



**PROJECT EXECUTIVE SUMMARY**  
**REQUESTED FOR COUNCIL WORK PROGRAM INCLUSION**  
**UNDER THE GEF TRUST FUND**

**GEFSEC PROJECT ID:** 2773  
**IA/EXA PROJECT ID:** 3423; Atlas Project #00056040  
**COUNTRY:** Costa Rica  
**PROJECT TITLE:** Overcoming Barriers to Sustainability of Costa Rica's Protected Areas System  
**GEF IA/EXA:** UNDP  
**OTHER PROJECT EXECUTING AGENCY(IES):** National System of Conservation Areas (SINAC)  
**DURATION:** 5 years  
**GEF FOCAL AREA:** Biological Diversity  
**GEF STRATEGIC OBJECTIVES:** Strategic Objective 1: Catalyzing sustainability for protected area systems  
**GEF OPERATIONAL PROGRAM:** OP1, OP 2, OP 3, OP4  
**PIPELINE ENTRY DATE:** December 16, 2004  
**EXPECTED STARTING DATE:** January 2008  
**EXPECTED CEO ENDORSEMENT:** November 2007  
**IA/EXA FEE:** 462,150

<b>FINANCIAL PLAN (\$)</b>		
	PPG	Project*
<b>GEF Total</b>	335,000	4,800,000
<b>Co-financing</b>	(provide details in Section b: Co-financing)	
<b>GEF IA/ExA</b>		
Government	73,500	4,225,480
Others	159,000	16,084,303
<b>Co-Financing Total</b>	232,500	20,309,783
<b>Total</b>	<b>567,500</b>	<b>25,109,783</b>
Financing for Associated Activities If Any:		

\*\*For multi-focal projects, indicate agreed split between focal area allocations

<b>FOR JOINT PARTNERSHIP**</b>		
<b>GEF PROJECT/COMPONENT (\$)</b>		
(Agency Name)	(Share)	(Fee)
(Agency Name)	(Share)	(Fee)
(Agency Name)	(Share)	(Fee)

\*\*\* Projects that are jointly implemented by more than one IA or ExA

**CONTRIBUTION TO KEY INDICATORS IDENTIFIED IN THE FOCAL AREA STRATEGIES:** Direct protected area under improved management effectiveness is 1,840,448 ha.

Approved on behalf of the *United Nations Development Programme*. This proposal has been prepared in accordance with GEF policies and procedures and meets the standards of the GEF Project Review Criteria for work program inclusion.

*Y. Glemarec*

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Date: April 20, 2007

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# 1. PROJECT SUMMARY

## a) PROJECT RATIONALE, OBJECTIVE, OUTCOMES AND OUTPUTS/ACTIVITIES

### 1.1. Rationale

1. Overview: Costa Rica faces an apparent paradox. On the one hand, it has an extraordinary endowment in biodiversity, and has spared no effort to promote itself as a country, which effectively protects a quarter of its territory and as one of the world's foremost eco-tourism destination. On the other hand, the State struggles with the pangs of growth of a national Protected Areas System, which over the past decades has expanded with subsequent requirements in human and financial resources. This paradox contributes to a downwards spiral, which threatens the long-term ecological viability of the PA System, as well as SINAC's institutional sustainability and financial solvency. While considerable efforts have been directed to applied research and environmental education, the role of protected areas in the making of Costa Rica's development model has been under-estimated and often neglected. Increasingly, the ecological viability of the existing network of public protected areas and private reserves hinges on biophysical processes that go beyond the boundaries of protected areas. Hence, the long-term ecological viability of Costa Rica's Protected Areas System will hinge on its capacity to improve its current design and geographical configuration. Furthermore, its financial viability will also depend on the current system's capacity to increase rent capture, and robust institutional designs and innovative business plans.

2. The main goal of this project is to consolidate and strengthen Costa Rica's Protected Areas System. To implement this approach, it will be necessary to redefine Costa Rica's conservation goals, which, in turn, will require a new configuration of the existing Conservation Areas within SINAC according to functional and administrative criteria. Additionally, recommendations from almost completed GRUAS II<sup>1</sup> process have suggested the modification of the management categories for specific protected areas and their adaptation to incorporate these eco-regional planning criteria. This process will help defining the conservation goals and objectives for Costa Rica and the PA System. This implies analyzing the PA System as a whole, and identifying mechanisms for: (i) integrating into the PA System both public and private lands in the long term and (ii) improving their environmental management by harnessing and consolidating Costa Rica's existing innovative approaches such as environmental service payments and concessions for non-essential services and bioprospecting activities.

3. Unfortunately, SINAC has been increasingly hamstrung by often contradictory legislation, competing institutional mandates, insufficient institutional capacity and complex financial mechanisms to access public funds. Innovation has taken place, but mostly outside the SINAC Protected Areas System. Moreover, as illustrated by the financial analysis in UNDP prodoc part, Section IV: Part IX, the resources available for SINAC's day-to-day management of PAs are stagnating, and in some cases decreasing. This project aims at addressing these limitations by harnessing the true potential of Costa Rica's PA System as a contributing driver of sustainable development, particularly through the booming ecotourism industry in the country.

4. SINAC holds considerable advantages with its current territorial division - with its 11 Conservation Areas - which effectively cover the entire country. However, urgent institutional reforms are needed to improve SINAC's ability to increase its revenues and deepen its mandated regionalization and decentralization process. In this regard, there are considerable opportunities for linking local development initiatives - particularly linked to eco-tourism - to the long-term management of protected areas in Costa Rica. The national economy is increasingly geared around a growing tourism industry. Yet, although Costa Rica has established itself as a major international eco-tourism destination, it still faces a number of challenges to strengthen linkages between sustainable forms of tourism and the PA System. Converting a larger proportion of Costa Rica's PAs into tourism attractions can provide opportunities not only for SINAC

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<sup>1</sup> Phase II of Propuesta Tecnica de Ordenamiento Territorial con Fines de Conservacion de la Biodiversidad en Costa Rica. For more details on GRUAS II, see UNDP Prodoc part, para 24.

to harness additional revenues and improve its capacities. As mentioned earlier, such a move can also constitute a source of local employment and business opportunities for neighboring communities.

5. This project will therefore seek to increase the functional linkages between a sub-set of PAs and the eco-tourism industry, creating opportunities both within and outside protected areas. The project will partner with IADB funded projects on Sustainable Tourism in Protected Areas to effectively link the PA System to the provision of environmental goods and services, including those related to provision of tourism attractions and recreational opportunities. As such, the project will provide technical assistance to SINAC to conduct land planning processes at the regional (Conservation Area) and local (Park Administration) level, in order to facilitate greater participation of PAs in local development processes, by using formal participation instruments and enhancing existing consultative bodies, at the regional and municipal levels. It will also test new approaches for collaborative management of PA, concessions and use permit administration.

6. Rationale. Whilst Costa Rica has promoted itself as one of the world's foremost eco-tourism destination its national Protected Areas System is not equipped to manage the growth in national territory under protection and the threats to already protected habitats. Various *pressures* - both within the protected areas and outside in the surrounding landscapes - are currently undermining the long-term sustainability not only of the individual PA units, but of the overall PA System. These pressures can be grouped into three clusters of threats, which bear directly or indirectly on the long-term viability of the PA system: (i) habitat degradation; (ii) habitat conversion; and (iii) over-exploitation. The *underlying causes* of these threats include: (i) a legislative framework which impedes effective PA management, (ii) absence or inadequacy of management plans and bio-regional scale conservation strategies; (iii) uncoordinated land development planning; (iv) insufficient financial and human resource for effective management and threat reduction to PAs and (v) under estimation of the economic value of the ecosystem services provided within and outside the PAs.

7. The proposed project will support Costa Rica's efforts to strengthen its Protected Areas System administered by the National System of Conservation Areas (SINAC). The aim is a System that effectively conserves a representative sample of Costa Rica's biodiversity, advance national goals and captures global benefits in a range of ecosystems. This will be achieved through five interrelated Outcomes: **1)** Costa Rica's legal and policy framework is reformed and enhanced to ensure effective management and long-term financial and ecological sustainability of the PA System; **2)** SINAC's institutional PA System framework and capacities are enhanced for eco-regional planning and optimal management effectiveness; **3)** SINAC has the financial sustainability to effectively attain its strategic objectives and provide resources for long-term PA System management needs; **4)** SINAC tests new and innovative conservation approaches at the Conservation Area and PA levels; and **5)** Successful PA System management models are scaled-up and replicated at the systemic level through strategic partnerships with key stakeholders. On-site pilot interventions will enable ground-proofing of the reformed legal and policy frameworks, by developing and testing new tools for enhancing PA management effectiveness - including different PA governance models - while hosting training and awareness-raising activities.

#### ***Costa Rica's protected areas system (PAS)***

8. At present, the SINAC PA System includes a total of 160 PA units. The PA system is based on the concept of biological corridors and private conservation areas as elements of the national in-situ conservation system, emphasizing landscape-level conservation goals. All the PA units are declared by the State and correspond to nine distinct management categories: **(i)** National Park; **(ii)** Biological Reserve; **(iii)** Wildlife Refuge; **(iv)** Protected Zone; **(v)** Forest Reserve; **(vi)** Absolute Natural Reserve; **(vii)** National Monument; **(viii)** Wetland; and **(ix)** Other PAs (Natural Monuments). The total PA System covers 1,840,448 ha, equivalent to 26.21% of the national continental territory.

9. A PDF B study<sup>2</sup> showed that there are important gaps in the national PA system in the representation of certain ecosystems. While montane, pre-montane and lowland tropical forest are well represented, a small percentage of marine ecosystems is protected. Another PDF B study evaluated the management effectiveness in a sample 25 PAs. The study showed that while 13 PAs scored above 50% management effectiveness, the remaining 12 ranged from 49 down to 9%.

10. The government of Costa Rica is firmly committed to improving this situation and the management of existing protected areas. However, there are substantial barriers impeding improvement of SINAP.

### ***Barriers to effective PA management***

11. **Costa Rica's current complex and incomplete legal and policy framework limits SINAC's operational ability:** Effective PA management in Costa Rica is hindered by a deficient and often contradictory legal framework. Under the current legal framework PA, management categories are not clearly defined and hamper the setting of conservation goals. Moreover, the *Law on Biodiversity* (1998), which created SINAC, envisioned a *decentralized* environmental management system. Yet, the constitutionality of the Law was challenged from its onset. In 2006, the legality of the Law was finally upheld, thereby approving the key role of consultative local bodies in PA management. Yet, SINAC still depends on the central authority of MINAE for all contractual purposes, procurement and financial transactions, which leads to extremely slow and complex administrative contracting processes.

12. Legally, *revenue generation* by SINAC is also severely limited by the national legal framework. Most of SINAC's PA revenues are channeled through the central-level Single State Treasury, where only a very small percentage is returned to SINAC and re-invested in the PAs. Additional potential income generation opportunities, such as tourism-related services, are also legally restricted. For instance, there is no legal basis for collaborative PA management in Costa Rica. There is therefore no integration of private conservation into the policy for management of public PAs. As a result, SINAC's considerable revenue generation is not reflected in its annual budget. It also has limited capacities to pursue income, manage funds and contract external services. Hence, SINAC's capacity to retain revenue, spend its budget and comply with its annual work plan is severely impaired.

13. **Structural deficiencies prevent SINAC from linking its annual operational plans and budgets to its strategic goals:** The above weak central-level budgetary planning and implementation has also translated into weak PA-level *operational* planning. SINAC has the potential of increasing its resource capture, through more effective tourism and visitation-related resource generation mechanisms. This calls for an overall *system-wide* PA System Resource Generation/Financing Strategy. The human and technological capital required to handle the PA-related economic and financial management requires upgrading in terms of knowledge and skills. Limited institutional capacity in SINAC is also reflected in its capacity to spend and use available resources effectively. Hence, while boasting a considerable potential for increasing its revenue capture, SINAC would require significant changes in its administrative structure, budgetary planning, along with a complete revision of entrance fees and other sources of revenue. Current budget *allocated* Government resources for PA management are not sufficient to meet basic operational standards in many of the PA units.

14. Land tenure and uncompensated private owners in State-run protected areas remain a critical barrier for SINAC's financial outlook. Latest estimate indicate that unpaid land in PA amount to over US\$76 Million . As a result of legal obligations, around 4% of SINAC's annual budget is earmarked for purchasing land declared as public PAs. Another barrier is that most of these trust funds are not managed by financial experts, thus foregoing opportunities for a more sustainable design for SINAC's financial system. This is related to the lack of consistent financial planning pervasive in SINAC, as investments in Park Trust Funds

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<sup>2</sup> INBio, Evaluación de la situación actual de la biodiversidad y la sostenibilidad / representatividad ecológica del Sistema de Áreas Silvestres Protegidas.

are not planned alongside PA budget and expenditure planning. This results in a lack of integration of long-term financial considerations into the overall cost and expenditure structure of the PA system.

15. **Individual capacity deficiencies of SINAC field staff limit the PA management effectiveness:** A number of operational deficiencies impede more effective PA System management. Despite its decentralization mandate, SINAC remains a highly centralized entity. In general, the regional and municipal authorities have a low capacity to plan, implement, enforce and monitor their conservation management responsibilities. In fact, the institutional effectiveness and relative autonomy of the 11 Conservation Areas is severely constrained and effective PA management is compromised, due to *de facto* centralized policy decisions. Costa Rica also adopted structural adjustment policies to limit public spending in the late 1980s, leading to a hiring freeze of new SINAC staff. The mean age of SINAC's field staff is therefore higher than the public sector average.

16. According to a PDF B METT application study, weak strategic planning at the central level is also reflected at the level of individual PAs. For example, only 9 of the 160 PA units have a Management Plan under implementation. Furthermore, only 13 of the 25 sampled PAs had more than 50% effectiveness. One of the weakest elements is *enforcement*, with only 50% of the PAs having permanent surveillance, primarily due to limited availability of funds and practical experience. With regards to *coordination*, at present each PA entity performs their functions in an isolated manner, creating inefficiencies and lost opportunities for developing synergies across PAs and stakeholder groups.

17. PA-level staff also has limited capacity and awareness on how to interact with local community leadership. This especially concerns how to engage them in partnerships to improve the PA management effectiveness, while also reducing local environmental conflicts and providing economic opportunities for local communities. There is limited experience within SINAC with how to administer collaborative management arrangements and agreements, specifically with local communities and NGOs. As mentioned above, there is currently no legal basis for such agreements, in spite of a national policy on collaborative management of public protected areas. Hence, to date, most existing areas of collaboration between PA and local arenas are conducted through voluntary arrangements, NGO and municipal government commissions and other ad-hoc initiatives.

18. **Low awareness of the role and importance of PAs in national economic development, and limited integration of PA into Costa Rica's growing tourism industry:** PAs are largely under-valued in Costa Rica. Funding for PAs is considered a cost rather than an investment in development, even though tourism - which is closely linked with PA visitation - accounts for 7.4% of the GDP. This view is rooted in: (i) a relatively low national awareness of the value of biodiversity in general, PAs in particular and (ii) on the long-term effects that loss of ecosystem integrity can have on livelihoods. For instance, despite a rapid growth in Costa Rica's tourism, not enough tourists visited PAs. This can be explained in part by insufficient promotion of PAs as tourist attractions and limited access to adequate infrastructure within PAs.

19. Several important challenges remain: (i) Tourist visitation is geographically concentrated, (ii) insufficient linkages between PAs and local livelihoods, (iii) limited capacities to engage local stakeholders through PA management planning and, (iv) the financial sustainability of the PA System depends on increased revenue capture.

20. **Deficiencies in ecosystem integrity, connectivity and representativeness:** The PA System covers around 25% of Costa Rica's total land surface. Yet, currently, ecosystem representativity within the System is skewed, with certain ecosystems (such as montane forests) fully represented, while others are severely under-represented (seasonal moist forests, marine and coastal ecosystems). Furthermore, certain PAs - particularly those harboring freshwater ecosystems such as riparian forests, mangroves or wetlands - are exposed to deterioration due to habitat change and pollution. Even some of the largest PAs are too small for long-term viability and preservation of ecological integrity. Moreover, some areas are found in isolated

patches preventing free movement or genetic flow between protected areas. Hence, the intrinsic value of the ecosystems that are being protected is increasingly lost.

