



Business Plan for the Vjosa Wild River National Park

2024 - 2034

February
2024

Table of Contents

I. EXECUTIVE SUMMARY	6
II. INTRODUCTION	8
A. Context	8
B. Purpose of the Vjosa WRNP Business Plan	8
C. Acknowledgments	9
D. Description of baseline scenario	9
E. Brief outline of financial approach	10
F. Summary of 10-year financial overview	11
III. FINANCIAL APPROACH	13
A. Principles of business planning	13
B. Overview of assumptions determining key revenue streams and operating costs	14
1. Pricing assumptions	14
2. General expense and revenue assumptions	14
3. Headcount & payroll assumptions	15
4. Operating costs growth assumptions	15
IV. THE VJOSA WILD RIVER NATIONAL PARK	15
A. Background	15
B. Socioeconomic analysis and threats to the development of the park	17
1. Demography and land occupation on the riverbanks	17
2. Employment provided by the river	17
3. Existing tourism facilities	17
4. Key threats to the integrity of the park	18
C. Governance	21
1. Geographic scope of the VWRNP vs. Vjosa Valley	21
2. Governance arrangements	22
b. Necessary legal changes	25
V. COST ANALYSIS	25
A. Management costs	25
1. Description of management scenario	25
2. Operational recurring costs	26
b. Investment costs	29
B. Governance costs	31
C. Interpretation costs	32
1. Description of interpretation scenarios	32
2. Recurring costs	33
3. Investment costs	34
D. Tourism & sustainable development costs	34
1. Description of basic & optimal tourism scenarios	34
2. Recurring costs	35
a. Investment costs	36
E. Synthesis of 3Y and 10Y costs	38
VI. REVENUE ANALYSIS & FUNDING GAP	39
A. Current and projected revenue	39
a. Government funding	39
b. Tourism-generated revenue	40
c. Other revenue sources	41
B. Synthesis of 3Y and 10Y revenue	42

C. Funding gap	42
VII. BRIDGING THE FUNDING GAP	43
A. Philanthropy & ODA potential	43
VIII. RISK MANAGEMENT	46
A. Risk overview	46
1. Key threats to sustainability & financial management	46
2. Probability & likelihood ranking	47
B. Risk mitigation approach	49
C. Financial performance analysis including sensitivities & performance indicators	51
D. Recommendations for spend profile & capital investments	52
IX. ANNEXES	53

List of Abbreviations

VWRNP	Vjosa Wild River National Park
MOTE	Ministry of Tourism and Environment
NAPA	National Agency for Protected Areas
Pa	Protected Areas
TYP	Ten Year Plan
NGO	Non-Governmental Organisation
IMP	Integrated Management Plan

*Note: The terms ‘PA Authority’, ‘Foundation’ and ‘VWRNP’ are subject of change

List of Tables

Table 1: Financial overview 2024

Table 2: 3Y & 10Y Forecast overview

Table 3: Structure of the operational costs

Table 4: Structure of investments costs

Table 5: Office supplies costs

Table 6: Vehicle costs

Table 7: IT Equipment costs

Table 8: Infrastructure costs

Table 9: External costs

Table 9.1: Governance costs

Table 10: Investment programs

Table 11: Upfront investments cost

Table 12: Synthesis of 3Y&10Y costs

Table 13: Governance funding

Table 14: Tourism generated revenue

Table 15: Interpretation generated revenue

Table 16: Funding gap

List of Figures & Maps

Figure 1: Sections of the Vjosa Valley

Figure 2: VWRNP boundaries Map

Figure 3: Structure of proposed option: Split Governance Model

Figure 4: Structure of proposed headcount PA Authority

Figure 5: NAPA salary scheme

Figure 6: VWRNP Salary Scheme

Figure 6.1: Maintenance costs

Figure 6.2: Running costs

Figure 7: Recurring annual costs estimates for interpretation and visitor's experience in the VWRNP

Figure 8: Upfront investment estimates for interpretation and visitor experience in the VWRNP

Figure 9: Tourism recurring costs

Figure 10: Total revenues

Figure 11: Fundraising action plan

Figure 12: Estimation of philanthropy incomes

Figure 13: Donors table

I. EXECUTIVE SUMMARY

The **purpose** of this business plan (financial plan) is to make a proposal as to how various tourism-based and non-tourism-based revenue streams can support the operations of the Vjosa Wild River National Park (VWRNP) and ensure the park's financial sustainability.

All business plans are based on **assumptions**. It is not possible to guarantee the final outcome with total certainty as there are too many variables and unknowns for that to occur. This business plan can, however, help set a direction for the financial management of the VWRNP; including financial goals, methods to achieve those goals and a timeframe for the achievement of those goals.

This financial plan is expected to quantify the potential revenue streams and expected costs of the VWRNP park over the next 10 years and identify ways the VWRNP can reach financial sustainability by bridging any financing gaps.

It covers ten years of operation (2025-2034) plus a one year transition period between December 2023 and December 2024. The need for the transition period emerged as a necessary modification from the work as originally programmed in 2023. In order to become an efficient financial management tool, this financial plan should be updated on an annual basis to reflect changes in revenue and cost assumptions and to be a basis for the Park's annual budgets and various donor funding agreements.

The **scope** of this financial plan includes the VWRNP boundaries, as well as the wider Vjosa valley where it affects the park, meaning all areas associated with generating income streams for the park and any associated costs.

It has been developed in **close collaboration with experts working groups** involved in the VWRNP: Interpretation & Visitor Experience working group; Tourism & Sustainable Development working group; Integrated Management Plan working group; Fundraising working group.

It summarises the VWRNP strategic goals and priorities over the course of the 2025-2034 period that will guide the organisation, informed by the goals and priorities of the Ministry of Tourism and Environment (MoTE). To align with the priorities of the MoTE, VWRNP financial strategic goals and priorities serve the four following pillars:

1. Preserving and showcasing our rich natural, culture and lifestyle;
2. Leveraging and activating natural wonders and new experiences;
3. Supporting a dynamic business environment with a focus on attracting investment, connection to local communities, job creation and economic well-being;
4. Taking experiences and hospitality to the next level.

Throughout the 2025-2034 period, in addition to the themes of its 10-year Strategic Plan, VWRNP operations and decision-making will be guided by the following goals:

1. Developing and nurturing great guest experiences;
2. Growing existing and new revenue streams;
3. Fostering strong collaboration with partner organisations;

4. Ensuring strong fiscal management.

Moving forward, the business plan calls for VWRNP to continue to balance this unique mandate while:

- Focusing on promoting its natural attractions, including the new Visitor Centre;
- Working with tourism partners to attract more visitors;
- Upgrading current Vjosa attractions to promote new, updated tourism experiences that will drive revenue, while aligning with VWRNP vision and goals;
- Growing funding and stewardship opportunities through Fundraising opportunities;
- Expanding diversity and inclusion initiatives to promote an equitable and diverse workforce;
- Establishing a lean management & administration to cap management costs.

Given the uncertainty around the implementation of the capital investments and the implementation of the proposed governance model, especially the uncertainty that the new Foundation will be fully operational in 2025, the financial plan has been created for the park as a whole in two phases: the first three years and ten years of operation (FY 2025-2034). For the first 3 years, most of the capital investments are to be developed and the Foundation to be implemented, while the 10 year forecast gives an overview towards the financial sustainability of the park.

As VWRNP continues to identify opportunities to grow revenue and preserve financial balance, the focus will continue to be placed on promoting revenue-generating tourism attractions. Driving attendance to existing and new touristic attractions has and will continue to result in cascading benefits to other areas of the VWRNP operations, including retail stores, parking facilities and visitor centre, which all provide streams of revenue for the Park.

Overall, the financial estimations in this business plan suggest that **the VWRNP can reach break-even by its fourth year of operation (2027), providing certain conditions are met**, such as the confirmation of government funding and philanthropic funding for infrastructure projects, nature conservation projects, capacity-building and tourism development.

II. INTRODUCTION

A. Context

In March 2023, the Vjosa Wild River National Park (VWRNP) was formally established, becoming the largest national park in Albania. The VWRNP covers the entire Vjosa River in Albania, from the Greek border to the Adriatic Sea, as well as three main tributaries: Drinos (including Kardhiq), Bënçë and Shushicë. In the next phase, all free-flowing tributaries, together with the adjacent most valuable areas with highest biological and geomorphological values, shall be included in the expanded area of the National Park. In addition, a procedure has been initiated for the establishment of a trans-boundary protected area between Greece and Albania, which will ensure adequate protection of the entire Aaos-Vjosa river basin.

The VWRNP is expected to be operational in early 2025. However, the preliminary operation of the VWRNP started in June 2023 and will continue till 2024 (referred as transition period). For 2024, the limited number of staff currently employed in three RAPA units will be temporarily relocated to the area of the newly created VWRNP before a dedicated management authority and staff for the park will be appointed in 2025.

For the transitional management of VWRNP during 2024 a proposal was presented for the necessary staffing (VWRNP Coordinator, Deputy Coordinator/Technical specialist for monitoring (both under NAPA), and two rangers for each of the three RAPA units covering the VWRNP area, assuming that they will have their working base in the existing three RAPA units.

On this basis a Partnership Agreement will be signed between the Government of the Republic of Albania and National Agency for Protected Areas (NAPA) that delegates the responsibilities of the management, conservation and development of the Vjosa Wild River National Park and its periphery to a PA Authority to be established under Albanian law.

B. Purpose of the Vjosa WRNP Business Plan

The purpose of this document is to set out a 10-year financial projection for VWRNP, supported by extracts from a detailed 3-year budget that was prepared previously. This financial plan will quantify the expected revenue streams and costs of the VWRNP over the next 10 years, and identify ways the VWRNP can reach financial sustainability by bridging any funding gaps.

Specifically, this financial plan will include:

- An overall economic picture of the Vjosa Wild River National Park's characteristics, including the wider Vjosa valley (only where revenues and costs generated in that area will affect the park);
- Basic elements of analysis which will determine the priority actions to take to enable efficient management of the area;
- Proposed funding mechanisms to develop in order to reduce and bridge the potential funding gap that may emerge from weighing the expected costs against the expected revenue streams.

This 10-year business plan (TYP) was commissioned by the Ministry of Tourism and Environment (MOTE) and the National Agency for Protected Areas (NAPA) to define the strategy for effective management of the VWRNP finances. This document will be shared with the local board, potential (international) donors, government partners and other interested parties.

The financial plan seeks to build confidence at all levels within the Government of Albania structure and amongst the principal donors that the PA Authority and its management team have the ability and resources to manage the VWRNP efficiently, to protect its ecological integrity, and to conserve its habitat and biodiversity appropriately. It is important to mention that this financial plan comes alongside an Integrated Management Plan (IMP) for the VWRNP.

The TYP will be updated on an annual basis to reflect progress and changes in assumptions and is the basis for the Park's annual budgets and various donor funding agreements.

C. Acknowledgments

The content of this Business Plan was developed thanks to the input of a lot of contributors, experts and institutions involved. Of particular importance to the production of this Business Plan have been discussions with the following institutions, which deserve to be acknowledged and thanked:

- Ministry of Tourism and the Environment;
- IUCN and Patagonia;
- NAPA (AKZM) – the National Agency for Protected Areas;
- RAPA (AdZM) – the Regional Agency for Protected Areas;
- The Municipalities across VWRNP;
- Local representatives in and around VWRNP.

D. Description of baseline scenario

In order to evaluate progress achieved under this ten-year plan, the conditions of Vjosa prior to the involvement of the National Agency for Protected Areas need to be understood.

The VWRNP does not currently have its own management unit, nor permanent staff and this is a concern. The 400 km VWRNP area extends over three RAPAs (Vlora, Fier, Gjirokastra). A few rangers from the three RAPAs come to the Park for a day or two per week and are otherwise employed to work in neighbouring protected areas. In their daily work, the rangers already cover about 7,000ha of protected area each, with the VWRNP largely adding to their range of duty and responsibility. Their work is not coordinated and is mainly limited to monitoring fire risks, detecting major irregularities in the use of natural resources (e.g. illegal constructions and activities such as gravel extraction from the river and poaching). The rangers are inadequately equipped and do not have a sufficient number of vehicles. Also, rangers do not have adequate training to carry out their work and tasks.

According to the Memorandum of Understanding signed between the Ministry of Tourism and Environment in Tirana and Patagonia, the Vjosa Wild River National Park (VWRNP) was established in March 2023, nine months after the signing of the MoU.

The key highlights of the MoU are:

- Establishment of a National Park, in accordance with IUCN criteria (ctg.II)
- The protected area will include the Vjosa River and all free-flowing tributaries
- The VWRNP will be effectively managed (the IUCN Green List of Protected and Conserved Areas is mentioned as a standard)

E. Brief outline of financial approach

This 10-year financial plan was prepared based on the assumption of the upcoming implementation of the proposed split governance model and the long-term Vision for VWRNP as adopted in the 2024-2034 Vjosa Management Plan.

A newly-created PA Authority under NAPA will be responsible for the management of VWRNP. This PA Authority is also tasked to coordinate the three RAPAs. The PA Authority will produce the protected area annual management plans that must be approved by NAPA.

The objective of the financial plan is to provide a detailed description of the economic characteristics of the VWRNP, and to lay out an effective roadmap towards financial sustainability, by determining future funding needs and proposing sustainable funding mechanisms to bridge the funding gap and ensure the continuity and integrity of the park.

The financial plan shall guide the effective allocation of available resources, and serve as a blueprint for investors and donors to see where the invested additional resources will be used and what the result of the funded actions will be.

