

**Process Framework for the Lake Skadar/Shkodra Integrated Ecosystems  
Management Project**

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**Montenegro**  
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**February 2007**

**I. Introduction**

1. The Albania-Montenegro Lake Skadar/Shkodra Integrated Ecosystems Management Project (LSIEMP) aims to support and extend existing mechanisms for effective transboundary cooperation, at the local, regional, and national levels, for the preservation, management, and sustainable economic development of the Skadar Lake region. The project has four components: A. Coordinating Lake Management; B. Monitoring and Research; C. Protected Area and Natural Resources Management; and D. Urgent Environmental Investments. Submitted for Global Environment Facility financing under the International Waters focal area, the project will attempt to build on the increasing attention Skadar Lake and its rich biodiversity have been receiving in recent years, coordinating to the extent possible with other donor initiatives that are focused on environmental protection and economic development in the larger Lake watershed.
2. The results of applied studies and consultations conducted at different points during project preparation indicate that the project will not be able to achieve its environmental management and conservation aims without changing the way Lake-related natural resources are accessed and used. International good practice in the integrated management and/or protection of natural resources in critical ecosystems has shown that such changes have the greatest chance of being sustainable when the primary users of those resources are given a stake in the design and implementation of the proposed management practices. This document, known as a Process Framework, outlines the strategy for building community-level awareness of and support for the new resource regulatory regime developed under the LSIEMP for the Montenegro side of the Lake. It describes provisions for the direct participation of possible adversely affected resource users in the targeted livelihood restoration and larger economic development activities foreseen under the GEF and related projects. In doing so, it refers to the goals and principles established for public engagement and participation in the LSIEMP as a whole. It also provides information on conflict-resolution and participatory monitoring mechanisms to be established in connection with the expected livelihood enhancement activities.

**II. Restriction of Access Issues**

3. Component C. of the project, Protected Area and Natural Resources Management, foresees the implementation of a number of concrete actions oriented to the more effective, sustainable management of resources connected to the Skadar Lake basin. For example, under this component, zoning and management plans will be prepared for both the Skadar

Lake National Park (SLNP) in Montenegro, and the Shkoder Lake Managed Natural Reserve (SLMNR) in Albania. Equipment, training, and technical assistance will be provided to authorities in the two protected areas (PAs), putting them in a better position to enforce legal limits on the economic exploitation of Lake resources. A number of pilot habitat restoration actions will also be financed. These and similar activities will take place in the context of the strengthened transboundary institutional and legal structure for coordinating the management of the Lake's resources provided for in Component A., Coordinating Lake Management. Assuming they are successful, the activities are likely to result in the restriction of access of various individuals or groups to natural resources (such as freshwater fish stocks) on which they currently use and depend. In the absence of any countermeasures, those people who are dependent on such resources for income or food would see their standards of living suffer. This, in turn, could put the social sustainability of the LSIEMP at risk and, eventually, undermine its environmental sustainability as well.

4. The results of social analysis conducted for the project in Montenegro were summed up in a Social Assessment (SA) report finalized in October 2006. A thorough review of this document has been conducted, with an emphasis on their findings on the nature and extent of the dependency on the Lake's resources by different social groups, especially the poorest and most vulnerable among them. Other documents containing details relating to anticipated changes in spatial planning or resource restrictions, such as the Montenegrin Strategic Action Plan (SAP) and the Transboundary Diagnostic Analysis (TDA), were also reviewed. These various reviews have confirmed the initial impression that the project is likely to involve restriction of community access to and use of Lake area resources, and that adverse impacts stemming from such restriction are also likely. Some relevant data still needs to be collected during the first year of project implementation; until then, the full extent of the restrictions and the resulting impacts on local livelihoods will not be known. Yet the SA report was sufficiently detailed to allow project officials to make the following determinations regarding resource use and restrictions in Montenegro:

