas	6.1 Percentage of households and communities having more secure access to livelihood assets	**1,670,000**
		Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level	3.1 Percentage of targeted population aware of predicted adverse impacts of climate change and appropriate responses	**850,000**
Total outcome level grant amount				**8,420,000**
Project Outcome(s)	**Project Outcome Indicator(s)**	**Fund Output**	**Fund Output Indicator**	**Grant Amount (USD)**
Outcome 1: Policy, institutional and cross-sectoral coordination and planning strengthened to enable climate science-informed integrated drought risk management	• National drought risk management framework operational • National coordination and policy alignment mechanisms established	Output 1.1: Risk and vulnerability assessments conducted and updated	1.1 No. of projects/programmes that conduct and update risk and vulnerability assessments (by sector and scale)	**1,150,000**
		Output 2.1: Strengthened capacity of national and sub-national centres and networks to respond rapidly to extreme weather events	2.1.1 No. of staff trained to respond to, and mitigate impacts of climate-related events (by gender) 2.1.2 No. of targeted institutions with increased capacity to minimize exposure to climate variability risks (by type, sector and scale)	**150,000** **200,000**

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		Output 7: Improved integration of climate-resilience strategies into country development plans	7.1 No. of policies introduced or adjusted to address climate change risks (by sector) 7.2 No. of targeted development strategies with incorporated climate change priorities enforced	**100,000** **100,000**
Outcome 2: Increased drought resilience through basin-level integrated sustainable water and land management, nature-based solutions and community-led adaptation action	• Hectares under drought-resilient management • Number of households/farmers benefiting from drought-resilient services and assets	Output 5: Vulnerable ecosystem services and natural resource assets strengthened in response to climate change impacts, including variability	5.1 No. of natural resource assets created, maintained or improved to withstand conditions resulting from climate variability and change (by type and scale)	**1,800,000**
		Output 4: Vulnerable development sector services and infrastructure assets strengthened in response to climate change impacts, including variability	4.1.1 No. and type of development sector services modified to respond to new conditions resulting from climate variability and change (by sector and scale) 4.1.2 No. of physical assets strengthened or constructed to withstand conditions resulting from climate variability and change (by sector and scale)	**720,000** **1,680,000**
		Output 6: Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability	6.1.1 No. and type of adaptation assets (tangible and intangible) created or strengthened in support of individual or community livelihood strategies 6.2.1 Type of income sources for households generated under climate change scenario	**1,085,500** **584,500**
Outcome 3: Climate-informed drought risk management knowledge shared and learning processes established to support scaling-up drought resilience across regions	• Knowledge products and learning mechanisms operational Stakeholders trained and engaged in knowledge exchange	Output 3.2: Strengthened capacity of national and sub-national stakeholders and entities to capture and disseminate knowledge and learning	3.2.1 No. of technical committees/associations formed to ensure transfer of knowledge 3.2.2 No. of tools and guidelines developed (thematic, sectoral, institutional) and shared with relevant stakeholders	**382,500** **467,500**
Total output level grant amount				**8,420,000**

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PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government[2] *Provide the name and position of the government official and indicate date of endorsement. If this is a regional project/programme, list the endorsing officials all the participating countries. The endorsement letter(s) should be attached as an annex to the project/programme proposal. Please attach the endorsement letter(s) with this template; add as many participating governments if a regional project/programme:*

Mr. Sofjan Jaupaj, Minister of Environment	Date*: 18 June 2025*

B. Implementing Entity certification*Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project/programme contact person's name, telephone number and email address*

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans of Albania and subject to the approval by the Adaptation Fund Board, commit to implementing the project/programme in compliance with the Environmental and Social Policy and the Gender Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.

Name & Signature Implementing Entity Coordinator

DocuSigned by:
Nancy Bennet
4EEADA5A5FE9433...

