



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS* THE GEF/LDCF/SCCF TRUST FUNDS

GEF ID:	4842		
Country/Region:	Croatia		
Project Title:	Strengthening the Institutional and Financial Sustainability of the National Protected Area System		
GEF Agency:	UNDP	GEF Agency Project ID:	4731 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Biodiversity
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	BD-1; BD-2; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$4,953,000
Co-financing:	\$17,300,000	Total Project Cost:	\$22,253,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ivan Zavadsky	Agency Contact Person:	Johan Robinson

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	15 Mar 2012 Yes, Croatia ratified the CBD in 1996.	
	2. Has the operational focal point endorsed the project?	15 Mar 2012 Yes, the letter endorsed by Croatia's GEF Political and Operational Focal Points is attached.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	15 Mar 2012 Yes, UNDP's extensive experience in managing biodiversity conservation projects worldwide is widely recognized.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	n/a	
	5. Does the project fit into the Agency's program and staff capacity in the country?	15 Mar 2012 Yes, the project will be implemented by the staff of UNDP CO in Croatia with technical support from UNDP Regional Center in Slovakia.	

Resource Availability	Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> the STAR allocation? 	15 Mar 2012 Yes, Croatia's total STAR allocation for GEF-5 is \$5.59 million. The country is flexible and intends to invest its entire STAR allocation in this proposed project.	
	<ul style="list-style-type: none"> the focal area allocation? 	please refer above	
	<ul style="list-style-type: none"> the LDCF under the principle of equitable access 	n/a	
	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	n/a	
	<ul style="list-style-type: none"> Nagoya Protocol Investment Fund 	n/a	
	<ul style="list-style-type: none"> focal area set-aside? 	n/a	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	15 Mar 2012 Yes, aligned with the BD focal area strategy.	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	15 Mar 2012 Yes, BD focal area Objective 1.	
	9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	15 Mar 2012 Yes, in line with Croatia's NBSAP (2008) and the Strategic Development Framework 2006-2013.	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	15 Mar 2012 Yes, the proposed project will build institutional and human capacities for planning, establishment and management of protected areas, which will result in improved on-the ground actions to conserve biodiversity. Capacity development will be	

		level.	
Project Design	11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	<p>15 Mar 2012 Yes, adequately described. However, please refer to question #25 for further comments on the WB project mentioned in the baseline project description.</p> <p>April 06, 2012: The baseline project was clarified in the letter from the Croatia PFP, attached to the revised PIF.</p>	
	12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?	<p>15 Mar 2012 It is not clear how the proposed project compliments the existing baseline activities given that Croatian Government has already been making significant investments in the PA management. Please elaborate on incrementality of GEF's support further.</p> <p>April 06, 2012: The PIF was revised and requested information was added.</p>	
	14. Is the project framework sound and sufficiently clear?	<p>15 Mar 2012 Please address the following issues: -In Table B, Component 1, the Outcome 1 is a combination of Outcomes 2 and 3. Please refine the outcomes. -Please elaborate on how the Protected Area Agency "Head Office" will sustain</p>	

funding will be used for the initial administrative and staffing expenses.

- In Table B, Component 2, please make a clear distinction between the system level and the site level outcomes and outputs.
- Please provide an indicative cost per hectare of PA management in Croatia.
- What are the proposed income generation innovations and financial mechanisms to be tested by the project at target sites. Please provide at least the range of activities that are being considered.
- We agree with the comment that project target sites will be defined at PPG stage. At this point please provide the range of sites being considered, or the criteria to be employed for the final choice. Please note that we encourage you to consider fair ecological representation when choosing project sites.