5. Fishing

Fishing in Skadar Lake includes fishing for household use, with residual amounts sold in an informal way along the roadside and in local markets, commercial fishing, and sports fishing. This activity is currently highly regulated, with a well-developed system of permits, fees, and rules whose administration is the responsibility of the SLNP office. SLNP officials estimate that most artisanal fishing is organized out of the village of Vranjina, where the National Park office is itself located, and that fishing is practiced as a primary activity by just a few men in other villages along the lakeshore. The SA report already provided a good deal of data, based on responses from household surveys, on fishing practices on the Montenegro side of the Lake. Still, a more systematic socioeconomic survey (SES) to be conducted during the initial phase of project implementation will help determine the extent of likely negative impacts on Montenegrin fishermen, should additional regulations or the stricter enforcement of fishing restrictions be necessary to achieve sustainable management and preservation of Lake ecosystems.

6. There is an indication that populations of some fish (particularly commercially valuable migratory species) are declining, and that this might be due in part to i) an increase in the

number of active fishermen on the lake, and ii) the methods they are using to increase catch sizes. The SA report has documented intensified fishing activity by residents from the Zeta Valley area, especially during fish spawning periods, when fishing is banned, and during holiday periods, when demand for fish in urban areas (such as Golubovci and Podgorica) increases. At the same time, there have been reports of fishermen of all types engaging in illegal and unsustainable fishing methods, such as the use of fine-mesh nets, or of dynamite, bright lights, and electric shocks to kill large numbers of fish. A fish resources assessment designed to quantify variations in fish stock sizes and species composition will be conducted during the first year of the project, in order to provide information on the quality of Lake Skadar's fish stocks.

#### 7. Other Types of Resource Use

There are examples of other uses of animal, plant, and mineral resources in the Lake area, but the preliminary indication is that restricting access to or the use of these resources is not likely to have adverse impact on local livelihoods in Montenegro. The reasons are that either i) the resource is exploited for sporting purposes, and not subsistence (as in the case of waterfowl hunting); or ii) the resource is exploited so informally or in such small quantities that it does not make up a significant part of villagers' livelihood strategies (as in the case of the collection of medicinal plants). There may be cases in which the exploitation of a resource by licensed commercial interests is restricted, creating impacts that have to be addressed through some kind of countermeasure. This and similar possibilities will be explored through the SES conducted in the first year of the project.

#### 8. Small-Scale Tourism

In Montenegro, tourism is being seen as a key to future growth at the national level, and some investments in this activity have already been seen in the Skadar Lake basin. Boat rides and other tours are being arranged out of scenic towns such as Virpazar, but reportedly in a disorganized fashion and sometimes in direct conflict with the wishes and interests of long-time residents. This small-scale yet uncontrolled tourism may be linked to an observed decrease in waterfowl on the Lake (because of the encroachment on previously undisturbed bird nesting sites), so it is quite possible that one of the outcomes of an urban planning process in lakeside settlements, and of a broader SLNP management planning process, will be seasonal and/or geographic limitations on certain kinds of tourism within Park boundaries. The SA found that some tour operators in the Lake area are wealthy entrepreneurs, whereas others are villagers of modest means who rely on the activity for income support. Whatever the case, the possibility of adverse impacts on local livelihoods deriving from restrictions on small-scale tourism will also be explored in greater depth by the SES.

### **III. Process Framework**

9. In light of the discussion above, and with particular reference to artisanal fishing, the World Bank's policy on involuntary resettlement, OP/BP 4.12, is triggered. Paragraph 3.(b) of OP 4.12 makes it clear that the policy applies when restriction of access to legally designated protected areas has the potential to result in adverse impacts on the livelihoods of the affected persons. It goes on to clarify that restriction of access covers restrictions on the use of resources imposed on people living outside a PA, or on those who continue living inside the

PA during and after project implementation (OP 4.12, footnote 9). The required response is the preparation of a Process Framework, as a specialized instrument describing the processes and procedures to be followed specifically in such cases.