In practice, the financial plan has been built by following these three steps:

1. Assessing expected costs and revenues resulting from working towards the management plan objectives, and calculating the funding gap;
2. Assessing the feasibility of possible mechanisms to bridge the funding gap;
3. Formulating recommendations on priority actions to take to implement the proposed funding mechanisms.

These steps should be followed as an iterative process, and repeated until the funding gap is zero. Three options are to be explored to bridge the funding gap: reduce the costs, improve existing revenue streams, or develop new revenue sources. These three options will be explored further down in the business plan, with a focus on local income-generating mechanisms for the implementation of the management plan.

As the VWRNP benefits mainly from government funding and international private donations from now, **the progress towards financial sustainability will require the development of new, local revenue sources.**

- F. Summary of 10-year financial overview

The sources of funding for the management activities of the VWRNP and the chosen financing mechanisms will evolve according to the different phases of the life of the national park.

The 2024 draft staffing was based on a phased approach, where phase one is to have two qualified ranger staff per RAPA and to have one coordinator supervising their work and his/her Deputy (within NAPA); in total: 8 Full-Time Equivalent (FTE) for the year 2024, as per the table shown below:

Cost category	Funded by government budget	Funded by national & international funding	TOTAL COSTS
Staff VWRNP Coordinator, Deputy Coordinator, 6 Qualified Rangers	45,000.00	0	45,000.00
Running costs Communication costs, fuel, vehicle taxes and insurance, office running costs, travel expenses	16,500.00	0	16,500.00
Maintenance of infrastructure Trails, small tourism infrastructure	5,000.00	0	5,000.00
Technical equipment Mobile phones, 3 cars, 3 motorbikes, clothing...	10,000.00	89,000.00	99,000.00
External support Trainings	0	20,000.00	20,000.00
Infrastructure Basic signage	0	10,000.00	10,000.00
TOTAL	76,500.00	119,000.00	195,500.00

Table 1: Financial overview 2024

In the following years (phase two), it is proposed that the staffing of the VWRNP increase to at least 23 FTE, which is still a minimum rather than an optimum, according to the Operational Plan for the transition period 2023 – 2025.

The table below shows the 3Y & 10Y forecast for costs and revenues for the VWRNP, with costs and revenues sub-sections (in euros):

Categories	Year 1 (2025)	Year 3 (2027)	Year 10 (2034)
Costs	1,682,528.00	1,051,912.00	2,012,901.00
Management	567,166.00	413,338.00	770,079.00
Governance	132,400.00	135,574.00	147,924.00
Interpretation & Visitor Experience	333,500.00	280,800.00	322,551.00
Tourism	649,462.00	222,200.00	772,347.00
Revenues	837,166.00	1,442,879.00	3,374,661.00
Interpretation & Visitor Experience	250,500.00	303,105.00	590,666.00
Tourism	19,500.00	726,436.00	2,213,890.00
Government Funding	567,166.00	413,338.00	660,105.00
FUNDING GAP	-845,362.00	390,967.00	1,361,760

Table 2: 3Y & 10Y Forecast overview

- III. FINANCIAL APPROACH

A. *Principles of business planning*

The 10-year plan is a roadmap for Vjosa Wild River National Parks' potential to achieve excellence on the world stage as one of the most spectacular parks in the world with its mandate to preserve the natural, biodiversity, built and cultural heritage in the Albania-Greece River corridor.

The business plan supports VWRNP's founding principles of financial self-sufficiency and as-free-as-possible nature preservation by increasing revenue and employment opportunities, ensuring ongoing maintenance of infrastructure, preserving the River corridor and contributing to the economic well-being of the country and CBC borders.

“It is not the strongest of the species that survive, not the most intelligent, but the one most responsive to change.”Charles Darwin

For this matter, during the planning process, the strategic actions should be taken in order to reach the VWRNP goals and the financial results of those actions. Although there are different planning approaches, models of the PA Authority future results are based on a few fundamental principles:

- *The Vision*

Based on the Integrated Management Plan, national legislation and international standards the vision for VWRNP is:

“The Vjosa-Aoös River, from its source to the Sea, including all tributaries, is afforded full national and transboundary protection, to the highest international standards, and is effectively conserved as a living, wild, free-flowing river, to the benefit of people and nature in Albania, Greece, and the world”

This vision is critical because it defines the long-term direction for the park.

- *Assessment of the park's competitive advantage*

This means identifying the strengths and weaknesses of the park in comparison to other parks and trying to mitigate the weaknesses over time and taking advantage of the strengths. Planning also requires an assessment of the major challenges or threats facing the park, for example changes in government regulation that will affect the park's operations etc. Strategies are then devised to minimise any negative effects of these challenges or threats.

- *Sound assumptions and flexibility*

The more understanding we have of the environment in which the park operates, the more realistic the plan will be, as assumptions on which the costs and revenues estimates are based are a reflection of what the environment will look like.

Actual results are likely to vary from what had been forecasted because of the environment (political, economic, social etc.) changes, so there is a need for a certain degree of flexibility. The plan is continually evolving, not something that is set in stone at the conclusion of the planning process.

B. Overview of assumptions determining key revenue streams and operating costs

The initial development of the business plan focuses on developing the above assumptions. The end product determines the operating costs and revenue streams for each phase of improvement of VWRNP over the first ten years. This includes developing operational budgets and pricing strategies for each potential revenue stream to best meet the outcomes desired while accounting for market factors.

Models summarising the expenditures and revenues, along with the notes and assumptions set forth, are integral to the analysis and conclusions stated in this financial plan. The assumptions in this study assist in the understanding of how the financial plan was developed and the strategies with which VWRNP will be operated. This allows for the revision of assumptions in the future while still maintaining the integrity of the plan by understanding the impact that the changes will have on the operational budget or market capture.

1. Pricing assumptions

The pricing strategy will remain constant with each phase of improvements. The strategy is based on a medium cost and medium volume. Pricing was determined based on typical market rates and an average level of service.

2. General expense and revenue assumptions

Expenses are projected to be 100% of anticipated costs beginning in the modelled year “Operating Year 1”. Annual increases of an established percent per year are factored thereafter and based on anticipated expenditure growth for a given year.

- Revenues are projected to be 100% of anticipated revenue capacity beginning in the modelled year “Operating Year 1”, Annual increases of an established percent per year are factored thereafter as based on anticipated revenue growth for a given year.
- Operating and growth anticipations are based on average increases per expenditure and revenue category;

- If a higher or lower percentage of cost recovery is desired, operating expenses and pricing will be analysed for potential adjustments;
- All projections are based on assumptions and estimates made within the electronic Excel model

3. Headcount & payroll assumptions

VWRNP staffing is a direct result of the phased-in approach, based on the IMP, from the launch to the creation of the park:

- As the VWRNP reaches operational maturity, attracting more visitors, additional staff will be required to ensure a consistent level of service, excellent visitor experience and infrastructure maintenance;
- Staff salaries are based on information provided by the actual Decision of the Council of Ministers for salaries;
- Inclusive benefits and charges for most employees, regardless of employment status, (incl. payroll taxes and fees), are factored as a percentage of total staff salary, excluding any general benefits.

4. Operating costs growth assumptions

Operating costs growth rates are based on average increases per expenditure and revenue category:

- Salaries and Benefit Growth Rate is calculated based on the revenue growth and seniority at work due to the VWRNP PA Authority regulations and requirements;
- Supplies Growth Rate is calculated at annual growth due to inflation;
- Services Growth Rate is calculated at an annual growth due to inflation and the park potential volatility.
- Utility costs are estimated to increase annually.

- IV. THE VJOSA WILD RIVER NATIONAL PARK

A. Background

The VWRNP is the place where the Albanian people protect, study, and learn about biodiversity and natural sites. The Albanian's pride and their spiritual attachment to the land will be expressed where nature unfolds, as it has always been the case, and where nature is appreciated as such and not only for its benefit to humanity. People have been leaving their homes in the Vjosa valley over the years thus, this Park will create more opportunities, so residents, and in particular young people, can stay or, those who have left, come home. It will help attract more visitors from Albania, Europe, and around the world, and create new opportunities for locals, mainly through sustainable tourism and agriculture.

Vjosa is the second largest river in Albania and closes the series of six major rivers entering the Adriatic Sea, which form the entire alluvial coastal plain, beginning in the north with the large Drink-Moraca-Bojana-Buna system, and further down, with Mat, Erzen, Shkumbin and Seman Rivers.

In the geological, hydro-morphological, hydrological, and ecological context, the Vjosa River valley can be divided into three subareas:

- **The upper section** of the Vjosa River is characterised by steep gorges among Përmet, Këlcyra, and Dragot, crossed by areas with depositional cones and large gullies. The valley of the Vjosa River expands in the upper reaches of the Dragot area, except for the gorge of Poçëm.
- **The middle section**, spanning the stretch which includes the confluence with the Drina River, where the city of Tepelena is located, is known for the large sand and gravel banks formed by the branching river. Downstream of Selenica, the river’s catchment area shrinks, the valley widens, and the river begins to meander.
- **The lower section** is characterised by the stretch of the Vjosa River and the formation of wide meanders. Between the cities of Fier and Vlora, the Vjosa River passes through the Myzeqeja lowlands and flows towards the Adriatic Sea. The Vjosa Delta is located north of the Narta Lagoon, where it reaches the sea.



Figure 1: Sections of the Vjosa Valley

B. Socioeconomic analysis and threats to the development of the park

1. Demography and land occupation on the riverbanks

The Vjosa valley encompasses three districts (Fier, Vlora, and Gjirokastra) and 13 municipalities: Libohova, Përmet, Këlcyra, Gjirokastra, Tepelena, Memaliaj, Mallakastra, Fier, Vlora, Selenica, Himara, Kolonja, and Dropull.

The total population of the Vjosa valley is estimated to be around 130,000 inhabitants, which makes up about 4.6% of the total population of Albania. However, during the last 30 years, the Vjosa valley has faced significant depopulation. This trend does not only affect the Vjosa valley but the country as a whole due to socio-economic and cultural changes that are taking place in Albanian society: material and professional aspirations, both for men and women, are extremely strong. The number of marriages is decreasing and the number of divorces is increasing. Finally, the COVID-19 pandemic has further enhanced this trend.

The average age in the Vjosa valley is also increasing, as a result of this decline in birth rate but also mass emigration. The drastic decline in the population of the country and therefore in the Vjosa valley has led to a significant decline in economic activities and industries in the Vjosa valley. The main socio-economic activities of the area are agriculture, livestock farming and tourism.

Additional municipalities lying closer to the periphery of the Vjosa River and basin include the Municipalities of Vlora, Kolonja, Dropull, and Himara. These municipalities, while important in their own right (particularly Vlora, which is Albania's second largest port city and an important commercial and trade centre), will likely benefit more indirectly from the declaration of Vjosa as a Wild River National Park.

2. Employment provided by the river

Local perspectives on job availability and quality in different sectors following the COVID-19 pandemic vary. Tourism-related jobs are perceived to have increased, while job quality has generally improved. In Albania, tourism is directly responsible for 244,000 jobs in 2019, with 20% of employment nationwide linked in some meaningful way to tourism and travel-related activities. Other sectors show mixed perceptions.

3. Existing tourism facilities

The tourism industry in Albania has experienced significant growth in recent years, with a notable increase in arrivals and tourism development. Adventure tourism is thriving due to the country's diverse natural landscapes, attracting hikers, nature enthusiasts, and adventure seekers. The country's vibrant culture, showcased through traditional folklore, music, and dance, also attracts a considerable number of visitors during festivals and local celebrations.

The VWRNP and the Vjosa Valley offers a range of possible outdoor activities such as rafting, kayaking, fishing, hiking, cycling, horseback riding and bird watching. Tourists can explore

pristine landscapes, enjoy breath-taking views, and experience the rich biodiversity of the region. The VWRNP attracts both domestic and international tourists, with a growing interest from European countries. The park's natural beauty and outdoor activities, along with the presence of 304 Monuments of Culture, make it an appealing destination for travellers. Visitor surveys indicate a mix of domestic and international tourists, with Italian and British markets showing potential for growth. Visitors primarily spend one to two days in the area, with some exploring other regions along the Vjosa River.

Tourism is already of very significant importance to the Vjosa valley. Of Albania's approximately 20,000 lodging establishments, about 4,750 lodges or nearly 1/5 of the country's, are found in Gjirokastra, Vlora, and Fier.

Seasonality of tourism can represent a challenge, with most investments focused on coastal areas. The data from SMEs in the Vjosa Valley reveals diverse monthly earnings. Reported figures range from 30,000 Lek to 150,000 Lek (approx. 1,500 euro). Seasonality plays a significant role, with high tourism seasons leading to increased earnings. However, many SMEs face inconsistent earnings due to factors like customer flow and market demand. While 77.3% of businesses generate sufficient income to support their families, 22.7% struggle to do so, requiring additional support during peak tourism times.

Travel companies bring a notable volume of visitors to the Vjosa Valley and WRNP, with rafting, canoeing, and hiking being highly requested activities. Most visitors stay for one day, and their average daily expenditure includes transportation (17% of total spend), accommodation (33%), meals (13%), handicrafts (8%), and activities (29%).

Vjosa is relatively ill-equipped in terms of infrastructure and unfortunately, several of the existing buildings are becoming old and are in need of maintenance or upgrades. Infrastructure improvement, community experiences, proper waste management systems, adventure activities diversification, and destination promotion, are identified as levers to improve the visitor experience. This business plan will analyse the costs of the proposed financial investment to unlock those levers.

