

**Strengthening the Institutional and Financial Sustainability  
of the National Protected Area System**

*Croatia*

**GEF Agency: United Nations Development Programme  
Executing Partner: Nature Protection Directorate of the  
Ministry of Environment and Nature Protection (MENP)**

**GEF Biodiversity Focal Area**

**GEF Project ID: 4842**

**UNDP PIMS: 4731; UNDP Atlas Project ID: 00088212**

**Mid-term Evaluation Report**

**June 15, 2016**



*NP Vransko Jezero, with NP Telascica and NP Kornati in the distance.*

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## **Acronyms**

APR	Annual Project Report
CBD	Convention on Biological Diversity
CPAP	Country Program Action Plan
CPD	Country Programme Document
EIA	Environmental Impact Assessment
FSP	Full-size project
GDP	Gross Domestic Product
GEF	Global Environment Facility
Ha	hectares
KM	Kilometers
M&E	Monitoring and Evaluation
NGO	Non-governmental Organization
PIMS	Project Information Management System
PIR	Project Implementation Report
PMU	Project Management Unit
PPG	Project Preparation Grant
PSC	Project Steering Committee
TOR	Terms of Reference
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
USD	United States dollars
WB	World Bank

## I. Executive Summary

**Table 1 Project Summary Data**

Project Title:	Strengthening the Institutional and Financial Sustainability of the National Protected Area System (PARCS)			
GEF Project ID:	4842		<i>at endorsement</i> <i>(Million US\$)</i>	<i>at completion</i> <i>(Million US\$)</i>
UNDP Project ID:	4731	GEF financing:	US\$4,953,000	US\$4,953,000
Country:	Croatia	IA/EA own:	\$500,000	
Region:	Europe & CIS	Government:	\$16,700,000	
Focal Area:	Biodiversity	Other:	\$811,116	
FA Objectives, (OP/SP):	BD-1: Improve Sustainability of Protected Area Systems; Outcome 1.1 Improved management effectiveness of existing and new protected areas; Output 3: Sustainable financing plans (1 for national PA network and 3 for individual national protected areas)	Total co-financing:	Cash contributions: 1,311,116 In-kind contributions: 16,700,000 Total: 18,011,116	N/A
Executing Agency:	Ministry of Environment and Nature Protection – Nature Protection Directorate	Total Project Cost:	US\$22,964,116	N/A
Other Partners involved:	19 Public institutions, Ministry of Finance, SINP, NGO Sunce, World Bank	ProDoc Signature (date project began):		February 7, 2014
		(Operational) Closing Date:	February 7, 2018	

### PROJECT DESCRIPTION AND OVERVIEW

1. The Croatia PARCS project is a GEF-funded full-sized project working to strengthen the institutional and financial sustainability of Croatia’s national protected area system. The project officially commenced in February 2014, implementation began in May 2014 with formation of the Project Management Unit (PMU), and is planned for completion in December 2017. The project is within the biodiversity focal area of the GEF portfolio. The full-sized project has GEF funding of \$4.95 million USD, and planned co-financing of \$18.01 million USD, for a total project cost of \$22.96 million. The project is executed under UNDP’s National Implementation (NIM) modality (i.e. national execution), with the Ministry of Environment and Nature Protection (MENP) as the national executing partner. UNDP is the implementing agency providing support services for implementation, responsible for oversight of delivery of agreed outputs as per agreed project work plans, financial management, and for ensuring cost-effectiveness. At policy and strategic level the Project Board (PB) guides the project.