Nancy Bennet
Director, Quality and Impact Hub and
Executive Coordinator,Vertical Funds
Programme Support, Oversight and Compliance Hub
Bureau for Policy and Programme Support
United Nations Development Programme

Date: 18-Aug-2026	Tel. and email: nancy.bennet@undp.org
Project Contact Person: Natalia Olofinskaya, Regional Technical Advisor, UNDP IRH	
Tel. and Email: nataly.olofinskaya@undp.org; +90 (543) 532-3046	

[6] Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

REPUBLIC OF ALBANIA
MINISTRY OF TOURISM AND ENVIRONMENT

No. 4695 Prot. Tirana, 18/6 2025

ADAPTATION FUND
Adaptation Fund Board Secretariat c/o Global Environment Facility
1818 H Street NW, Washington DC 20433, USA

Endorsement for Enhancing Drought Resilience through the Implementation of Albania's National and Local Adaptation Plans

In my capacity as the designated authority for the Adaptation Fund in Albania, I confirm that the above national grant proposal is in accordance with the Government of Albania's priorities for implementing adaptation activities to reduce the adverse impacts and risks posed by climate change. This project is fully aligned with Albania's National Adaptation Plan (NAP), Local Adaptation Plans (LAPs), and broader national strategies addressing Climate Change, drought resilience, sustainable land and water management, and energy.

Accordingly, I am pleased to endorse the above project concept note with support from the Adaptation Fund. If approved, the project will be implemented by the United Nations Development Programme (UNDP) and executed by the Ministry of Tourism and Environment (MoTE).

Sincerely,

DEPUTY MINISTER

ADAPTATION FUND DESIGNATED AUTHORITY

SOFJAN JAUPAJ

REPUBLIKA E SHQIPËRISË - MINISTRIA E TURIZMIT DHE MJEDISIT TIRANË

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ADAPTATION FUND

Revised PFG Submission Form[1]

Project Formulation Grant (PFG)

Submission Date:

Adaptation Fund Project ID:
Country/ies: Albania
Title of Project/Programme: Enhancing Drought Resilience through the implementation of Albania's National and Local Adaptation Plans
Type of IE (NIE/RIE/MIE): Multilateral Implementing Entity
Implementing Entity: United Nations Development Programme (UNDP)
Executing Entity/ies: UNDP

A. Project Preparation Timeframe

Start date of PFG	December 2026
Completion date of PFG	December 2027

B. Proposed Project Preparation Activities ($)

List of Proposed Project Preparation Activities	Output of the PFG Activities	US$ Amount	Budget note[2]
1. Cross-sectoral consultations with central and local government authorities, and other stakeholders 2. Validation workshops	• Consolidated stakeholder mapping report listing all consulted authorities, CSOs, private-sector and community institutions/actors per target area, with agreed roles and responsibilities and contacts. • Summary Consultation reports capturing drought-risk priorities, institutional mandates, existing plans and confirmed entry points. • Co-designed governance framework outlining decision-making structures, coordination	5,799 7,200	Hiring of a local consultancy company for cross-sectoral consultations with central and local authorities, local communities, including vulnerable groups and other stakeholders for project development – (within 04 months) 4 Workshops held out of which 2 at local level (1

[1] As presented in AFB/PPRC.33/40 Annex 1.
[2] The proposal should include a detailed budget with budget notes indicating the break- down of costs at the activity level. It should also include a budget on the Implementing Entity management fee use.