## 1.2. Project Strategy and Approach

21. To address the above pressures and deficiencies, the Project proposed herein will support the GoCR in consolidating its Protected Areas System governed as an integral sub-system within the broader National System of Conservation Areas (SINAC). GEF support will be used to overcome the barriers that undermine the sustainability of the current protected areas system and to provide the framework in which terrestrial, coastal and marine protected areas can thrive.

22. Since its creation in 1998, SINAC has gone through several strategic planning exercises, which have helped to define its mission, vision, objectives, core values, as well as its main mandate and responsibilities. Yet, SINAC's structure and role need to evolve in line with new global thinking concerning PA Systems and their role in biodiversity conservation and sustainable use. There is political support now to propose a new system-wide strategy for the long-term *in situ* conservation in Costa Rica that takes into account eco-regional planning and develops strategic partnerships with line Ministries, regional government, municipalities and private sector to enhance the influence of PA authorities beyond PA boundaries and into the production landscapes which are affecting PA integrity.

23. The project will adopt a systemic approach to promote the consolidation and strengthening of a representative PA system for SINAC. The Outcomes are organized around a set of approaches at the systemic-level, decentralized institutional strengthening and PA-level local pilots. At the systemic level, the project will update the existing regulatory and legal framework to enable the implementation of a PA System Strategic Plan. At the institutional level, the Project will support the institutional re-alignment of SINAC. This, in turn, requires the development of adequate inter-institutional coordination mechanisms between SINAC and the rest of the PA-related public sector. Furthermore, the project will forge with SINAC a system-wide funding strategy, a related business plan geared around a diversified funding and revenue generation portfolio. In parallel, Conservation Area and PA site-level pilots will deliver immediate protection to areas of outstanding biodiversity value, while providing innovative PA governance partnership models with the private sector and local municipal governments that can be replicated throughout the rest of the PA system. Finally, the Project will work closely with other planned and ongoing national and regional GEF biodiversity projects (see section 5.(j)) leveraging increased impacts from innovative approaches derived from on-the-ground pilot actions to replicate them in other strategic areas of the PA system.

## 1.3. Project Goal, Objective, Outcomes, and Outputs/Activities

24. The long-term national Goal of the full GEF project is: *Consolidating the Protected Areas System as a key component of sustainable development in Costa Rica.* The Project Objective is: *To overcome the major systemic and institutional barriers to sustainability of the Costa Rican Protected Area System.* There are five planned outcomes in support of the project's stated objective.

25. **Outcome 1: Costa Rica's legal and policy framework is reformed and enhanced to ensure effective management and long-term financial and ecological sustainability of the PA System.** [Total Cost: US\$ 2,134,667 (Co-Financing: US\$ 1,265,467; GEF Request: US\$ 869,200)]. This Outcome will address the major systemic barriers to PA sustainability, by reforming and fine-tuning Costa Rica's legal and policy framework to provide the enabling environment for the systemic approach to succeed. Support will be provided to help define SINAC's strategic planning, including preparation of a Business Plan for the long-term PA system management.

26. Globally, the long-term success and sustainability of protected area systems largely depends on a supportive legal, policy and institutional framework. Thus, Outcome 1 will provide a *systemic* framework for building on Costa Rica's **Biodiversity Law** which was recently upheld by the Constitutional Court after 8 years of legal uncertainty. Activities will address key missing elements and structures required to give

optimal effect to existing legislation. Namely, Outcome 1 will provide the legal and policy support - along with the strategic vision - for the institutional re-alignment and strengthening process of SINAC. A Strategic Plan for the overall National Conservation Areas System (SINAC) will be developed, along with a National Policy and a Strategic Action Plan for the national-level Protected Area System within SINAC. The combination of these systemic tools will provide the blueprint for the enhancement and consolidation of Costa Rica's protected areas. The PA System Action Plan **will be for the PA System and its management alone** and will define actions to achieve the PA System's goals, identify prioritised actions and responsibilities, and establish a short, medium and long-term timetable for delivery of the actions. The Plan will further define the relevant regulatory and operational requirements to enable the implementation of the PA System in the short term, while guiding its expansion and sustainability over the mid and long term.

27. In addition, a planned legal review will provide the basis for strengthening of the existing regulatory and legal framework to sustain the PA System. Costs associated with adoption of new legal framework and policies will be covered by the GoCR. In combination with IADB and TNC funds and efforts, GEF funds will contribute to the technical assistance required for developing proposals for the legal reforms. A clear distinction will be established between existing financial mechanisms currently administered by FONAFIFO and new financial arrangements for the sustainability of the PA System.

28. **Outcome 2: SINAC's institutional PA System framework and capacity is enhanced for eco-regional planning and optimal management effectiveness.** [Total Cost: US\$ 3,863,500 (Co-Financing: US\$ 3,023,500; GEF Request: US\$ 840,000)]. This Outcome proposes a review of SINAC's structure and function in order to comply with its strategic objectives set forth in Outcome 1. As a result, SINAC's institutional PA System framework will be clarified and realigned. The project will also enhance SINAC's institutional and individual capacities through staff training programs geared to increase management effectiveness, private sector engagement and community outreach.

29. This outcome will develop institutional capacities to set up, re-align and consolidate appropriate arrangements for conducting the planning and effective management of the PA System and its individual PAs from an eco-regional approach, in line with the Law of Biodiversity. This will include the re-structuring of SINAC's institutional structure within its Central offices and within each Conservation Area. Specific attention will be paid to institutional coordination mechanisms so as to maximize administrative efficiency in SINAC and to facilitate better communication and data flow. The Project will also assist in enhancing appropriate institutional procedures in SINAC, the Conservation Areas and PA site-levels to strengthened human resource management. Staffing tables will be re-aligned with updated functions and competences to enable the staff in these organizations to fulfil their respective roles at different levels. Finally, knowledge management, evaluation and adaptation systems will be developed for the PAS and the Project in order to ensure harmonized approaches to human resource management.

30. **Outcome 3: SINAC has the financial sustainability to effectively attain its strategic objectives and provide resources for long-term PA System management needs.** [Total Cost: US\$ 1,928,800 (Co-Financing: US\$ 1,116,800; GEF Request: US\$ 812,000)]. This Outcome focuses on removing the financial barriers, which currently stifle SINAC's management effectiveness. The Project will support the development of strategies and instruments to improve the ability of the PA System to: (i) secure sufficient, stable and sustainable financial resources; and (ii) manage and allocate them in a timely manner, so that the System and its individual PA units are managed effectively and cost efficiently.

31. The project will address one of the most critical barriers for the consolidation of the PA System related to SINAC's financial sustainability. Section IV: Part VII in the UNDP Prodoc provides a detailed analysis of this issue. A PDF B feasibility analysis<sup>3</sup> carried out illustrates that *close to half of the activities that SINAC is supposed to realize are currently without funding*. However, effectively, the scenarios modeled show that

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<sup>3</sup> PDF B Study: Analysis and Evaluation of the financial sustainability of Costa Rica's system of Protected Areas, CIESA, 2006.

despite a significant funding gap, the system has a high potential for generating its own economic and financial benefits in varying degrees. In response, the Project will support the establishment of appropriate legal, policy, and institutional frameworks to enable SINAC's PA financing system to develop. The focus will be on improving the ability of the PA System to secure sufficient, stable and long-term financial resources and manage and allocate them in a timely manner, so that the individual PA units are managed effectively and cost efficiency.

32. **Outcome 4: SINAC tests new and innovative conservation approaches at the Conservation Area and PA levels.** [Total Cost: US\$ 15,301,916 (Co-Financing: US\$13,883,916; GEF Request: US\$ 1,418,000)]. This Outcome proposes a series of on-the-ground interventions through PA-level improvements in demarcation, accessibility, infrastructure and connectivity. It will also apply the new legal and policy frameworks developed in Outcome 1 and 2, while using the new financial mechanisms developed in Outcome 3, in order to: (i) test and develop new tools for enhancing PA governance, management and cost effectiveness and (ii) generate lessons learned to be shared at the national, regional and global levels. Moreover, the new institutional and governance arrangements developed in Outcome 1 through 3 will be further enhanced through ground proofing the development of SINAC's regional (Conservation Area level) and sub-regional offices (PA site-level).

33. Given the focus on supporting SINAC in its de-concentration efforts, 4 out of the 11 Conservation Areas will constitute the Demonstration Sites. These pilot areas will provide an inter-regional platform for the exchange of knowledge and best practices. The Conservation Areas were also selected on the basis of potential co-financing from the IADB-funded Tourism in Protected Areas Program and TNC's activities in Osa. These areas will be provided with the means and the human resource capacity to apply and operationalize the newly developed management categories, financial and administrative procedures. In these Pilot Areas, new approaches will be tested - both internal to SINAC and external - in terms of partnerships with key stakeholders in and around PAs.

34. The project will provide an opportunity for ground testing and for sharing Best Practices for a variety of PA governance models and management types, as part of the strategy to develop a multi-stakeholder PA System. Another aim is to demonstrate how to share the responsibilities and costs of PA management across a broad spectrum of institutions, organizations and individuals. The pilot activities have been specifically designed to enhance the effectiveness of management responses to threats, and thus to threat remediation. The Project will also support the systematization of these experiences in order to draw lessons that could be useful for similar situations in other areas (in terms of land tenure structures, threat scenarios, etc.). The results attained in each site will be made available for other practitioners through the Knowledge Management System (see Output 2.5 in Annex E).

35. **Outcome 5: Successful PA System management models are scaled-up and replicated at the systemic level through strategic partnerships with key stakeholders.** [Total Cost: US\$ 1,880,900 (Co-Financing: US\$ 1,020,100; GEF Request: US\$ 860,800)]. This Outcome seeks to replicate and scale-up the successful PA management approaches developed in the Demonstration Sites (see Outcome 4). It also aims at promoting the implementation of the new strategic reforms in Outcome 1, while taking advantage of the strengthened capacities resulting from Outcome 2 to make changes across the overall PA System. The main goal of this Outcome is to strengthen the governance system in and around PAs with a wide range of stakeholders to improve the long-term management efficiency of the overall PA system in Costa Rica.

36. The scaling-up of local conservation partnerships will require a **two-tiered approach**. A first step will consolidate existing consultative bodies, such as the Regional and Local PA Management Councils. According to the Law on Biodiversity, CONAC – the National Council of Conservation Areas - is the supreme decision-making body of SINAC. All 11 Conservation Areas should also in theory have set up **Regional Councils for Conservation Areas** – so-called CORACs. In practice, however, so far only a few have been established, partly due to the past drawn out constitutional appeal over the Law on Biodiversity,

which was resolved only recently. Hence, the project strategy is to strengthen national and regional consultative and local decision-making bodies through the Regional Councils of Conservation Areas. The strengthening of such regional councils and local PA management boards will be critical for guaranteeing long-term commitment of local stakeholders in biodiversity conservation. As these bodies are now fully backed by the Law, they can provide an important platform to forge long-term partnerships around conservation areas. Several key stakeholders involved in the Pilots (local entrepreneurs, municipalities, NGOs) will be engaged to broaden the scale and scope of their actions. Second, building on the systemic and institutional capacities strengthened in Outcomes 1 through 3, and drawing lessons from the pilots developed in Outcome 4, the project will extend to the entire system some of the best practices and innovative initiatives with local and regional partners to improve management efficiency and contribute to sustainable livelihoods of populations living in and around Pas.

37. The project strategy will contribute to the scaling up of best practices in the following thematic areas: (i) Improved Governance of Conservation Areas and PA through consolidated consultative bodies; (ii) Institutional mechanisms for alternative livelihood support to communities in and around PA; (iii) Institutional mechanisms for managing concessions for PA service provision with private sector; (iv) Collaborative Management of selected PA by local partnerships and consortia; (v) Harmonized and integrated land use planning approaches with Municipalities; and (vi) Contribution of the PA System to the consolidation of Biological Corridors. Each of these thematic areas will be addressed by different outputs below to scale up and replicate at the systemic level best practices in PA management and eco-regional planning.

38. Based on the Demonstration Sites in Outcome 4, these best practices will be scaled up by translating them into formal institutional mechanisms to improve the overall governance of Costa Rica's PA system beyond the project duration. This will require organizational changes, new procedures and clear rules and regulations. At the heart of SINAC's governance system are the above National and Regional Councils, which will provide the mechanisms for translating best practices gained in one Conservation Area into widespread approaches to PA management in other Conservation Areas. The role of these Councils as conveyor belts for these institutional practices will be key for scaling up local practices. Engagement with regional business councils and chambers of producers will also allow the establishment of clear rules of engagement for the concessions management within PAs.

#### b) KEY INDICATORS, ASSUMPTIONS AND RISKS

39. The Project performance indicators are described in detail in the Logical Matrix Framework. (See Annex B of this Summary). These include at the **Project Purpose** level: (i) Amount of area (in ha) in protected areas that are legally incorporated into the SINAC PA System; (ii) Level of SINAC's operational and management effectiveness; and (iii) Adoption of instruments which enable the incorporation of the eco-regional approach into the planning of the PA system, particularly through the existing legal framework provided by the Framework Law on the Environment, the Biodiversity Law, the National Parks Law and the Forestry Law.

40. At the **Outcome** level, to measure the legal and policy enabling framework: (i) Degree of adoption of a National PA System Policy, which 1) defines the PA System; 2) is based on the GRUAS II-promoted eco-regional approach; 3) defines a new sub-system for marine and coastal areas; and 4) defines how to integrate ecosystem functions into Costa Rica's territorial planning; (ii) Degree of adoption of priority sites for re-classification and demarcation to achieve 10% coverage of each ecosystem/vegetation type to ensure conservation of globally significant ecosystem biodiversity; and (iii) Degree of preparation and implementation of project-supported SINAC Strategic Planning Tools (SINAC Strategic Plan and related PA System Action Plan). To measure the development of SINAC's institutional framework and capacity for PA management: (i) Degree of institutional re-profiling process of SINAC personnel at central and regional levels as per new SINAC Strategic Plan and PA System Action Plan; and (ii) Degree of implementation of an Integrated Knowledge Management System (KMS) and its level of integration of financial, ecological and

sustainable tourism data. In terms of measuring the change achieved in increasing SINAC's financial sustainability indicators include: (i) An optimum visitors fee policy, introducing a sliding scale for park entry fees with differentiated rates for nationals and foreign visitors; and (ii) % increase of the UNDP Financial Sustainability Scorecard for National Systems of Protected Areas (see attachment after Logical Framework).

41. To measure the improvement in know-how on innovative conservation approaches at the Conservation Area and PA levels, indicators include: **(i)** Amount of unresolved land tenure conflicts within PA System; **(ii)** Level of service provision to tourists, condition of the infrastructure within and accessibility of the 10 most visited PAs within the PA System; **(iii)** Number of public-private Concession Agreements for provision of non-essential services developed and functioning within the pilot PAs and buffer zones in priority areas for biodiversity conservation; **(iv)** Number of Co-management Arrangements operating effectively and level of capacity of PA staff in Pilot Sites to involve and work together with local stakeholders, such as local entrepreneurs, municipalities and indigenous organizations. Finally, concerning measuring the degree of scaling up and replication of successful PA management models, indicators are: **(i)** Level of multi-stakeholder consultation and coordination carried out through PA System bodies in all 11 Conservation Areas (CAs); **(ii)** Development of a model for public-private Concession agreements for provision of non-essential services and degree to which it is scaled-up throughout the whole PA System in priority areas for biodiversity conservation; and **(iii)** Development of a model for public-private partnerships established between municipalities and eco-tourism operators for building and maintaining biological corridors and the degree to which it is scaled-up throughout the whole PA System in biodiversity conservation priority areas.

### Assumptions and Risks

42. The project assumptions and the risks of them not holding have been carefully evaluated during project preparation and risk mitigation measures have been internalized into the design of the project. Eight main assumptions and their risk levels have been identified and are summarized below. Other assumptions guiding project design are elaborated in the Logical Framework.