10. As per OP 4.12, this Process Framework describes the participatory process by which i) specific components of the LSIEMP will be prepared and implemented; ii) the criteria for eligibility of affected persons will be determined; iii) measures to assist the affected persons in their efforts to improve or restore, in real terms, their livelihoods to pre-displacement levels while maintaining the environmental sustainability of the Skadar Lake National Park will be identified, and; iv) potential conflicts involving affected persons will be resolved.<sup>1</sup> It also describes the arrangements for implementing the measures, spelled out in a “Plan of Action” to be prepared during implementation, and for monitoring their effectiveness. Each of these points is described in the sections that follow.

#### **IV. Participatory Approach**

11. Because of the multifaceted management needs of the Lake, and the large number of people making use of it in some way, the LSIEMP will pursue an integrated approach to land and water management issues. This will involve promoting cross-sectoral, multi-stakeholder cooperation for improved environmental quality in the binational Skadar Lake region. Although such an approach to environmental conservation or PAs management is relatively new in both countries undertaking the project, the need for sound stewardship of Montenegro’s natural endowment has come to occupy a central place in the national political dialogue in recent years. New environmental laws have been passed and existing ones revamped as the country prepares for European Union integration. The resulting legislative framework provides a basis for the public consultation and participation efforts that are expected to underpin many LSIEMP activities, including those that are foreseen under this Process Framework.
12. Three new laws in particular, all of which have been published in *Official Gazette* no. 80 and are expected to become effective by 2008, include clauses that require public oversight and review in connection with environmental assessment and management actions. The law on Integrated Environmental Pollution Prevention and Control spells out provisions for public disclosure of information regarding pollution control standards for new and existing installations, including those that could have transboundary impacts on environmental quality. The law on Environmental Impact Assessment (EIA) outlines procedures by which NGOs and members of the general public can provide inputs on any EIAs conducted, and by which those inputs have to be taken into account by project sponsors and the relevant authorities. It also details a grievance procedure, should the civil sector entities consulted not be satisfied with decisions by the sponsors and authorities regarding the content, scope, and application of an EIA. Similarly, the law on Strategic Environmental Assessment provides for public access to information regarding the possible adverse environmental consequences of more comprehensive development plans and programs, as detected by this type of assessment, although it limits the participation by NGOs to those “registered as organisations

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<sup>1</sup> Another Process Framework that addresses the particular situation with restriction of access to and use of natural resources by people living in the southern part of the Lake basin has been developed for application in Albania.

dealing with environmental protection for at least three years and with at least 100 members.”<sup>2</sup>

13. Where standards and procedures specified in the existing Montenegrin legislation are not sufficient to meet the participation requirements of OP/BP 4.12, the project will seek to apply enhanced procedures and mechanisms. For example, in developing the first complete management plan for the SLNP, Montenegrin authorities will have to consult with a broad range of stakeholders, consultations for which national legislation may well be sufficient. But at the same time, the LSIEMP will recognize resource-dependent people whose livelihoods suffer as a result of resource restrictions under the project as a special case. This means it will endeavor not simply to consult with them, but to engage them as partners in decision-making, with respect to the determination of eligibility criteria, the design and implementation of targeted livelihood restoration measures, and the monitoring of relevant activities.
14. Preparation of the LSIEMP itself has been deliberately paced, providing multiple entry points for public participation, mainly through consecutive consultation processes. Meetings and discussions feeding into the development of the SA, SAP, and this Process Framework all created opportunities through which the users of Lake resources (including potentially affected people) have been able to make their views, ideas, and concerns known. This type of engagement is expected to be continued and deepened during the preparation and discussion of the environmental management framework prior to project appraisal, and the development of spatial zoning and PA management plans during project implementation.