2. The long-term goal towards which the project will contribute is *“To develop, and effectively manage, a system of protected areas to conserve a representative sample of the globally unique biodiversity of Croatia, including all ecosystems and species.”* The project objective is *“Enhancing the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity.”* The project has two components:

- **Component 1:** *Reforming the institutional framework to strengthen the management effectiveness of national protected areas*
- **Component 2:** *Improving the financial sustainability of the network of national protected areas*

3. The project targets all 19 Croatian national PAs (8 national parks and 11 nature parks), which comprise over 70% of the total protected area estate in Croatia, covering approximately 12% of the land and 2% of the country's coastal sea area. The first component of the project is focused on improving the current institutional framework for national protected areas to address its key systemic and institutional weaknesses: weak coordination, limited performance accountability, duplication, cost-inefficiencies and inequitable distribution of funds. The second component of the project is focused on improving the financial sustainability of the national protected areas to ensure that they have adequate financial resources to cover the full costs of their management.

4. According to GEF and UNDP evaluation policies, mid-term evaluations are required practice for GEF funded full-size projects (FSPs), and the mid-term evaluation was a planned activity of the monitoring and evaluation (M&E) plan of the PARCS project. As per the evaluation Terms of Reference (TORs) the mid-term evaluation reviews the actual performance and progress toward results of the project against the planned project activities and outputs, based on the standard evaluation criteria: relevance, efficiency, effectiveness, results and sustainability. The evaluation assesses progress toward project results based on the expected objective and outcomes, as well as any unanticipated results. The evaluation identifies relevant lessons for other similar projects in the future, and provides recommendations as necessary and appropriate. The evaluation methodology was based on a participatory mixed-methods approach, which included three main elements: a) a desk review of project documentation and other relevant documents; b) interviews with key project participants and stakeholders; c) field visits to a selection of project activity sites in Croatia. The evaluation is based on evaluative evidence from the project development phase through April 2016, when the mid-term evaluation data collection phase was completed. The desk review was begun in March 2016, and the evaluation mission was carried out from March 29 – April 8, 2016.

## FINDINGS AND CONCLUSIONS ON THE MAIN EVALUATION CRITERIA

5. With respect to **relevance**, the project is considered **relevant / highly satisfactory**. The project objective addresses the highest priority overarching issues facing Croatia's protected area system – its institutional framework, and financial sustainability. The project is fully in-line with Croatia's national policies and legislation related to biodiversity conservation and the protected area system. The project is aligned with the GEF biodiversity focal area strategic priorities on strengthening management effectiveness of protected areas and securing the sustainable financing of protected areas. Further, the project clearly supports implementation of relevant multilateral environmental agreements, including the Convention on Biological Diversity (CBD), the Ramsar Convention, and the World Heritage Convention.

6. Project **efficiency** is rated **satisfactory**. Project implementation is considered satisfactory, while project execution (i.e. project management) is also assessed as satisfactory. The project financial delivery is behind the overall implementation timeframe with 27.8% of the total GEF financing disbursed by the end of 2015, which was approximately 46% through the actual implementation timeframe (20 out of 44 months). The low disbursement rate relates to the changes in direction the project experienced relating to establishment of the SSC or a new public PAs institution, which has slowed delivery under Component 1. In addition, delivery under

Component 2 in particular is not expected to be linear through the project's life, as it entails significant procurements. The results produced thus far are highly impressive relative to the project expenditure; many of the outputs achieved thus far would normally be only expected by the end of many similar projects. Project management costs are budgeted for 7.0% of total project costs, which is well within GEF requirements. Project management expenditures are slightly outpacing results expenditures, with a 33.8% expenditure rate vs an average 27.5% rate for Components 1 and 2 combined, but project management expenditures are typically more linear than project activity expenditures, and at the current rate of management expenditures they would only reach a total of 5.2% of the project budget.

7. Financial management procedures are in-line with norms for international development projects, and conform to UNDP and Croatian policies and procedures. The delivery of project co-financing stands at more than 78% (\$14.04 million USD of the planned \$18.01 million), and it is expected that by project completion, co-financing will significantly exceed the original planned co-financing, even considering that central government expenditure for PAs is decreasing annually. A significant new co-financing partner has been the national Environmental Protection and Energy Efficiency Fund, with \$2.91 million in grant co-financing. In addition, the project has also benefited from approximately \$10.16 million in parallel financing from a World Bank loan (the Natura 2000 Integration Project).