Assumption	Risk*	Risk Mitigation Measure
Key baseline biodiversity conservation programs and actions are successfully implemented.	L	The risk is unlikely, given that the GoCR has given high priority and political support to this Project and the consolidation of the PAS. Project implementation is based on a Steering Committee and an Advisory Committee, who together include the key institutions and programs in conservation of biodiversity in the country. This will help anticipate any changes in previously planned activities of other institutions and programs, and make the necessary adjustments in the execution of the Project to reduce potential negative impacts.
Official approval of strategic, legal and regulatory framework occurs within current predicted timeframe.	M	Although the level of country ownership of the project is high, legislative processes in Costa Rica tend to be slow. This risk will be mitigated through the strategic use of lobbying and communications to inform and raise awareness of political representatives, decision makers, and policy makers. The project will build close relationships with the mass media, considering its role in shaping public opinion.
It will be politically possible to achieve the necessary policy reforms and institutional arrangements.	L	The GoCR has committed to realign and increase staffing complements to achieve the institutional strengthening short-term goals by the end of project. The FSP will provide technical assistance to develop the institutional realignment of SINAC to fulfill its mandates and roles in the implementation of the PAS and will promote participatory activities for the development of an agreed set of occupational standards that would define the skills and knowledge required for PA jobs to be adopted by key institutions.
Key stakeholders continue to have at least the present levels of interest in being involved in Project activities.	L	The Project was designed and will be implemented with strong input from a broad range of stakeholders. Training strategies will be based on training needs assessments and will guide learners through activities, in which they will be required to participate and apply their knowledge. The project will promote incentives for personal and career development. It is expected that SINAC will actively encourage both its staff and its partners to use the new knowledge and approaches developed by the project.
The level of threats on PAs selected for demonstration stay the same or decrease.	M	The threat analysis showed that, in the past 5 years, main threats in PAs remained constant or slightly increased. To enhance the effectiveness of management responses to threats in pilot sites, and thus to threat remediation, specific activities have been designed. The project will design and implement monitoring, warning, response and evaluation mechanisms to prevent and/or mitigate the negative impacts of key threats to PAs. In addition the project will provide infrastructure and equipment needed to improve enforcement and control and institutions will increase field staff numbers.
SINAC as the	M	A three-month long Inception Phase will be carried out to carefully plan the whole project implementation.

Implementing Agency can accommodate the ambitious nature and wide-ranging scope of the overall project.		Another objective is to ensure that the necessary communication structures are in place between main project components to ensure optimal coordination and that key stakeholders are in full agreement with project objectives and hence committed towards these outcomes.
The IADB loan related to the SINAC-ICT-IADB Tourism Programme will be approved	M	The SINAC-ICT-IADB Sustainable Tourism Programme has been formulated and has passed several critical administrative and political hurdles to get final legislative approval.
<b>Overall Rating</b>		<b>L/M</b>

\*Risk of the Assumption not holding Rating: L – (Low Risk); M – (Medium Risk); H – (High Risk).

## 2. COUNTRY OWNERSHIP

### a) COUNTRY ELIGIBILITY

43. The GoCR ratified the *Convention on Biological Diversity* on August 26, 1994. As a recipient of UNDP technical assistance, Costa Rica is eligible for GEF funds under paragraph 9b of the Instrument.

a)

### b) COUNTRY DRIVENNESS

44. The project endorsement letter prioritizing this project under the RAF is evidence of the government's high level of interest in this project to strengthen its national system of protected areas.

## 3. PROGRAM AND POLICY CONFORMITY

### a) FIT TO GEF OPERATIONAL PROGRAM AND STRATEGIC PRIORITY

45. The Project will strengthen and consolidate the existing SINAC Protected Areas System and hence is eligible for GEF Biodiversity programme SP I: *catalyzing sustainability for protected area systems* and, in particular, the sub-activity; *'to improve opportunities for sustainable use, benefit sharing and broad stakeholder participation among communities – indigenous groups and the private sector'*.

### b) SUSTAINABILITY (INCLUDING FINANCIAL SUSTAINABILITY)

46. Key elements to promote sustainability of SINAC have been included in the project design to guide this process. Financial sustainability elements include: (i) developing a PA System-wide financing strategy with a diversified set of revenue sources; (ii) introducing financial and business planning to PA management practices; (iii) creating appropriate legal, policy, and institutional frameworks for the PA financing system to develop; (iv) developing resource distribution mechanisms; (v) strengthening financial management information and tracking systems and budget reporting procedures; (vi) developing valuation studies and communications strategies to help understand the role of PAs; and (vii) providing ground testing and demonstration of resource generation mechanisms that can be gradually incorporated into the new PA System Strategic Plan. Institutional sustainability elements include: (i) developing occupational standards for PA positions; (ii) restructuring SINAC and re-aligning and training its staff for new/revised functions and mandates; (iii) setting up inter-institutional coordination and cooperation mechanisms; (iv) promoting agency training strategies; (v) piloting of public-private collaborative management models as part of the PA System institutional framework; and (vi) developing a positive institutional image for the PA System, around which to generate public interest and support. Social sustainability elements include: (i) testing collaborative PA management arrangements; (ii) supporting operations of Regional/Local PA Councils and other participation mechanisms; (iii) promoting direct benefits for local communities and PA residents through appropriate revenue generating mechanisms that will be put in place and continue after the project; (iv) developing incentives to promote private sector participation in PA establishment and management; and (v) awareness raising to increase societal appreciation of the benefits of PAs and the value of services they provide. Ecological sustainability would be sought over time through the application of the new GRUAS II-promoted Eco-regional Approach, delimitation of PAs and a re-categorization of PA management categories.

c) REPLICABILITY

47. The project will build central and local capacity so that best practice developed at the pilot sites will be adopted and replicated across the PA system. Development of skills sets of a wide range of PA practitioners will enable them to build the capacities of others through the generation, adaptation and dissemination of knowledge and practices in PA management. The PA System Strategic Action Plan (Output 1.4, see Annex E) will encourage the replication of capacity building activities and ensure they include specific guidelines in relation to staff development and institutional organization. The project will also specifically target capacity building in the regional councils so they can promote replication of best practices in PAs within their regional jurisdictions.

d) STAKEHOLDER INVOLVEMENT

48. Stakeholders include, amongst others: **(i)** Central government agencies that are key for the implementation of the project – such as MINAE, SINAC, National Conservation Areas Council, Costa Rican Tourism Bureau (ICT), and Ministry of Agriculture (MAG) – **(ii)** regional and local governments (such as Directors of Conservation Areas); **(iii)** municipalities; **(iv)** research and education institutions; **(v)** private sector (such as Private Reserves Network); **(vi)** NGOs; and **(vii)** other social organizations. The most important stakeholders at the central level are members of the Project Steering Committee, formed already during the Preparatory Phase. Key elements for stakeholder involvement during the project implementation are elaborated in both *Stakeholders Involvement Plan* (see Section IV Part III) and in Part III: Project Management Arrangements. Notably, strong emphasis has been put on ensuring participatory mechanisms and approaches during project implementation. For instance, the superior decision-making body of SINAC - the *National Council on Conservation Areas* (CONAC) - will help ensure **(i)** alignment with national, municipal and local planning processes and sustainable development and conservation policies and strategies; **(ii)** inter-agency coordination; and **(iii)** full participation of stakeholders in project activities. Moreover, the project places a strong emphasis on active participation of local/indigenous communities and landowners in the implementation of co-management of PAs and includes provisions for conflict resolution and benefit sharing.

e) MONITORING AND EVALUATION

49. Project monitoring and evaluation activities will be conducted in accordance with established UNDP and GEF procedures and will be provided by the Project Management Unit (PMU) and the UNDP Costa Rica Country Office (UNDP-CO). In the Project Document Section II, the logframe lists impact indicators, along with their corresponding targets and means of verification. Project Document Section IV: Part X provides **(i)** a detailed explanation of the monitoring and reporting system for the project; **(ii)** a presentation of the evaluation system; **(iii)** a matrix presenting the workplan and the budget for M&E section; **(iv)** the Result Measurement Table; and **(v)** METT tables. The PMU will ensure the regular monitoring and feedback of implementation activities to the Project Steering Committee (PSC). The following reports will be prepared by the PMU and submitted to PSC, UNDP-CO and Regional Coordination Unit (RCU): **(i)** Inception Report; **(ii)** Annual Project Report; **(iii)** Project Implementation Review; **(iv)** Quarterly Progress Reports; and **(v)** Project Terminal Report.

#### 4. FINANCING (for all tables, expand or narrow table lines as necessary)

a) PROJECT COSTS

Project Components/Outcomes	Co-financing (\$)	GEF (\$)	Total (\$)
<u>OUTCOME 1</u> : Costa Rica's legal and policy framework reformed and enhanced to ensure effective management and long-term financial and ecological sustainability of the PA System.	1,265,467	869,200	2,134,667
<u>OUTCOME 2</u> : SINAC's institutional PA System framework and capacity is enhanced for eco-regional planning and optimal management effectiveness.	3,023,500	840,000	3,863,500

<b>OUTCOME 3:</b> SINAC has the financial sustainability to effectively attain its strategic objectives and provide resources for long-term PA System management needs.	1,116,800	812,000	1,928,800
<b>OUTCOME 4:</b> SINAC tests new and innovative conservation approaches at the Conservation Area and PA levels.	13,883,916	1,418,000	15,301,916
<b>OUTCOME 5:</b> Successful PA System management models are scaled-up and replicated at the systemic level through strategic partnerships with key stakeholders.	1,020,100	860,800	1,880,900
<b>Total project costs</b>	<b>20,309,783</b>	<b>4,800,000</b>	<b>25,109,783</b>
<b>Project management budget/cost*</b>	<b>N/A</b>	<b>515,000**</b>	<b>N/A**</b>

\* This item is an aggregated cost of project management; breakdown of this aggregate amount should be presented in the table b) below.

\*\* NOTE – This amount represents the total project management costs. However, this amount is already included in the above outcomes, as these costs were prorated into the overall budget (see also UNDP prodoc Table 5). This amount is therefore not in addition to the total project costs of USD 4.8 million, but included in this amount.

#### b) PROJECT MANAGEMENT BUDGET/COST<sup>4</sup>

Component	Estimated Staff weeks	GEF(\$)	Other Sources (\$)	Project Total (\$)
Locally recruited personnel* (Support Staff)	648	95,000	N/A	N/A
Internationally recruited consultants* (Project Coordinator)	224	243,000	N/A	N/A
Office facilities, equipment, vehicles and communications	N/A	87,100	N/A	N/A
Insurance/ Computer and Vehicles Maintenance	N/A	43,000	N/A	N/A
Travel	N/A	47,000	N/A	N/A
<b>Total project management cost</b>	<b>872</b>	<b>515,100</b>	<b>N/A**</b>	<b>N/A</b>

\* Local and international consultants in this table are those who are hired for functions related to the management of project. For those consultants who are hired to do a special task, they would be referred to as consultants providing technical assistance. For these consultants, please provide details of their services in c) below.

\*\* The co-financed project management costs could not be broken down for this table.

#### c) CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Estimated Staff weeks	GEF(\$)	Other Sources (\$)	Project Total (\$)
Personnel	864	353,000	200,200	553,200
Local consultants	3,550	340,000	832,500	1,172,500
International consultants	1,400	1,250,000	1,550,000	2,800,000
<b>Total</b>	<b>5,814</b>	<b>1,943,000</b>	<b>2,582,700</b>	<b>4,525,700</b>

#### d) CO-FINANCING SOURCES<sup>5</sup> (EXPAND THE TABLE LINE ITEMS AS NECESSARY)

50. The detailed budget on Outcomes and Outputs is provided in Section III of the UNDP Prodoc. This Section also provides the full details of the co-funding amounts and sources per Outcome and Output. The table below summarizes the total amounts of these co funding resources and their commitment status.

<sup>4</sup> For all consultants hired to manage project or provide technical assistance, please attach a description in terms of their staff weeks, roles and functions in the project, and their position titles in the organization, such as project officer, supervisor, assistants or secretaries.

<sup>5</sup> [Refer to the paper on Cofinancing, GEF/C.206/Rev. 1](#)

Name of Co-financier	Classification	Type	Amount (US\$)	Status*
SINAC	Government	Cash	2,851,320	Confirmed
		In-kind	1,374,160	Confirmed
Inter-American Development Bank (IADB)	Multilateral Donor	Cash	13,253,900	Confirmed
The Nature Conservancy (TNC)	Non-Governmental Organization	Cash	1,866,800	Confirmed
Government of France (FFEM)	Donor Government	Cash	545,280	Confirmed
Government of Spain (AECI)	Donor Government	Cash	133,323	Confirmed
Pro-Parques	Private Sector	Cash	92,000	Confirmed
Private Sector Contributions (various)	Private businesses	Cash	193,000	Confirmed
<b>Sub-Total Co-financing</b>			<b>20,309,783</b>	

\* Reflect the status of discussion with co-financiers. If there are any letters with expressions of interest or commitment, please attach them. Does not include PDF-B co-financing of US\$ 335,000. Please see UNDP link for letters of commitment of co-funding at [www.nu.or.cr](http://www.nu.or.cr).

## 5. INSTITUTIONAL COORDINATION AND SUPPORT

### a) CORE COMMITMENTS AND LINKAGES

51. The Project is fully consistent with the three main strategic lines of action of UNDP Costa Rica's *Country Co-operation Framework* (CCF): **(i)** Human Development and Poverty Alleviation, **(ii)** Decentralization and Governance, and **(iii)** the Environment. Moreover, it will contribute to UNDP Costa Rica's focus on integration of the private sector in actions that achieve global and local environmental benefits.

### b) CONSULTATION, COORDINATION AND COLLABORATION BETWEEN IAS AND IAS AND EXAS

52. During the Full-scale Project, SINAC, UNDP, the World Bank, and IADB will carry out a continuous dialogue spearheaded by Costa Rica's GEF Operational Focal Point on how to best ensure coordination and synergies between this Project and the following GEF-funded projects.: *Consolidation of the Mesoamerican Biological Corridor Project*, *CAMBio project - Central American Markets for Biodiversity*, the global UNDP-GEF *Financial Sustainability for National Systems of Protected Areas*, the national *Cocos Island Project*, the *National Capacity for Self-Assessment (NCSA)*, the *WB-GEF Ecomarkets II Programme*, the support of the *WB/IADB-GEF Integrated Ecosystem Management (MIE) programme*, the planned *SINAC-ICT-IADB Sustainable Tourism Programme* and a *new IADB Cadastral Programme*.

### c) PROJECT IMPLEMENTATION ARRANGEMENTS

53. The project will be executed by the National System of Conservation Areas (SINAC), following UNDP guidelines for National Execution (NEX). The Executing Agency will sign the grant agreement with UNDP and will be accountable to UNDP for the disbursement of funds and the achievement of the project goals, according to the approved work plan. The Project will comprise the following management, oversight and coordination structures: **(i)** a Project Steering Committee (PSC) and **(ii)** a Project Management Unit (PMU). The PMU will be located in the SINAC Government offices.