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	mechanisms and risk-management arrangements for devolved project implementation at central and local level. • Set of endorsed recommendations on integrating Adaptation Fund compliant climate-risk screening and safeguards into Vjosa River Basin drought management planning, budgeting and approval workflows. • Community consultation tools (gender-responsive, inclusive sampling, safeguarding measures) approved and ready for use in project implementation. • Community engagement workshops	6,000	at the beginning of the process and 1 to present and consult the prodoc) and 2 at central level (1 at the beginning of the process and 1 to present and consult the prodoc) with rent of premises costs $1,800/each Total $7,200 In country travel for national and international consultants $2,500 flight tickets for two travelers ($1,250 x 2 people) and $3,500 per diem and in country per diem and vehicle reimbursement for two travelers inclusive. Total $6,000
2. Gender analysis and formulation of Gender Action Plan	• Gender analysis report (quantitative + qualitative) with sex-disaggregated vulnerability profiles and entry points for each target landscape. • Stand-alone Gender Action Plan (GAP) with budgeted actions, targets, roles and alignment with AF Gender Policy.	10,000	Hiring a National Consultant for Gender Assessment and Action Plan - (USD 200/day for 50 days (within 40 weeks)
3. Risk screening and analysis and formulation of Social and Environmental Management Framework	• Conduct social and environmental risk screening in line with UNDP SES and Adaptation Fund ESP requirements; (ii) identify potential risks, impacts, and mitigation measures and (iii) support preparation of relevant management frameworks, including ESMF, as required.	28,750 Incl.: 18,750 10,000	Hiring an International and a National Consultants on SES - (a) International consultant: USD 750/day for 25 days; (b) National consultant: USD 200/day for 50 days (within 40 weeks)
4. Location-specific assessments, and	• Location-specific assessments across the Vjosa River Basin will	33,000	Hiring of a consultancy company to conduct a

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baseline studies for the interventions	be conducted to inform selection and costing of adaptation measures relevant to localized conditions. For each target area the activity will deliver: • Location profiles, maps and drought impact assessments. • Costed list of location-specific adaptation/ climate risk-reduction options with preliminary cost–benefit and feasibility notes • Baseline assessment report documenting socio-economic, environmental, and institutional conditions to inform project results frameworks and future impact measurement		study on location-specific assessments, baseline studies, and geospatial analysis – (within 04 months)
5. International and national consultants for baseline analysis, feasibility study and formulation of the project proposal	Leading the entire development process providing hands on and advisory expertise in all the components of the project resulting in a High-quality project proposal which meets all AF guidelines with all project annexes for the full project proposal	47,500 Incl: 37,500 10,000	(a)Hiring an International Consultant for Project Development (AF PPG Team Leader - USD 750/day for 50 days, within 40 weeks); (b) a National Consultant – Lead Baseline Analysis expert (USD 200/day for 50 days (within 40 weeks)
IE Fee (8.5%)		11,751	
Total Project Formulation Grant		**150,000**	

Please describe below each of the PFG activities and provide justifications for their need and for the amount of funding required:

The proposed Project Formulation Grant (PFG) will enable Albania, with UNDP as Implementing Entity, to strengthen the country's preparedness and resilience to climate change-exacerbated drought. The project will adopt an integrated approach, with national, basin, and municipal-level interventions, including drought risk governance, climate information systems, nature-based solutions, and community-level investments, which are fully aligned with and support the implementation of the National Adaptation Plan and Local Adaptation Plans. At the subnational level, the project focuses on the Vjosa River Basin, an area at high risk of drought.

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The proposed full project builds on national adaptation planning processes and requires robust technical design, safeguards compliance, gender-responsive programming, institutional arrangements, stakeholder ownership, safeguards and gender compliance, and cost-effective investment design.

The PFG will be used to support the preparation of the full proposal of the future project by strengthening its information, institutional, and operational foundations. It will ensure that the proposal is technically sound, environmentally and socially compliant, gender-responsive, cost-effective, and fully aligned with Adaptation Fund policies and Strategic Objectives.

Activity 1. The objective of this activity is to generate robust, participatory and inclusive consultative processes to inform the design of cross-sectoral and community-led actions to be supported with Adaptation Fund resources, ensuring strong national and local ownership, and coherent governance arrangements.

