

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

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10343

Countries

Montenegro

Project Name

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

Agencies

UNDP

Date received by PM

6/15/2021

Review completed by PM

8/31/2021

Program Manager

Ulrich Apel

Focal Area

Biodiversity

Project Type

FSP

PIF
CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

Cleared

Agency Response

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

06/25/2021: The structure / design is appropriate. However, please strive for proportionality between overall co-financing ratio and co-financing of the PMC.

08/03/2021: Addressed.

Cleared

Agency Response

Agency Response to GEF Sec comments from 06/25/2021:

The ratio has been adjusted for proportionality.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request n/a

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

08/03/2021: Discrepancies found with regard to co-financing letters vis-a-vis information provided in Table C:

- Ministry of Ecology (1st line) ? change type from ?Grant? to ?Public Investment?.

- Ministry of Ecology (2nd line) ? change ?Investment mobilized? to ?Recurrent expenditures?.

- Ministry of Agriculture ? change type from ?Grant? to ?Public Investment?.

- Investment for Development Fund ? there are 2 entries with different amounts. The co-financing letter only indicates EUR5M. Please double check.

- NEPA ? change ?Investment mobilized? to ?Recurrent expenditures?.

- PENP ? Based on the co-financing letter, this appears to be ?In-kind? ?Recurrent expenditures?. Please clarify.

08/31/2021: Addressed.

Cleared

Agency Response

Agency Response to GEF Sec comments from 08/03/2021:
Fixed as advised, thank you for the comment.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

08/03/2021: Detailed comments of the budget:

- As per GEF guidelines, the costs associated with the project execution (including project's staff such as Project Manager) must be covered by the GEF portion and co-financing portion of PMC. While the TORs for the Project Manager included in the attached ProDoc (pages 117 ? 119) include some technical duties and responsibilities, a significant portion of the project Manager's tasks are related to coordination functions; however, 100% of the salary is charged to the project's components. This project has 1.65 million of co-financing allocated to PMC, please use use some of this co-financing to cover the Project Coordinator salary reflecting the what is presented in TORs.
- Please clarify what "Premises maintenance" entails to enable a further check on the eligibility of this cost item.

08/31/2021: Not adequately addressed.

- Agency clarified that now this "function will be supplied by the Implementing Partner and will not be covered by the project budget?" - and removed this function from the budget. However, a new position has been created that did not exist in the previous submission, namely "Project Chief Technical Specialist?", with the same salary and charged to the same components. If this position of Project Chief Technical Advisor would have been identified as required during preparation, it should have been presented in the previous version.
- The cost item "premises maintenance" remains unclear in the budget table. We also cannot approve expenditures where utilization is dependent on future decisions. Please strive for the most cost-effective solution.

09/13/2021: Addressed as per agency response below and in the budget.

Cleared

Agency Response

Agency response 9 September 2021 to GEF comment of 08/31/2021:

We would like to clarify that the post has not been newly created. The CTA tasks did exist in the submission from the very beginning, but they were combined with management role. Now that the management role has been fully taken on by the Government's implementing partner, addressing one of the previous GEF requests, the remaining post became solely technical, and its title has been re-aligned to reflect its non-managerial nature. Since it is non-managerial it is intended to be funded from technical components, not PMC. Upon removal of the managerial tasks, a review of the amount of time that this purely technical post can dedicate to the project has been done, increasing an expectation that the post will now engage more time for technical support of the project than what it would have afforded previously under a hybrid technical/management model. The original intention was, indeed, for the salary to remain at the same level to reflect the expectation of this more profound engagement in technical project support and the expected level of seniority that would allow to recruit the best national technical talent for this job. Having said this, upon receipt of your comment, the salary level has indeed been downgraded by 15 percent to do justice to the fact that it is no longer a combined technical/management function.

The 'premises maintenance' budget line has been removed (the costs will be born by the national implementing partner).