## ANNEX A: INCREMENTAL COST ANALYSIS

Benefits	Baseline (B)	Increment/Alternative (A)
<b>Domestic Benefits</b>	<p>Currently available resources and contributions from diverse entities for the PA System guarantee conservation of important ecosystems that ensure CR is of interest for sustainable tourism. However, tourism is not an option for all PAs, since most visitors are concentrated among only a few.</p> <p>The country has a very complex normative and legal framework that hinders the proper operation of PA System and limits its governance.</p> <p>There is no clear definition of the roles and responsibilities of SINAC, the private sector and local communities in regard to biodiversity conservation. This limits the effectiveness of PA System management and hinders the fulfillment of its conservation goals.</p> <p>SINAC's old institutional, structural and administrative definitions remain, which makes the system inefficient and limit the introduction of effective administrative models for PAs.</p> <p>Current PA management categories continue to focus on conservation without offering options for the sustainable use and management of natural resources in buffer zones, an aspect that limits collaborative management and the equitable distribution of the benefits derived from conservation.</p> <p>The PA System does not have sufficient resources, and those that do exist are not distributed efficiently and in a timely manner among PAs, in accordance with their requirements and realities.</p> <p>The current SINAC structure limits development of multi-stakeholder PA management and administration models.</p>	<p>The development of systems for managing knowledge, evaluation and adaptation to build capacities for financial, ecological and sustainable tourism management of the PA system will contribute to better PA management, which in turn will produce a better sustainable tourism offer and capture greater resources.</p> <p>The development of a normative, legal and policy framework for the PA System will advance its consolidation, based on an eco-regional focus and using the revised management categories.</p> <p>The development of mechanisms for sharing benefits and responsibilities among local communities, municipal governments, PAs and universities will help to more clearly define roles and responsibilities in regard to conservation.</p> <p>With the consolidation of the Strategic Plan, the Master Plan (<i>Plan Director</i>) and the Business Plan, SINAC will advance the efficiency of its administration and will incorporate successful models of PA administration.</p> <p>Current management categories have been revised in accordance with IUCN categories, under which there are some that offer the potential for combining conservation with sustainable development.</p> <p>Instruments that ensure SINAC's financial sustainability are being developed, and will enable the generation of financial resources for the PA system in the long term.</p> <p>The development of successful models in the pilot PAs for the establishment of strategic alliances with other actors will enable the coordination of different stakeholders in conservation and sustainable development.</p>
<b>Global Benefits</b>	<p>Existing PAs are not representative and do not operate optimally but continue to be pressured by inhabitants of buffer zones, which undermines the SNAP sustainability and threatens biodiversity.</p> <p>The PA System's low eco-systemic representativeness makes it unsustainable; its current composition does not represent all of the country's ecosystems and biodiversity, which undermines conservation of globally significant biodiversity.</p> <p>Legal gaps and low institutional capacity undermine PA effectiveness as instruments of conservation and limit the attainment of its own sustainability.</p> <p>The weak operation of the PA system and the low level of coordination and integrated management among different environmental authorities undermine efforts to conserve globally significant biodiversity.</p>	<p>With a reinforced policy framework, including new management categories that enable the integration of private landowners in buffer zones, more land will be put under conservation. This will broaden the representativeness of the System and the sustainable management of those lands that are not earmarked for conservation by their owners.</p> <p>The development of successful PA management models and their replication in different areas of the System will enable the establishment of strategic alliances. These partnerships will in turn allow for the configuration of new areas in the biological corridors, thus guaranteeing greater representativeness of ecosystems and globally significant biodiversity.</p>

Benefits	Baseline (B)	Increment/Alternative (A)
	<p>The communities in the areas surrounding PAs continue to use natural resources in ways that pressure natural ecosystems. There is little knowledge of the role PAs play as providers of better opportunities and living conditions, which perpetuates conflicts between local inhabitants and PAs.</p> <p>The importance of PAs for national economic development is not recognized by all of the country's inhabitants.</p>	

Cost	Baseline (B)	Alternative (A)	Increment (A-B)			
<b>OUTCOME 1:</b> Costa Rica's legal and policy framework is reformed and enhanced to ensure effective management and long-term financial and ecological sustainability of the PA System.	<b>Baseline:</b>	<b>2,302,198</b>	<b>a) Baseline:</b>	<b>2,302,198</b>	<b>GEF:</b>	<b>869,200</b>
	SINAC	577,500	<b>b) GEF:</b>	<b>869,200</b>	<b>Co-financing:</b>	<b>1,265,467</b>
	TNC	320,362	<b>c) Total Co-financing:</b>	<b>1,265,467</b>	<b>Total:</b>	<b>2,134,667</b>
	French Govt	654,336	SINAC	295,120		
	Spanish Govt (AECE)	750,000	Spanish Govt (AECE)	133,323		
			TNC	200,800		
		French Govt (FEEM)	436,224			
		IADB	200,000			
		<b>d) Total Alternative:</b>	<b>4,436,865</b>			
<b>OUTCOME 2:</b> SINAC's institutional PA System framework and capacity is enhanced for eco-regional planning and optimal management effectiveness.	<b>Baseline:</b>	<b>1,691,000</b>	<b>a) Baseline:</b>	<b>1,691,000</b>	<b>GEF:</b>	<b>840,000</b>
	SINAC	833,200	<b>b) GEF:</b>	<b>840,000</b>	<b>Co-financing:</b>	<b>3,023,500</b>
	Municipal funds	89,800	<b>c) Co-financing:</b>	<b>3,023,500</b>	<b>Total:</b>	<b>3,863,500</b>
	TNC	18,000	SINAC	2,257,500		
	Spanish Govt (AECE)	750,000	TNC	665,000		
			IADB	101,000		
		<b>d) Total Alternative:</b>	<b>5,554,500</b>			
<b>OUTCOME 3:</b> SINAC has the financial sustainability to effectively attain its strategic objectives and provide resources for long-term PA System management needs.	<b>Baseline:</b>	<b>604,890</b>	<b>a) Baseline:</b>	<b>604,890</b>	<b>GEF:</b>	<b>812,000</b>
	SINAC	456,120	<b>b) GEF:</b>	<b>812,000</b>	<b>Co-financing:</b>	<b>1,116,800</b>
	TNC	148,770	<b>c) Co-financing:</b>	<b>1,116,800</b>	<b>Total:</b>	<b>1,928,800</b>
			SINAC	513,800		
			TNC	160,000		
			IADB	443,000		

Cost	Baseline (B)	Alternative (A)	Increment (A-B)
		<b>d) Total Alternative:</b> 2,533,690	
<b>OUTCOME 4:</b> SINAC tests new and innovative conservation approaches at the Conservation Area and PA levels.	<b>Baseline:</b> 7,107,584	<b>a) Baseline:</b> 7,107,584	<b>GEF:</b> 1,418,000
	Private Sector 416,000	<b>b) GEF:</b> 1,418,000	<b>Co-financing</b> 13,883,916
	CI 150,000	<b>c) Co-financing:</b> 13,883,916	<b>Total:</b> 15,301,916
	TNC 400,000	SINAC 568,960	
	Pro-Parques 46,000	TNC 636,000	
	IADB 300,000	French Govt (FEEM) 109,056	
	French Govt 163,584	IADB 12,284,900	
	European Union 5,632,000	Pro-Parques (private sector) 92,000	
		Smaller private sector contributions 193,000	
		<b>d) Total Alternative:</b> 22,409,500	
<b>OUTCOME 5:</b> Successful PA System management models are scaled-up and replicated at the systemic level through strategic partnerships with key stakeholders.	<b>Baseline:</b> 4,073,686	<b>a) Baseline:</b> 4,073,686	<b>GEF:</b> 860,800
	SINAC 405,825	<b>b) GEF:</b> 860,800	<b>Co-financing:</b> 1,020,100
	CI 960,000	<b>c) Co-financing:</b> 1,020,100	<b>Total:</b> 1,880,900
	IUCN 140,000	SINAC 590,100	
	GTZ 67,861	TNC 205,000	
	CCAD 1,000,000	IADB 225,000	
	Spanish Govt (AECI) 1,500,000		
	<b>d) Total Alternative:</b> 5,954,586		
<b>TOTAL COSTS:</b>	<b>Total Baseline:</b> 15,779,358	<b>Total Baseline:</b> 15,779,358	<b>Total GEF:</b> 4,800,000
	SINAC 2,272,645	<b>Total GEF:</b> 4,800,000	<b>Total Co-financing:</b> 20,309,783
	TNC 887,132	<b>Total Co-financing:</b> 20,309,783	<b>Total Increment:</b> 25,109,783
	French Govt 817,920	<b>Total Alternative:</b> 40,889,141	
	Spanish Govt 3,000,000	<b>PDF B</b> 334,000	
	Municipal funds 89,800	<b>Co-financing, PDF B</b> 20,000	
	Private Sector 416,000	<b>TOTAL, PDF B</b> 354,000	
	CI 1,110,000	<b>GRAND TOTAL</b> 41,243,141	
	Pro-Parques 46,000		

Cost	Baseline (B)		Alternative (A)		Increment (A-B)
	IADB	300,000			
	European Union	5,632,000			
	IUCN	140,000			
	GTZ	67,861			
	CCAD	1,000,000			

## ANNEX B: PROJECT LOGICAL FRAMEWORK

Project Strategy	Objectively verifiable indicators														
Goal	Consolidating the National Protected Areas System (NPAS) as a key component of sustainable development in Costa Rica.														
Project Purpose	Indicator	Baseline	Target		Sources of verification	Risks and Assumptions									
<p><b>Purpose (Objective):</b> To overcome the major systemic and institutional barriers to sustainability of the Costa Rican Protected Area System.</p>	<p>1. Area (in ha) in protected areas that is legally incorporated into the SINAC PA System.</p>	<p>Several terrestrial and aquatic ecosystems in Costa Rica are currently under-represented in existing PAs. These include:</p> <ul style="list-style-type: none"> <li>- Under-representation of semideciduous lowland forests and dry tropical forest</li> <li>- Under-representation of coastal and marine ecosystems.</li> </ul> <p>Final report from GRUAS II available after October 2006 defining conservation priorities of Costa Rica as a basis for a national policy and a strategic plan for PAs.</p>	<ul style="list-style-type: none"> <li>• At least the following hectares will be (a) legally incorporated in the PA System at the End of Project; and (b) included in the <u>long-term</u> PA Systems Action Plan (15 years) with specific strategies for implementation:</li> </ul> <table border="1"> <thead> <tr> <th>Hectares per ecosystem</th> <th>EoP*</th> <th>15-Year Plan</th> </tr> </thead> <tbody> <tr> <td>Total ha for PA System</td> <td><b>1,840,448</b></td> <td>Tbd*</td> </tr> <tr> <td>Marine and coastal</td> <td><b>500,869</b></td> <td>Tbd*</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• Target percentages for the marine and coastal ecosystems will be determined in the FSP as part of the long-term PA System Strategic Action Plan.</li> </ul> <p>*Target amount of ha will be determined during the Inception Phase.</p>		Hectares per ecosystem	EoP*	15-Year Plan	Total ha for PA System	<b>1,840,448</b>	Tbd*	Marine and coastal	<b>500,869</b>	Tbd*	<p>New PA System Strategic Action Plan to be formulated; Gap analysis reports, Project Midterm and Final Evaluations.</p>	<ul style="list-style-type: none"> <li>• Other relevant BD1 and BD2 GEF Projects within Costa Rica RAF are implemented successfully.</li> <li>• The new Government authorities support the de-concentration process of SINAC.</li> <li>• Key stakeholders effectively increase their capacities and employ these for improved management of the PA System.</li> <li>• SINAC, with the help of CCT, continues to monitor the management effectiveness of the PAS through a periodic application of the METT.</li> <li>• The IADB Sustainable Tourism and Cadastre</li> </ul>
Hectares per ecosystem	EoP*	15-Year Plan													
Total ha for PA System	<b>1,840,448</b>	Tbd*													
Marine and coastal	<b>500,869</b>	Tbd*													

	2. Level of SINAC's operational and management effectiveness.	The METT baseline for the 25 sample PAs were: <ul style="list-style-type: none"> <li>- 8 High</li> <li>- 8 Medium</li> <li>- 9 Low</li> </ul>	<ul style="list-style-type: none"> <li>• <i>By end of Project:</i> METT scores for the 25 sample PAs will have moved to a higher METT category as follows<sup>6</sup>: <ul style="list-style-type: none"> <li>- 10 High</li> <li>- 10 Medium</li> <li>- 5 Low</li> </ul> </li> </ul>	BD-1 Tracking Tools based on periodic application of the Management Efficiency Tracking Tool (METT) as per Project Work Plan.	
	3. Adoption of instruments which enable the incorporation of the eco-regional approach into the planning of the PA system, particularly through the existing legal framework provided by the Framework Law on the Environment, the Law on Biodiversity, the National Parks Law and the Forestry Law.	<ul style="list-style-type: none"> <li>• National and Regional Councils for Conservation Areas, Network of Biological Corridors, Inter-disciplinary Commission on the Exclusive Economic Zone of Costa Rica, are already-established mechanisms, which can help to operationalize cross-cutting environmental policies into other sectors.</li> </ul>	<ul style="list-style-type: none"> <li>• Eco-regional management plans are defined by Year 2;</li> <li>• They are incorporated into other planning processes by Year 3.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal SINAC policy approved and implemented.</li> </ul>	

<sup>6</sup> By Project end (EOP) a net increase by ---% in the Management Effectiveness of the 25 PA selected, on the basis of the results of the METT during the PDF B preparatory phase, the distribution of points on management effectiveness between:

- 55-96 HIGH
- 45-54 MEDIUM
- Less than 45 LOW

(See Annex X Table X)

<p><b>OUTCOME 1:</b> Costa Rica's legal and policy framework is reformed and enhanced to ensure effective management and long-term financial and ecological sustainability of the PA System.</p>	<p>1. Degree of adoption of a National PA System Policy, which 1) defines the PA System; 2) is based on the GRUAS II-promoted eco-regional approach; 3) defines a new sub-system for marine and coastal areas; and 4) defines how to integrate ecosystem functions into Costa Rica's territorial planning.</p>	<p>Currently, there is no official definition of the PA System; There is no national PA System Policy; There is only an incipient eco-regional approach; There is no sub-system for marine and coastal areas; Ecosystem functions are not integrated into Costa Rica's territorial planning.</p>	<ul style="list-style-type: none"> <li>• A National PA System Policy has been prepared by Year 2;</li> <li>• Approved by Year 3;</li> <li>• In force by Year 4.</li> </ul>	<p>Official gazette and territorial planning documents.</p>	<ul style="list-style-type: none"> <li>• Sustained window of opportunity and political support to incorporate eco-regional approach into land use and regional planning.</li> <li>• Recognition of MINAE as promoter and driver of regional territorial planning.</li> <li>• Recognition by different sectors of the value of marine and coastal resources in the development of the country through their conservation and sustainable use.</li> <li>• Leadership in SINAC to obtain support in Legislative Assembly and</li> </ul>
	<p>2. Degree of adoption of priority sites for re-classification and demarcation to achieve 10% coverage of each ecosystem/vegetation type to ensure conservation of globally significant ecosystem biodiversity.</p>	<p>Of the 52 major ecosystem/vegetation types only 12 are adequately (20%) covered by PAs in the PA System.</p>	<ul style="list-style-type: none"> <li>• Re-classification of priorities and concrete proposal based on GRUAS II identified by Year 1;</li> <li>• Integrated into SINAC Strategic Plan by Year 1;</li> <li>• Integrated into PA System Action Plan by Year 2.</li> </ul>	<p>Official Government records, Project Mid-term Reviews and Final Evaluation.</p>	

	3. Degree of preparation and implementation of project-supported SINAC Strategic Planning Tools (SINAC Strategic Plan and related PA System Action Plan).	The SINAC Strategic Plan is being prepared based on an old version from 2000; There is no PA System Strategic Action Plan.	<ul style="list-style-type: none"> <li>• SINAC Strategic Plan endorsed and operational by Year 2;</li> <li>• <u>Preliminary Short-term</u> PA System Action Plan (will cover initial period of 5 years) formulated by Year 2;</li> <li>• <u>Long-term</u> PA System Action Plan (15 years) prepared, which include (i) lessons and experience from pilot demonstrations (Outcome 4) and (ii) new regulatory frameworks and policies (Outputs 1.1 and 3.3) by Year 4;</li> <li>• Long-term Action Plan operational by Year 5.</li> </ul>	Official Government records, Project Mid-term Reviews and Final Evaluation.	Executive.
<b>OUTCOME 2:</b> SINAC's institutional PA System framework and capacity is enhanced for eco-regional planning and optimal management effectiveness.	1. Degree of institutional re-profiling process of SINAC personnel at central and regional levels as per new SINAC Strategic Plan and PA System Action Plan.	The Strategic Plan is not finalized and a PA System Action Plan does not exist; Existing SINAC staffing profiles are generally vague, lacking clear ToRs and do not respond to legally mandated de-concentration.	<ul style="list-style-type: none"> <li>• By Year 3, roles and functions of SINAC personnel at central and regional levels have been re-defined/re-aligned as per new SINAC Strategic Plan and preliminary Short-term PA System Action Plan.</li> </ul>	SINAC official records, Project Progress Reports, Mid-term Reviews and Final Evaluation.	<ul style="list-style-type: none"> <li>• Key partners from civil society and private sector show continued interest in in situ conservation and sustainable use of biodiversity.</li> <li>• IADB tourism and cadastre partner projects have been approved and votes in Legislative Assembly</li> <li>• Internal communications strategy successfully addresses resistance to change within SINAC</li> </ul>
	2. Degree of implementation of an Integrated Knowledge Management System (KMS) and its level of integration of financial, ecological and sustainable tourism data.	The SINAC Financial Strategy is being formulated; There is no integrated Knowledge Management System in SINAC.	<ul style="list-style-type: none"> <li>• A KMS established by Year 2;</li> <li>• By Year 5, the KMS responds to the priorities and the needs of the PA System based on the new eco-regional approach and provides the needed data for the Annual Operational Plans, budget formulation and management.</li> </ul>	SINAC financial records, Project Mid-term and Final Evaluation.	