## **V. Process to be Followed**

15. The process for engaging project-affected people is described mainly in reference to the case of artisanal fishermen, since this is the one group that has been identified as likely to suffer from adverse impacts resulting from restrictions of access to and use of fish resources in Skadar Lake. However, the process shall be flexible enough that other affected resource user groups identified in the SES can be incorporated into the project implementation framework and given a chance to voice their concerns and preferences regarding project impacts and possible mitigation actions. The SES will be conducted as part of Component B., operational objective 2.5., “Monitoring of socio-economic conditions in the Skadar Lake area.”
16. The means for the regular and effective participation of fishermen (and of any other groups of affected people) will be resource user committees organized at the level of village or district. Each committee will elect one or two of its members to represent it in a single umbrella body or organization that will coordinate with the appropriate institutions, such as project support implementation unit, Ministry of Tourism and Environment, National Park Skadar Lake and Ministry of Agriculture, Forestry and Water Management, on the following actions: i) acknowledging the range of adverse impacts confirmed through the SES; ii) assessing the significance of those impacts; iii) determining the most appropriate types of livelihood restoration measures to be pursued; iv) determining who is to benefit from which types of measures; and v) providing feedback to ensure effective implementation and,

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<sup>2</sup> Article 4., point no. 7.

eventually, proper evaluation of the outcomes of the measures. The initial organization of both the resource user committees and the umbrella body will be the responsibility of the national LSIEMP Coordinator in conjunction with appropriate staff in the Ministry of Tourism and Environmental Protection. Their functioning will be provided for as part of Component C., operational objective 3.2., “Development of viable and sustainable village economies”.

17. Because unlicensed fishermen who depend on fishing for their livelihoods stand to lose as much as other users from the effective enforcement of fishing restrictions, they too will be allowed to join the village-based resource user committees. The aim is to reduce unregulated fishing as much as possible by giving unlicensed fisherman the chance to either legitimize their practices or transition into other livelihood activities, as described below.
18. The project will attempt to facilitate the strengthening and/or enforcement of laws and regulations pertaining to the natural resource use in and around the Lake, using a combination of incentives and disincentives that will be determined during project implementation with inputs from the appropriate resource user umbrella organization(s). For example, LSIEMP will make funds available for improvements in the regulated fishing trade (such as by promoting the sale of fish caught by licensed local fishermen in lakeside restaurants), while also funding the application of stronger, fairer controls (such as by training and motivating rangers to enforce restrictions against illegal fishing methods across the Lake). If affected fishermen so agree, and if the results of the fish resources assessment indicate that the Lake can bear it, unlicensed fishermen will also have an opportunity to participate in activities oriented toward strengthening the regulated fishing trade. Under this scenario, they will be issued licenses and brought within the legal fishing regime. The development of fisheries and regulated fishing are provided for as part of Component C., Activity 3.2.2.3, “Identify, support, and invest in incentives to legal fishing.”
19. Regardless of the results of the fish resources assessment, all adversely affected fishermen will be encouraged to take advantage of alternative livelihood opportunities supported by the LSIEMP. Such opportunities fall into two categories. The first category consists of activities that build on the existing natural and human capital base in affected areas so as to improve the fishermen’s livelihood opportunities in economically viable, environmentally friendly ways. Possible activities would focus on investments in the processing and marketing of goods and services. This includes some activities that are already pursued in the area (e.g. viticulture, apiculture, the production of certain medicinal plants, etc.) and those that are essentially new (e.g. the marketing of cheese, wine, and other naturally produced foods under a “Skadar Lake” label). The second category consists of an array of activities supported by the project to promote broad-based, sustainable economic growth in the Lake Skadar region. For example, in Montenegro there are plans to link the restoration of culturally significant monuments around the Lake with the expansion of village-centered tourism, and this could provide employment alternatives for artisanal fishermen or other affected people, as the case may be. The implementation of productive activities are provided for as part of Component C., operational objective 3.2., Activity 3.2.1.2, “Identify and promote pilots in commodity-chain development.” The implementation of activities linked to regional economic development is provided for as part of Component C.,

operational objective 3.2., Activity 3.2.1.1, “Promotion of village economies based on ‘wise use’ of natural resources” and activities related to sustainable tourism development.