Agency Response to GEF Sec comments from 08/03/2021:

In response to the GEF Secretariat comments, additional consultations with the project Implementing Partner have confirmed the following modification to the PIU arrangements. The project coordinator/principal manager function will be supplied by the Implementing Partner and will not be covered by the project budget. The costs associated with the position will be considered in-kind co-financing from the Implementing Partner, as it will be extremely difficult for a governmental entity in Montenegro to ensure direct cash financing to an international donor funding project (and has never been practiced before). Project Coordinator / Principal Manager (PM) will be responsible for the overall management of project inputs and processes and will ensure administrative supervision for the project team. The primary responsibility of the PM will be to support the Implementing Partner in project execution and ensure project coordination and outreach to project partners. The PM ToR in the Prodoc Annex 7 has been amended accordingly.

It is understood (and formally recognized through the internal capacity assessment performed by the IP in the project PPG phase) that the current technical capacities within the Ministry are not sufficient for running and managing complex international donor-funded projects. Therefore, the IP and the PM will be supported by a highly qualified project team. Full technical support will be ensured by the Chief Technical Specialist. The administrative, finance and procurement support will be ensured by the Project Assistant and Project Procurement Specialist (under PMC).

?Premises maintenance? entails communal charges associated with the project office. The charges have been included for the case when the project office is provided outside the IP premises. The final arrangement will be confirmed by the IP at the inception stage.

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

Cleared

Agency Response

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E?

Do they remain realistic?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Clarification question.

Please justify the target setting under indicator 4.3 vs indicator 4.1. For a BD funded project aligned with BD-1-1, we would expect the the target to be mainly generating BD benefits in landscapes, i.e on indicator 4.1.

08/03/2021: Further correction request:

Core Indicator 4.3 Area of Landscapes under improved practices is set as 80,000 ha in Core Indicator Table, but as 70,000 ha in Annex A. Project Results Table (Indicator 3: Area of landscapes under sustainable land management in production systems, GEF indicator 4.3). Please make the figures consistent.

08/31/2021: Inconsistency remaining:

There still different numbers submitted for Core Indicator 4 - it is set as 80,000 ha under 4.1 in Core Indicator Table, but as 70,000 ha under 4.3 in Annex A: Project Results Table (logframe). Please make them consistent. The numbers in the core indicator table seems to be correct one, the number in the logframe need to be corrected accordingly.

09/13/2021: Has been corrected.

Cleared

Agency Response

Agency response 9 September 2021 to GEF comment of 08/31/2021:

The above inconsistency has been spotted in Portal and rectified as advised.

Agency response to the GEF Sec comments from 08/03/2021:

We have carefully checked the figures and they seem to be consistent.

Agency Response to GEF Sec comments from 06/25/2021: We have corrected the tagging of results in the Core Indicators Sheet, and indeed transferred the expected all BD mainstreaming benefits to the appropriate Core Indicator 4.1.

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

Cleared

Agency Response

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

Cleared

Agency Response

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

06/25/2021: Yes.

Cleared

Agency Response

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

Cleared

Agency Response

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes, included in the Prodoc.

Cleared

Agency Response

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

06/25/2021: No.

There is no elaboration on the GEBs in the portal and/or Prodoc. Please include a concise description of the targeted GEBs, its justification (see comment on core indicators), as well as expected adaptation benefits (the project has tagged Rio Marker "1" for adaptation).

08/03/2021: Addressed.

Cleared

Agency Response

Agency Response to GEF Sec comments from 06/25/2021:

The requested elaboration has been provided, kindly refer to paras 86-88 in the Project Document.

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes, included in the Prodoc.

Cleared

Agency Response

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

Cleared

Agency Response

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

n/a

Agency Response

Stakeholders

**Does the project include detailed report on stakeholders engaged during the design phase?
Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?**

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes. However, please insert the stakeholder table with roles from the Prodoc also in the portal section.

08/03/2021: Addressed.

Cleared

Agency Response

Agency Response to GEF Sec comments from 06/25/2021:

Inserted as requested.

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes. Described in detail in the Prodoc.

Cleared

Agency Response

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

Cleared

Agency Response

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Not fully.

- The risk table in the Prodoc does not include a discussion of climate change related risks, please include.
- Further, please include the risk table into the portal template as well.
- COVID-19 risks have been discussed. Please also discuss, preferably under the risk table, if there are any opportunities for green recovery in the context of this project.

08/03/2021: Addressed.

Cleared

Agency Response

Agency Response to GEF Sec comments from 06/25/2021:

Both climate change risk and COVID-19 risk have been elaborated as advised, under the risk table. Elaboration on green recovery opportunities has been added.