<p><b>OUTCOME 3:</b> SINAC has the financial sustainability to effectively attain its strategic objectives and provide resources for long-term PA System management needs.</p>	<p>1. An Optimum Visitors Fee Policy, introducing a sliding scale for park entry fees with differentiated rates for nationals and foreign visitors.</p>	<p>There is currently no Visitors Fee Policy.</p>	<ul style="list-style-type: none"> <li>• By Year 1, the new Policy is drafted;</li> <li>• By Year 2 it is approved and implemented.</li> </ul>	<p>Official documents of Comptroller General's Office.</p>	<ul style="list-style-type: none"> <li>• Structural changes in the budget of SINAC have been authorized by the Ministry of Finance and are supported by a formal agreement with MINAE to strengthen the financial and fiscal autonomy of SINAC.</li> </ul>
	<p>2. Percentage increase of the UNDP-GEF Financial Scorecard (see below).</p>	<p>In 2006, the SINAC revenue was US\$ 21.09 million from regular budget sources, leaving a funding gap of US\$ 14.84 million;</p> <p>The Executive Decree on the Water Use Fee creates a new source of revenues for SINAC. In 2006, however, SINAC will not yet receive any funds from the new Water Tax (<i>Canon de Agua</i>).</p> <p>Income from total visitation reported in 2005 reached US\$ 5 million and the average annual growth rate for the past 10 years is 11%.</p> <p>SINAC's incipient Financial Information Management System does not allow for sufficient financial coordination and tracking between central, CAs and PA levels.</p>	<ul style="list-style-type: none"> <li>• By Year 1, tangible % project-specific targets for Year 3 and 5 have been included in the Scorecard;</li> </ul> <p>By <i>End of Project</i>, (Year 5):</p> <ul style="list-style-type: none"> <li>• SINAC staffing composition has changed to reflect the re-profiling process.</li> <li>• The Financial Scorecard will show a 50% improvement.</li> <li>• SINAC will receive 0.91 million/year in new revenue from the Water Tax and at least US\$ 6.9 million in visitors fees (See Base Scenario in Financial Sustainability Annex, <u>Section IV: Part VIII</u>).</li> <li>• By <i>End of Project</i>, under-spending is reduced by 50% to avoid a continuous decrease in SINAC's future annual budget.</li> </ul>	<p>The Project-supported Capacity Assessment; Official documents of Comptroller General's Office; SINAC official financial records; UNDP-GEF Financial Scorecard ratings carried out as part of Project Mid-term and Final Evaluations.</p> <p>Annual Report of the National Park Foundation and Annual Operational Plans (POA) of the priority PAs.</p>	<ul style="list-style-type: none"> <li>• The re-structuring of MINAE under the current administration is consistent and compatible with a greater degree of financial autonomy by SINAC.</li> </ul>

<p><b>OUTCOME 4:</b> SINAC tests new and innovative conservation approaches at the Conservation Area and PA levels.</p>	<p>1. Amount of unresolved land tenure conflicts within PA System.</p>	<p>A high number of unresolved land tenure conflicts within PA System, primarily related to the lack of legal land titling of some PAs.</p>	<ul style="list-style-type: none"> <li>• 8 SINAC PAs legally registered and demarcated by Year 3; this process replicated to at least 12 other PAs by Year 5.</li> <li>• By End of Project, all unresolved land tenure conflicts resolved in at least 8 of the 12 demarcated PAs.</li> </ul>	<ul style="list-style-type: none"> <li>• Legal PA land titling documents;</li> <li>• IADB Cadastral and FSP Project progress reports.</li> </ul>	<ul style="list-style-type: none"> <li>• There is an enabling environment for reforming the legal framework in order to permit collaborative management of PA, through alliances and consortium organized around the long-term management of PA.</li> </ul>
	<p>2. Level of service provision to tourists, condition of the infrastructure within and accessibility of the 10 most visited PAs within the PA System.</p>	<p>Poor and insufficient infrastructure within and poor accessibility to 10 most visited PAs in PA System.</p> <p>Today, investment in infrastructure and improvement of facilities in PA accounts for 14% of SINAC's annual budget.</p>	<ul style="list-style-type: none"> <li>• At least XX* Works in tourism infrastructure and facilities have been improved or developed in at least 6 PA by Year 3;</li> <li>• At least XX* Works in tourism infrastructure and facilities have been improved or developed in at least 10 PA by End of Project.</li> </ul> <p>(*No.s to be jointly defined with co-funding IADB Tourism Programme during Inception Phase)</p>	<p>Project M&amp;E System; Project Mid-term and Final Report.</p>	<ul style="list-style-type: none"> <li>• New alliances and partnerships between SINAC and local stakeholders involved in PA management. SINAC staff work in close collaboration with networks of private reserves, NGOs, Municipalities, indigenous communities and community based organizations to</li> </ul>

	<p>3. The number of public-private Concession agreements for provision of non-essential services developed and functioning within the pilot PAs and buffer zones in priority areas for biodiversity conservation.</p>	<p>Sporadic, non-systematized pilot experiences of joint work with local stakeholders for the operation of Non-essential Services and PA management.</p> <p>Most of the PAs within the Tempisque Conservation Area are privately owned.</p> <p>The Pacific Coast of the Nicoya Peninsula is one of Costa Rica's fastest-growing tourism destinations.</p> <p>Hence, there is a significant, yet unexplored potential for fostering public-private partnerships for provision of non-essential services in PAs between local municipalities, private landowners and private sector.</p>	<ul style="list-style-type: none"> <li>• 3 of public-private Concession Agreements organized for the provision of non-essential services to PAs have been created in the Tempisque Conservation Area by Year 3;</li> <li>• Approach replicated through at least 6 new Agreements in other PAs within the Conservation Area by Year 5.</li> </ul>	<p>SINACs operational records, Operational Reports for the PAs; Financial plans and Project reports</p>	<p>improve their capacities and management effectiveness.</p>
	<p>4. No. of Co-management Arrangements operating effectively and level of capacity of PA staff in Pilot Sites to involve and work together with local stakeholders, such as local entrepreneurs, municipalities and indigenous organizations.</p>	<p>There is no official co-management arrangements between SINAC and local stakeholders for matters such as joint patrolling;</p> <p>There is limited capacity within SINAC to collaborate with municipalities and local stakeholders, and especially with indigenous communities.</p>	<ul style="list-style-type: none"> <li>• Up to 10 Collaborative Management agreements of PA have been passed with municipalities, NGOs and indigenous communities in pilot areas by Year 3.</li> <li>• A legal framework for Collaborative management of PA has been designed and approved by End of Project.</li> </ul>	<p>Proceedings of the Network of Private Reserves, mid-term evaluations and Project reports by Year 2 and Year 4, Final Project Evaluation.</p>	

<p><b>OUTCOME 5:</b> Successful PA System management models are scaled-up and replicated at the systemic level through partnerships with key stakeholders.</p>	<p>1. Level of multi-stakeholder consultation and coordination carried out through PA System bodies in all 11 Conservation Areas (CAs).</p>	<p>Legal mechanism established and 9 Regional Councils officially formed, but inactive; There are no Local Councils established yet.</p>	<ul style="list-style-type: none"> <li>• 11 Regional Councils (1 per CA) re-activated/established, realigned and operational by Year 3;</li> <li>• At least 1 pilot Local PA Council within each Conservation Area formed and operational by Year 3 (11 total);</li> <li>• Local PA Council approach and process replicated at least twice within each Conservation Area (i.e. 22 more) by Year 5.</li> </ul>	<p>Decrees and SINAC administrative resolutions</p>	<ul style="list-style-type: none"> <li>• Acceptance and support of political authorities for collaborative PA management relationships.</li> <li>• Collaborative PA management relationships between PAS and social stakeholders are established and maintained.</li> <li>• Willingness of social actors and institutions to participate in and share PA management responsibilities.</li> </ul>
	<p>2. Development of a model for public-private Concession agreements for provision of non-essential services and degree of its up-scaling throughout the whole PA System in priority areas for biodiversity conservation.</p>	<p>Sporadic, non-systematized pilot experiences of joint work with local stakeholders for the operation of Non-essential Services and PA management; Based on Pilot Demonstrations in Outcome 4, there is a strong potential for creating a useful model for public-private Concession Agreements to be promoted throughout the whole PA System.</p>	<ul style="list-style-type: none"> <li>• By Year 3, a Model generated based on the initial 3 Pilot Demonstrations of public-private Concession Agreements organized for the provision of non-essential services to PAs in the Tempisque Conservation Area (OUTCOME 4);</li> <li>• The Model replicated through at least 15 new Agreements in PAs in other Conservation Areas by Year 5;</li> <li>• The model is fully incorporated into official SINAC policies by End of Project.</li> </ul>	<p>SINACs operational records, Operational Reports for the PAs; Project Mid-term and Final Evaluations.</p>	

	<p>3. Development of a model for public-private partnerships established between municipalities and eco-tourism operators for building and maintaining biological corridors and degree to which it is up-scaled throughout the whole PA System in priority areas for biodiversity conservation.</p>	<p>GRUAS II stresses the importance of incorporating key biological corridors into the new eco-regional vision for the PA System;</p> <p>Biological corridors are already a part of SINAC in the Conservation Areas. Yet, much more work is needed for the recommendations of GRUAS II to be adequately implemented;</p> <p>Municipalities are not involved in the preparation of local Land Use Plans, which could provide a foundation for linking eco-tourism and conservation goals;</p> <p>The Araucaria XXI Programme of the Spanish Cooperation will assist initiatives in the Río Frío watershed.</p>	<ul style="list-style-type: none"> <li>• By Year 3, at least 4 public-private partnerships (municipalities-Eco-tourism operators) within Pilot Conservation Area to coordinate and integrate resource assignments to local biological corridor initiatives according to conservation priorities established by GRUAS II signed;</li> <li>• By Year 4, a Model has been created based on the initial Pilot Demonstrations and each new partnership has formulated a new local Land Use Plan for designated biological corridor;</li> <li>• By Year 5, these partnerships and Land Use Plans have been replicated elsewhere through at least 4 additional agreements.</li> </ul>	<p>Signed public-private agreements and new local Land Use Plans.</p>	
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	<p>4. Development of a model for public-private Concession agreements for provision of non-essential services and degree of its up-scaling throughout the whole PA System in priority areas for biodiversity conservation.</p>	<p>Sporadic, non-systematized pilot experiences of joint work with local stakeholders for the operation of Non-essential Services and PA management; Based on Pilot Demonstrations in Outcome 4, there is a strong potential for creating a useful model for public-private Concession Agreements to be promoted throughout the whole PA System.</p>	<ul style="list-style-type: none"> <li>• By Year 3, a Model generated based on the initial 3 Pilot Demonstrations of public-private Concession Agreements organized for the provision of non-essential services to PAs in the Tempisque Conservation Area (OUTCOME 4);</li> <li>• The Model replicated through at least 15 new Agreements in PAs in other Conservation Areas by Year 5;</li> <li>• The model is fully incorporated into official SINAC policies by End of Project.</li> </ul>	<p>SINACs operational records, Operational Reports for the PAs; Project Mid-term and Final Evaluations.</p>	
	<p>5. Development of a model for public-private partnerships established between municipalities and eco-tourism operators for building and maintaining biological corridors and degree to which it is up-scaled throughout the whole PA System in priority areas for biodiversity conservation.</p>	<p>GRUAS II stresses the importance of incorporating key biological corridors into the new eco-regional vision for the PA System; Biological corridors are already a part of SINAC in the Conservation Areas. Yet, much more work is needed for the recommendations of GRUAS II to be adequately implemented; Municipalities are not involved in the preparation of local Land Use Plans, which could provide a foundation for linking eco-tourism and conservation goals; The Araucaria XXI Programme of the Spanish Cooperation will assist initiatives in the Río Frío watershed.</p>	<ul style="list-style-type: none"> <li>• By Year 3, at least 4 public-private partnerships (municipalities-Eco-tourism operators) within Pilot Conservation Area to coordinate and integrate resource assignments to local biological corridor initiatives according to conservation priorities established by GRUAS II signed;</li> <li>• By Year 4, a Model has been created based on the initial Pilot Demonstrations and each new partnership has formulated a new local Land Use Plan for designated biological corridor;</li> <li>• By Year 5, these partnerships and Land Use Plans have been replicated elsewhere through at least 4 additional agreements.</li> </ul>	<p>Signed public-private agreements and new local Land Use Plans.</p>	

## **ANNEX C: RESPONSE TO PROJECT REVIEWS**

### a) CONVENTION SECRETARIAT COMMENTS AND IA/EXA RESPONSE

Comment: PENDING

Response: PENDING

### b) STAP EXPERT REVIEW AND IA/EXA RESPONSE

#### **STAP Review**

#### **Proposed UNDP-GEF Project: Overcoming Barriers to Sustainability of Costa Rica's Protected Area System – PIMS 3423**

##### **Overview:**

The Project Document is well written and sets out an ambitious initiative to improve the conservation of biological diversity through a set of complementary actions designed to reinforce the sustainability of the well-advanced system of protected areas in Costa Rica. The proposal is comprehensive in that it sets out pragmatic measures designed to strengthen nature conservation policy, institutional capacities, funding for PAs, human resources, and integration of the private sector into improved management of protected areas.

The proposed project is aligned with national biodiversity policies and initiatives, and is consistent with the GEF Operational Strategy for biodiversity conservation and supports Operational programmes 2, 3, and 4. The project is worthy of support and should represent effective use of GEF, UNDP and other counterpart resources. There are minor points could be better addressed in the project design. These are set out in the latter sections of this appraisal.

##### **1. Scientific and Technical soundness of the project.**

The situation analysis is comprehensive and displays a commendable depth of analysis of the social, economic and environmental issues that constrain the development of the full potential of the PA system. The development goal and stated objectives are sound. The planned outputs and intended outcomes are relevant to the objectives. The proposal sets out a series of national, regional and more local activities designed to reduce policy, institutional and human resources constraints, and remove barriers to improved management of the PA system. The selection of activities appears to be fully in accord with the findings of the Situation Analysis. These activities should be mutually reinforcing and provide a comprehensive package of actions that would support the stated objectives and goal.

Of particular note is the emphasis on developing an integrated, systemic overview of the PA system that incorporates management practices and standards within individual PAs and in the areas/ systems surrounding the individual PAs. This is complemented by the perceptive overview of the funding required to enhance PA management, and the need to develop a wider awareness of the contribution that conservation makes to economic and social development. For example, “eco-tourism” is identified as a major contributor to the growth of tourism. Tourism is stated as generating more foreign currency than agricultural and livestock exports.

The project proposal recognizes the role of the Private Sector in the conservation of biodiversity through the management of non-state owned conservation areas, and makes provision for engaging the private sector and other stakeholders in the project activities.

The policy and legislative context is comprehensive and brings out the factors that constrain the full and effective use of existing policies, laws and regulations. At the same time, the analysis identifies on-going work, such as the partnership between SINAC, TNC, CI and INBIO in developing a strategic vision and framework for planning and managing PAs. The forthcoming Inter American Development Bank supported project on Sustainable Tourism is also identified as a source of potential, complementary support that would help to enhance the management of 10 PAs. All these projects and planned outcomes will complement the use of GEF funding in the proposed project.

The Stakeholder analysis appears to be appropriate to the objectives of the project and should help to identify local people as well as representatives from the private sector and formal governmental counterparts that will need to be engaged in the planned activities. The Stakeholder Involvement Plan set out in the Annexes provides specific detail of the mechanisms that will be used to engage Interested and Affected parties and other Stakeholders in the planned activities.

The Project Strategy is clear and responds to the request from the Costa Rican Government for support in helping to consolidate its PA system. It is clear that Logical Framework Analysis has been used to good effect in the design of the planned activities, and that the activities are relevant to the stated objectives.

