



---

## Biodiversity Mainstreaming into Sectoral Policies and Practices and Strengthened Protection of Biodiversity Hot-Spots in in Montenegro

### Basic Information

**GEF ID**

10343

**Countries**

Montenegro

**Project Title**

Biodiversity Mainstreaming into Sectoral Policies and Practices and Strengthened Protection of Biodiversity Hot-Spots in in Montenegro

**GEF Agency(ies)**

UNDP

**Agency ID**

UNDP: 6461

**GEF Focal Area(s)**

Biodiversity

**Program Manager**

Ulrich Apel

# PIF

## Part I – Project Informatic

### Focal area elements

**1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?**

Secretariat Comment at PIF/Work Program Inclusion

09/26/2019 UA: Yes.

### Agency Response

### Indicative project/program description summary

**2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?**

Secretariat Comment at PIF/Work Program Inclusion

09/26/2019 UA: Not fully

Please address the following:

- The project title does not fully reflect all the elements of the proposed project as it will not only work on mainstreaming biodiversity into sector policies but also directly on conserving biodiversity in protected areas (PA) and key biodiversity areas (KBAs) ;

- The focus of the project is somewhat scattered and entails many different activities, please sharpen the focus by structuring it along a theory of change.

- Further, in the text that describes all project activities in further detail, there is some vague language, e.g. "the project will ensure an increment for the management of its individual elements", "the project will look at" or "make steps toward the enabling conditions", or "plan a big tourism outreach strategy", which all don't explain precisely, what exactly the project intends to do.

10/28/2019 UA: Addressed.

Cleared

## Agency Response

21Oct2019

1. The project title has been changed to read "Biodiversity Mainstreaming into Sectoral Policies and Practices and Strengthened Protection of Biodiversity Hot-Spots in Montenegro".
2. The focus of the project is Key Biodiversity Areas of Montenegro. The project indeed includes various types of intervention and involves both ecosystem protection and work with production sectors, such as tourism, agriculture, and forestry. Montenegro is a relatively small country and impacts on biodiversity that stem from PA management capacity constraints, or inadequate national response to the international status of key BD values, or biodiversity-negative development of tourism, forestry and agriculture, need and can be addressed in an integrated manners, since they all are pieces of the puzzle that puts biodiversity of the Key Biodiversity Areas under threat. While retaining the focus on the KBAs all through the project's justification and description, the proposed Component 1 deals with the management constraints associated with the PA estate, and unprotected biodiversity hotspots, while Component 2 is focused on BD mainstreaming into development policies and practices for three production sectors that impact KBAs in Montenegro. In a small country like Montenegro, removing an element from this picture would mean considerably less impact towards achievement of the main objective of reducing key threats to globally-significant biodiversity.

The underlying theory of change is that integrating the key issues relevant to KBAs (PA management strengthening, establishment of mechanisms for conservation of KBA values outside PAs via spatial planning, and demonstrating concrete solutions for BD mainstreaming in policies and practices of the three production sectors that negatively affect the KBAs) is likely to produce a higher and more sustainable impact than a single-sector intervention in a country such as Montenegro. With the current baseline of little or no consideration of BD conservation objectives in the sectoral development, a demonstration of sectoral practices that are modern, efficient and at the same time responsive to the BD conservation considerations will give way to larger scale and more systematic sectoral changes. Carefully chosen and successfully demonstrated practices, combined with viable policy changes and the appropriate knowledge dissemination effort will create enabling environment for further application of the BD-important practices.

We have added further detail to the description of threats and barriers and included a sub-section on the theory of change and a diagram in Annex F. This will be further developed at the PPG stage.

3. The vague language has been fixed, thank you.

## Co-financing

**3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?**

### Secretariat Comment at PIF/Work Program Inclusion

09/26/2019 UA: Yes. However, please enter name of private sector cofinancer if known (instead of "private sector").

10/28/2019 UA: Clarification provided.

Cleared

11/07/2019 UA: CORRECTION REQUIRED:

Several in-kind co-financing have been marked as "investment mobilized", i.e. lines 1, 2, and 6. However, where co-financing truly meets the definition of "in-kind", it should typically be classified as "recurrent expenditures" rather than "investment mobilized". For further details, please refer to the Co-Financing Guidelines ([http://www.thegef.org/sites/default/files/documents/Cofinancing\\_Guidelines.pdf](http://www.thegef.org/sites/default/files/documents/Cofinancing_Guidelines.pdf)):

11/08/2019 UA:

Has been corrected.

Cleared

### Agency Response

21Oct2019

One significant private sector co-financier, with whom some preliminary consultations have been had during the preparation of the PIF, is [Luštica Development AD](#). However, since there is no clarity about GEF's acceptance of the project, no financial commitments or concrete PPP mechanisms can be confirmed at this stage. Apart from this big tourism business, the project will outreach to smaller businesses and develop engagement mechanisms through the comprehensive Stakeholder Engagement Plan at the PPG stage. Lessons learned and experience of the ongoing GEF project "Growing green businesses in Montenegro" will be used to secure active engagement of SMEs. The project will further explore developing incentives and engagement options creating synergies with ongoing national programs (focusing on tourism and agriculture). These programs are annual support schemes; each year is subject to new calls, and hence new potential companies. Therefore, even though at this stage it is not realistic to specify concrete names, they will be for certain fixed as a result of the PPG, should this project be granted supported from the GEF.