PFG resources requested for this activity (USD 18,200) cover facilitation expertise engagement $ 5,000 and $7,200 for 4 workshops logistics, 2 at central level and 2 at local level to feed in to the proposal development and validation process as well as in country travel for national and international staff $ 2,500 flight tickets ($1,250 x2) and $3,500 per diem and in country per diem and vehicle reimbursement. Total $6,000

Activity 2. This activity ensures that the full proposal complies with the Adaptation Fund Gender Policy and integrates gender considerations throughout project design. A gender analysis will be conducted to assess differentiated drought impacts, access to resources, and adaptive capacity among women, men, youth, and vulnerable groups in the target areas.

Based on the analysis, a budgeted Gender Action Plan (GAP) will be prepared, including objectives, targets, indicators, responsibilities, and monitoring arrangements aligned with the project results framework.

Use of the PFG for this activity strengthens equity, effectiveness, and policy compliance of the proposed AF investment and reduces social risk at implementation stage. The requested USD 10,000 covers the cost of 50 days of the consultant (USD 200 per day)

Activity 3. This activity supports compliance of the full proposal with the Adaptation Fund Environmental and Social Policy.

UNDP will engage one International and one National SESP expert to (i) conduct social and environmental screening in line with UNDP SESP and Adaptation Fund ESP requirements; (ii) identify potential risks, impacts, and mitigation measures and (iii) to support UNDP in the preparation of relevant management frameworks, as required.

PFG resources will be used to ensure that the proposed AF project is environmentally sound, socially inclusive, and implementation-ready in line with AF safeguards requirements. The requested amount of USD 28,750 covers 25 days of international consultant USD 750/day and 50 days of a national consultant USD 200/day

Activity 4. This activity generates the technical and analytical basis for the design of drought management measures on the ground.

Location-specific assessments across the Vjosa River Basin will be conducted to inform selection and costing of adaptation measures relevant to localized conditions. For each target area the activity will deliver:

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- Climate risk analysis
- Location profiles, maps and drought impact assessments.
- Costed list of location-specific adaptation/ climate risk-reduction options with preliminary cost–benefit and feasibility notes
- Baseline assessment report documenting socio-economic, environmental, and institutional conditions to inform project results frameworks and future impact measurement

PFG resources (USD 33,000) will be used to engage a national entity to conduct the assessments under the guidance of the project technical lead. PFG resources will therefore ensure that the full proposal is grounded in evidence, measurable outcomes, and cost-effective design in line with Adaptation Fund standards.

Activity 5. This activity supports preparation of the full Adaptation Fund proposal through engagement of international and national consultants. These experts will coordinate technical inputs, consolidate analytical work, and draft the full proposal and annexes in accordance with AF policies and templates.

With PFG resources, UNDP will engage an international consultant PPG Team Leader, who will act as the main focal point for information management and inter-consultant coordination, and a local consultant to support the Team Leader in the various proposal development processes. The engagement of this team will ensure coherence across the safeguards, gender, technical design, institutional arrangements, and results-based management sections of the proposal.

The cost of this activity has been estimated at USD 47,500, including 50 days of professional services of the international consultant (USD 750/day) and 50 days of professional services of the national consultant (USD 200/day).

The use of PFG resources under this activity supports the delivery of a complete, high-quality submission for Board consideration.

The Project Formulation Grant will enable Albania to prepare a technically robust, safeguards-compliant, gender-responsive, and results-based Adaptation Fund proposal. By strengthening analytical foundations, stakeholder inputs, environmental and social management, and proposal development, the PFG reduces implementation risk and improves the quality and readiness of the proposed drought resilience investment for Adaptation Fund Board review.