The financial arrangements appear appropriate to the planned outputs and intended outcomes. The co-funding arrangements illustrate effective use of available sources of funding, including financial and technical support from the TNC and other conservation bodies with skills and experience that will enhance the potential effectiveness of the GEF funding.

The project management arrangements are clearly set out on pages 87-88 and appear to be appropriate to the objectives and planned activities. However, given the stated institutional weakness of the SINAC, there is a risk that the effectiveness of the PMU in implementing its responsibilities might be constrained. It would be helpful if the Pro Doc could identify means of reducing this risk.

## **2. Identification of the global environmental benefits and/or drawbacks.**

The global environmental benefits are well set out in the project proposal and raise no specific criticisms. However, greater attention could be given to any potential risks and/or drawbacks, and how the project design would minimize such obstacles to ensure the fulfillment of planned outcomes.

## **3. Fit with GEF goals and operational strategies.**

The project proposal appears to fit the GEF goals and operational strategies. There are no specific criticisms to be addressed.

## **4. Regional context.**

The global significance of Costa Rica's biodiversity is well set out in section 1.1. The regional context could be explained in more detail in respect to the range of ecosystems common to the region and linkages between the PAs in Costa Rica and neighbouring countries.

Successful implementation of the project would have substantive regional and Global benefits as it would identify and articulate methods of achieving stronger sustainability for protected area management. The emphasis within the Draft project Document on establishing a stronger institutional framework and

corresponding financing mechanisms, rather than focusing on increasing the scientific base for conservation, is a very positive feature.

## **5. Sustainability and Replicability of the project.**

The Draft Pro Doc sets out measures to help ensure the financial, institutional, social and ecological sustainability of the project on pages 76 and 77.

If the planned activities are implemented in an effective manner, there is good potential to replicate the project within other areas of the surrounding region.

### **There are a number of more secondary issues that could be better addressed, namely:**

#### **a. Linkages to other focal areas.**

The relationship of the proposed project to established GEF operational strategies for biodiversity and operational programmes for enhanced management of coastal and marine ecosystems could be made more explicit.

#### **b. Linkages to other programmes and action plans.**

The project is clearly linked to other current initiatives, such as GRUAS II and the IDB Sustainable Tourism Project. Potential linkages with GEF, UNDP and other programmes and projects are identified on pages 86-87. It would be helpful to the reviewers of the proposal if further emphasis could be given to the added value that could be derived from and offered to these other regional projects.

#### **c. Other benefits or damaging environmental effects.**

A major potential benefit is that the proposed project is likely to raise awareness of the 'worth' of conservation of biological diversity and the benefits that can be derived by different sectors of the national as well as more local economy. This will help to underpin the rationale for allocating more funds for improving the planning and management of PAs.

There are no perceived adverse environmental affects.

#### **d. Degree of involvement of stakeholders in the project.**

The Draft Pro Doc states that the proposal was developed in a “highly participatory fashion” (Para 296). A Stakeholder Involvement Plan is proposed, which suggests this will continue throughout the project.

#### **e. Capacity-building.**

Although included as an integral component of the project, the detail of how this will be accomplished could be strengthened. It is not clear how capacity building developed during the life of the project will be maintained, or even extended as a self-sustaining output beyond the life of the project.

## **6. Innovativeness of the project.**

The creative linkage between improvements in Policy, Strategy, Financing of PAs, inter-institutional arrangements, human resources development, and engagement of a wide array of Stakeholders forms an innovative and very ambitious feature of the proposed project.

## **7. Conclusions:**

1. The proposed project is worthy of support;
2. It is an ambitious undertaking. The outcomes will depend largely upon its success in reducing the constraints posed by the various barriers as well as its success in developing a wide body support as well as enhanced and sustainable financing from within Costa Rica. Such support will require effective stakeholder involvement, including private enterprises, in the development of the planned activities and their on-going implementation;
3. The project has good prospects of meeting its stated objectives and creating self-sustaining outputs.

## **8. Minor Points that require Attention:**

There are some minor typos and grammatical errors that can easily be corrected using a grammar checker. Examples include: Para 29 first sentence Another important point finding...; Para 62 PAs; Para 65 presided over by the minister; Para 150 syntax in second sentence - Thus this Outcome will provide and enhance key systemic framework...; Para 217 Moreover ta Financial...; Para 279 Tln response...; Para 281 ... key stakeholders that are e in line...

I trust that these comments will be of help in finalising the proposal.

Peter R. Burbridge  
October 18, 2006

IA ExA Responses to STAP Reviewer	
STAP Comments	Response
<b>Final comments (RE: 7. Conclusions):</b>	
<ul style="list-style-type: none"> <li>• The proposed project is worthy of support;</li> <li>• It is an ambitious undertaking. The outcomes will depend largely upon its success in reducing the constraints posed by the various barriers as well as its success in developing a wide body support as well as enhanced and sustainable financing from within Costa Rica. Such support will require effective stakeholder involvement, including private enterprises, in the development of the planned activities and their on-going implementation;</li> <li>• The project has good prospects of meeting its stated objectives and creating self-sustaining outputs.</li> </ul>	N/A
<b>RE: 1. Scientific and technical soundness of the project</b>	
The situation analysis is comprehensive and displays a commendable depth of analysis of the social, economic and environmental issues that constrain the development of the full potential of the PA system. The development goal and stated objectives are sound.	N/A

<p>The planned outputs and intended outcomes are relevant to the objectives. The proposal sets out a series of national, regional and more local activities designed to reduce policy, institutional and human resources constraints, and remove barriers to improved management of the PA system. The selection of activities appears to be fully in accord with the findings of the Situation Analysis.</p>	
<p>The project management arrangements are clearly set out on pages 87-88 and appear to be appropriate to the objectives and planned activities. <b>However, given the stated institutional weakness of the SINAC, there is a risk that the effectiveness of the PMU in implementing its responsibilities might be constrained. It would be helpful if the Pro Doc could identify means of reducing this risk.</b></p>	<p>We agree with this concern of the reviewer. This risk is already highlighted in the risk matrix in <u>Section II-3 Project Indicators, Risks and Assumptions</u>. To mitigate this risk, a <b>3-month Inception Phase</b> will be used to carefully plan the whole project implementation process, culminating in the Inception Workshop. In addition, the necessary communication structures will be established between the main project components to ensure optimal coordination and that key stakeholders are in full agreement with project objectives and hence committed towards the outcomes to be achieved. To stress the importance of this matter, this project approach is now also added in <u>Part III: Project Management Arrangements</u>. This section elaborates on the following additional mitigating measures:</p> <p>A <b>SINAC Technical Supervision Committee</b> will be set up, which will be composed of SINAC Directors and Regional Directors from the Conservation Areas, where the project will be working, as well as the UNDP Costa Rica Programme Officer for Energy and Environment. In this Committee, all key project technical decisions will be discussed. This Committee will be a critical link between the PMU and the rest of SINAC staff, both in central offices and in the field. It will have the responsibility to solve in the first instance coordination problems encountered by the project.</p> <p>The core PMU staff will be supported by 5 <b>Thematic Specialists</b> with the following expertise: (i) Administration/Institutional Change; (ii) PA Financial Expert; (iii) PA Management Expert; (iv) Territorial/Land Use Planning Expert; and (v) a Community Development/Livelihoods Expert. <b>(NOTE – due to project document size limitations, this is only elaborated in the Expanded Project Implementation Arrangements for the UNDP prodoc for CEO approval).</b></p> <p>The role of the <b>Project Steering Committee</b> has now been strengthened (see Part III as well).</p> <p>There will also be a <b>3-month Inception Phase</b> to carefully plan the whole project implementation process, culminating in the Inception Workshop. The necessary communication structures will be established between the project components to ensure optimal coordination and that key stakeholders are in full agreement with project objectives and hence committed towards the outcomes to be achieved.</p> <p>Finally, the <b>monitoring and evaluation systems</b> of both the project and the Protected Areas system will provide systematic data, which will enable adaptive management of the project implementation and the constant determination of where best to focus efforts to achieve the expected objectives. This point has been highlighted as well in the Project Management Arrangements.</p>
<p><b>RE: 2: Identification of the global environmental benefits and/or drawbacks</b></p>	
<p>The global environmental benefits are well set out in the project proposal and raise no specific criticisms. <b>However, greater attention could be given</b></p>	<p>This comment was responded to in <u>Section II-4. Expected global, national and local benefits</u> by referring to the overall strategy of the project, which aims at consolidating the sustainability of Costa Rica’s PA System. The focus on the adoption of an eco-regional approach to enhance the management effectiveness of the PA System is part of the overall project strategy for the strengthening and consolidation of the PA System based on the 21st century paradigm for PAs and innovative approaches to conservation planning.</p> <p>The risks of not providing global benefits are related to two dimensions of the sustainability of the PA System. Firstly, the biological richness and</p>

<p><b>to any potential risks and/or drawbacks, and how the project design would minimize such obstacles to ensure the fulfillment of planned outcomes.</b></p>	<p>ecological viability of Costa Rica's <i>in-situ</i> conservation system will hinge on greater connectivity, through eco-regional and landscape functions. Secondly, it will also depend on the governance arrangements and the long-term financial sustainability of the PA System.</p> <p>The project's replication strategy will ensure that global environmental benefits are generated, as the systemic approach adopted seeks to address both ecological and institutional barriers to PA system sustainability. The project will also address site-level management issues and propose long-term governance arrangements, which will reduce the risks and mitigate threats to PA integrity. PA-level project interventions – such as the Pilot Demonstration locations - will also provide key lessons learned for replication and the national and international level in the long term.</p>
<p><b>RE: 3. Fit with GEF goals and operational strategies</b></p>	
<p>The project proposal appears to fit the GEF goals and operational strategies</p>	<p>N/A</p>
<p><b>RE: 4. Regional context</b></p>	
<p><b>The regional context could be explained in more detail in respect to the range of ecosystems common to the region and linkages between the PAs in Costa Rica and neighbouring countries.</b></p>	<p>This comment was responded to by referring in more detail on the biological diversity in Mesoamerica in <a href="#">Section I-1 Global Significance</a>. Several key sources were used, including products from the recently concluded GEF project of the Mesoamerican Biological Corridor. From these documents, it is abundantly clear that Costa Rica shares much of its biological wealth with its Mesoamerican neighbors. More details can be found in the text under the other context sections and especially in <a href="#">Section IV: Part IV – Global Significance of Costa Rica Biodiversity</a>.</p> <p>Concerning particular eco-regions, such as the highland cloud forest, Costa Rica shares similar biological characteristics with highland Guatemala and part of Chiapas State in Mexico. Similarly, much of the seasonal dry and dry tropical forest, which covered much of Central America's Pacific coastal regions, have been extensively converted into agriculture and livestock in much of Central America. Some of the remnants of these dry forests are still conserved in the Guanacaste Conservation Area in Northwestern Costa Rica.</p> <p>Another threatened eco-region are the coastal mangroves which dot the Pacific coast of Central America, where the Gulf of Fonseca between El Salvador, Honduras and Nicaragua, and the Gulf of San Miguel in Panama still harbor important vestiges of these important wetlands. The Osa Conservation Area also protects Costa Rica's largest mangrove forest, Terraba-Sierpe, just North of the Osa Peninsula. Finally, the Tropical Atlantic Rain forest is perhaps the most extensive eco-region Costa Rica shares with its neighbors, both to the North and South. Much of the Caribbean coast of Panama through to Belize is covered by tropical rain forests, with the exception of the Mosquito Coast between Honduras and Nicaragua.</p> <p>There are, however, many Mesoamerican eco-regions that Costa Rica does not share. These include the Pine Savannas of the Mosquitia in Northeastern Nicaragua, the highland fir tree forests of the Guatemalan western plateau, its southernmost distribution in the entire American continent. Several dry shrub forests in the arid part of Central Guatemala (Zacapa, Jalapa), are also unique eco-regions. Similarly, Costa Rican seasonal moist forest is also unique, as it has evolved as part of the rain shadow effect of the Tilaran and Volcanic Range of Guanacaste.</p>
<p>The emphasis within the Draft project Document on establishing a stronger institutional framework and corresponding financing mechanisms, rather than focusing on increasing the scientific base for conservation, is a very positive feature.</p>	<p>N/A</p>
<p><b>RE: 5. Sustainability and replicability of the project</b></p>	
<p>If the planned activities are implemented in an</p>	<p>N/A</p>

<p>effective manner, there is good potential to replicate the project within other areas of the surrounding region.</p>	
<p>a. <u>Linkages to other focal areas.</u> <b>The relationship of the proposed project to established GEF operational strategies for biodiversity and operational programmes for enhanced management of coastal and marine ecosystems could be made more explicit.</b></p>	<p>This recommendation has been addressed by strengthening <u>Section II-5. Country Ownership: Country Eligibility and Country Drivenness</u> with the following information. The main strategic considerations guiding GEF-financed activities to secure global biodiversity benefits are: (a) integration of the conservation and sustainable use of biodiversity within national and, as appropriate, sub-regional and regional sustainable development plans and policies; (b) helping to protect and sustainably manage ecosystems through targeted and cost-effective interventions; (c) integration of efforts to achieve global benefits in other focal areas, where feasible, and in the cross-sectoral area of land degradation, primarily desertification and deforestation; (d) development of a portfolio that encompasses representative ecosystems of global biodiversity significance; and (e) that GEF activities will be targeted and designed to help recipient countries achieve agreed biodiversity objectives in strategic and cost-effective ways</p> <p>This project will contribute to the GEF Operational strategies for Biodiversity by contributing to enhanced ecosystem functioning through the establishment and strengthening of systems of conservation areas. In the case of <b>Operational Program 02</b> (Marine, Coastal and Freshwater Ecosystems), the project will incorporate into the National PA System additional representative samples of tropical coastal, marine, and freshwater ecosystems areas currently at risk in Costa Rica.</p> <p>Among relevant Project activities to comply with the <b>Program Strategy for Biodiversity</b>, one can mention the following: (a) demarcating, gazettement, strengthening, expanding, and consolidating protected forest areas, and maintaining forest corridors within the main productive landscapes, particularly in areas that are critical habitats or of importance for migratory species; (b) identifying processes and categories of activities which have or are likely to have significant adverse impacts on the conservation and sustainable use of biodiversity; (c) piloting selected activities that are country-driven national priorities and which develop and/or test methods and tools, such as rapid biological/ecological/social assessment, geographic information systems, and data analysis systems of importance for the conservation of biodiversity.</p>
<p>b. <u>Linkages to other programmes and action plans.</u> The project is clearly linked to other current initiatives, such as GRUAS II and the IDB Sustainable Tourism Project. Potential linkages with GEF, UNDP and other programmes and projects are identified on pages 86-87. <b>It would be helpful to the reviewers of the proposal if further emphasis could be given to the added value that could be derived from and offered to these other regional projects.</b></p>	<p>We agree with this observation of the reviewer. In response, both <u>Section II-12 (Linkages)</u> and <u>Part III Project Management Arrangements</u> have been strengthened. To ensure project and activities synergies between GEF-funded partner initiatives and different IAs, SINAC, UNDP, IADB, the World Bank and Costa Rica's GEF Operational Focal Point will seek to carry out a continuous dialogue on how to best address biodiversity and the GEF support to biodiversity-related projects in Costa Rica in a coordinated fashion.</p> <p>More specifically, close coordination and collaboration will be sought through integrated planning exercises and exchanges of lessons learned from the M&amp;E processes of selected relevant projects. This will especially concern this project, the below Tourism Programme, and the Cocos Island Projects, as all will be implemented by SINAC. For instance, to initiate this process, during the above <b>3-month Inception Phase</b>, a generic <b>Coordination Plan</b> between project teams will be prepared and agreed upon with SINAC. This will include the mutual participation in major project workshops and at least one formal coordination workshop a year to be convened by the GEF Government Focal Point. Invitations to the workshop will be extended to all GEF-funded BD-1 projects from all GEF IAs. In addition UNDP will convene quarterly meetings of UNDP GEF BD 1 projects to exchange information on project progress, be it implementation or design, and to provide support on evolving GEF BD guidance and project implementation in a cost effective and mutually reinforcing manner.</p> <p>This Phase will also be used to establish the necessary communication structures between the project components to ensure optimal coordination and that key stakeholders are in full agreement with project objectives and hence committed towards the outcomes to be achieved.</p>
<p>e. <u>Capacity-building.</u> Although included as an integral component of the project, <b>the detail of how this will be accomplished could be strengthened. It</b></p>	<p>We agree with this concern of the reviewer. As can be seen in <u>Section IV: Part XI: Lessons Learned</u>, the strong project emphasis on capacity development was in direct response to World Parks Congress Recommendation 5.01. This section also highlights how to project was consciously designed to respond to this lesson learned.</p> <p>Moreover, as mentioned above, 5 Thematic Specialists will be supporting the PMU to ensure an effective project implementation towards the planned Outcomes. The role and importance of these five Specialists vis-à-vis capacity development has now been further elaborated in <u>Part III</u>.</p>