07Nov2019

All in-kind co-financing has been reclassified as 'recurrent expenditures'.

### GEF Resource Availability

**4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):**

**Secretariat Comment at PIF/Work Program Inclusion**

09/26/2019 UA: Yes.

**Agency Response**

**The STAR allocation?**

**Secretariat Comment at PIF/Work Program Inclusion**

09/26/2019 UA: Yes.

**Agency Response**

**The focal area allocation?**

**Secretariat Comment at PIF/Work Program Inclusion**

09/26/2019 UA: Yes.

**Agency Response**

**The LDCF under the principle of equitable access**

**Secretariat Comment at PIF/Work Program Inclusion**

n/a

**Agency Response**

**The SCCF (Adaptation or Technology Transfer)?**

**Secretariat Comment at PIF/Work Program Inclusion**

n/a

**Agency Response**

**Focal area set-aside?**

**Secretariat Comment at PIF/Work Program Inclusion**

n/a

**Agency Response**

**Impact Program Incentive?**

**Secretariat Comment at PIF/Work Program Inclusion**

n/a

### Agency Response

### Project Preparation Grant

**5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)**

#### Secretariat Comment at PIF/Work Program Inclusion

09/26/2019 UA: Yes.

### Agency Response

### Core indicators

**6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)**

#### Secretariat Comment at PIF/Work Program Inclusion

09/26/2019 UA: Not fully.

There are small discrepancies between the figures entered in to the Core Indicator Table and the Table B, and the text.

- Table B lists 10,000 ?? biodiversity hotspots. Please correct.



- Table B lists 150,070 ha of national PAs, the text in the GEB section mentions 145,534 ha of KBA areas ??
  - The GEB section mentions 70,000 ha of productive landscapes; however there is not mention of the 50,000 ha of landscapes for biodiversity benefits which are entered in the core indicator table.
  - Please also clarify if the project will avoid deforestation of HCFV forests, Table B mentions HCFV but the core indicator is "zero".
- 10/28/2019 UA: Addressed; clarified and corrected.

Cleared

### **Agency Response**

21Oct2019

Agency Response1,2,3, - The necessary reconciliations have been made in the updated PIF.

1. On the deforestation issue, the main idea of the project's intervention at HCVF is with respect to managing fire risks. Under the baseline scenario, fires are not going to completely destroy the forest canopy and turn forests into other land categories. The forest, therefore, is going to remain forest, under the project scenario, just with improved resilience to fires. Therefore, it is considered rational not to indicate any deforestation avoidance target.

### **Project/Program taxonomy**

**7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?**

**Secretariat Comment at PIF/Work Program Inclusion**

09/26/2019 UA: Yes.

### **Agency Response**

## art II – Project Justification

### 1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?

#### Secretariat Comment at PIF/Work Program Inclusion

09/26/2019 UA: Yes. However, please concisely include in the theory of change.

10/28/2019 UA: Has been provided.

Cleared

#### Agency Response

21Oct2019

Draft TOC presented as Annex F to the PIF.

### 2. Is the baseline scenario or any associated baseline projects appropriately described?

#### Secretariat Comment at PIF/Work Program Inclusion

09/26/2019 UA: Yes.

#### Agency Response

### 3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

**Secretariat Comment at PIF/Work Program Inclusion**

09/26/2019 UA: Yes.

**Agency Response**

**4. Is the project/program aligned with focal area and/or Impact Program strategies?**

**Secretariat Comment at PIF/Work Program Inclusion**

09/26/2019 UA: Yes.

**Agency Response**

**5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?**

**Secretariat Comment at PIF/Work Program Inclusion**

09/26/2019 UA: Yes.

**Agency Response**

**6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?**

**Secretariat Comment at PIF/Work Program Inclusion**

09/26/2019 UA: Yes.

**Agency Response****7. Is there potential for innovation, sustainability and scaling up in this project?****Secretariat Comment at PIF/Work Program Inclusion**

09/26/2019 UA: Yes. However, please check the terms being used in the respective section.

- what is meant by "cobiodiversity"?

- what is meant by "biodiversity-sensitive nature-based tourism" - can this be better described as ecotourism?

- what is meant by "offerings" - this term is used throughout the document but doesn't seem to fully catch the meaning of the activity.

10/28/2019 UA: Addressed.

Cleared

**Agency Response**

21Oct2019

1. "Should read as "conservation of biodiversity" – corrected, thank you!
2. The term "eco-tourism" in Montenegro means country-side tourism (as opposed to city tourism or sea-and-sun tourism). As an example, having a picnic in the country would fall under the definition of "ecotourism", in the current legislative context of Montenegro. The term "eco-tourism" is used widely, and is interpreted as a given baseline. Yet, as described in the PIF, the current baseline "ecotourism"

is far from respecting the biodiversity values. We would like to keep the “biodiversity-sensitive” tourism to be precise about what the project strives to achieve – namely such tourism which respects the carrying capacity of ecosystems, enables ecosystems to retain and restore its services and has no impact on species.

