

## Payments for water related ecosystem services in Albania

### Location

**Country:** Albania

**Scale:** national

**Region:** Bovilla and Uleza water reservoirs

### Compensated /improved ecosystem services

Water supply

### Management

Land users in watershed areas must maximise profits complying with all stakeholders operating in the area as a part of their social responsibility. When the land use increases the benefit accrued, land managers are expected to adopt them voluntarily (although they need help to do so, in the form of technical assistance, along with financial help to undertake initial investments, etc.). On the other hand, in cases where land use changes do not bring positive net benefits to land managers, they are found to be, quite reasonably, unwilling to adopt them. For this reason, payments for ecosystem services (PES) are one of the alternatives that must be adopted in order to set the land use balance. The PES scheme is essentially "win - win", but the initiative to lose a share of the benefit to the rest of the group must be strongly supported by the sustainability of this change.

### Stakeholders

#### **Sellers or service providers:**

- Local government: the Municipality of Burrel and the Agency of Parks and Recreation in Tirana (Uleza water basin)
- National government: National Agency of Protected Areas (RAPA) (Bovilla water reservoir)

#### **Buyers and beneficiaries of services:**

- Kurum sh.p.k, a hydropower company that use the Uleza water basin to produce electrical power
- Water Supply and Sewerage Company, an enterprise of Tirana Municipality

#### **Knowledge providers:**

The Ministry of Tourism and Environment has overall responsibility for the project, and the Directorate of Environmental Programs Development is tasked with project implementation through its Project Management Team. The Terms of Reference served to define the responsibilities, tasks, and qualifications required for the estimation of the costs and benefits of current and alternative land uses in the Bovilla and Uleza Watersheds.

#### **Donors – funding agencies or sponsors:**

The Government of Albania has received a loan from the International Bank for Reconstruction and Development (IBRD) which provides a grant from the Swedish government and the Global Environmental Facility to finance the Environmental Service Project.

#### **Intermediaries:**

Project Management Team of Environmental Service Project and “Diava Consulting” company (a private company contracted by the Ministry), serve as agents linking buyers and sellers.

## Timeline

**Establishment year:** the study started in 2016 and the agreement is in process

**Time horizon:** the agreement is in process and the time frame will be 1- 5 years

**Status of PES:** As above mentioned, the parties are discussing about the agreement conditions.

## Availability of economic data

### The net benefits in Uleza watershed

Sub-watershed	Description of land use	Net benefits in ALL with Moratorium	Net benefits in ALL without Moratorium
13	Oak forests	27 720	60 260
	Other land use (e.g. pasture, growing of cereals and other plants, wine yards)	1 811 718	
23	Oak forests	27 720	51 380
	Oak bushes	11,410	13 830
	Chestnuts forest	92 470	
	Other land use (e.g. pasture, growing of cereals and other plants, fruit trees, wine yards)	3 179 874	
27	Oak forest	27 720	39 780
	Other land use (e.g. pasture, growing of cereals and other plants, fruit trees, wine yards)	824 611	
30	Oak forest	27 720	64 000
	Chestnuts forest	92 470	
	Other land use (e.g. pasture, growing of cereals and other plants, fruit trees)	634 129	
32	Oak forest	27,720	54,100
	Other land use (e.g. pasture, growing of cereals and other plants, fruit trees, wine yards)	3 507 882	
34	Oak forest	27,720	46,360
	Other land use (e.g. pasture, growing of cereals)	203 160	
39	Oak forest	27,720	52,960
	Other land use (pasture)	23,450	

## The net benefits in Bovilla watershed

Description of land use	Net benefits in sub-watershed 1 (ALL/Year/Ha)	Net benefits in sub-watershed 5 (ALL/Year/Ha)
Oak forests	20,355	20,355
Chestnuts forests		93,065
Forests with shrubs	12,870	12,870

## References / Source of information

[www.esp-albania.com](http://www.esp-albania.com)

Mr. Erion Istrefi, Project coordinator of Environmental Services Project, erion.istrefi@yahoo.com