<p><b>is not clear how capacity building developed during the life of the project will be maintained, or even extended as a self-sustaining output beyond the life of the project.</b></p>	<p><b>Project Management Arrangements (NOTE – only in the version for the final UNDP prodoc for CEO Approval, due to size limitation!).</b></p> <p>Initially, all Thematic Specialists will jointly prepare a more thorough <b>Capacity Needs Assessment</b> to guide the planned capacity development activities, based on the initial PDF B findings. Notably, this Capacity Needs Assessment will also be closely aligned with the Capacity Needs Assessment carried out by the <u>GEF-funded National Capacity For Self-Assessment (NCSA)</u> mentioned in <u>Section II-12 on Linkages</u> to avoid duplicative work and ensure optimal project synergies.</p> <p>An important and common part of their respective ToRs will also be to identify measures on how to sustain the capacity development activities and results beyond the Project duration. The initial part of these measures will be integrated into the project work plans. In addition, the Community Development/ livelihoods Specialist will work closely together with the PA Management Expert to ensure that PA management becomes fully integrated with local development. The former will also work closely together with the Institutional Change Specialist, especially concerning the re-profiling of SINAC, to ensure that PA staff members are not only rangers and biologists, but also know how to work with communities, development partnerships, etc. Specific Trainer Teams will be hired on ad-hoc basis, if and when needed, to support these Thematic Specialists in their respective capacity development activities.</p>
<p><b>RE: 6. Innovativeness of the project</b></p>	
<p>The creative linkage between improvements in Policy, Strategy, Financing of PAs, inter-institutional arrangements, human resources development, and engagement of a wide array of Stakeholders forms an innovative and very ambitious feature of the proposed project.</p>	<p>N/A</p>

c) GEF Secretariat and other Agencies' comments and IA/ExA response

**Response to GEF SECRETARIAT PROJECT REVIEW of 10 April 2007**

GEF Sec Comments (April 10, 2007)	Response
<b>RE: Program Designation and Conformity</b>	
Strongly aligned Operational Programs and Strategic Objective One on Protected Areas.	N/A
<b>RE: Sustainability (including financial sustainability)</b>	
April 9, 2007 - Project addresses above issues, thorough financial analysis included.	N/A
<b>RE: Replicability</b>	
April 9, 2007 - Replication strategy better elaborated and fully funded.	N/A
<b>RE: Stakeholder Involvement</b>	
April 9, 2007 - Adequate description and subsequent plan.	N/A
<b>RE: Monitoring and Evaluation</b>	
April 9, 2007 - All indicators are SMART, adequate M&E Plan, proper use of the METT and GEF SO 1 Tracking Tool, and the introduction of more systemic tools for evaluating PA system effectiveness.	N/A
UNDP may wish to consider having fewer indicators. What is listed in the document and what is still to be developed for the pilot sites may prove the project's M&E system's undoing. It may be overambitious and during project appraisal this should be looked at closely.	We agree with this concern of the Reviewer. The significant amount of indicators reflects the fact that the project has five outcomes, which implementation will all need to be fully monitored. The Project Team along with key stakeholders during the planned Inception Phase will review and consolidate the indicators. Moreover, the site-level indicators will be minimized to only one or two that highlight the objective of the pilot exercise not to overburden the M&E system.
In the logframe in the Executive Summary on page 23, Outcome 3, Target: Bullet Four which identifies a target for end of project situation. <b>This statement is not clear. Please clarify what is meant by "By End of Project, under-spending is reduced by 50% to represent under 20% of SINAC's annual budget." Please restate in a clearer way.</b>	The wording of this target has now been re-worded to the following: <b>By End of Project, under-spending by SINAC of its annual budget is reduced by 50%.</b> SINAC's current budget under-spending due to inherent bureaucracy is leading to a decrease in its annual budget received the consecutive year, which is based on disbursement. Hence, it is imperative to minimize this under-spending, which will strengthen SINAC's position to negotiate either a stable or increased annual budget, instead of the existing process of losing funds year after year.

<b>RE: Financing Plan</b>	
<p><u>April 9, 2007</u> - Please clarify the financing tables on page 14 of the Executive Summary. First, in table 4a) the project management budget of 550,100 is listed as being paid by co-financing and the in 4b) it is being paid for by GEF. <b>Please correct.</b></p>	<p>The project management budget has been corrected in the Executive Summary (Table 4a). There will also be Co-Financing of overall project management, but project management of co-financed activities will be determined by CEO Endorsement.</p>
<p>a) <b>Please clarify how the IDB loan is being applied in the various outcomes and how it is able to be committed when the loan apparently is not approved yet by the legislative assembly.</b></p> <p>b) The co-financing letter is dated from November 2006, has it been approved yet? <b>Please clarify given the lack of surety on the majority of the co-financing for the project.</b></p>	<p><b>RE: a) OUTCOME 1</b> - IADB will fund the technical assistance required for developing proposals for the planned legal reforms based on the detailed PDF-B studies and mechanisms to be tested through the different components of the project. IADB will also apply GEF-funded PA administration and management guidelines through the formulation of 10 PA management plans in priority PAs compatible with the PAs selected by IADB's Sustainable Tourism Project (Output 1.4).</p> <p><b>OUTCOME 2</b> - The IADB Tourism Programme will (i) develop an assessment, along with the subsequent training strategies and PA System Training Plan to provide targeted training for human resources in SINAC; (ii) fund training and certification of local tourist guides operating in PAs (Output 2.4); (iii) provide technical assistance and training to local entrepreneurs on issues concerning environmental legislation, tourism related regulations, PA rules and regulations and general orientation on environmental management and sustainable tourism; and (iv) jointly fund the Knowledge Management System (Output 2.5). The IADB Tourism Program will compile and aggregate sustainable tourism data, to enable SINAC to effectively control and efficiently manage support services to visitors and tourists to PAs, while monitoring their impact. The IADB Cadastral System Program and TNC will improve land information management in SINAC, through updating and digitalizing the land tenure information for State-owned lands under the SINAC PA System.</p> <p><b>OUTCOME 3</b> - Given the increasing importance of tourism as a source of revenue, all the systemic tools (excl. the PA System Financing Business Plan, which is solely co-financed by SINAC and TNC) supported by this Outcome are co-financed by the IADB Tourism Program, as they fully integrate the sustainable tourism aspects supported by this Program.</p> <p><b>OUTCOME 4</b> - To reduce incidences of land disputes between SINAC and landowners neighbouring PAs, Output 4.1 will build upon the larger ongoing national effort to modernize Costa Rica land titling and cadastral system. Hence, the IADB-funded Cadastral programme will fund the on-the-ground demarcation and legalization of 10 SINAC PAs. GEF funds will complement these activities by providing additional funding to legalize up to a total of 20 additional PAs. Moreover, the IADB Sustainable Tourism Programme will constitute a key co-financing partner towards Outcome 4. One sub-component on <b>Investments within PAs</b> will channel direct investments into 10 selected PAs, geared towards rehabilitating and improving existing infrastructure inside the PAs. These investments will be complemented by much of this GEF Project's efforts in increasing SINAC's systemic and institutional capacity. Two additional sub-programs - 1) <b>Sustainable Tourism Management at the municipal level;</b> and 2) <b>Sustainable Tourism management by the private sector</b> - will focus on working with local businesses to improve the linkages between PAs and tourism operators. The first sub-component will fund a TA package to support municipal governments.</p> <p><b>OUTCOME 5</b> - IADB will help fund the strengthening of consultative bodies, especially Local and Regional PA Management Councils (Output 5.1), and the tendering and bidding of concessions and other use permits (Output 5.3). Moreover, the three partners in the SINAC-ICT-IADB Tourism Program plan to design and jointly fund a <u>Marketing and Communications Strategy</u> to promote the sustainable management of tourism in PA through an innovative approach. This Strategy will aim to stimulate PA visitation and other complementary activities, which are compatible with conservation goals, by working with the private sector. These activities will also include the publication of guidebooks, prospecti and other promotional material, complementary to ICT's regular promotion of sustainable tourism at the local, national and international level.</p> <p><b>RE: b)</b> The CONAFIN (National Council on Finances) has reviewed the IADB loan for the Sustainable Tourism</p>

	<p>Programme and has approved it. This is a major part of the overall approval process. Subsequently, the GoCR has submitted the loan authorization - as part of a larger package of loans - to the Legislative Assembly, where it is currently under review. This loan will be approved as part of a larger package concerning improvement in road infrastructure. This is a matter of high national priority, and it is therefore highly likely that its approval will take place in the coming months. In case the loan is not approved, SINAC will explore a contingency plan, which will focus on: 1) Finding alternative sources of funding for the Sustainable Tourism Project, in coordination with Costa Rica's Tourism Institute; and 2) explore ways to increase the co-financing with IADB loans that are already approved (such as the Cadastral Survey Programme, which currently co-finances Output 4.1).</p>
<b>RE: Core Commitments and Linkages</b>	
<u>April 9, 2007</u> - Above comments addressed adequately.	N/A
<b>RE: Consultation, Coordination, Collaboration between IAs, and IAs and EAs, if appropriate</b>	
<u>April 9, 2007</u> - Above comments addressed adequately and GEF OFP taking central and important role in coordinating projects and ensuring learning between projects.	N/A
<b>RE: RESPONSE TO REVIEWS</b>	
<u>April 9, 2007</u> - UNDP has fully addressed all comments raised about the original concept when it entered the pipeline.	N/A
<b>Review by expert from STAP Roster</b>	
<u>April 9, 2007</u> - Review by STAP expert is favorable but far from comprehensive. UNDP responses to all issues raised are adequate.	N/A

## **Annex D: UNDP FINANCIAL SUSTAINABILITY SCORECARD FOR NATIONAL SYSTEMS OF PROTECTED AREAS**

### **Introduction**

#### ***Context***

Protected area financing is critical for sound PA management. However, globally, protected area financing needs to be improved at both site and system level. Hence developing long-term financing systems is a key element for protected areas sustainability.

Protected area "financial sustainability" refers to the ability of a country to meet all costs associated with the management of a protected area system. This implies a funding "supply" issue of generating more revenue, but as importantly, a "demand" side challenge of accurately defining PA financing needs (at sites and at the system level). PA financial sustainability needs to be addressed from both sides of the financial equation. It is this systematic process of defining costs and identifying ways to meet those costs that constitutes financial planning. Good financial planning enables PA managers to make strategic financial decisions such as re-allocating spending to match management priorities, and identifying appropriate cost reductions and potential cash flow problems. In addition to cost and revenue concerns, a third area that requires special consideration in order to achieve PA financial sustainability is institutional arrangements. In many cases, efficient, transparent, credible mechanisms for collecting PA related fees are not in place.

Therefore, UNDP has developed this scorecard to assist project teams and governments track their progress to make PA systems more financially sustainable. The Scorecard has been designed at the PA system level and not site level because:

- There are activities required at a network level and not just a site such as policy reform, fund management and setting PA fees which can affect all PAs;
- There are activities that require a coordinated effort and support from several government institutions, particularly the Ministry of Finance, which are best achieved through a centralized management and financing system;
- Sites will often require similar activities so it is cost-effective to provide them centrally, such as training or verification of ambient quality and monitoring plans;
- It can allow more effective and coordinated fundraising;
- Reduce competition between sites; and
- Allow cross-subsidization between sites.

PA financing must be viewed at two levels. One is the basic status of a PA system's finances – how much is being spent and how much is needed to be spent for effective management. This will look at annual expenditures, operational costs, investment needs, revenue generation etc. From this it is possible to assess financing gaps and financial targets for increasing budgets and expenditures and/or reducing management costs in order to balance accounts.

However, there are limitations to what a snapshot of a PA system's financial accounts shows about the underlying structure, health and future direction of a PA system's finances. One year there could be a high level of expenditure due to donor support a capital injection from a debt-for-nature swap or a jump in tourism. However, one year's financial status does not necessarily ensure future financial health of a PA system. To fully assess if a PA system is moving towards financial sustainability it is also important to investigate and analyse the structural foundations of what enables and promotes long-term financial improvements for PAs. A PA system's financing is based on many elements, which are becoming increasingly known, and are quite common across countries.

## ***Purpose***

The purpose of this scorecard is to assist governments, donors and NGOs to investigate and record both aspects of a financing system – its accounts and its underlying structural foundations – to show both its current health and status and to indicate if the system is holistically moving over the long-term towards an improved financial situation.

There is a section to record overall financial changes to the inflows and outflows of capital of the PA system. However, the scorecard is designed to check progress of elements which are the foundations of a PA financing system and which will lead to the future financial viability of a PA system. Therefore the scorecard is structured to look at elements of a financing system, described below.

This Tool will be complemented by an additional guide for cost-effective protected area management ie use of funds. This is currently under development at UNDP.

## ***Structure***

The scorecard is compartmentalized into three fundamental components for a fully functioning financial system at the site and system level – (i) governance and institutional frameworks, (ii) business planning and other tools for cost-effective management (eg accounting practices) and (iii) revenue generation.

### COMPONENT 1: GOVERNANCE FRAMEWORKS THAT ENABLE SUSTAINABLE PA FINANCING

Legal, policy, regulatory and institutional frameworks affecting PA financing systems need to be clearly defined and supportive of effective financial planning, revenue generation, revenue retention and management. Institutional responsibilities must be clearly delineated and agreed, and an enabling policy and legal environment in place. Institutional governance structures must enable and require the use of effective, transparent mechanisms for allocation, management and accounting of revenues and expenditures.

### COMPONENT 2: BUSINESS PLANNING AND OTHER TOOLS FOR COST-EFFECTIVE MANAGEMENT

Financial planning, accounting and business planning are important tools for cost-effective management when undertaken on a regular and systematic basis. Effective financial planning requires accurate knowledge not only of revenues, but also of expenditure levels, patterns and requirements. Options for balancing the costs/revenues equation should include equal consideration of revenue increases and cost control. Good financial planning enables PA managers to make strategic financial decisions such as allocating spending to match management priorities, and identifying appropriate cost reductions and potential cash flow problems. One positive corollary to the application of management effectiveness frameworks in protected areas is the resulting increase in the confidence of donors and governments, who are thereby assured that funds invested in a protected area are being used effectively.

### COMPONENT 3: TOOLS AND SYSTEMS FOR REVENUE GENERATION AND MOBILIZATION

PA systems must be able to attract and take advantage of all existing and potential revenue mechanisms within the context of their overall management priorities. Diversification of revenue sources is a powerful strategy to reduce vulnerability to external shocks. Sources of revenue for protected area systems include traditional funding sources – government subsidies and donor projects – along with innovative ones such as debt swaps, tourism concession arrangements, and in some cases, carefully controlled levels of resource extraction.

## Scoring

The scoring is aimed to allow comparisons between years to show improvements in a given country. Score comparisons across countries will be possible. However, some countries will have different total scores as certain elements may or may not be applicable to them such as Trust Funds and payments for ecosystem services. Therefore the total score can be adjusted and for cross country comparisons percentage scores will be more useful.

In each country certain elements may be more important and difficult to achieve than others. In this case country teams should have flexibility to modify the current weighting system and increase the number of points allocated to a certain element so the scoring better suits their national conditions. Any modifications to scoring should be transparent and footnoted.

