



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

GEF ID:	5269		
Country/Region:	Regional (Bosnia-Herzegovina, Croatia)		
Project Title:	Adriatic Sea Environmental Pollution Control Project (I)		
GEF Agency:	World Bank	GEF Agency Project ID:	143921 (World Bank)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	International Waters
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	IW-2; IW-2; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$6,776,256
Co-financing:	\$76,250,000	Total Project Cost:	\$83,026,256
PIF Approval:	April 24, 2013	Council Approval/Expected:	June 01, 2013
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Christian Severin	Agency Contact Person:	Angela Armstrong

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 ?	yes.	
	2. Has the operational focal point endorsed the project?	Endorsement letters from both countries were submitted but both of them quote different amount of GEF grant that the PIF requests. Please align the budget with the LoEs or submit revised LoEs from both countries. March 22, 2013 (IZ): Both countries Croatia as well as Bosnia and Herzegovina OFPs issued correct endorsement letters, which were attached to the revised PIF. Cleared.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		

	<ul style="list-style-type: none"> the focal area allocation? 	Yes.	
	<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"> the Nagoya Protocol Investment Fund 		
	<ul style="list-style-type: none"> focal area set-aside? 	N.A.	
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF results framework and strategic objectives?</p> <p><i>For BD projects: Has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track progress toward achieving the Aichi target(s).</i></p>	No. This PIF should refer to Outcome 2.1 in the Table A instead of Outcome 2.2 of the GEF-5 IW SO-2.	
	<p>5. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?</p>	<p>In principle yes but since GEF funds are also requested for purchase of monitoring equipment for Croatia to monitor and manage sensitive coastal areas a link to a NBSAP or other documents related to coastal management e.g. national plans for implementation of ICZM protocol to Barcelona Convention or on implementation of EU Marine Framework Directive is missing.</p> <p>March 22, 2013 (IZ): The revised PIF made relevant clarifications and references to NBSAPS AND ICZM Protocol to the Barcelona Convention. Cleared.</p>	
	<p>6. Is (are) the baseline project(s), including problem(s) that the baseline project(s) seek/s to address sufficiently described and</p>	Partly. This project was envisaged to deliver on Adriatic Sea pollution reduction in the frame of SAP MED and to strengthen the ability of Adriatic Sea	

<p>Project Design</p>	<p>assumptions?</p>	<p>regional management capacity for transboundary pollution control as a part of a larger programmatic effort to restore ecologic balance in the Adriatic Sea. Without clear articulation of the linkages of the pollution reduction efforts - well designed in this project -and without coupling of these efforts with improved management of the coastal areas, there is a high risk that the overall goal of this initiative would be lost and some countries might get reluctant to work also on coastal issues. The opportunity to catalyze investment in coordinated effort to address pollution and coastal management would be missed.</p> <p>March 22, 2013 (IZ): Requested clarifications were made in the revised PIF as well as a clear commitment of the agency to continue to address the needs to improve coastal management in the Adriatic Sea region within consequent program and projects was expressed in the revised PIF. Cleared.</p>	
	<p>7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?</p>	<p>Except for the outcome 1.2 yes. Please see the question in above box in relation to national coastal mgmt policies.</p> <p>March 22, 2013 (IZ): Requested clarification has been made in the revised PIF. Cleared.</p>	
	<p>8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p>	<p>Except for investment in improved capacity to monitor and manage sensitive coastal areas yes. Please elaborate on this issue.</p> <p>March 22, 2013 (IZ): The investment in improved capacity to monitor and manage sensitive coastal</p>	

		PIF. Cleared.	
	9. 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?		Yes.
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	Just partly, more consultation and active participation of CSO would be needed in the project preparation phase. March 22, 2013 (IZ): Additional information on the consultation processes have been added to the revised PIF. However, the agency is requested to expand on the involvement of the CSOs participation in the project design and implementation in the endorsement request. Cleared.	
	11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)	Yes.	
	12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	Yes.	
	13. Comment on the project's innovative aspects, sustainability, and potential for scaling up. <ul style="list-style-type: none"> Assess whether the project is innovative and if so, how. 	The innovation the project will bring is to utilize new simpler methods currently under development that lend themselves better for the upgrading of existing treatment plants and which could have a wider impact and easier implementation.	