4. Key threats to the integrity of the park

The assessment of pressures is based on the screening and collection of available and updated information as regards the key issues and topics on the Vjosa River Basin, mainly focusing on the threats and pressures on the nature conservation features. Intensive information exchange with all the relevant authorities occurred to collect the latest updated information available. As a second step, all the information was organised and analysed to conduct a mapping process of all the values and threats relevant to the Vjosa River Basin.

The above resulted in several threats to nature conservation, including:

- **Urbanisation**

Urbanisation exerts pressures on water resources through the production of wastewater, urban waste, as well as water abstraction to cover household usage. In this context, these three key human activities have been analysed for their effect on water ecosystems along Vjosa. In all 13 municipalities being part of the Vjosa River Basin, the water supply covers the needs of around 82% of the population, while the wastewater treatment coverage appears to be very low, with an average of 32%, and no municipality is fully covering its jurisdiction area with wastewater treatment services. In this context, the Vjosa River is suffering from pollution caused by untreated wastewater.

Solid waste generation is approximately 0.4-0.5 kg/inhabitant/day. From a sanitation point of view, disposal places are not controlled and placed in proper locations, and there is a lack of disposal technology. In villages, there are no landfill sites or any other type of organised collection. Only in some cases, farmers are using composting processes to produce organic fertiliser. Overall, the waste collection and management rate across the Vjosa River valley vary considerably among municipalities, with Këlcyra collecting only 37% of the generated waste, while Vlora collects 99%.

- **Mining and quarries**

The Vjosa River Basin is rich in non-metallic resources, such as clay, inert, gypsum, phosphoresces, limestone, dolomite, and energy resources, such as oil, gas, and coal.

One of the main activities in the industry with big pressure on the Vjosa basin is gravel extraction. Gravel extraction from riverbeds has been a major economic activity in the Vjosa watershed. However, in recent years, the gravel extraction activity has been minimised and targeted only for public works, due to the construction/reconstruction of the roads in the region.

The mining activity seems to be very important in the Vjosa River. According to the Albanian Geological Service, the Municipality of Selenica is rich in types of bitumen, which is an asset of great economic value. There are 11 companies that use the resource of Selenica, while in total there are only three main bitumen sources: i) bitumen source, ii) bitumen gravel, iii) and bitumen sand.

- **Hydropower**

The water resources of Albania, apart from the recreational and tourist aspect, are highly important for the energetic and geo-energetic development of the country. Ninety-nine per cent of the electricity used in Albania comes from the exploitation of water resources (GNSP Albania, 2030; NTPA, 2016). Most electricity is generated in the north and east, where several reservoirs with large hydroelectric plants are situated.

The construction of the hydropower plants in the Vjosa valley comes with environmental hazards. Referring to Schiemer et al., 2018, these hazards would be:

- the immediate endangerment of the high conservation value of the area and this national heritage by damming;
- a loss of groundwater resources in terms of quantity and quality;

- a deterioration of surface water quality (eutrophication processes at high water residence times can be expected to lead to toxic algal blooms);
- methane production as a result of anaerobic processes in flooded areas;
- coastal erosion due to the reduction of sediment transport by the river;
- Catastrophic floods, especially considering the increase in flood risks due to global warming.

It is important to emphasise the preservation of surface water resources, mainly the rivers, from use for hydropower purposes (GNSP Albania, 2030; NTPA, 2016).

- **Industry**

The industrial activity also places constant pressure on the resources of the Vjosa River Basin. The three regions of Vjosa (Gjirokastra, Fier, and Vlora) have inherited some industrial pollution from the past and face serious concerns at the present, despite the fact that pollution is mainly concentrated in the lower Vjosa, where most of the mining activity, oil and gas production is taking place. Quite often the discharges from the operation and separation of waters from the oil industry go directly to the Vjosa River and its tributaries, or are re-injected into the subsurface, which risks pollution of underground water.

- **Agriculture and aquaculture**

One of Albania's most significant economic sectors is agriculture; it accounts for around one-fifth of the country's GDP, and employs about 37% of all Albanian workers (INSTAT, 2021). There are over 41,000 registered farmers in Albania, of whom 15,500 are located in the Vjosa valley. Agriculture has a role in the development of the nation's regional character. The Vjosa valley is primarily focused on this industry, where the area planted with cereals in 2018 was 46,900 ha, out of 140,000 ha across Albania, with the Fier region occupying the majority of the space with 34,600 ha. This confirms that agriculture is very present in the Vjosa region and an important industry for the economy.

The impact of agriculture on Vjosa can be seen in 3 separate aspects: land use, pollution, and water abstraction, which can have an equally significant negative impact if not properly managed and controlled. As for land use, the most impacted are the lower section of the river basin and the lower section of Shushica, where agriculture appears to be more intensive. Aquaculture is also present in the Vjosa River tributaries, i.e., in Kardhiq, Bënça, Hormova, and Shushica.

C. Governance

1. Geographic scope of the VWRNP vs. Vjosa Valley

The park boundaries are based on the best available knowledge of the Vjosa River, its tributaries and its catchment area. The methodological approach for defining the boundaries was based on finding meaningful boundaries for the riparian system and protecting the integrity of the

river continuum throughout the entire catchment. This delineation cannot be done in a single step, so the first phase focuses on active channels, active floodplains, and public lands only.

The long-term boundaries for the park are shown below.

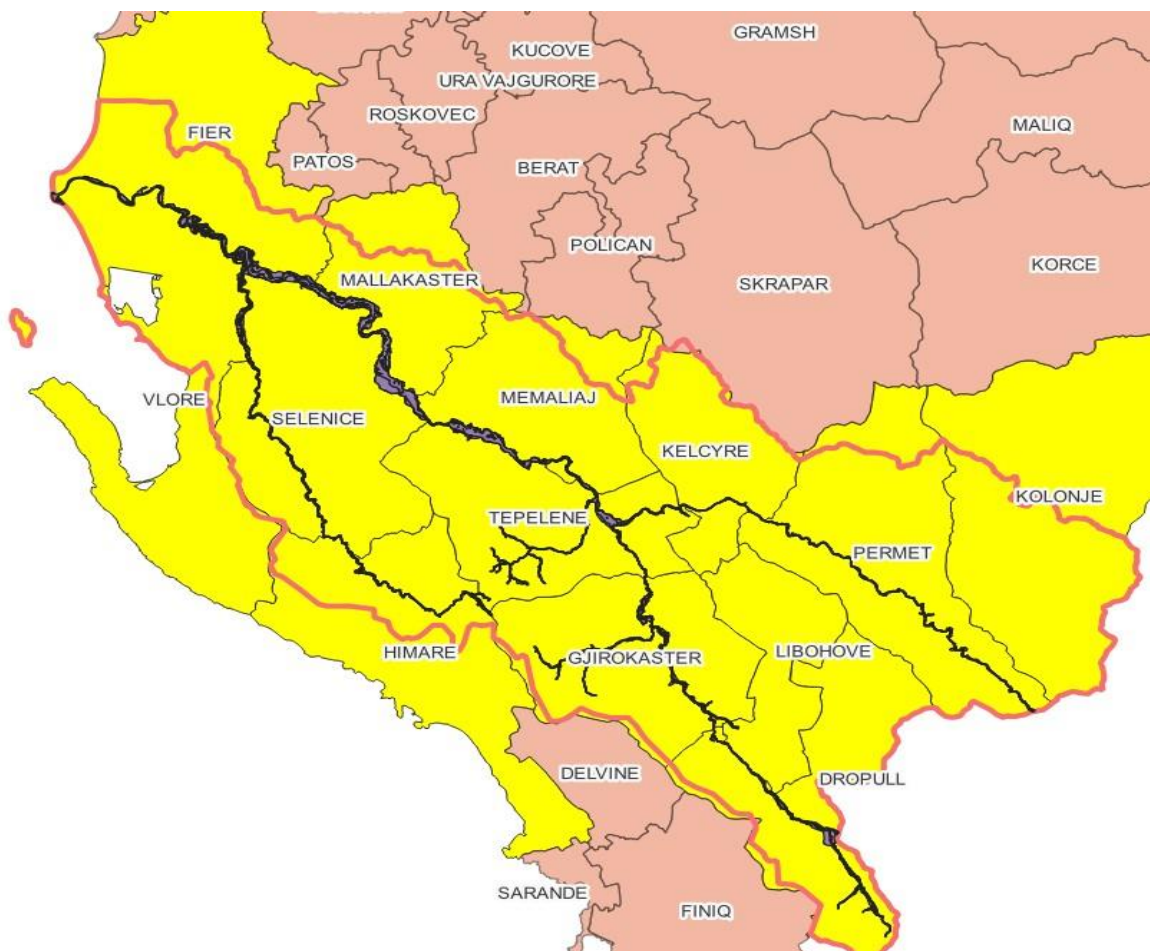


Figure 2: VWRNP boundaries Map

The IUCN requires that 75% of the land in a park be managed to the highest standard of park protection. For the core areas of the Park in the Phase I declaration, this is achieved. When the wider Park area above is declared, as part of Phase II, it is acceptable that the goal of 75% of the land being managed to that standard is reached over time.

2. Governance arrangements

i. Current

The Albanian Protected Areas Act (81/2017; section IV) defines eight protected area categories in Albania, referring to the IUCN protected area category system, including National Park, Category II. The existing PAs management structures provided by the Law, only allow for the vertical management hierarchical structure: Ministry → NAPA → RAPAs. Therefore, the

VWRNP from the perspective of administration and executive management is considered to fall under the central government authority.

The PA Law also provides for the Management Committee to be constituted for each PA, which only has supervisory and advisory authority. The Management Committee is composed of representatives from: Ministry; NAPA; RAPA; Regional Authorities (Prefect – Sub of CoM); Local Government representatives for agriculture, tourism, energy & infrastructure, waters management, science and education, cultural heritage; Environmental Local NGOs; private owners.

The current structure of protected areas management in Albania is organised at the national – National Agency for Protected Areas (NAPA), and regional – Regional Administration for Protected Areas (RAPA), levels. Currently, there are no individual administrations of individual protected areas. This is why it is recommended to amend the protected areas law to allow for better governance and management of Vjosa WRNP.

There are several weaknesses in the current model:

- **RAPAs have to manage all protected areas (PAs) in their region, which means they often lack the expertise and resources to manage areas with specific protection needs.** Usually, there are several types of PAs in a region, e.g., natural monuments, protected landscapes, nature parks, and national parks present. Each type of PA requires different approaches to management and monitoring. Furthermore, the number of staff involved in protected area management does not correlate with the number of PAs in a region. If there are many PAs in a region, the staff has to manage them accordingly with the resources available.
- **Budget flow is slow.** Once a year, the budget for all RAPAs is discussed and set. Therefore, it has to be decided in several steps (RAPA – NAPA – MoTE – MoFE – Council of Ministers – Parliament). It usually takes until March each year for the budget to be effective. Additionally, RAPAs do not have a budget that they can decide on themselves. The money is converted according to actual expenses. This means that even for small investments, such as office equipment, RAPAs have to inform NAPA and wait for their decision until the expenses are approved and the needed equipment can be bought. This process can take up to weeks or months. In several meetings and discussions, the need for financially independent management (with its budget) was emphasised by the stakeholders.
- **There is a lack of cooperation between RAPAs.** Usually, RAPAs manage all PAs within the region. PAs located in two or more regions are therefore managed by more than one RAPA. Currently, there are no structures, where RAPAs, that jointly manage a PA, meet, share their expertise and coordinate their activities within the PA. It is up to RAPAs involved in transboundary PAs to organise the communication themselves. Currently there are some examples of transboundary PAs, where RAPAs cooperate, especially when it comes to reporting to NAPA, but usually each RAPA reports on its part of the PA and the activities there.

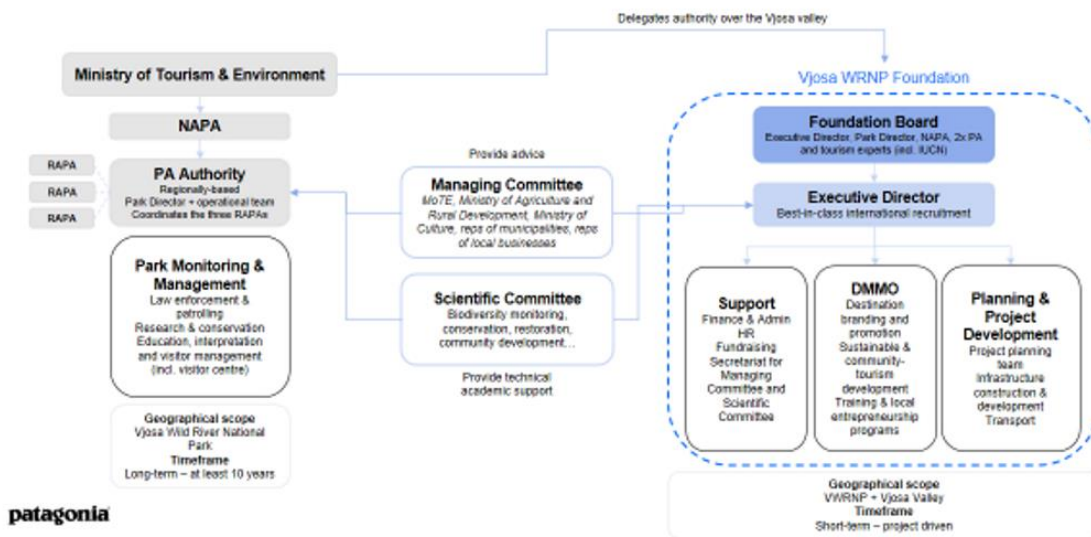
ii. Proposed

To address the challenges described above and to start setting the foundations of a sustainable governance model for the VWRNP, two options for how the management could be organised were developed: a shared governance model, and a split governance model. According to the preferred option from the expert's point of view and the discussion with Albanian authorities, stakeholders and involved experts, the management of VWRNP by a separate PA Authority under NAPA (split governance model) was considered as the preferred option, but to achieve this, legal amendments are necessary (see details in following section).