C. Implementing Entity

Request has been prepared in accordance with the Adaptation Fund Board's procedures and meets the Adaptation Fund's criteria for project identification and formulation

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address

Docusign Envelope ID: CCB619B6-1FEA-845C-82A7-1EAC9086E8B9

Nancy Bennet, Director, Quality and Impact Hub, Executive Coordinator, Vertical Funds, Bureau for Policy and Programme Support (BPPS), UNDP	DocuSigned by: Nancy Bennet 4EEADA5A5FE9433...	18-Aug-2026	Nataly Olofinskaya		nataly.Olofinskaya@undp.org

Docusign Envelope ID: CCB619B6-1FEA-845C-82A7-1EAC9086E8B9

ANNEX I: Alignment of Component 2 Basin and Community level Drought management measures with NAP Priority measures and sub-measures

Component 2: Climate-resilient [or -informed] Drought risk reduction and management at the watershed and community level.
Outcome 2-Increased drought resilience through basin-level integrated sustainable water and land management, nature-based solutions and community-led adaptation action

Output	NAP drought-related output/activity and implementation costs at the national level

Output 2.1.1: Nature-based erosion control and watershed restoration measures enhance ecosystem resilience to climate change and secure ecosystem services through drought periods"
Cost: USD 1,400,000

Activities: Implementation of **erosion control** and **watershed restoration measures**, including agroforestry practices, sustained vegetative cover, afforestation and reforestation, terracing in high-risk erosion areas, as well as wetland restoration, to enhance ecosystem resilience and secure ecosystem services through drought periods.

The activities under this output are fully in compliance with NAP priority measures: **M15, M27, M29, M31**

Description:
This intervention tackles drought vulnerability by reducing land degradation and soil erosion through the restoration of natural habitats, which improves soil structure, water infiltration, and water-holding capacity. By enhancing soil moisture retention, groundwater recharge, and natural water storage, it strengthens ecosystem health and increases the reliability of freshwater resources during prolonged dry periods. The restoration of forest and vegetation layers further boosts agro-ecosystem resilience by reducing evapotranspiration, protecting crops from drought stress, and lowering the sensitivity of communities and agricultural systems to climate variability in highly exposed regions.

For this measure the Combined Benefit–Cost Ratio (BCR)=4.87

Measure No.	Title	Total cost for the proposed period of implementation (USD)	Total discount benefit (USD)	Net present value (USD)	Sensitivity NPV (USD)	Benefit-cost ratio
15	Implementing Habitat Creation and Nature-Based Solutions to Combat Soil Erosion	41,787,500.00	267,658,758.00	198,590,430.67	148,858,812.31	3.88
27	Integrated Ecosystem Restoration and Resilience: Addressing Soil Erosion in Key Albanian Regions	62,573,350.88	191,713,946.13	120,641,720.96	82,357,394.88	2.70
29	Sustainable Landscape Management: Enhancing Water Quality and Biodiversity at Viroi Lake in Gjirokastër	479,333.90	28,162,950.62	27,445,332.27	20,158,721.96	39.25
31	Restoration of forest layers to protect crops in Vlora	3,282,947.36	39,011,120.20	34,819,235.08	26,148,485.98	9.31

Output 2.1.2: Drought resilient and just water management, irrigation and sustainable agriculture practices benefit local farming communities in Vjosa basin

Costs: USD 2,800,000

Activities:
1. Adoption of **climate-smart agriculture**, crop rotation, and organic soil amendments to enhance soil retention.
2. Implementation of gender-responsive, women- and youth-inclusive on **farm water management and irrigation systems** to strengthen local adaptation to drought.
3. Dams of Kaludhi, Qilarishti and Kosina reservoirs with capacity 150.000 m3 water capacity I Permet (approx. 7 ha) need rehabilitation

The activities under this output, are fully in compliance with NAP priority measure **M17**

For this measure the Benefit–Cost Ratio (BCR)=81.03

Measure No.	Title	Total cost for the proposed period of implementation of the measure	Total discount benefit	Net present value	Sensitivity NPV	Benefit-cost ratio
17	Expanding and Modernizing Irrigation Systems for Enhanced Agricultural Resilience	249,123,998.00	19,631,048,121.11	19,388,793,902.25	15,202,112,738.17	81.03

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Output 2.1.3: Gender-responsive, community-led Drought Adaptation Projects, with a targeted focus on women-led households and communities (small grants).