	<ul style="list-style-type: none"> • Assess the project’s strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project’s intervention. 	<p>investments is to reach the EU legislation in terms of effluent discharges, but the real project impact has to be seen from the potential for replication of these two investments and, specially, if considered in conjunction with the TA also proposed under the project to assess the relative importance of nutrient sources, develop policy recommendations (including incentives) and prepare projects under this approach that could be eligible for EU or other donors financing.</p> <p>The sustainability of the project will be ensured by the outcomes of the project allowing EU and other donors to invest in further nutrient pollution reduction, based on the projects preparation TA delivered by this project, which will pave the way for scaling up as well.</p>	
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		
	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		
Project Financing	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?	<p>Yes, except for the outcome 1.2, please see comments above.</p> <p>March 22, 2013 (IZ): See comment above. Cleared.</p>	
	17. <u>At PIF</u> : Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line	Yes.	

	<u>At CEO endorsement</u> : Has co-financing been confirmed?		
	18. Is the funding level for project management cost appropriate?	Yes, it worth to note that no project management cost is will be funded from the GEF grant.	
	19. <u>At PIE</u> , is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u> , if PPG is completed, did Agency report on the activities using the PPG fund?	Context: The Adriatic Sea is a semi-enclosed sea forming a distinct sub-region within the Mediterranean Sea region. Freshwater input from the mountain regions of the Adriatic eastern coast and north Italian rivers substantially contribute to the uniqueness of its ecosystems. The threats to its ecosystems are characterized by two major causes of trans-boundary pollution in the project area: (a) nutrient discharges from municipal sewage point-sources and agriculture non-point sources along the coast and the main rivers in the Adriatic basin; and (b) discharge of leachates from unsanitary waste dumping in cities and towns at the coast and/or transported via rivers and karsts in the wider catchment areas discharging into the sea. These issues are aggravated by the fact that tourism which increases the coastal population significantly during a relatively short period of the year, mainly during the summer months, places unique technical and financial challenges to liquid and solid waste disposal management. Key interventions, outcomes and alignment with IW Strategy: The proposed Project seeks to accelerate the implementation of the Mediterranean SAPs (SAP BIO and SAP MED) adopted under the Barcelona Convention in the Adriatic. Except for investments in two priority sources of nutrient pollution in	

order to reduce the discharge of pollutants to Adriatic Sea it will enhance the capacity to monitor and manage sensitive coastal area of Adriatic coast. The project also aims to strengthen synergies with EU investment facilities and UNEP MAP policy work. The Project will promote accelerating and scaling up partnership investments of the World Bank and other IFIs that aim to support these two countries to invest for sustainable development and protection of the Adriatic Sea. It will assist both countries to further assess nutrient discharges and facilitate investment from EU funds in nutrient pollution reduction in both countries in dozens of pollution hot spots. The project is fully aligned with GEF-5 IWstrategic objective 2.

Innovation:

The investment in the WWTP will be based on the retrofitting and enhancement of existing treatment, not traditional tertiary treatment approaches that lend themselves better for the upgrading of existing treatment plants and which could have a wider impact and easier implementation. With respect to the leachate treatment of Mostar landfill, the main pollutants of interest are nutrients, and also Nitrogen, given its solubility and transportability into ground waters and ultimately into the Adriatic. The technology under consideration is high load activated sludge with anaerobic phases, of which some examples are already under operation on a pilot base. The real project impact has to be seen from the potential for replication of these two investments and, particularly, if

		<p>also proposed under the project to assess the relative importance of nutrient sources, develop policy recommendations (including incentives) and prepare projects under this approach that could be eligible for EU or other donor financing.</p> <p>Sustainability: The small (in financial terms) GEF grant component to promote and facilitate follow up investment in nutrient pollution control in both countries provide very solid platform for replication and scaling up investments in order of magnitude bigger than the current project (GEF grant and co-financing) combined.</p> <p>The World Bank intends to submit the consequent project(s) to adress the improvement of the coastal management in hte Adriatic Sea region. This project is being processed now given the urgency of the support it will be providing, as well as to pilot the proposed TA component.</p>	
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	N.A.	
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• The Council?		

	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	<p>The project is not recommended for WP inclusion yet. The agency is asked to submit the full PFD, revised endorsement letters with correct amounts or to revise the budget. In addition, agency is also asked to provide clarification on the coastal management related issues highlighted in the review.</p> <p>March 22, 2013 (IZ): The agency made requested changes/corrections and clarifications in the revised PIF including commitment to address the coastal management improvement in the Asdriatic Sea region in consequent submissions. The PIF is therefore technically cleared and can be considered for inclusion in a future work program.</p>	
	25. Items to consider at CEO endorsement/approval.	<p>March 22, 2013 (IZ):</p> <ol style="list-style-type: none"> 1. The agency is requested to expand on the involvement of the CSOs participation in the project design and implementation in the endorsement request. 2. The endorsement of this PIF should be viewed in connection of subsequent submissions on improvement of coastal management in the Adriatic Sea region. 	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		
	First review*		
Review Date (s)	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.**