### FINANCIAL SCORECARD – PART I – OVERALL FINANCIAL SITUATION

Overall Sustainability of a National Protected Area System	Baseline year <sup>7</sup> (US\$) <sup>8</sup>	Year X <sup>9</sup> (US\$) <sup>10</sup>	Year X+5 (forecasting) (US\$) <sup>11</sup>	Comments
(i) Total annual expenditure for PAs (operating and investment costs)				State any extraordinary levels of capital investment in a given year
- national protected areas				
- national areas co-managed by NGOs				
- state/municipal protected areas				
- others				
(ii) Total annual government budget provided for PA management (excluding donor funds)				
- national protected areas				
- national areas co-managed by NGOs				
- state/municipal protected areas				
- others				
(ii) Total annual government budget provided for PA management (including donor funds, loans, debt-for nature swaps)				% of total budget provided by government
- national protected areas				
- national areas co-managed by NGOs				

<sup>7</sup> Insert year

<sup>8</sup> Insert in footnote the local currency and exchange rate to US\$ and date of rate

<sup>9</sup> Insert year

<sup>10</sup> Insert in footnote the local currency and exchange rate to US\$ and date of rate

<sup>11</sup> Insert in footnote the local currency and exchange rate to US\$ and date of rate

- state/municipal protected areas				
- others				
(iii) Total annual revenue generation from PAs, broken down by source				
a. Tourism (fees, concessions and taxes)				
b. Payments for ecosystem services (PES)				
(iv) Net annual surplus/deficit <sup>12</sup>				
(iv) Percentage of PA generated revenues retained in the PA system for re-investment <sup>13</sup>				% of total budget provided by retained revenues
(v) Projected revenues (over 5 year period)				
- national protected areas				
- national areas co-managed by NGOs				
- state/municipal protected areas				
- others				
(vi) Estimated financing needs for <i>basic</i> management costs and investments to be covered				
(vii) Estimated financing needs for <i>optimal</i> management costs and investments to be covered				
(viii) Annual actual financing gap (financial needs – available finances)				
a. Annual financing gap for basic expenditure scenarios				
b. Annual financing gap for optimal expenditure scenarios				

<sup>12</sup> This will be more relevant to parastatals and PA agencies with autonomous budgets

<sup>13</sup> This includes funds to be shared by PAs with local stakeholders

## FINANCIAL SCORECARD – PART II – ASSESSING ELEMENTS OF THE FINANCING SYSTEM

<b>Component 1 – Legal, regulatory and institutional frameworks</b>				<b>COMMENT</b>
<i>Element 1 – Legal, policy and regulatory support for revenue generation by PAs</i>	<b>None (0)</b>	<b>Some (1)</b>	<b>Fully (3)</b>	
(i) Laws have been reformed so that they do not constrain or act perversely towards PA revenue mechanisms				
(ii) Fiscal instruments such as taxes on tourism and water or tax breaks are introduced				
<i>Element 2 - Legal, policy and regulatory support for revenue sharing within the PA system</i>	<b>No (0)</b>	<b>Yes, but suboptimal (1)</b>	<b>Yes, optimally (3)</b>	
(i) Laws, policies and procedures are in place for PA revenues to be retained by the PA system				
(ii) Laws, policies and procedures are in place for PA revenues to be retained, in part, at the PA site level				
(iii) Laws, policies and procedures are in place for revenue sharing at the PA site level with local stakeholders				
<i>Element 3 - Legal and regulatory conditions for establishing endowment or trust funds<sup>14</sup></i>				
	<b>No (0)</b>	<b>Yes (3)</b>		
(i) A Trust Fund have been created to finance the PA system				
	<b>None (0)</b>	<b>Some (1)</b>	<b>Fully (3)</b>	
(ii) Trust Funds have been created to finance specific PAs				
	<b>No (0)</b>	<b>Partially (1)</b>	<b>Fully (3)</b>	
(iii) Trust Funds are integrated into the national PA financing systems				
<i>Element 4 - Legal, policy and regulatory support for alternative institutional arrangements for PA management</i>	<b>None (0)</b>	<b>Partial (1)</b>	<b>Full (3)</b>	
(i) There are laws which allow and regulate delegation of PA management and associated financial affairs for concessions				
(ii) There are laws which allow and regulate delegation of PA management and associated financial affairs for co-management				
(ii) There are laws which allow and regulate delegation of PA management and associated financial affairs to local government				
(iv) There are laws which allow and regulate delegation of PA management and associated financial affairs for private reserves				
<i>Element 5 - National PA financing strategies</i>	<b>Not begun (0)</b>	<b>In progress (1)</b>	<b>Completed (3)</b>	

<sup>14</sup> Where a PA system does not require a Trust Fund due to robust financing within government award full 9 points

(i) Policy for revenue generation and fee levels across PAs				
(ii) Criteria for allocation of PA budgets to PA sites (business plans, performance etc)				
(iii) Safeguards are in place to ensure that revenue generation does not adversely affect conservation objectives of PAs				
(iii) Policy to require all PA management plans to include financial sections based on standardized format and criteria				
(iv) Degree of implementation of national financing strategy and adoption of policies				
<b>Element 6 - Economic valuation of protected area systems</b>	<b>None (0)</b>	<b>Partial (1)</b>	<b>Full (3)</b>	
(i) Economic data on PA values exists				
(ii) PA economic values are properly documented				
(iii) PA economic values are recognized across government				
<b>Element 7 - Improved government budgeting for PA systems</b>	<b>No (0)</b>	<b>Yes (1)</b>		
(i) Policy of the Treasury towards budgeting for PAs provides for increased medium to long term financial resources in accordance with demonstrated needs				
(ii) Policy requires budgeting for PAs based on financial need as determined by the PA business plan				
(iii) There are policies that PA budgets should include funds for the livelihoods of communities living in and around the PA as part of threat reduction strategies				
<b>Element 8 - Clearly defined institutional responsibilities for PA management and financing</b>	<b>None (0)</b>	<b>Partial (1)</b>	<b>Full (3)</b>	
(i) Mandates of institutions regarding PA finances are clear and agreed				
<b>Element 9 - Well-defined staffing requirements, profiles and incentives at site and system level</b>	<b>None (0)</b>	<b>Partial (1)</b>	<b>Full (3)</b>	
(i) Sufficient number of positions for economists and financial planners and analysts in the PA authorities to properly manage the finances of the PA system				
(ii) Laws and regulations motivate PA managers to promote site level financial sustainability				
(iii) PA managers are accountable for balanced budgets				
(iv) TORs for PA staff include responsibilities for revenue generation, financial management and cost-effectiveness				
(v) PA managers have the flexibility to budget and plan for the long-term				
(vi) Incentives are offered for PA managers to implement business plans				
Total Score for Component 1				<b>SCORE:</b>
<b>Component 2 – Business planning and tools for cost-effective management</b>				
<b>Element 1 - Site-level business planning</b>	<b>Not begun (0)</b>	<b>In progress (1)</b>	<b>Completed (3)</b>	
(i) Business plans, based on standard formats, are developed for upto four pilot sites				
(ii) Business plans implemented at the pilot sites, measured by degree of achievement of objectives				

(iii) Business plans developed for all appropriate sites				
(iv) Business plans are directly linked to management plan goals and objectives				
(v) Preparation of participatory management plans including business plans in use across the PA network				
(vi) Monitoring and reporting on business plans through enhanced activity-based cost accounting that feeds into system wide accounting and budgeting				
<b>Element 2 - Operational, transparent and useful accounting and auditing systems</b>	<b>None (0)</b>	<b>Partial (1)</b>	<b>Full (3)</b>	
(i) Policy and regulations require comprehensive, coordinated cost accounting systems to be in place				
(ii) Transparent and coordinated cost and investment accounting systems are operational				
(iii) Revenue tracking systems for each PA in place and operational				
(iv) Regular monitoring and reporting of PA investments and revenue generation occurs				
<b>Element 3 - Systems for monitoring and reporting on financial management performance</b>	<b>None (0)</b>	<b>Partial (1)</b>	<b>Full (3)</b>	
(i) All PA revenues and expenditures are fully and accurately reported and tracked by government and are made transparent				
(ii) Positive return on investments from capital improvements measured and reported				
(iii) Financial performance of PAs is evaluated and reported (linked to cost-effectiveness)				
<b>Element 4 - Methods for allocating funds across individual PA sites</b>	<b>No (0)</b>	<b>Yes (1)</b>		
(i) National PA budget is appropriately allocated to sites based on criteria agreed in national financing strategy				
(ii) Policy and criteria for allocating funds to co-managed PAs complement site based fundraising efforts				
(iii) A monitoring and reporting system in place to show how and why funds are allocated across PA sites and headquarters				
<b>Element 5 - Training and support networks to enable park managers to operate more cost-effectively</b>	<b>Not available (0)</b>	<b>Partially (1)</b>	<b>Fully (3)</b>	
(i) Guidance on cost-effective management developed and being used by PA managers				
(ii) Operational and investment cost comparisons between PA sites complete, available and being used to track PA manager performance				
(iii) Monitoring and learning systems of cost-effectiveness are in place and feed into management policy and planning				
(iv) PA managers are trained in financial management and cost-effective management				
(v) PA managers share costs of common practices with each other and with PA headquarters <sup>15</sup>				
<b>Total Score for Component 2</b>				<b>SCORE:</b>
<b>Component 3 – Tools for revenue generation</b>				
<b>Element 1 - Increase in number and variety of revenue sources used across the PA system</b>	<b>No (0)</b>	<b>Partially (1)</b>	<b>Fully (3)</b>	
(i) Analysis of all revenue options for the country complete and available including feasibility studies;				

<sup>15</sup> This might include aerial surveys, marine pollution monitoring, economic valuations etc.

(ii) There is a diverse set of sources and mechanisms generating funds for the PA system				
(iii) Increased number of PAs operating effective revenue mechanisms and generating positive returns				
<b>Element 2 - Setting and establishment of user fees across the PA system</b>	<b>No (0)</b>	<b>Yes (1)</b>		
(i) A system wide strategy and implementation plan complete and adopted by government for user fees				
(ii) The national tourism industry and Ministry is supportive and a partner in the PA user fee system and programmes				
(iii) Tourism related infrastructure investment is proposed for PA sites across the network based on revenue potential, return on investment and level of entrance fees				
(iv) Where tourism is promoted PA managers can demonstrate maximum revenue whilst still meeting PA conservation objectives				
<b>Element 3 - Effective fee collection systems</b>	<b>None (0)</b>	<b>Partial (1)</b>	<b>Full (3)</b>	
(i) A system wide strategy and implementation plan complete and adopted by PA authorities (including co-managers) for fee collection				
<b>Element 4 - Marketing and communication strategies for revenue generation mechanisms</b>	<b>None (0)</b>	<b>Partial (1)</b>	<b>Full (3)</b>	
(i) Communication campaigns for the public about the tourism fees, new conservation taxes etc are widespread and high profile				
<b>Element 5 - Operational PES schemes for PAs<sup>16</sup></b>	<b>None (0)</b>	<b>Partial (1)</b>	<b>Full (3)</b>	
(i) A system wide strategy and implementation plan complete and adopted by government for PES				
(ii) Pilot PES schemes at select sites developed				
(iii) Operational performance of pilots is evaluated and reported				
(iv) Scale up of PES across the PA system is underway				
<b>Element 6 - Operational concessions within Pas</b>	<b>None (0)</b>	<b>Partial (1)</b>	<b>Full (3)</b>	
(i) A system wide strategy and implementation plan complete and adopted by government for concessions				
(ii) Concession opportunities are identified at the site and system levels				
(iii) Concession opportunities are operational at pilot sites				
(iv) Operational performance of pilots is evaluated, reported and acted upon				
<b>Element 7 - PA training programmes on revenue generation mechanisms</b>	<b>None (0)</b>	<b>Limited (1)</b>	<b>Extensive (3)</b>	
(i) Training courses run by the government and other competent organisations for PA managers on revenue mechanisms and financial administration				
<b>Total Score for Component 3</b>				<b>SCORE:</b>

<sup>16</sup> Where PES is not appropriate or feasible for a PA system take 12 points off total possible score for the PA system

**FINANCIAL SCORECARD – PART III – SCORING AND MEASURING PROGRESS**

<b>Total Score for PA System</b>				
<b>Total Possible Score</b>				
<b>Percentage of actual score of total possible score</b>				
<b>Percentage scored previous year</b>				

## ANNEX E: OVERVIEW OF PROJECT STRATEGY (OUTCOMES AND OUTPUTS)

<b>OUTCOME 1:</b> Costa Rica's legal and policy framework is reformed and enhanced to ensure effective management and long-term financial and ecological sustainability of the PA System.	<b>OUTCOME 2:</b> SINAC's institutional PA System framework and capacity is enhanced for eco-regional planning and optimal management effectiveness.	<b>OUTCOME 3:</b> SINAC has the financial sustainability to effectively attain its strategic objectives and provide resources for long-term PA System management needs.	<b>OUTCOME 4:</b> SINAC tests new and innovative conservation approaches at the Conservation Area and PA levels.	<b>OUTCOME 5:</b> Successful PA System management models are scaled-up and replicated at the systemic level through strategic partnerships with key stakeholders.
<b>Output 1.1:</b> A National Policy for a consolidated terrestrial and marine PA System is approved and in force.	<b>Output 2.1:</b> SINAC's institutional and administrative structure and organization re-aligned and enhanced.	<b>Output 3.1:</b> A PA Financing Strategy adopted and operational.	<b>Output 4.1:</b> PA boundaries legally registered and demarcated for a representative sample of PA units within the PA System.	<b>Output 5.1:</b> Local and regional PA Management Councils function with an integrated and inter-sectoral vision through flexible and inclusive management arrangements.
<b>Output 1.2:</b> Prerequisite legal reforms and a re-categorization of PAs defined and applied through local and regional planning instruments.	<b>Output 2.2:</b> SINAC's intra-institutional coordination mechanisms for effective PA System management developed and operational.	<b>Output 3.2:</b> A PA System Financing Business Plan prepared and operational.	<b>Output 4.2:</b> Infrastructure and accessibility of 10 most visited PAs within PA System improved.	<b>Output 5.2:</b> SINAC has institutional capacity for engaging with indigenous communities and for providing alternative livelihood support to communities located in and around PAs.
<b>Output 1.3:</b> A SINAC Strategic Plan ( <i>Plan Estratégico</i> ) officially approved and operational.	<b>Output 2.3:</b> Staff profiles, responsibilities and occupational standards for enhanced PA System management defined, clarified or re-aligned.	<b>Output 3.3:</b> The creation and retention of new revenue sources for PAs enabled by national policies.	<b>Output 4.3:</b> PA management authority support to community-based businesses tested and institutionalized.	<b>Output 5.3:</b> Institutional mechanisms are put in place through clear rules for the tendering and bidding of concessions, other use permits and opportunities to local entrepreneurs.
<b>Output 1.4:</b> A PA System Strategic Action Plan ( <i>Plan Director Nacional</i> ) officially approved and operational.	<b>Output 2.4:</b> Training Programme for practitioners at all levels on <u>administrative, technical and practical skills</u> necessary for optimal PA management effectiveness.	<b>Output 3.4:</b> System-wide funding mechanisms developed and implemented in the PA System and its constituent PA units.	<b>Output 4.4:</b> Partnerships between a Conservation Area and the tourism industry for financing PA management tested.	<b>Output 5.4:</b> Models for multi-stakeholder PA management boards are institutionalized and replicated in a variety of ecological and socio-economic contexts.
	<b>Output 2.5:</b> Knowledge management, evaluation and adaptation systems developed for the PA System and the Project.	<b>Output 3.5:</b> An online PA System financial information system and fee collection mechanisms designed and established within SINAC.	<b>Output 4.5:</b> New management approaches and local land use planning tools compatible with eco-regional conservation goals tested with local municipal governments and community-based organizations.	<b>Output 5.5:</b> SINAC PA system is connected through biological corridors which operate under innovative public-private partnership models.
		<b>Output 3.6:</b> Training Programme for SINAC <u>financial</u> administrators at all levels <sup>17</sup> to set up, consolidate and operate <u>financial planning, management and other business systems</u> .	<b>Output 4.6:</b> New approaches to eco-regional planning and PA management tested through TNC-Osa Conservation Area Partnership.	<b>Output 5.6:</b> Marketing and communication strategy on PA values, vulnerabilities and revenue mechanisms formulated and implemented at the national level.

<sup>17</sup> The three targeted levels are: (i) Central level; (ii) Regional through emphasis on the 11 Conservation Areas; and (iii) PA site-level.