3. Replaced for “products”/“development models”

## **Project/Program Map and Coordinates**

**Is there a preliminary geo-reference to the project’s/program’s intended location?**

**Secretariat Comment at PIF/Work Program Inclusion**

09/26/2019 UA: Yes.

**Agency Response**

## **Stakeholders**

**Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?**

**Secretariat Comment at PIF/Work Program Inclusion**

09/26/2019 UA: Yes.

## Agency Response

### Gender Equality and Women's Empowerment

**Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?**

#### Secretariat Comment at PIF/Work Program Inclusion

09/26/2019 UA: Yes.

## Agency Response

### Private Sector Engagement

**Is the case made for private sector engagement consistent with the proposed approach?**

#### Secretariat Comment at PIF/Work Program Inclusion

09/26/2019 UA: Not fully. The potential for private sector engagement, especially with regard to the ecotourism sector mainstreaming should be further elaborated.

10/28/2019 UA: Addressed.

Cleared

## Agency Response

21Oct2019

More detail has been provided in Section 4 of the PIF.

## Risks

**Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?**

### Secretariat Comment at PIF/Work Program Inclusion

09/26/2019 UA: Yes.

### Agency Response

## Coordination

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

### Secretariat Comment at PIF/Work Program Inclusion

09/26/2019 UA: The institutional arrangement with regard to the mentioned Direct Implementation Modality (DIM) is not in line with GEF policies and guidelines. Government requests for such types of arrangements have to be made by the OFP and addressed to GEFSEC with proper justification. Unless such requests are made in appropriate form, any reference to DIM has to be removed from the PIF. Further, it is noted that only in exceptional cases such requests are granted.

Please clarify if the mentioned Country Program Document (2017 - 2021) is a binding document, and if so, if it allows for national implementation of GEF projects implemented by UNDP in Montenegro.

10/28/2019 UA: Thank you, the GEF OFP letter has been received and is herewith being answered within the review process:

GEF Secretariat maintains that, in line with GEF policies and guidelines, a national implementation modality (NIM) is the appropriate modality for the following reasons:

- The project aims at mainstreaming BD related policy across national sectors, for which we consider it essential to have the national government fully engaged in the execution of this work;
- We stress the importance of nationally owned implementation of convention related strategies, which in this case are the NBSAP under the CBD and the National Communications (NC) under the UNFCCC;
- We believe that a national Implementation modality (NIM) is best suited to build national capacity in this regard;
- We also note that the project implementation will at the earliest start in 2021, whereby the UNDP Country Programme Strategy (2017-2020) will have ceased to be effective.

We therefore kindly request the agency and the OFP Montenegro to reconsider the institutional arrangement for the implementation/execution of the project and to revert with a revised proposal.

11/04/2019 UA: The implementation/execution arrangement has been reconsidered and a national implementation method (NIM) selected for the project. The OFP letter in this regard has been uploaded to the document section.

Cleared

### **Agency Response**

UNDP was informed by the GEF OFP of Montenegro that he sent a letter to the GEF Secretariat requesting DIM modality for the project.

While the CPD document allows for national implementation of UNDP projects in Montenegro, due to capacity risks, the DIM modality has been used exclusively for the past 15 years of work, including GEF financed projects in Montenegro. DIM represents the modality that proved itself to be in line with the financial and procurement standards required for the projects of such scope and nature.

04Nov2019



Thank you for your comment and recommendation. We have reconsidered the institutional arrangements and changed them to NIM execution. Please refer to pages 24-25 of PIF for an amended section on coordination.

### **Consistency with National Priorities**

**Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

09/26/2019 UA: Yes.

#### **Agency Response**

### **Knowledge Management**

**Is the proposed "knowledge management (KM) approach" in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project's/program's overall impact and sustainability?**

#### **Secretariat Comment at PIF/Work Program Inclusion**

09/26/2019 UA: Yes.

#### **Agency Response**

### art III – Country Endorsements

Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

09/26/2019 UA: Yes.

Agency Response

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

n/a

Agency Response

**EFSEC DECISION**

## RECOMMENDATION

**Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?**

### Secretariat Comment at PIF/Work Program Inclusion

09/26/2019 UA: No. Please address comments.

10/28/2019 UA: No. Please take note of comments on the coordination section with regard to national vs direct implementation modality.

11/07/2019 UA: One correction required in the co-financing section, please see comment above.

11/08/2019 UA: Yes. Program Manager recommends CEO clearance.

## ADDITIONAL COMMENTS

**Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.**

### Secretariat Comment at PIF/Work Program Inclusion

**/view Dates**

	PIF Review	Agency Response
First Review	9/26/2019	
Additional Review (as necessary)	10/28/2019	
Additional Review (as necessary)	11/4/2019	
Additional Review (as necessary)	11/8/2019	
Additional Review (as necessary)		

#### PIF Recommendation to CEO

#### Brief reasoning for recommendations to CEO for PIF Approval