This new split governance model would, as shown in the figure below, create a new PA Authority under NAPA, responsible for the management of Vjosa WRNP. This PA Authority will:

- Coordinate the three RAPAs;
- Be based at the visitor centre and the VWRNP rangers will be paid by the PA Authority but will be based in the RAPAs and;
- Produce the PA annual management plans, which must be approved by NAPA.

Recommendation – Split governance model



Recommendation – Split governance model

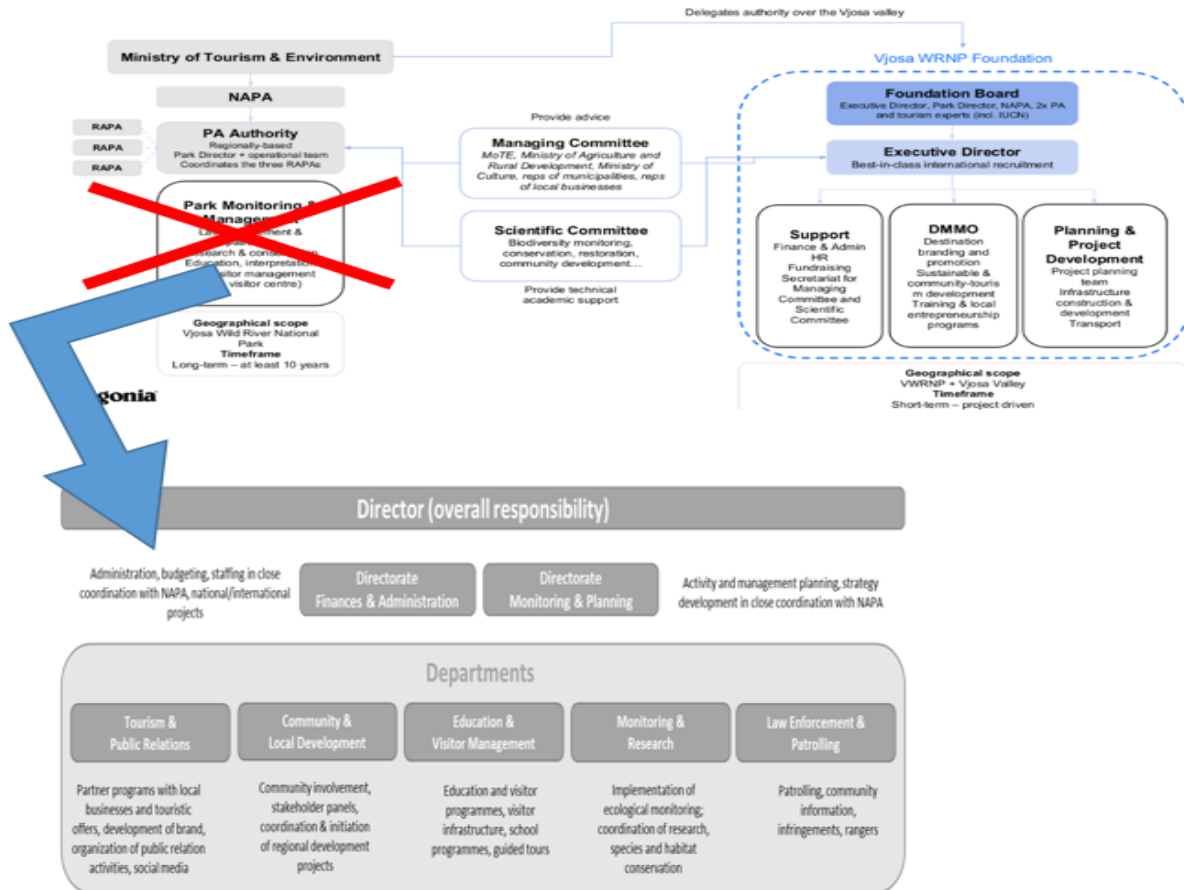


Figure 3: Structure of proposed option: Split Governance Model

This new PA Authority would be responsible for the management of the VWRNP, including law enforcement & patrolling, monitoring & research (including conservation projects), education & visitor management, community & local development, and tourism & public relations. The PA Authority would be led by a Park Director, supported by a Head of Finance & Administration and a Head of Monitoring & Planning.

Additionally, this split governance model would be completed by an independent Foundation. The MoTE would delegate the management of the Vjosa valley to a newly-created independent Foundation. The authority of the Foundation can be voluntary or based on legal powers – if the Government chooses to extend the buffer zone, create an area of national importance for tourism, or create a biosphere reserve. The Executive Director of the Foundation and the Park Director would have monthly meetings and work as a team. The Foundation Board would be composed of the Executive Director, the Park Director, NAPA, two Protected Areas and tourism experts including a representative from IUCN. The financial resources for the Foundation would come from international donors.

Both the PA Authority and the Foundation will be supported by:

- A Management Committee (composed of MoTE, other ministries, local municipalities, and local businesses)
- A Scientific Committee (composed of NGOs and research institutes)

b. Necessary legal changes

In order to set up this split governance model, some amendments to the Protected Areas Law need to be approved and implemented. These legal changes can be found in more detail in the explanatory report submitted by legal expert Elvana Tivari in October 2023.

The main risks of the transition to this new governance model are related to:

- Time required for establishing new structures, while implementation of the operational plans (part of the Management Plan) commences;
- Challenges related to staff recruitment and education;
- Delays related to the transition into the new budgetary and financial model, might impact the proper and timely implementation of the Management Plan.

- V. COST ANALYSIS

A. Management costs

1. Description of management scenario

As part of the work on the establishment and management of the VWRNP, an Operational Plan for the transition period 2023 - 2025 for the Park was prepared and this plan sets out the minimum conditions that would need to be met in order for VWRNP to be classified as a IUCN Category II National Park. For 2024 a transitional phase is forecasted to initiate in order for the fully operational VWRNP PA Authority to get established in 2025.

For this the minimum transitional requirements for the management of the VWRNP in 2024 are set as above and the following is a recommendation from the expert team.

Meanwhile in 2025, the new structure of PA Authority under NAPA is responsible for the management of Vjosa WRNP. This PA Authority is also tasked to coordinate the three RAPAs work and they will be based at the visitor centre. The financial management for the VWRNP rangers will be executed by PA Authority but will be based in the RAPAs.

2. Operational recurring costs

The operational recurring costs cover the management of the VWRNP inside the park boundaries, in terms of staff, operating expenses, and maintenance of technical equipment and infrastructure. These costs occur annually and will be covered by the government funding. The costs are structured in line with the functional activities the NP undertakes to fulfil its mission.

The operational recurring costs are categorised as follows:

Operational Costs	Budget category
STAFF COSTS	<i>Staff - salaries</i>
	<i>Travel - International</i>
RUNNING COSTS	<i>Consumables - office supplies</i>
	<i>Vehicle costs</i>
	<i>Other Services</i>
	<i>Travel – Local</i>
MAINTENANCE OF TECHNICAL EQUIPMENT	<i>IT Equipment</i>
	<i>Website</i>
MAINTENANCE OF INFRASTRUCTURE	<i>Repairs (Building)</i>
	<i>Repairs (Trails and Paths)</i>
	<i>Repairs (Information boards)</i>
	<i>Repairs (Visitor Center)</i>

Table 3: Structure of the operational recurring costs

i. Staff costs

The staff needs for VWRNP have been estimated by the Integrated Management Plan working group. The team proposed in the IMP includes the following roles:

- 8 FTE for 2024;
- At least 34 FTE from 2025 onwards

PA Authority - Park Management		Year 1 (2024)	Year 2 (2025)
Department	Job title	Headcount	Headcount
Executive leadership	Park Director	1	1
	Head of Directorate Finances & Administration		1
	Head of Monitoring & Planning		1
Support	Accountant	1	1
	Legal Expert		1
	HR Expert		1
Tourism & PR	Head of Ecotourism & Public Relations		1
	Public relations expert		1
	Ecotourism expert		1
	Junior PA management expert		1
Community & local development	Head of Community & Local Development Unit		1
	Community engagement expert		1
	Regional development expert/Project manager		1
Education & visitor management	Head of Education & Visitor Management Unit		1
	Education expert		1
	Visitor expert		1
Monitoring & research	Head of Monitoring & Research Unit		1
	GIS Expert		1
	Zoologist		1
	Botanist		1
	Freshwater ecologist		1
Law enforcement & patrolling	Head of Law Enforcement & Patrolling Unit		1
	Ranger Lower Section (Delta)	2	3
	Ranger Middle Section	2	3

Ranger Upper Section	2	3
Driver		1
Sanitary		1
Sanitary		1
TOTAL	8	34

1 Park Director, 3 qualified rangers, 3 assistant rangers

Figure 4: Structure of proposed headcount PA Authority

The staff salaries were based from the salary scheme of the National Agency for Protected Areas (NAPA). More details on the role & responsibilities of each staff member can be found in the draft reduced plan for VWRNP operations proposed for the year 2024.

Role	Main tasks	Salary (LEK)	Salary (EUR)
Park Director	Coordination, overall responsibility	155,000.00	1,409.09
Head of Directorate Finances & Administration	Administration, staffing, budgeting, coordination with NAPA Directorate	115,000.00	1,045.45
Accountant	Support of Finances, administration of national and international projects	70,000.00	636.36
Legal Expert	Legal expertise for the structure	70,000.00	636.36
HR Expert	Human resources expert	70,000.00	636.36
Head of Ecotourism & Public Relations	Development of touristic and public relations, meetings with stakeholders and decision makers	105,000.00	954.55
Public relations expert	Development of brand, logo, message, creation of pr material, planning of events	70,000.00	636.36
Ecotourism expert	Development of partner programs for local touristic enterprises, stakeholder meetings, development of contracts	70,000.00	636.36
Head of Directorate Monitoring & Planning	Activity and management planning, strategy planning, coordination with NAPA Directorate	115,000.00	1,045.45
Junior PA management expert	Supervision of implementation of work plans	70,000.00	636.36
Head of Community & Local Development Unit	Community involvement, stakeholder panels, coordination & initiation of regional development projects	105,000.00	954.55
Community engagement expert	Cooperation with communities, awareness raising, stakeholder meetings	70,000.00	636.36
Regional development expert/Project manager	Initiation and coordination of regional development projects	70,000.00	636.36
Head of Education & Visitor Management Unit	Development and implementation of visitor and education programmes	105,000.00	954.55
Education expert	School programmes, educational materials, visitor centres	70,000.00	636.36
Visitor expert	Visitor management	70,000.00	636.36
Head of Monitoring & Research Unit	Implementation of ecological monitoring; coordination of research; species and habitat conservation	105,000.00	954.55
GIS Expert	Preparation of GIS maps, GIS system	70,000.00	636.36
Zoologist	Implementation of conservation actions and monitoring, support of research projects	70,000.00	636.36
Botanist	Implementation of conservation actions and monitoring, support of research projects	70,000.00	636.36

Freshwater ecologist	Implementation of conservation actions and monitoring, support of research projects	70,000.00	636.36
Head of Law Enforcement & Patrolling Unit	Planning of ranger patrols, documentation of infringements	105,000.00	954.55
Ranger Lower Section (Delta)	Community information, patrolling, guided tours, support of monitoring, conservation and research activities	150,000.00	1,363.64
Ranger Middle Section		150,000.00	1,363.64
Ranger Upper Section		150,000.00	1,363.64
Driver		40,000.00	363.64
Sanitary		40,000.00	363.64
Sanitary		40,000.00	363.64

Figure 5: NAPA Salary Scheme

Below is the 3-year estimation of staff costs for VWRNP:

Operational Recurring Costs	Budget category	Unit	# of Unit	Unit Cost €	Total Cost (per budget category)	Total Budget 3Y (2024-2027)
STAFF COSTS	<i>Staff - salaries</i>	Lumpsum	1	658 909,00 €	658 909,00 €	673,489,00 €
	<i>Travel - International</i>	Lumpsum	1	14 580,00 €	14 580,00 €	

Figure 6: VWRNP Salary Scheme

ii. Maintenance of technical equipment & infrastructure

The maintenance costs include costs associated with the repairing and small work for the office of the management team as well as rangers vehicles, as well as the maintenance of buildings, trails, visitors centre and information boards. The increase of maintenance costs over time has been calculated with a 10% yearly increase of inflation rate ratio.

Operational Costs	Budget category	Unit	# of Unit	Unit Cost €	Total Cost (per budget category)	Total Budget 3Y (2024-2027)
MAINTENANCE TECH. EQUIPMENT	<i>IT Equipment</i>	per month	30	100,00 €	3 000,00 €	6 120,00 €
	<i>Website</i>	per month	24	130,00 €	3 120,00 €	
MAINTENANCE OF INFRASTRUCTURE	<i>Repairs (Building)</i>	per month	30	100,00 €	3 000,00 €	13 000,00 €
	<i>Repairs (Trails and Paths)</i>	per year	3	2 000,00 €	6 000,00 €	
	<i>Repairs (Information boards)</i>	per year	2	1 500,00 €	3 000,00 €	
	<i>Repairs (Visitor Center)</i>	per year	1	1 000,00 €	1 000,00 €	

Figure 6.1: Maintenance costs

iii. Running costs

These costs include ongoing expenses incurred from the normal day-to-day of running a National Park such as: consumables, utilities, travel costs, printing, fuel, water, electricity, communications (phone, internet, etc.), security, as well as basic equipment purchases (GPS, lamps, boots, uniforms, etc.). Also, here a 10% yearly increase of inflation rate ratio has been applied. These are also estimated by the IMP working group.