20. Whatever alternative livelihood activities are finally decided on, potentially affected people will be able to take advantage of them through targeted training and/or organizational capacity building opportunities. These opportunities are provided for as part of Component C., operational objective 3.2, “Development of viable and sustainable village economies”.
21. The umbrella organization that represents the various resource user committees will play a key role in ensuring that affected people have a voice in the corresponding resource decision-making processes. For example, it will provide for the representation of artisanal fishermen in the working groups charged with preparing the Fisheries Management Plan that is to form part of the zoning and management plans for the Montenegro side. Beyond that, the umbrella organization will collaborate with the relevant authorities in the development of an “Action Plan” that not only outlines agreed restrictions on resource use but also specifies the livelihood measures to be implemented at the community level by the LSIEMP. As per OP/BP 4.12, this Action Plan needs to be submitted to the World Bank during project implementation but before the enforcement of any resource restrictions. Its preparation is provided for as part of Component C., operational objective 3.2., “Development of viable and sustainable village economies.”
22. While the Action Plan will document the final agreements regarding implementation arrangements for the productive pilot activities, the implementation itself is likely to be undertaken by the SLNP Administration, in coordination with the relevant public and private entities (such as the Public Enterprise for National Parks, the Ministry of Tourism and Environment, the Ministry of Agriculture, Forestry and Water Management, and the relevant municipal offices).

## **VI. Conflict Resolution Mechanisms**

23. Assuming the system of village-based resource user committees linked to a broadly representative umbrella body works as it should, separate mechanisms for mediating and resolving conflicts within or between affected communities should not be necessary. These first two levels of organization will take precedence as far as the airing of any grievances and resolution of any conflicts are concerned. However, should any conflicts arise that cannot be solved at this level, they will be referred to an ad-hoc body that will be created within the framework of the SLNP Administration. This conflict-resolution group will be co-chaired by the SLNP Director and the Chairperson of the umbrella organization, and will consist of the Administration’s Community Relations Coordinator, a representative of the appropriate inspecting body (e.g. the Fishing Inspector), and any resource user committee heads considered to be impartial with respect to the particular conflict or grievance under consideration. Together these group members will consider the nature of the conflict or grievance, hear any statements or supporting evidence presented by the parties to the conflict, gather additional evidence as appropriate, and recommend solutions that they have arrived at by consensus.

24. Should any conflicts arise that are cross-border in nature, they will be referred to an ad-hoc body created within the framework of an appropriate transboundary institution, such as the bilateral Working Group on Public Outreach and Education established under the LSIEMP. This body will include adequate representation from any umbrella organizations and/or resource user committees that are considered to be impartial in the matter. It will be convened in order to consider the conflict or grievance and to recommend solutions arrived at by consensus.

## **VII. Monitoring Arrangements**

25. Under Component B. of the LSIEMP, a joint data management system will be established to monitor key elements of ecosystem health and socio-economic well being in relation to the project's objectives and activities. This system will provide for both the periodic collection of data and its storage and use through a database housed in the project Secretariat. The collection and management of data relating to livelihood activities for affected people will be provided for as part of Component B., operational objective 2.5., "Monitoring of socio-economic conditions in the Lake area." Such monitoring can be further broken down into two distinct but interrelated activities: i) the study of patterns and trends in natural resource use by local populations, with an emphasis on subsistence and small-scale commercial practices; and ii) the study of patterns and trends in local-level well-being according to standard socio-economic indicators. While carrying out both types of monitoring will require inputs from local stakeholders, the second is more likely to involve direct, continuous engagement with affected groups, as it is more amenable to the use of participatory data collection methodologies and subjective indicators selected by affected people themselves.
26. The research program for the first year of the project will include a detailed socio-economic study that establishes a baseline for local-level well-being as measured by a series of standard indicators (e.g. income level, employment type, productivity level, etc.). This will serve as a first step toward the implementation of the Process Framework on the Montenegro side, as it will provide an indication of the resource user committees that need to be organized. It will also provide the various committees and the umbrella body, once they become functional, with disaggregated information they can use in helping to develop sensible eligibility criteria for assistance under the project, and to decide on the most appropriate livelihood measures to pursue in response to the likely increased restrictions on resource use. As implementation of the agreed income restoration measures proceeds, the committees will assume a vital role in the monitoring of project outputs and outcomes, by reporting their members' views on the differences in well-being that the measures have made.