The risk table has been added to the portal template as requested.

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

Project will be implemented through NIM modality.

Cleared

Agency Response

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

Cleared

Agency Response

Knowledge Management

Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

Cleared

Agency Response

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

Cleared

Agency Response

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

Cleared

Agency Response

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Yes.

Cleared

Agency Response

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

06/25/2021: Not fully.

- Please also respond to Council member comments from France and UK (refer to 'stakeholder comments' in the portal).

- Please upload the Agency Project Document as "public" when re-submitting (in this way it can be posted on our website and circulated to Council prior to CEO endorsement).

08/03/2021: Addressed.

Cleared

Agency Response

Agency Response to GEF Sec comments from 06/25/2021:

Document GEF C.57 Compilation of Council Comments contains comments from Germany, UK and Canada for the Montenegro Project. We have addressed comments from UK and Canada this time and the CEO ER has been updated accordingly.

Noted on the 'public' tagging of the document for the Portal upload.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

06/25/2021: has been provided.

08/03/2021: However, please adjust core indicator 4.3 value from 70,000 ha to 80,000 ha.

08/31/2021: As explained, the core indicator is now 80,000 ha under 4.1. But still that needs to be reflected in the Project Results Framework as well. The project results framework has not been updated.

09/13/2021: Has been corrected.

Cleared

Agency Response

Agency response 9 September 2021 to GEF comment of 08/31/2021:

As mentioned above, the above inconsistency has been rectified in Portal.

Agency response to the GEF Sec comments from 08/03/2021:

We have carefully checked the figures and they seem to be consistent.

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

06/25/2021: The UNDP checklist has been provided and found adequate.

Cleared

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

06/25/2021: Comments from Germany have been responded to.

- Please also respond to France and UK comments.

08/03/2021: Addressed as per below. All Council comments have been responded to.

Cleared

Agency Response

Agency Response to GEF Sec comments from 06/25/2021:
Document GEF_C.57 Compilation of Council Comments contains comments from Germany, UK and Canada for the Montenegro Project. We have addressed comments from UK and Canada this time and the CEO ER has been updated accordingly.

STAP comments

Secretariat Comment at CEO Endorsement Request

06/25/2021: Have been responded to.

Cleared

Agency Response

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request none received

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request none received

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request none received

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

06/25/2021: Refer to Annex C.

Agency Response

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request

06/25/2021: Provided.

Cleared

Agency Response

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

n/a

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request n/a

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request n/a

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

06/25/2021: No. Please respond to comments made in this review.

08/03/2021: No. Please respond to comments made in this review.

08/31/2021: No. Please address remaining issues.

09/13/2021: Yes. Program Manager recommends CEO endorsement.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	6/25/2021	
Additional Review (as necessary)	8/3/2021	
Additional Review (as necessary)	8/31/2021	
Additional Review (as necessary)	9/13/2021	
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations

This project will build institutional capacity for protection of internationally recognized biodiversity hotspots and mainstream biodiversity conservation and sustainable use objectives into government land use planning framework and sectoral practices around key biodiversity areas (KBAs). The project includes key interventions to strengthen the KBAs including both ecosystem protection and work with production sectors, such as tourism, agriculture, and forestry. The combination of protected area management strengthening, establishment of mechanisms for conservation of KBA values outside protected areas, and the demonstration of concrete solutions for biodiversity mainstreaming in policies and practices of the three production sectors that negatively affect the KBAs will produce a higher and more sustainable impact than a single sector intervention. The project will strengthen 150,070 ha of protected areas which cover the

most important KBAs of the country. The project will further improve the status of 10,000 ha of KBAs in the productive landscape outside the protected area estate. Through biodiversity mainstreaming in agriculture and forestry, the project will bring approximately 80,000 ha of forests and agricultural land under sustainable land management, directly reaching 50,000 beneficiaries.

Risks and opportunities of the COVID-19 pandemic have been assessed, particular with regard to private sector engagement and tourism development. The project will apply an extra capacity building effort to make sure that the tourism sector players are able to apply for economic recovery funds in a sustainable manner. Last but not least, the GEF increment for promotional activities will hopefully become one of the principal risk management measures and will help mitigating the obstacles towards tourism sector business engagement.