



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:	\$128,818	Project Grant:	\$4,953,000
Co-financing:	\$18,011,116	Total Project Cost:	\$23,092,934
PIF Approval:	April 11, 2012	Council Approval/Expected:	June 07, 2012
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Yoko Watanabe	Agency Contact Person:	Maxim Vergeichik

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	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.	Yes, as noted at the time of PIF approval.
	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.	Yes, as noted at the time of PIF approval.
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	n/a	n/a

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

¹ Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated 11-22-2010

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	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.	Yes, as noted at the time of PIF approval.
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• 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.	Yes, as noted at the time of PIF approval.
	• the focal area allocation?	please refer above	please refer above.
	• the LDCF under the principle of equitable access	n/a	n/a
	• the SCCF (Adaptation or Technology Transfer)?	n/a	n/a
	• Nagoya Protocol Investment Fund	n/a	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.	Yes, well aligned with the BD focal area strategy and results framework.
	8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?	15 Mar 2012 Yes, BD focal area Objective 1.	Yes, as noted at the time of PIF approval.
	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.	Yes, as noted at the time of PIF approval.
	10. Does the proposal clearly articulate how the capacities developed, if any,	15 Mar 2012 Yes, the proposed project will build	Yes, as noted at the time of PIF approval and further articulated in the

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	will contribute to the sustainability of project outcomes?	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 implemented at both system and site level.	CEO endorsement package.
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 OFP, attached to the revised PIF.</p>	Yes, baseline projects are sufficiently described.
	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?		Yes, sufficiently described.
	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>	Yes, but not sufficiently described. Please provide a summary on the global environmental benefits that this project will be expected to achieve through the GEF alternative. Please also clarify the costs on what has been invested as baseline, and on the required incremental cost to be financed by GEF and cofinance.

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	<p>14. Is the project framework sound and sufficiently clear?</p>	<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 itself financially. Please clarify if GEF 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.</p> <p>April 06, 2012: All requested information and clarification were provided in the revised PIF. The agency is, however, reminded: (i) to provide more</p>	<p>While the annex explains the change that has been made in project design (response section), it is not very clear in the text how the project design has been changed since PIF approval. Please provide appropriate information under A5 and other appropriate sections.</p> <p>The two components are sufficiently clear, however, having the sustainable finance outcome and outputs both in component 1 and 2 is rather confusing. Considering that the project also tries to address the institutional element as well as diversification of the revenue for PA finance, the PM suggests that all finance related elements to be consolidated under component 2 to provide a comprehensive picture and approach.</p> <p>While focusing on tourism sector seems to be appropriate for a country like Croatia to ensure sustainable finance, it would also be important to inform about the assessments made on other potential mechanisms/tools to increase sustainable finance, and its feasibility.</p> <p>While the PM agrees that PES may not be a feasible approach at this stage for Croatia, is it worth exploring to see potential for the future under the project through a limited study/assessment to diversify finance</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>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 endorsement stage, how the PES is supposed to bring the financial sustainability to two proposed PA, given quite limited funds available for this financial mechanism.</p>	<p>for PA system?</p> <p>The METT target at the EOP seems rather limited with only incremental improvement. Can the project aim for a larger improvement?</p>
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>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.</p>	<p>Please provide clarity and further information as noted above.</p>
	<p>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?</p>	<p>15 Mar 2012 Yes, adequate at this stage. We expect further information on socio-economic benefits at the CEO Endorsement stage.</p>	<p>Information on socio-economic benefits are rather generic and not specified to the situation. Please provide further information.</p> <p>Information on gender and gender mainstreaming is lacking. Please provide further information.</p>
	<p>17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?</p>	<p>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</p>	<p>Adequate information provided on various stakeholders, however, please further specify role of CSOs as relevant.</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>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.</p> <p>April 06, 2012: Revised PIF clarified this issue.</p>	
	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.	Yes, adequate information provided.
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	15 Mar 2012 Yes, relevant initiatives are listed and mechanisms of coordination identified.	Please clarify if there is any specific lessons learned from the earlier investment made by the GEF on the related activities.
	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.	Yes, considered adequate.
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		The project design seems to have changed quite a bit. Please clarify as commented above.
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		n/a
	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	the project management cost is higher than 5%. Please provide clear justification or revise.

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Project Financing		<p>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.</p> <p>April 06, 2012: The project management costs now represents 5% of the GEF grant.</p>	
	<p>24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?</p>	<p>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.</p> <p>April 06, 2012: Requested information was provided in the revised PIF.</p>	<p>Yes, the cofinancing ratio is about 1 to 3.5 and considered adequate.</p>
	<p>25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.</p>	<p>15 Mar 2012 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</p>	<p>Cofinancing letters are provided from all sources and considered adequate.</p>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>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.	Yes, consistent from the time of PIF approval.
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		Duly completed TT for all PAs are attached.
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		yes, appropriate plan is attached.
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?		Yes, adequate response has been provided.
	• Convention Secretariat?		n/a
	• Council comments?		Appropriate information has been provided, however, considering that the information provided under the response section provides important project design information, please explain this clearly in the text of the CEO endorsement template.
	• Other GEF Agencies?		n/a
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	15 Mar 2012 No, please revise the proposal in line with PM's comments. April 06, 2012:	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		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.	
	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/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		Yes, appropriate information provided.
	33. Is CEO endorsement/approval being recommended?		No, please refer to the comments provided above and resubmit the CEO endorsement package.

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
			<p>23 Dec 2013</p> <p>Yes, the GEFSEC received a revised CEO endorsement package that adequately responds to the earlier comments.</p> <p>On gender and socio-economic issues, the approaches that has been identified in the proposal are expected to be tracked and monitored during project implementation and reported through the PIR and evaluations.</p>
Review Date (s)	First review*	March 15, 2012	December 06, 2013
	Additional review (as necessary)		December 23, 2013
	Additional review (as necessary)		
	Additional review (as necessary)		
	Additional review (as necessary)		

* **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?	<p>Not quite. Although the PPG stated that "the PPG will address comments of the GEF SEC made at the PIF stage" the proposed PPG activities do not comprise analysis how the service charge on individual PAs to fund the Head Office would influence the financial sustainability of the PA system. Further no activities were proposed to harness PES in achieving the project objective and on specifying the baseline with regard to METT score increase proposed in the PIF. It is also not clear whether the pilot sites would be identified within the PPG or at least the selection criteria would be developed and agreed with key stakeholders. Please clarify.</p> <p>July 26, 2012 (IZavadsky): The all above stated concerns and questions were</p>

		satisfactorily clarified in the revised PPG request.
	2. Is itemized budget justified?	In principle yes but the final judgment would be possible when all concerns mentioned above would be addressed in the revised PPG request. July 26, 2012 (IZavadsky): Yes, the clarifications provided in the revised PPG request provided sufficient evidence of PPG budget justification.
Secretariat Recommendation	3. Is PPG approval being recommended?	Not yet. The agency is asked to clarify the questions above. July 26, 2012 (IZavadsky): All questions were satisfactorily clarified in the revised request. The PM now recommends the PPG approval.
	4. Other comments	
Review Date (s)	First review*	
	Additional review (as necessary)	

* 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.