**MINUTES**  
**of the Public Hearing on**  
**Environmental Impact Assessment (EIA) for Lake Skadar/Shkodra Integrated Ecosystem**  
**Management Project and**  
**Process Framework for Restriction of Access to the Natural Resources (Montenegro)**

National Park Skadar Lake premises, Vranjina  
4<sup>th</sup> September 2007, 11.30 am-1.00 pm

Public hearing on two mentioned documents was held after both of the documents were at 15-days public disclosure, at web-site of the Ministry of Tourism and Environment of Montenegro ([www.mturizma.cg.yu](http://www.mturizma.cg.yu), link for the project). Also, Process Framework was available as hard copy in National Park Skadar Lake premises. Wide public was informed about whole process by the public invitation published in daily newspaper "Vijesti", on 20<sup>th</sup> August.

At the beginning of the public hearing, Viktor Subotić as project coordinator from Ministry of Tourism and Environment, introduced the scope and purposes of the documents. Namely, EIA is prepared as framework documents, presenting which of the activities that will be financed through the project will need development of EIA study, as well as Environmental Management Plan. On the other side, Process Framework is prepared to assure that, if through the project certain restriction of access to the given natural resource (e.g. fish resources) will be established, mechanisms will be provided to mitigate possible negative impacts to the local communities.

After introduction given by project coordinator, discussion was opened.

Ana Mišurović from Centre for Ecotoxicological Researches from Podgorica stated that in the Process Framework fishery is recognized as possible biggest challenge. However, Ms. Mišurović noticed that problem of illegal constructing along the Lake shores could be a problem as well, especially for the localities as Karuž and Malo Blato. Also, Ms. Mišurović proposed that settlement of Karuž could be the priority for the construction of small waste water treatment plant, having in mind importance of this locality for regional water supplying.

Zoran Mrdak from NP Skadar Lake expressed his believe that project will start in 2008, and that most important activity from the NP perspective would be strengthening the capacities of the guides and rangers, who will be directly responsible for controlling the implementation of the documents as zoning plan, fishery plan etc. Also, Mr. Mrdak stated that locality of Vranjina would be better solution for the constructing of waste water treatment plant, having in mind that it is biggest village in the National Park.

Danijela Šuković from Centre for Ecotoxicological Researches noted that certain update should be done in EIA document, regarding the dates for adopting of legal acts (e.g. Law on Waters).

Slaven Leki from Netherlands consulting company SNV asked why project should finance activities related to the Aluminium Plant (KAP) hazardous waste, instead that it should be done by the private owner. In the later discussion, Viktor Suboti explained the reasons-obligations of the Government of Montenegro derived from the KAP Privatization Contract, as well as confirmed impact of the KAP hazardous waste to the Skadar Lake environment, especially Lake sediment. Also, Ms. Mišurovi and Ms. Šukovi from Centre for Ecotoxicological Researches explained about ongoing and planned activities of the Centre regarding KAP waste categorization and fulfillment of the obligation of the factory in the sector of waste management.

In the further discussion, Zoran Mrdak from NP Skadar Lake presented ongoing international cooperation in the National Park, mentioning projects financed by GTZ, USAID-IRD, European Agency for Reconstruction (EAR) and Council of Europe (CoE). Ms. Gordana Radevi CoE project coordinator explained project goals and activities.

Gordana Jovovi from Office for Sustainable Development supported approach that is achieved through prepared documents and exchange of experiences, and proposed that better communication with local stakeholders should be accomplished.

Jan Vloet from Netherlands consulting company SNV stated that SNV is ready to provide assistance to the relevant stakeholders for the preparation of agreement between two states regarding protection and sustainable development of the Skadar/Shkodra Lake area.

At the end, Viktor Suboti proposed that period for the possible comments and suggestion for Environmental Impact Assessment (EIA) for Lake Skadar/Shkodra Integrated Ecosystem Management Project and Process Framework for Restriction of Access to the Natural Resources (Montenegro) could be extended until Friday, 7<sup>th</sup> September, after which final versions of the documents will be defined.

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