Operational Costs	Budget category	Unit	# of Unit	Unit Cost €	Total Cost (per budget category)	Total Budget 3Y
RUNNING COSTS	<i>Consumables - office supplies</i>	Lumpsum	1	38 820,00 €	38 820,00 €	158 683,80 €
	<i>Vehicle costs</i>	Per unit	9	6 814,20 €	61 327,80 €	
	<i>Other Services</i>	per month	36	1 426,00 €	51 336,00 €	
	<i>Travel – Local</i>	per month	36	200,00 €	7 200,00 €	

Figure 6.2: Running costs

b. Investment costs

This category describes all nonrecurring costs incurred during the startup phase of the VWRNP. Such costs consist in long-term capital expenditure investments; they include but are not limited to, construction costs, long-term office supplies & IT equipment, recruitment of consultants to run research projects that are limited in time, website development, and events organisation.

The investments costs for VWRNP are categorised as follows:

Investment Costs	Budget category
TECHNICAL EQUIPMENT	<i>Office Supplies</i>
	<i>Vehicle</i>
	<i>IT Equipment</i>
RESEARCH & EXTERNAL SUPPORT	<i>Website</i>
	<i>Consultant - National (Communication expert)</i>
	<i>Consultant - National (Capacity Building Legal and Finance)</i>
	<i>Consultant - National (Capacity Building)</i>
	<i>Audit Fee</i>
	<i>Consultant - National (BP Visitors Centre)</i>
	<i>Events</i>
INFRASTRUCTURE	<i>Consultant - National (Information Boards)</i>
	<i>Consultant - National (Visitor guidance system)</i>

Table 4: Structure of the investments costs

i. Equipment purchase

The technical equipment includes any vehicle, tool, instrument or installation used that should comply with the technical conditions and continuity of the normal and needed operation of the park. More specifically here are included:

- **Office supplies costs** on yearly basis and a ratio of 10% increase of inflation rate has been applied after the 1st year that is considered to be the main year for investments

	Office Supplies	When?
1	Working stations (for 10 persons the first year, 6 the second and 7 the third)	Every 3 years
2	Office closets (6 in total)	The first year
3	Official clothing for rangers and staff (boots, trousers, jackets, shirts) for 30 sets	The first year

Table 5: Office supplies costs

- **Vehicle costs** have no inflation rate but the main investment of the first-year repeats on the 7th year:

2	Vehicles	When
2.1	Vehicles (eg. Hyundai RAV4) (4 vehicles forecasted)	The first and the 7 th year
2.2	Boats (3 rafts forecasted)	The first and the 7 th year

Table 6: Vehicle costs

- **IT equipment** is equipment evaluated to be needed for the normal run of the VWRNP. These costs are divided as follows:

3	IT Equipment	WHEN
3.1	PCs (including screen, keyboard, mouse, headsets) as a set (10 per the first year, 6 for the second and 7 for the third)	Within the first 3 years
3.2	Printer all in one	The first year
3.3	Office phones (8 phones)	The first year
3.4	Mobile phones (10 cel)	The first year
3.5	Projector	The first year
3.6	Monitoring equipment (3 drones approx. 2000 euro each, 10 tablets approx. 300 euro each)	Within the first 3 years
3.7	UPS (10 per the first year, 6 for the second and 7 for the third)	Within the first 3 years

Table 7: IT Equipment costs

ii. Infrastructure investment

Infrastructure is the set of designing, acquiring, constructing, improving, or expanding the infrastructure serving the VWRNP. These costs are set to happen in the first and the second year of the park.

Infrastructure		When
1	Consultant - National (Information Boards)	After the 1 st year the same investment repeats on the 4th, 7th and 10th year
2	Consultant - National (Visitor guidance system)	After the 1 st year the same investment repeats on the 5th and 8th year

Table 8: Infrastructure costs

iii. Research projects & external support

Here are included all the outsourced expertise deemed necessary to sustain and develop the National Park, especially research projects, capacity-building, communications and visitor experience. The expertise varies on a yearly basis depending on the park needs and normal operation.

EXTERNAL SUPPORT	Website	First year
	Consultant - National (Communication expert)	First year
	Consultant - National (Capacity Building Legal and Finance)	First year
	Consultant - National (Capacity Building)	per year
	Audit Fee	per year
	Consultant - National (BP Visitors Centre)	The second year
	Events	Yearly basis with a 10%inflation ration

Table 9: External costs

B. Governance costs

From the proposed Split Governance Model, there is a PA Authority that will manage the VWRNP and in parallel there is the Foundation that will manage the wider area of the Vjosa valley - level of prerogative of the Foundation is expected to evolve over time depending on the legal changes implementation timeline.

In this section are included the costs of the Foundation, mainly comprising salary costs and running costs for the normal functionality of the Foundation. To both categories a 10% increase on yearly basis inflation rate has been applied.

Found ation Costs	Budget category	Unit	# of Unit	Unit Cost €	Total Cost	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Year 6 2030	Year 7 2031	Year 8 2032	Year 9 2033	Year 10 2034
STAF F COST S	Executive Director	per month	12	2 500,00 €	30 000 €	30 000 €	30 300 €	30 603 €	30 909 €	31 218 €	31 530 €	31 846 €	32 164 €	32 486 €	32 811 €
	Commercial Director	per month	12	2 000,00 €	24 000 €	24 000 €	24 240 €	24 482 €	24 727 €	24 974 €	25 224 €	25 476 €	25 731 €	25 989 €	26 248 €
	Finance & Admin Officer 1	per month	12	2 000,00 €	24 000 €	24 000 €	24 240 €	24 482 €	24 727 €	24 974 €	25 224 €	25 476 €	25 731 €	25 989 €	26 248 €
	Finance &	per	12	1 800,00 €	21 600 €	21 600 €	21 816 €	22 034 €	22 255 €	22 477 €	22 702 €	22 929 €	23 158 €	23 390 €	23 624 €

	Admin Officer 2	month		0 €	€	€	€	€	€	€	€	€	€	€	€	€
	Fundraising Officer	per month	12	1 800,00 €	21 600 €	21 600 €	21 816 €	22 034 €	22 255 €	22 477 €	22 702 €	22 929 €	23 158 €	23 390 €	23 624 €	€
RUNNING COSTS	Travel - International for board members	per year	2	3 000,00 €	6 000 €	6 000 €	6 300 €	6 615 €	6 946 €	7 293 €	7 658 €	8 041 €	8 443 €	8 865 €	9 308 €	€
	Participatory Fee	Per meeting/yearly	10	400,00 €	4 000 €	4 000 €	4 000 €	4 000 €	4 000 €	4 200 €	4 200 €	4 200 €	4 200 €	4 200 €	4 200 €	4 200 €
	Travel – Local for board members	per year	6	200,00 €	1 200 €	1 200 €	1 260 €	1 323 €	1 389 €	1 459 €	1 532 €	1 608 €	1 689 €	1 773 €	1 862 €	€

Table 9.1: Governance costs

C. Interpretation costs

1. Description of interpretation scenarios

The Interpretation Plan is a tool with great potential for raising awareness and bringing different actors (visitors, partners, community, and management team) closer to the VWRNP. Within the park boundaries, the plan is designed to be implemented and supervised by the National Agency for Protected Areas (NAPA) in collaboration with the Regional Administration for Protected Areas (RAPA) in a planned and structured way and mainly related to the areas inside the VWRNP boundaries (interpretive signs, exhibitions, monitoring, trained guides, lectures, maps, educational actions) to transform tourism into an enriching experience of awareness and perception of nature in a new way.

Outside the park, interpretation can be replicated with the partnership of local stakeholders but is not the intent of this program. The interpretative plan is focused within the park boundaries, demonstrating the particularities of the Vjosa Wild River National Park. The plan is also designed to enhance the involvement of the local community with the park and its natural resources through education and environmental awareness, and sustainability actions, strengthening the sense of belonging, culture and local identity.

The action plan is composed of a Preliminary Scenario (Year 1) and Optimal Scenario (Year 2 onwards):

- Year 1: Planning and Initial Development - Preliminary Scenario (2024);
- Year 2: Initial Implementation - Optimal Scenario;
- Year 3: Official Launch - Optimal Scenario (2026) Implement the interpretation program exhibits and panels Start Concessionaires selection Official launch of Visitor Centre;

- Year 4 onwards: Full Operations and Marketing - Optimal Scenario (2027) implement full-scale marketing campaigns. Regularly assess and update programs based on visitor feedback.

2. Recurring costs

The recurring annual costs estimated to enable the implementation of the preliminary and optimal scenarios of interpretation and visitor experience are summarised in the table below. The preliminary scenario would be implemented on Year 1 while the costs would increase starting from Year 2 onwards.

The interpretation working group also provisioned a 10% project management and oversight costs, as well as 5% contingency funds. The inflation ratio taken into account to forecast the ten-year scenario was 2%.

	YEAR 1	YEAR 2+
<i>Signage maintenance and update</i>	0 €	4000
<i>Map and brochure reprinting</i>	0 €	25000
<i>Visitor centre maintenance</i>	0 €	110000
<i>Information stations maintenance x2</i>	0 €	44000
<i>Picnic areas maintenance</i>	0 €	2500
<i>Interpretation points maintenance</i>	0 €	25000
<i>Interpretive signage and kiosks maintenance</i>	0 €	10000
<i>Digital platforms updates and maintenance</i>	0 €	5000
<i>Guided tours</i>	0 €	10000
<i>Guided river tours</i>	0 €	8000
<i>Educational programs</i>	0 €	4000
<i>Community involvement</i>	0 €	4000
<i>Multi-lingual support</i>	0 €	1000
<i>Staff training and supervision</i>	0 €	17500
ANNUAL TOTAL	0 €	270 000 €
10 YEARS TOTAL	0 €	2 700 000 €

Figure 7: Recurring annual costs estimates for interpretation and visitor's experience in the VWRNP

3. Investment costs

Upfront investments required to implement both the preliminary and optimal Interpretation and Visitor's Experience scenarios at Vjosa WRNP are presented here. These are first level estimates in order to provide an overall idea of the total costs of the projects for fundraising and management purposes and should be detailed during the implementation phase. Estimates provided here are also subject to market conditions and should be updated regularly for accurate planning and budgeting.

	YEAR 1	YEAR 2
Information and safety signage	40 000 €	0 €
Printed maps/Self-guided tour materials	35 000 €	0 €
Digital platforms	6 000 €	50 000 €
Interactive visitor centre construction	0 €	1 000 000 €
Information stations x2	0 €	500 000 €
Educational school programs	0 €	20 000 €
Educational river programs	0 €	15 000 €
Community involvement	0 €	10 000 €
Multi-lingual support	0 €	5 000 €
Multiple river access points	90 000 €	0 €
Picnic areas	15 000 €	0 €
Interpretation points	0 €	250 000 €
Interpretive signage and kiosks	0 €	25 000 €
Guided river tours	0 €	20 000 €
Staff training and supervision	104 000 €	0 €
SUBTOTAL	290 000 €	1 895 000 €
Project management and oversight (10%)	29 000 €	189 500 €
Contingency funds (5%)	14 500 €	94 750 €
GRAND TOTAL	333 500 €	2 179 250 €

Figure 8: Upfront investment estimates for interpretation and visitor experience in the VWRNP

D. Tourism & sustainable development costs

1. Description of basic & optimal tourism scenarios

The vision for tourism in the Vjosa River Valley is to position it as a world leading sustainable wildlife and adventure travel destination. The Vjosa River Valley will become spontaneously identified by sophisticated travellers as (at least) among the top 3 unspoiled, authentic and sustainable destinations in Europe. The 'sophisticated' travel segments in this case being adventure and experiential travellers and the most important subsets of that group being cultural explorers, wildlife enthusiasts, foodies, agri and rural tourists.

The basic scenario and the optimal are similar here. There is no alternative to developing a **high value - low volume** offer. Providing the absence of future shocks and crises in the tourism industry (which are unfortunately frequent), visitor numbers in Albania will grow, driven by

tourism growth from new emerging source markets and the flight from over tourism in more 'established' destinations. The addition of the National Park status will attract even more visits to the Valley.

With this in mind, the objective must be to realign the regional offer away from mass tourism towards higher spending segments, so that we can unlock revenue growth without excessive growth in visitor numbers. We also need to attract visitors who appreciate and practice sustainability. We must preserve the almost pristine nature/culture of the valley as an increasingly valuable tourism asset, regardless of environmental concerns. We can't prohibit mass tourism in the valley (not yet), but we can create a 'brand' based on the promise of a well preserved authentic destination, where tourism values and protects nature and culture to the benefit of local people. If stakeholders can come to understand the incredible value of such a brand, and buy into the brand values, we can achieve a lot, ultimately the industry themselves may push to legislate against mass tourism, when they understand their true value as a destination.