Costs: USD 1,460,000

Activities: Development of demonstrative, gender-responsive, community-led Drought Adaptation Projects, such as **water-efficient irrigation of public green spaces**, **rainwater harvesting in public buildings**, and decentralized **water storage facilities in drought hotspots** identified through the National Drought Risk Assessment and drought resilience measures with a targeted focus on women-led households (small grants).
Promote the restoration and planting of green corridors (rehabilitation or reforestation of dunes and embankments aligned with those zones identified in LAPs):
47c: re-build the green belts along Drino river (24,1 km) with Plane trees (Platanus orientalis) and poplar (Populus sp.).
In Përmet: 47d: Re-build the green belts along Vjosa river (14,16 km) with Plane trees (Platanus orientalis) and poplar (Populus sp.)
The activities under this output, are fully in compliance with NAP priority measure **M18, M47 and M50**

For this measure the Combined Benefit–Cost Ratio (BCR)=3.63

Measure No.	**Title**	Total cost for the proposed period of implementation (USD)	Total discount benefit (USD)	Net present value (USD)	Sensitivity NPV (USD)	Benefit-cost ratio
18	Sustainable Water Security through Rainwater Harvesting Infrastructure	75,849,163.00	13,585.45	-77,960,255.09	-75,360,605.67	0.00
M47	Restoring Green Corridors: Reforestation and Urban Greening Initiatives	568,544	72,672,242	71,863,491	54,433,460	89.86
M50	Enhancing Urban Resilience: Assessing Greenspaces and Sustainable Drainage Solutions	338,250	206,061,536	205,723,286	168,578,084	609.20

Initial Consultation Report

The preparation of this Concept Note was initiated by UNDP at the request of the Ministry of Environment. Based on the NAP, concerns raised by the Ministry of Environment and other stakeholders, it was decided that the focus of the project would be on drought, a silent hazard that is already affecting Albania and is expected to increasingly impact its people, livelihoods, ecosystems and economy under climate change.

Between 27 and 29 of October 2025 consultative meetings took place with national stakeholders, including relevant Government agencies and ministries (Ministry of Environment, Ministry of Agriculture, Ministry of Infrastructure, National Forestry Agency), academic institutions (the Institute of GeoSciences), Local Adaptation Plan Committees (LAP Vlora Committee), the administration of the Vjosa Wild River National Park, and with representatives of ongoing projects (the EU4Rivers Project), to discuss the project, integrate their views, and address any concern.

The consultations involved a total of 38 participants (20 women and 18 men) and validated the need for a national drought risk assessment and drought management plan, as well as for the implementation of drought risk reduction measures at the local level, linked to the ongoing NAP process.

Specifically, stakeholders highlighted significant institutional and sectoral vulnerabilities to drought across Albania, with the **Ministry of Agriculture and Rural Development** confirming the absence of a national drought management strategy despite increasing drought frequency and severity and identifying agricultural drought as a major risk due to high summer water demand and the lack of clear emergency indicators. The Ministry underscored the need for strong coordination between national and local institutions to identify high-risk areas, called for strengthening the Agency for Water Resources Management (AMBU) as the lead body for integrated water management with clearer mandates and responsibilities, and raised concerns over sediment accumulation in drainage canals, recommending targeted investments through river basin programs. **The Ministry of Infrastructure and Energy** emphasized the energy sector's extreme vulnerability to drought given its heavy reliance on hydropower, advocating for the development of a national drought management plan aligned with EU directives and improved data availability and monitoring systems. Forestry authorities highlighted their primarily advisory role within a decentralized framework, reported severe wildfire impacts in 2024, uneven municipal capacities, and the introduction of a new national forestry data platform, while **the Institute of Geosciences** identified the absence of a national drought assessment, strategy, and Early Warning System as a critical gap, recommending the establishment of a coordinated national EWS focused on key hotspots. Civil society organizations emphasized synergies with ongoing initiatives in the Vjosa River Basin, promoted nature-based and community-based solutions, and recommended a phased, pilot-based approach centered on capacity building, practical training, and scalable best practices; these priorities were reinforced during consultations in **Vlora municipality** and with the **Vjosa National Park Administration**, which stressed the importance of integrated, ecosystem-based approaches and coordinated implementation of National and Local Adaptation Plan measures to strengthen drought resilience at both river basin and municipal levels.