April 06, 2012:

All requested information and clarification were provided in the revised PIF. The agency is, however, reminded: (i) to provide more justification and data on the proposal that the PA Agency "Head Office" is expected to be covered by a service charge and cost-recovery system financed by the PAs. This project is meant to strengthen the financial sustainability of the PA system, therefore a question how the new extra charge will influence this goal remains and needs to be clarified at the project endorsement stage. (ii) to clarify, at the

		supposed to bring the financial sustainability to two proposed PA, given quite limited funds available for this financial mechanism.	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	15 Mar 2012 Information on Global Environmental Benefits is adequate for this stage. We expect to see more detailed and quantified information in the CEO Endorsement document.	
	16. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/additional benefits?	15 Mar 2012 Yes, adequate at this stage. We expect further information on socio-economic benefits at the CEO Endorsement stage.	
	17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?	15 Mar 2012 The role of CSO's and local communities is adequately described. However, the local authorities have not been identified as project stakeholders in Table, Section B5. Given that currently the significant number of PAs are managed by the County Public Institutions (CPI) that are part of the County level administration, we think it is important to include CPIs in the list of stakeholders and make sure that they are widely consulted. April 06, 2012: Revised PIF clarified this issue.	
	18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)	15 Mar 2012 Yes, risks and mitigation measures identified.	
	19. Is the project consistent and properly coordinated with other related	15 Mar 2012 Yes, relevant initiatives are listed and	

	region?		
	20. Is the project implementation/ execution arrangement adequate?	15 Mar 2012 Yes, however, please refer to comment above on the role of local authorities. April 06, 2012: Revised PIF clarified this issue.	
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		n/a
Project Financing	23. Is funding level for project management cost appropriate?	15 Mar 2012 No. -The project management cost is 9.4% of the subtotal project amount. Please revise the project management cost in line with the GEF requirements (up to 5% for projects requesting more than \$2 million in GEF resources). -Please include the project subtotal amount row in Table B. April 06, 2012: The project management costs now represents 5% of the GEF grant.	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	15 Mar 2012 As mentioned above, please provide indicative cost/ha of PA management in Croatia so that we can make a more informed judgement. April 06, 2012: Requested information was provided in the revised PIF	

	<p>cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.</p>	<p>Please explain how the comments formally raised by the World Bank GEF Coordination Unit on the proposed project co-financing have been addressed. The WB main concerns were the form and source of GoC co-financing in relation to the WB loan for the Croatia EU Natura 2000 Integration Project and a coordination of this WB project with the proposed UNDP project. WB also raised questions about the baseline project(s) to the proposed Project, in particular to those implemented by the WB in Croatia supporting the management and financial sustainability of the PA system in Croatia. Project proponents are therefore asked to clarify these questions with the WB and to revise the PIF accordingly.</p> <p>April 06, 2012: The letter from the Croatia PFP, attached to the revised PIF clarified this issue.</p>	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	15 Mar 2012 Yes, UNDP will provide \$500,000 grant in cofinancing.	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	29. Has the Agency responded adequately to comments from:		
	<ul style="list-style-type: none"> • STAP? • Convention Secretariat? 		

	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	<p>15 Mar 2012 No, please revise the proposal in line with PM's comments.</p> <p>April 06, 2012: The PM recommends the clearance into the Work Programme. The agency is reminded to pay attention to at the endorsement stage to the items mentioned in the review and listed below.</p>	
	31. Items to consider at CEO endorsement/approval.	<p>April 06, 2012:</p> <p>At the endorsement stage the agency should clarify:</p> <ol style="list-style-type: none"> 1. How the proposal that the PA Agency "Head Office" is expected to be covered by a service charge and cost-recovery system financed by the PAs. This project is meant to strengthen the financial sustainability of the PA system, therefore a question how the new extra charge will influence this goal remains; 2. How the PES is supposed to bring the financial sustainability to two proposed PA, given quite limited funds available for this financial mechanism; 3. The baseline with regard to the indicator on increased of METT scores by 20% over average of the 19 PAs and that the final average METT score not to be lower below range 60-75. 	
Recommendation at CEO Endorsement/	32. At endorsement/approval, did Agency include the progress of PPG with clear information of		

	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	March 15, 2012	
	Additional review (as necessary)		
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* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	
	2. Is itemized budget justified?	
Secretariat Recommendation	3. Is PPG approval being recommended?	
	4. Other comments	
Review Date (s)	First review*	
	Additional review (as necessary)	

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