2. Recurring costs

The financial sustainability of Vjosa Wild River National Park and the broader valley destination are vitally important to protecting the landscape and supporting communities that live in the region. Tourism is a significant driver of this economic sustainability. The economic component of the tourism strategy for the park and valley focused on the following: marketing and branding of sustainable tourism products in the valley and the park to ensure their value is realised among visitors; investments to support development of sustainable tourism products that match new tourism market demands; diversifying the products, services, and experiences offered in and around the park to provide a more compelling tourism experience for visitors; and developing the infrastructure required to support all of these activities for years to come without negatively impacting the environment of the area.

TOURISM RECURRING COSTS										
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Parking		5 000 €	10 000 €	15 000 €	15 450 €	15 914 €	16 391 €	16 883 €	17 389 €	17 911 €
<i>Annual Operational Cost</i>		5 000 €	10 000 €	15 000 €	15 450 €	15 914 €	16 391 €	16 883 €	17 389 €	17 911 €
Marketing / Promotion	250 000 €	335 410 €	152 200 €	274 000 €	306 875 €	504 550 €	511 205 €	628 026 €	636 078 €	754 436 €
<i>Base marketing</i>	250 000 €	250 000 €	50 000 €	55 000 €	60 500 €	66 550 €	73 205 €	80 526 €	88 578 €	97 436 €
<i>Additional marketing budget 50% of Tourism Conservation Tariff</i>	0 €	85 410 €	102 200 €	219 000 €	246 375 €	438 000 €	438 000 €	547 500 €	547 500 €	657 000 €
TOTAL ESTIMATED RECURRING ANNUAL COSTS	500 600 €	588 820 €	425 999 €	559 837 €	627 899 €	821 011 €	836 038 €	967 107 €	1 025 65 3 €	1 123 83 2 €

Figure 9: Tourism recurring costs

a. Investment costs

The financial basis necessary to create new businesses, products, services, etc. in the valley will require upfront investment by private entities, donors, non-government organisations, and government. These investors will likely determine whether to provide capital based on how they align with the region's mission to develop tourism with sustainability at its core and the likely returns from such investments. Depending on the organisation this will include financial, social and/or ecological returns.

Some of the assumptions used to estimate the upfront investment costs for tourism & sustainable development include:

- **Parking:** 150 parking spaces at the visitor centre and other strategic locations;
- **Staff skills & visitor management training:**
 - Provide training tailored to VWRNP management staff on developing a plan for managing tourists, empowering park staff with practical standards and guidelines as well as the tools necessary to implement rules and standards in and around the park.
 - Implement visitor carrying capacity assessments alongside park staff to prevent overcrowding and ensure a quality experience. Funding includes training of park staff to conduct such assessments for ongoing park management.
 - Develop a comprehensive marketing plan for the park, using hands-on learning with park staff to build their awareness of tourism markets and marketing strategies to be able to update future plans.
 - Provide comprehensive training for tourism and customer-facing park staff to respond to emergencies including accidents, wildlife encounters, search and rescue, and evacuation.
 - Provide general training on environmental ethics for all park staff and tourism operators in and around the park. Funding also includes 'Leave no Trace' certification to a trainer level for 3-4 select staff.
 - Provide educational workshops and training for VWRNP operations staff, especially guides, on how to best provide high-quality sustainable experiences to visitors.
 - Organise workshops that train park staff, local guides and tourism stakeholders to effectively tell the story of the Vjosa River Basin in ways that enhance visitor engagement and ensure a consistent message between the park and the natural landscape of the region.
- **Physical, digital and safety infrastructure:**
 - Develop a strategy that analyses areas of current or future high visitor flow near to the park and design site specific trail and other infrastructure to manage the flow of visitors around the park boundaries and their potential impact on the park.

- Develop safety management plan, including identification of locations in the park and its immediate hinterland where unmanaged visitor access could pose a serious potential risk to visitor safety and where a visitor accident or incident would be likely to cause significant harmful impacts for river conservation.
- Produce high-quality photos, videos, and multimedia content that highlight the park’s diverse landscapes, wildlife, activities, and local culture. Develop a website for the park as well as promotional materials that tell its story to potential visitors. Include visitation guidelines in materials.
- Equip the park with necessary gear and risk prevention devices to accommodate a wide range of activities along the Vjosa River, including rafting, kayaking, stand up paddleboarding, packrafting, and canyoneering.
- Develop a comprehensive e-learning platform tailored for sustainable tourism education and training for tourism guides. This platform aims to equip individuals with the knowledge and skills necessary to promote and practise sustainable tourism principles within the Vjosa Wild River National Park (Vjosa WRNP) and its surrounding areas.

The investments typologies/programs proposed by the Tourism Plan are seen as per the table below:

Typology	Location	Priority	Time to implement
Identify government land for public tourism investment and work with government on transferring management of land to VWRNP	Valley	Short Term / High Priority	2024 - 2025
Private Tourism Investment Strategy - specific ‘signature’ tourism products that will either generate revenue for the park/Foundation, or model best practices in sustainable tourism in the region	Valley	Short Term / High Priority	2024 - 2025
Tourism Business Incubator/Accelerator - comprehensive package of support for start-up enterprises and existing businesses looking to scale to help them develop high value, market ready visitor experiences and activities.	Valley	Medium Term / High Priority	2024 - 2027
Local Artisan Initiative - enhancing the cultural tourism offer are local artisans and craft makers, both as suppliers of authentic locally produced souvenirs and gifts but also as potential facilitators of participatory cultural tourism experiences	Valley	Medium Term / High Priority	2025 - 2028
Information Centers and Stations - Information and educational sites along the river are important hubs where visitors can learn about the park and the broader landscape as well as organise activities	Valley	Medium Term / High Priority	2024 - 2027
Recreation Infrastructure - trails, viewing structures, parking areas, road stops, bathrooms	Valley	Long Term / Medium Priority	2025 - 2030

and rubbish receptacles as well as informational signage			
Digital Infrastructure - Development of Vjosa web-portal; Vjosa App and integration with physical signage	Valley	Short Term / High Priority	2024

Table 10: Investment programs for tourism

The investments recommended will enhance and diversify the tourism products (services, activities and experiences) offered in the Vjosa valley. In order to do so the minimum investment requirements for the 3Y period have been identified and shown as per the table below:

UPFRONT INVESTMENTS COSTS			
	Year 1	Year 2	Year 3
Parking		120 000 €	60 000 €
Retail		25 000 €	
Staff skills & visitor management training	213 997 €	171 198 €	
<i>GSTC sustainable tourism certification</i>	61 821 €		
<i>Tourism management readiness</i>	57 066 €		
<i>Visitor carrying capacity readiness</i>	57 066 €		
<i>Staff marketing readiness</i>	38 044 €		
<i>Emergency preparedness readiness</i>		47 555 €	
<i>Leave no Trace' readiness</i>		19 022 €	
<i>Visitor experience training</i>		57 066 €	
<i>Narrative training</i>		47 555 €	
Physical, digital and safety infrastructure	399 462 €	399 462 €	
<i>Visitor flow & infrastructure strategy</i>	190 220 €		
<i>Safety management, signage & materials</i>	142 665 €		
<i>Visual & digital content creation</i>	66 577 €		
<i>Safety equipment for water rescue</i>		95 110 €	
<i>E-learning tourism platform for sustainable tourism education</i>		304 352 €	
TOTAL ESTIMATED UPFRONT INVESTMENT	613 459 €	715 660 €	60 000 €

Table 11: Upfront investments costs for tourism and sustainable development

E. Synthesis of 3Y and 10Y costs

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Number of park visitors	9640	14296	20601	23819	25693	28920	29285	29285	29285	29285	29285
Number of FTEs for park authority	8	34	27	34	34	34	34	34	34	34	34

COSTS											
Management	195 500 €	567 166€	434 988 €	413 338 €	465 612 €	535 933 €	519 716 €	775 887€	665 752€	673 527€	770 079€
Governance (VWRNP Foundation)		132 400 €	133 972 €	135 574 €	137 207 €	139 073 €	140 772 €	142 505 €	144 274 €	146 080 €	147 924 €
Interpretation & Visitor Experience	333 500 €	2 449 250 €	280 800 €	286 416 €	292 144 €	297 987 €	303 947 €	310 026 €	316 226 €	322 551 €	
Tourism	649 462 €	884 872 €	222 200 €	289 000 €	322 325 €	520 464 €	527 596 €	644 908 €	653 467 €	772 347 €	
TOTAL COSTS	195 500 €	1 682 528 €	3 903 082 €	1 051 912 €	1 178 235 €	1 289 475 €	1 478 938 €	1 749 935 €	1 764 959 €	1 789 300 €	2 012 901 €

Table 12: Synthesis of 10Y costs

- VI. REVENUE ANALYSIS & FUNDING GAP

A. Current and projected revenue

a. Government funding

The result of the proposed split governance model is that the assets, management and operational responsibility over the protected area and Vjosa valley are split between the organisations most able to accommodate them - the PA Authority or the Foundation.

This arrangement is shown below, the key aspects of which are:

- The Government of Albania retains ownership of all the site’s assets for public benefit, in perpetuity;
- The Government of Albania retains ownership for the capital and revenue provided in terms of the timing and agreement made;
- The New Foundation invests in the site’s operational and capital requirements, perhaps in partnership with other external third parties as it sees fit.

As seen in the table below, government funding is supposed to cover the PA Management Costs for at least at 10Y period; including staff costs, running and maintenance costs, and upfront investments, all of which are laid out in the IMP. These costs combined amount to 195,500.00 EUR in the first year (2024) and increase to 662,054.00 EUR in 2034.

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Government funding	195 500 €	567 166 €	434 988 €	413 338 €	372 612 €	409 873 €	450 861 €	495 947 €	545 541 €	600 095 €	660 105 €
10Y IMP budget - Staff costs	45 000 €	177 224 €	223 042 €	273 224 €	300 646 €	330 601 €	363 661 €	400 027 €	440 029 €	484 032 €	532 436 €
10Y IMP budget - Running and maintenance costs	21 500 €	52 143 €	60 147 €	65 515 €	72 066 €	79 273 €	87 200 €	95 920 €	105 512 €	116 063 €	127 669 €
3Y IMP budget - investments	129 000 €	337 800 €	151 800 €	74 600 €							

Table 13: Governance funding

b. Tourism-generated revenue

To sustain the VRWNP and generate revenues for the park, it is necessary for the park to offer fee based tourism activities and services. Some of these can occur within the park and others outside of the park, but overseen as park tourism products.

As the mission of NAPA is to protect and manage the park rather than operate tourism activities, it is recommended that, where possible, the park/Foundation concession or provide access permits for tourism services and activities to private operators, under strict management guidelines. The professional tourism operators and services would pay NAPA/Foundation concession or permit fees for the opportunity (See Park Business Model section for more details). This also provides opportunities for local residents and businesses to benefit from the park. Access to land outside of the park, but nearby, that can be managed by the Foundation as ‘revenue lands’ for tourism activities, is also critical to give the park the foundational assets on which to generate revenues that will sustain their operations.

The table below shows all the tourism-based revenue streams presented in more details in the Tourism Plan.

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Tourism-generated revenue	€19 500	€419 288	€726 436	€1 025 423	€1 121 593	€1 559 882	€1 609 038	€1 845 798	€1 885 728	€2 123 890
Rafting & kayaking	€17 400	€19 120	€24 301	€25 254	€30 017	€33 513	€37 788	€37 788	€42 078	€42 078
Educational excursions	€2 100	€2 760	€3 995	€4 762	€5 805	€5 805	€6 515	€6 515	€7 231	€7 231
Research and education centre			27 375 €	45 625 €	65 700 €	87 600 €	114 975 €	114 975 €	131 400 €	131 400 €
Parking		8 213 €	27 375 €	54 750 €	54 750 €	68 438 €	68 438 €	68 438 €	68 438 €	68 438 €
Retail sales		9 375 €	15 750 €	20 672 €	22 791 €	25 127 €	27 702 €	30 542 €	33 672 €	37 124 €
Land rent		200 000 €	412 000 €	424 360 €	437 080 €	450 200 €	463 720 €	477 640 €	491 960 €	506 720 €
Optional commercial visitor centre attractions		9 000 €	11 240 €	12 000 €	12 700 €	13 200 €	13 900 €	14 900 €	15 950 €	16 900 €
Tourism Conservation Tariff (per visitor per stay)		170 820 €	204 400 €	438 000 €	492 750 €	876 000 €	876 000 €	1 095 000 €	1 095 000 €	1 314 000 €

Table 14: Tourism generated revenue streams

The main revenues are generated through the research and education facility. Meanwhile in red are the generated revenues that need certain conditions to be met in order to be considered as possible revenue streams. Indeed, while some revenue streams can be unlocked right now under the existing conditions, **some new revenue streams need certain conditions to be met to reach their full potential:**

- **Research and education centre:** the Research and education centre must be allowed to welcome visitors overnight - accommodation;

- **Land lease:** Public land in the valley to be transferred to the Ministry of Tourism (or NAPA) and then the Foundation be granted management rights to this land (government would still keep ownership);
- **Tourism Conservation Tariff:** Conditional to change in DCM to allow for creation and collection of this fee;
- **Government funding:** to a certain extent, government funding is also conditional because it still needs to be formally approved by the government.

c. Other revenue sources

Depending on revenues scenarios, other sources of income exist, derived from interpretation and visitor experience activities. Besides their purpose of educating and aiming at conservation, these services can also generate revenue that can be reinvested in the park. Concessions are the most common name for Public-Private Partnerships (PPP) but there are other modalities.