Other inputs emerging from the consultations that contributed to refine the current document include:

a) Use of existing national structures for drought management at national, sub national and local levels;
b) Focus implementation at community level within ongoing LAP processes, which will help bring

the NAP from theory to action;

c) Additional data and information on soil erosion processes in segments of the Vjosa River Basin;
d) Preference of NbS over hard infrastructural solutions, to avoid to the extent possible the use of heavy machinery and may result in sedimentation disbalances in coastal areas;
e) Synergies and complementarities with ongoing processes;
f) Including the Vjosa River Basin Drought Management Plan as an annex of the Vjosa River Basin Management Plan to facilitate and strengthen its long-term implementation and monitoring;
g) Not to include forest fire issues in the project implementation at the local level, as forest fires has not been a problem at the VRB.

Initial Gender Assessment Relevant to the Project Scope

In Albania, agriculture contributes 18.6% to GDP and employs 440,872 people (33.9% of total employment), with women comprising 54.4% (239,775) and men 45.6% (201,097). The sector faces climate vulnerabilities including floods, droughts, irregular rainfall, declining crop productivity, and pest outbreaks. Women are disproportionately affected due to their roles in small-scale farming and post-harvest tasks, limited access to land titles, credit, extension services (8%), and vocational education (16%). Only 10.8% of registered farmers are women (≈25,896), and the proportion benefiting from national support schemes declined from 22% in 2018 (≈52,750) to 16% in 2023 (≈38,364).

In tourism, which employs 42,698 people, women are concentrated in seasonal, informal, and service-oriented roles, making them highly exposed to climate impacts. In urban development, women represent only 3.7% of the workforce (3,586 of 98,179), face inadequate sanitation, safety concerns, and limited participation in planning, and carry increased care responsibilities during crises (from 75% to 79%, affecting ≈23,908 women).

Although not a dedicated gender activity, consultations conducted to inform the Adaptation Fund Concept Note (27–29 October 2025) included approximately 90% women participants, representing national and local authorities, civil society, and stakeholders from the Vjosa River Basin. Drawing on prior gender analyses and the Gender Action Plan, discussions highlighted gaps in gender-disaggregated climate data, limited integration of gender considerations in monitoring and early warning systems, and the disproportionate vulnerability of women in agriculture, tourism, and informal sectors.

Key Gender Challenges:

- Limited land ownership and access to agricultural credit; low reach of extension services for women.
- Underrepresentation of girls and young women in agricultural training.
- Exclusion from leadership positions and markets.
- Low participation of women in forestry and value chains.

Planned Gender-Responsive Actions: To address these challenges, the project will deliver gender-sensitive training and practical tools to government officials, NGOs, and community leaders in the Vjosa River basin. Trainings will ensure inclusive participation of women, youth, and marginalized groups, while addressing barriers such as language, location, and timing to effectively integrate gender into local climate adaptation planning and implementation.

Contribution to Adaptation Outcomes: Gender inclusion in this project shall strengthen participation in farmer support and disaster recovery, irrigation modernization, habitat creation, flood protection, soil erosion control, and forestry/landscape restoration, including nurseries, assisted species migration, and riparian buffers. By promoting equitable access to training, resources, and decision-making, ADRIA reduces systemic barriers, enhances the effectiveness of NAP measures, and ensures sustainable, locally led drought resilience outcomes.