Below are some possibilities for visitor experience revenue-generating activities that align with the park's focus on education and environmental protection:

REVENUES						
	YEAR 1+					
Map and brochures sales	12 500 €	2,5	unit sale price	5000	number of maps and brochures sold	
Donation boxes & online donations	10 000 €	1000	estimation per year			
Guided tours	12 000 €	6	price per participant	2000	number of participants	
Visitor centre ticket sales	180 000 €	5	ticket price	36000	number of visitors	
Restaurant/cafe concession	30 000 €	6	average spent	5000	number of customers	
Gift shop sales	0 €	6	average spent	4000	number of customers	joint in the retail section
Educational programs	6 000 €	6	price per participant	1000	number of participants	
ANNUAL TOTAL	250 500 €					
10 YEARS TOTAL	2 505 000 €					
Annual growth	10%					

Table 15: Interpretation generated revenue

Another source to revenues are sponsorships and international donors. These potential sources increase the possibility to fulfil the VWRNP needs and bridge the gap of the needed expertise for the normal running of the park.

B. Synthesis of 3Y and 10Y revenue

A summary of the 3Y & 10Y revenue are found on the table below, showing the revenues collected activities based and yearly based.

The most important income stream derives from the tourism tab, covering more than 50% of the revenues collected. Annual income has a yearly growth from Year 1 onwards as a result of the opening of the visitor centre, retail operations, increased visitor numbers and the fact that entry prices have been raised in real terms.

REVENUES										
Interpretation & Visitor Experience	250 500 €	275 550 €	303 105 €	333 416 €	366 757 €	403 433 €	443 776 €	488 154 €	536 969 €	590 666 €
Map and brochures sales	12 500 €	13 750 €	15 125 €	16 638 €	18 301 €	20 131 €	22 145 €	24 350 €	26 795 €	29 474 €
Donation boxes & online donations	10 000 €	11 000 €	12 100 €	13 310 €	14 641 €	16 105 €	17 716 €	19 487 €	21 436 €	23 579 €
Guided tours	12 000 €	13 200 €	14 520 €	15 972 €	17 569 €	19 326 €	21 259 €	23 385 €	25 723 €	28 295 €
Visitor center ticket sales	180 000 €	198 000 €	217 800 €	239 580 €	263 530 €	289 892 €	318 881 €	350 769 €	385 840 €	424 431 €
Restaurant/cafe sales	30 000 €	33 000 €	36 300 €	39 930 €	43 923 €	48 315 €	53 147 €	58 462 €	64 308 €	70 738 €
Gift shop sales	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Educational programs	8 000 €	8 600 €	7 260 €	7 988 €	8 785 €	9 663 €	10 629 €	11 692 €	12 862 €	14 148 €
Tourism	€19 500	€419 288	€726 436	€1 025 423	€1 121 593	€1 559 882	€1 609 038	€1 845 798	€1 885 728	€2 123 890
Rafting & kayaking	€17 400	€19 120	€24 301	€25 254	€30 017	€33 513	€37 788	€37 788	€42 078	€42 078
Educational excursions	€2 100	€2 760	€3 995	€4 782	€5 805	€5 805	€8 515	€8 515	€7 231	€7 231
Research and education center			27 375 €	45 625 €	65 700 €	87 600 €	114 975 €	114 975 €	131 400 €	131 400 €
Parking		8 213 €	27 375 €	54 750 €	54 750 €	68 438 €	68 438 €	68 438 €	68 438 €	68 438 €
Retail sales		9 375 €	15 750 €	20 672 €	22 791 €	25 127 €	27 702 €	30 542 €	33 672 €	37 124 €
Land rent		200 000 €	412 000 €	424 360 €	437 080 €	450 200 €	463 720 €	477 640 €	491 960 €	506 720 €
Optional commercial visitor center attractions		9 000 €	11 240 €	12 000 €	12 700 €	13 200 €	13 900 €	14 900 €	15 950 €	16 900 €
Tourism Conservation Tariff (per visitor per stay) (conditional to a change in DCM to allow to create and collect this fee)		170 820 €	204 400 €	438 000 €	492 750 €	876 000 €	876 000 €	1 095 000 €	1 095 000 €	1 314 000 €
Government funding	195 500 €	587 166 €	434 988 €	413 338 €	372 612 €	409 873 €	450 881 €	495 947 €	545 541 €	600 095 €
10Y IMP budget - Staff costs (to be approved)	45 000 €	177 224 €	223 042 €	273 224 €	300 546 €	330 601 €	363 661 €	400 027 €	440 029 €	484 032 €
10Y IMP budget - Running and maintenance costs (to be approved)	21 500 €	52 143 €	60 147 €	65 515 €	72 066 €	79 273 €	87 200 €	95 920 €	105 512 €	116 063 €
3Y IMP budget - investments (to be approved)	129 000 €	337 800 €	151 800 €	74 600 €						
TOTAL REVENUES	195 500 €	837 166 €	1 129 826 €	1 442 879 €	1 731 450 €	1 998 223 €	2 414 175 €	2 548 761 €	2 879 493 €	3 022 793 €

Figure 10: Total revenues

C. Funding gap

The funding gap to be filled is estimated to be important during the first 2 years of operation of the VWRNP, **meaning 2025 and 2026 with a combined amount of 3,618,619.00 EUR.** After Year 3, if all income streams are able to be unlocked, they would generate enough revenue to cover the operating and investment costs of the park. This is an optimal scenario and break-even is susceptible to be reached way later if some revenue streams cannot reach their full potential, because the conditions are not met.

This means that it has been assumed that such investments and returns are based on the understanding that the New Foundation will be a self-sustained institution from its inception and hence the Philanthropy forecasted income will contribute to a surplus in the Foundation yearly financial statements.

The table below shows the estimated funding gap to be filled, before and after intervention of philanthropy and ODA.

FUNDING GAP (1)	0 €	-845 362 €	- 2 773 25 7 €	390 967 €	553 215 €	608 748 €	935 237 €	798 826 €	1 114 533 €	1 233 493 €	1 361 760 €
Philanthropy & ODA											
Patagonia funding		tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc
Philanthropy - other funders	30 000 €	4 104 393 €	2 878 926 €	1 990 689 €							
REMAINING FUNDING GAP (2)	30 000 €	3 259 031 €	105 669 €	2 381 656 €	553 215 €	608 748 €	935 237 €	798 826 €	1 114 533 €	1 233 493 €	1 361 760 €

Table 16: Funding gap

- VII. BRIDGING THE FUNDING GAP

A. Philanthropy & ODA potential

The plan consists of co-creating proposals for ODA fundraising and proposals for philanthropic organisations. The work will more be focused on philanthropic organisations and companies, due to ODAs lack of information. For that an action plan has been developed following the steps toward identification of the income potentials for VWRNP:

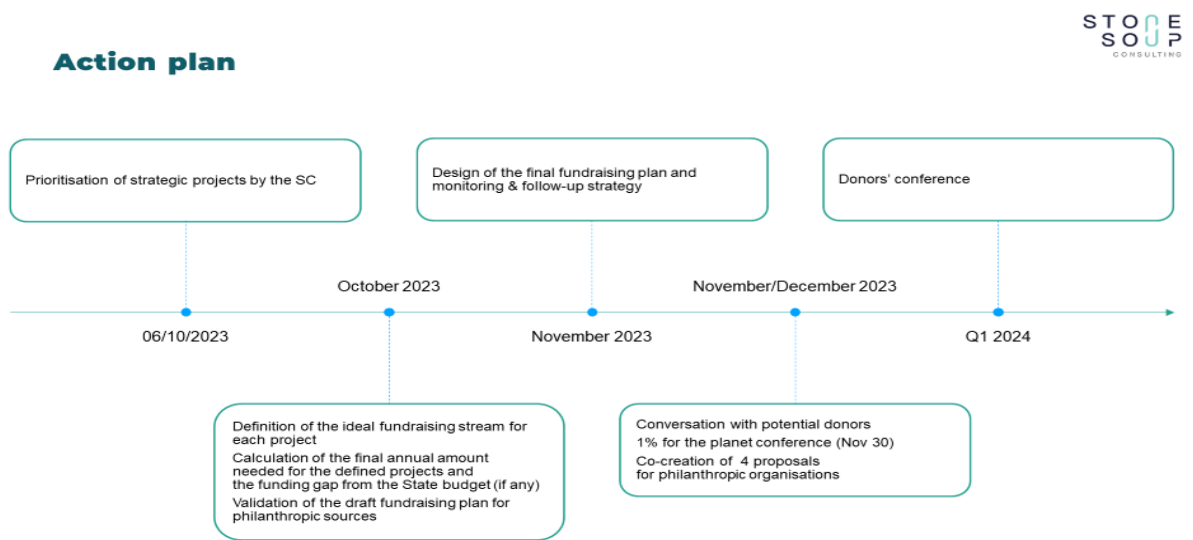


Figure 11: Fundraising action plan

Based on the action plan a list of potential opportunities for philanthropy was compiled and based on priority needs assessments as agreed with the Management Plan experts. The Fundraising working group expects to raise a total of 9 million euros for the following projects:

1. Park Signage 120.000€
2. Management equipment 400.700€
3. Visitor centres 1.503.625€ (but from yesterday we have another budget with a total amount of 2.512.750€)
4. Integrated Water Study (733.000€)
5. Biodiversity study (600.000€)
6. Protection measures (300.000€)

7. Capacity building for staff (150.000€)
8. Planeterra sustainable community tourism training (607.333€)

Project type	Project title	2023	2024	2025	2026	Total
Infrastructure	Park signage	€ 30,000.00	€ 30,000.00	€ 30,000.00	€ 30,000.00	€ 120,000.00
	Management Equipment		€ 400,700.00			€ 400,700.00
	Visitors Center		€ 1,503,625.00			€ 1,503,625.00
	Physical, digital and safety infrastructure		€ 396,318.22	€ 396,318.22		€ 792,636.44
Total infrastructure		€ 30,000.00	€ 2,330,643.22	€ 426,318.22	€ 30,000.00	€ 2,816,961.44
Nature conservation	Protection measures		€ 100,000.00	€ 100,000.00	€ 100,000.00	€ 300,000.00
	Water Study		€ 500,000.00	€ 250,000.00		€ 750,000.00
	Biodiversity Study		€ 300,000.00	€ 300,000.00		€ 600,000.00
	Flood Risk Management		€ 96,000.00			€ 96,000.00
	Reforestation		€ 50,000.00			€ 50,000.00
	Restoration		€ 150,000.00	€ 850,000.00	€ 500,000.00	€ 1,500,000.00
Total nature conservation		€ -	€ 1,196,000.00	€ 1,500,000.00	€ 600,000.00	€ 3,296,000.00
Capacity building	Capacity Building for staff in protection area management		€ 100,000.00	€ 50,000.00		€ 150,000.00
	Park Staff skills in visitors' management				€ 382,164.00	€ 382,164.00
Total capacity building		€ -	€ 100,000.00	€ 50,000.00	€ 382,164.00	€ 532,164.00
Tourism	Planeterra - Sustainable community tourism training		€ 227,750.00	€ 151,833.00	€ 227,750.00	€ 607,333.00
	Tourism Practitioner Preparedness		€ 200,000.00	€ 700,774.50	€ 700,774.50	€ 1,601,549.00
	Community liaison and loan facility		€ 50,000.00	€ 50,000.00	€ 50,000.00	€ 150,000.00
Total tourism		€ -	€ 477,750.00	€ 902,607.50	€ 978,524.50	€ 2,358,882.00
Total per year		€ 30,000.00	€ 4,104,393.22	€ 2,878,925.72	€ 1,990,688.50	€ 9,004,007.44

Figure 12: Estimation of philanthropy incomes

The total amount is likely to be higher as the projects are not yet finalised, and for example it is estimated that the visitor centre will be at least one million more than the current budget estimation.

To reach the potential projects a thorough baseline assessment has been done to identify the best fitting donors not only for their funding capacity but also their engagement in the relevant field.

Area / Project	Possible donors
Nature Conservation	The Nature Conservancy, The European Climate Foundation, Foundation Segré, Greenwood Place, 1% for the Planet, Arcadia, The Sigrid Rausing Trust and Prince Albert II, Dutch Postcode Lottery, EOCA, Manfred Hermsen Stiftung
Water study	Gordon and Betty Moore, Altereo, Bloomberg Foundation
Visitors Centre	Veolia, Leonardo DiCaprio Foundation, Adessium Foundation
Tourism	The European Nature Trust, REI Co-OP, TUI Care Foundation, Der Tourisk
Capacity Building	The European Nature Trust, Arcadia Fund, Prince Albert II, Manfred Hermsen Stiftung, Fondazione Cariplo, Foundation Hans Wilsdorf, OAK Foundation

Figure 13: Donors table

-

- VIII. RISK MANAGEMENT

A. Risk overview

When talking about the risk that VWRNP faces this means identifying potential threats and challenges that could impact the operation and success of the park. Here's a comprehensive risk overview tailored for such a business plan:

- **Natural Disasters:** National parks are vulnerable to natural disasters such as wildfires, floods, earthquakes, and hurricanes. These events can damage infrastructure, harm wildlife, and disrupt visitor experiences.
- **Environmental Degradation:** Factors like pollution, habitat destruction, and climate change can degrade the natural environment of the park, affecting biodiversity and visitor enjoyment.
- **Regulatory Changes:** Government policies and regulations regarding land use, conservation, and visitor management can change over time, impacting park operations and revenue generation.
- **Visitor Safety:** Risks related to visitor safety include accidents, injuries from wildlife encounters, and medical emergencies. Proper signage, education, and emergency response protocols are essential to mitigate these risks.
- **Seasonal Variability:** Visitor numbers and revenue may fluctuate seasonally, impacting budgeting and staffing decisions. Unpredictable weather patterns can also affect visitor behaviour and park operations.
- **Financial Sustainability:** Dependence on government funding and fluctuations in visitor revenue can pose financial risks to the park's long-term sustainability. Diversifying revenue streams and implementing cost-saving measures are crucial for financial resilience.
- **Political Instability:** Political instability at the national or regional level can affect park management and funding. Uncertain political environments may lead to changes in policies, staffing, or funding allocation.
- **Climate Change:** Climate change poses long-term risks to national parks, including habitat loss, altered ecosystems, and increased frequency of extreme weather events. Adaptation strategies such as habitat restoration and water conservation are necessary to address these risks.

By taking into consideration these potential risks and implementing appropriate mitigation strategies, a national park can enhance its resilience and ensure the successful implementation of its business plan. Regular review and updates to the risk assessment are essential to adapt to evolving threats and opportunities.

1. Key threats to sustainability & financial management

For a national park it's difficult to identify nor select specific threats because the financial management encompasses a range of challenges that can affect its long-term viability and ability to fulfil its conservation and visitor service objectives. Some identified significant threats are as per below:

1. **Funding Instability:** National parks often rely on government funding, which can fluctuate due to changes in political priorities, economic conditions, and budget constraints. Insufficient funding may lead to deferred maintenance, reduced staffing levels, and compromised visitor services.
2. **Limited Revenue Streams:** Reliance solely on entrance fees and concession sales can create vulnerability to fluctuations in visitation levels, weather conditions, and economic downturns. Diversifying revenue streams through partnerships, grants, philanthropy, and innovative fee structures can enhance financial stability.
3. **Visitor overcrowding and Impact:** Overcrowding in popular areas can lead to environmental degradation, wildlife disturbance, safety hazards, and negative visitor experiences. Managing visitor use through capacity limits, visitor education, and alternative transportation strategies is essential to minimise impacts while maintaining visitor satisfaction.
4. **Inadequate Planning and Management:** Poor planning, inadequate staffing, and ineffective management practices can undermine the park's ability to address emerging challenges and fulfil its mission. Comprehensive planning, strategic decision-making, and professional development for staff are critical for effective park management.
5. **Political and Policy Uncertainty:** Changes in government leadership, shifts in public opinion, and alterations to environmental policies can affect park management priorities, funding levels, and regulatory frameworks. Advocacy efforts and stakeholder engagement are essential for protecting park resources and advocating for sustainable management practices.

Addressing these threats requires proactive planning, collaboration with stakeholders, adaptive management approaches, and sustained investment in park resources and infrastructure. In order to have sustainability and effective financial management these risks should be prioritised to ensure the long-term preservation of the park and its stability.

- 2. Probability & likelihood ranking

i. Political risk

Political events or scenarios that have a high likelihood of occurring and could significantly impact business operations may vary. Although some of the political risks that can be taken in consideration are:

- **Changes in Government Leadership:** Elections, transitions in government leadership, or changes in political parties can lead to shifts in policies, regulations, and priorities that

may affect the park. New administrations may introduce reforms, implement new laws, or revise existing policies impacting taxation, trade, labour regulations, and industry-specific regulations.

- *Trade Policy Changes:* Tariffs, trade agreements, and protectionist measures imposed by governments can disrupt supply chains, increase import costs, and impact international trade relations. Changes in trade policies, such as tariffs on imports or exports, can affect the park profitability, and market access.
- *Regulatory Changes and Compliance Requirements:* Governments may introduce new regulations, environmental standards, or compliance requirements affecting business operations across various industries. Changes in regulatory frameworks, such as data protection laws, environmental regulations, or industry-specific standards, may necessitate costly compliance measures, operational adjustments, and risk management strategies.
- *Natural Disasters and Climate Change Policies:* Extreme weather events, natural disasters, and climate change policies can impact parks operations and infrastructure resilience. Moreover, governments may introduce policies to mitigate climate risks, promote renewable energy, or impose carbon pricing mechanisms affecting park operations and investments.

These examples highlight the diverse range of political events and scenarios that can significantly impact businesses' operations, profitability, and long-term sustainability. By staying informed, conducting risk assessments, and developing contingency plans, businesses can proactively manage political risks and adapt to changing political dynamics in their operating environments.

ii. Operational risk

Operations have a wide range of potential threats to day-to-day operations and can significantly impact its performance, reputation, and financial stability. Most of the operational risks that often have a high likelihood of occurring and can significantly impact parks operations:

- *Employee Errors and Misconduct:* Human errors, negligence, and misconduct can pose significant operational risks. Inadequate training, insufficient supervision, and lack of internal controls may result in errors in data entry, processing, and decision-making, leading to financial losses, compliance violations, and reputational harm.
- *Compliance and Regulatory Risks:* Failure to comply with industry regulations, legal requirements, and internal policies exposes the park to compliance and regulatory risks. Non-compliance with regulatory standards, data protection laws, anti-money laundering regulations, or industry-specific requirements may result in fines, penalties, legal liabilities, and damage to reputation.
- *Business Continuity and Disaster Recovery:* Inadequate business continuity planning and disaster recovery strategies leave businesses vulnerable to operational disruptions and service interruptions. Natural disasters, power outages, infrastructure failures, or

pandemics can disrupt business operations, jeopardise data integrity, and impair customer service.

- *Third-Party Risks:* Businesses rely on third-party vendors, contractors, and service providers to support various aspects of their operations. Third-party failures, breaches of contract, or unethical practices by suppliers, outsourced partners, or distributors can disrupt the park operations, damage relationships with stakeholders, and result in reputational harm.
- *Data Security and Privacy Breaches:* Businesses collect, store, and process vast amounts of sensitive data, including customer information, financial records, and intellectual property. Data security breaches, unauthorised access, or data loss incidents can expose the park to legal liabilities, regulatory sanctions, and reputational damage.
- *Emerging Technological Risks:* Rapid technological advancements introduce new operational risks, including risks associated with automation, artificial intelligence, and emerging technologies. Implementation challenges, integration issues, and cyber security vulnerabilities associated with new technologies can impact the parks operations and disrupt traditional business models.

iii. Force majeure & catastrophic risk

The issue of force majeure is generally not included in the business plans as a line item as it is usually dealt with as an insurance risk through either the property owner, or manager, or both at corporate level. This applies to VWRNP also.

The Government of Albania will continue to own the natural assets of the site absolutely and, most probably, will not insure against force majeure risks as they will expect to pay for any damage that may occur through, for example, catastrophic fire, wars, revolution, earthquake, epidemics (re: Covid-19) and flood inundation.

B. Risk mitigation approach

Mitigating risks in a national park involves implementing strategies to minimise the likelihood and impact of potential threats to the park's resources, visitors, and operations. A comprehensive risk mitigation approach for VWRNP could include but not limited to:

Risk Assessment and Planning:

While operating in a national park a thorough risk assessment can be conducted to identify potential hazards and vulnerabilities. This can be achieved by making a prioritisation of risks based on their likelihood and potential impact on park resources and visitors.

The park should develop a comprehensive risk management plan outlining mitigation strategies, responsibilities, and timelines.

Visitor Education and Safety:

The visitor centre may face different issues and unexpected situations. For that reason implementing visitor education programs are necessary. They promote responsible behaviour and minimise safety risks in order to provide clear signage, maps, and guidelines to inform visitors about potential hazards and safety precautions. Also training the staff to respond effectively to emergencies and provide assistance to visitors in distress.

Natural Resource Management:

It is important to always be aware of the park's natural resources and values. On these terms implementing habitat restorations, invasive species controls, and pollution prevention measures to protect the park's ecosystems are needed actions. Monitoring environmental indicators to detect changes and assess the effectiveness of conservation efforts should be done periodically with the collaboration of scientific institutions and conservation organisations to research and implement best practices for resource management.

Infrastructure Maintenance and Resilience:

Developing a maintenance program to address the upkeep of trails, roads, buildings, and utilities and conducting regular inspections and assessments to identify infrastructure vulnerabilities are necessary for the prioritisation of repairs needed. When thinking about infrastructure in a national park, climate-resilient design principles should be taken into consideration for infrastructure projects so they can withstand extreme weather events and changing environmental conditions.

Financial Sustainability:

The most important tool towards sustainability is having diversified revenue streams reached through partnerships, grants, philanthropy, and innovative fee structures to reduce reliance on government funding and entrance fees.

Developing long-term financial plans and budgets that account for maintenance needs, capital improvements, and contingency reserves also is considered a tool to reach sustainability

Emergency Preparedness and Response:

Emergency plans should be regularly developed and updated to address various scenarios, including natural disasters, medical emergencies, and security incidents especially in VWRNP that is not only particular as a national park but also extended in all the Southern territory.

Conduction of drills and training exercises to test emergency procedures and ensure staff readiness to respond effectively to emergencies is a key to a quick and immediate response.

Establishing communication protocols in order to coordinate with external agencies, such as emergency services and local authorities, to facilitate timely and coordinated responses.

A multi-faceted approach to risk mitigation, allows the VWRNP to enhance its resilience, protect valuable resources, and ensure safe and enjoyable experiences for visitors while fulfilling its conservation mandate for future generations.

C. Financial performance analysis including sensitivities & performance indicators

Financial performance analysis for VWRNP involves evaluating its revenue, expenses, and key performance indicators (KPIs) to assess the financial health and effectiveness in achieving the goals set. There are different ways to conduct such analysis, but a similar listing including sensitivities and performance indicators is shown as per below:

1. Revenue Analysis:

- *Revenue Sources:* Identifying and analysing the park's primary revenue sources, such as entrance fees, concessions, sales, fees, and donations.
- *Revenue Trends:* Tracking the revenue trends over time to identify patterns, seasonality, and factors influencing revenue fluctuations.
- *Revenue Sensitivities:* Conducting sensitivity analysis to assess the impact of changes in visitation levels, fee structures, and external factors (e.g., economic conditions, weather patterns) on revenue.

2. Expense Analysis:

- *Operating Expenses:* Breaking down operating expenses into categories such as personnel, maintenance, utilities, supplies, and contracted services.
- *Capital Expenses:* Analysing capital expenditures for infrastructure projects, maintenance, and improvements.
- *Expense Sensitivities:* Evaluation on how changes in operating expenses, capital investment needs, and inflation rates impact the park's financial sustainability.

3. Evaluation of Key Performance Indicators (KPIs):

- *Visitation Metrics:* Tracking visitation metrics such as total visitors, visitor demographics, length of stay, and visitation patterns by season or location.
- *Revenue per Visitor:* Calculation of revenue per visitor to assess the park's revenue generation efficiency and visitor spending patterns.
- *Customer Satisfaction:* Measuring visitor satisfaction through surveys, feedback mechanisms, and online reviews to gauge the quality of visitor experiences and identify areas for improvement.
- *Resource Utilisation:* Monitoring resource utilisation metrics (e.g., campground occupancy rates, trail usage) to optimise resource allocation and capacity management.
- *Conservation Metrics:* Tracking conservation metrics such as habitat restoration progress, wildlife population trends, and ecological indicators to measure the park's effectiveness in preserving natural resources.

4. Benchmarking:

- *Peer Comparison:* Benchmarking the park's financial performance against similar-sized parks to identify areas of strength and areas for improvement.
- *Best Practices:* Learn from best practices and success stories in the national park system and broader tourism industry to adopt strategies that enhance financial sustainability and operational efficiency.

This information can inform strategic decision-making, resource allocation, and operational planning to support the park's mission and long-term sustainability.

D. Recommendations for spend profile & capital investments

Recommendations for such a case should be aligned with the park's mission, strategic objectives, visitor needs, and resource conservation priorities. Although some recommendations for developing a spend profile and prioritising capital investments may be taken into consideration as per below:

Needs Assessment

Reached through the identification of critical infrastructure gaps, maintenance backlog, visitor service deficiencies, and conservation priorities. Those priorities can be identified by engaging stakeholders, including park staff, visitors, local communities, and conservation organisations, to gather input and insights into priority areas for investment.

Strategic Planning

Reached through outlining the park's long-term vision, goals, and priorities for resource management, visitor experience enhancement, and sustainable operations.

Maintenance and Infrastructure Upgrades

Reached by investments prioritisation. Addressing maintenance issues systematically, allocating resources to projects with the highest priority and impact on visitor safety and resource protection.

Visitor Services and Amenities

Reached by investing in visitor centres, interpretive exhibits, educational programs, recreational facilities, and amenities such as restrooms, picnic areas, and concessions to enhance visitor satisfaction and engagement.

Resource Conservation and Stewardship

Reached through searching funds for conservation initiatives that protect and restore natural and cultural resources, habitats, and ecosystems within the park.

Community Engagement and Partnerships

Reached by fostering partnerships with local communities, vulnerable groups, non-profits, businesses, and government agencies to leverage resources, expertise, and funding for capital projects.

Risk Management and Contingency Planning

Reached through allocating funds for contingency reserves and risk management measures to address unforeseen challenges, emergencies, and external shocks. Conducting scenario planning and sensitivity analysis to assess the potential impact of risks on capital investments and develop mitigation strategies to minimise their adverse effects.

Monitoring and Evaluation

Reached through establishing performance metrics and evaluation criteria to monitor the effectiveness and impact of capital investments. By conducting regular reviews and assessments to track progress, identifying lessons learned, and making informed decisions about future spending priorities and resource allocations.

- IX. ANNEXES

Annex 1 – VWRNP Business Plan