8. The PMU is highly professional and has demonstrated excellent planning, reporting, financial management, and has provided various technical inputs on financial and other aspects. Considering the back-and-forth political decision-making that has affected the project's first component, the PMU has demonstrated remarkable adaptive management, with exceptional foresight, risk management, and contingency planning. The project has strong stakeholder engagement through various partnership approaches, with highlights including the project's collaboration with the related World Bank project and the Ministry of Finance, and the excellent working relationships and communication with the 19 national PAs. A key development supported by the project is the recently instituted regular (approximately bi-monthly) meetings / thematic workshops with the PA managers and other relevant staff for all national PAs, which has been an important mechanism for building a common identity of a "system of national PAs" instead of 19 separate entities. With the lower than expected rate of disbursement in the first half of the project, it is critical that project implementation remain highly focused and proactive, since there is no possibility of an extension beyond the revised completion date of December 2017, as UNDP activities in Croatia will be ceasing at that point.

9. The PARCS project is well on-track to make important progress toward the overall project objective, and to achieve the supporting two outcomes. The project is likely to achieve a majority of its key results indicator targets. At the same time, progress on some of the key results has been slower than planned due to vacillations in political decision-making related to establishment of the SSC vs. a new PAs institution. Project **results / progress toward overall outcomes** thus far is rated ***moderately satisfactory***, and project **effectiveness** is also rated ***moderately satisfactory***. Nonetheless, the project has the clear potential to reach a level of results by completion that would warrant a highly satisfactory rating at project completion.

10. Key results achieved with project support thus far include:

- Convergence toward a vision and strategy for institutional improvement of the national protected areas system – i.e. an evolutionary approach, with incremental improvements tackling the key weaknesses, strengthening the national level coordination, guidance and supervision, establishing the key missing parts – shared by all key stakeholders, including PAs themselves, national authorities and institutions and key political parties. The project facilitated discussion and gradual convergence by extensive data collection and fact-finding, comprehensive analysis, and genuine stakeholder engagement.
- Upgraded standards and formats for PAs’ annual plans and reports on their execution;
- Instructions on the application of budget accounting and budget classification for parks were developed in close cooperation with the MENP and the Ministry of Finance. Education for 32 PI staff from financial departments was organized. It was the first time in the history of Croatia’s national PAs that the finance staff from all PAs was brought together in one place, along with the representatives from MENP and SINP.
- Establishment and piloting of a number of shared services required to address the identified weaknesses of the PA system, in particular: establishment of the common web portal and mobile phone application “Parks of Croatia”; a number of promotional activities, including the award winning exposure on the international fair Place2Go in Zagreb, in March 2016; provision of service for on-demand technical assistance to PAs in legal affairs; support in project preparation and management, in particular related to the project investment supported under the Component 2.
- Initiation of an analysis for pricing structures at the system level;
- Significant progress toward instituting standardized financial management software for all PAs, integrated with MENP;
- Development of an online e-ticketing system, already implemented in four PAs, with four additional PAs to roll-out in 2016; and
- Significant progress in investments in PAs infrastructure and services, with a total anticipated expenditure of approximately \$1.1 million USD, with leveraged additional co-financing investments of \$2.4 million USD.

11. As highlighted above there are many impressive results already generated as of the mid-term; a number of results, such as the establishment of a joint web portal, and piloting of e-ticketing could be considered “end of project” achievements for many projects. The most notable “shortcoming” in the expected project results is that it is clear as of the mid-term that the political and institutional context in the country is not yet prepared for the establishment of an integrated protected areas agency tasked with managing all national protected areas – or even the establishment of the short-term solution Shared Service Center foreseen in the project document. Nonetheless, addressing a majority of the identified weaknesses in the national PA system does not necessarily require the establishment of a new institution, and the project has taken the tack of addressing the weaknesses through practical and functional solutions that do not require establishment of new institutions, but instead widen the scope of the work and strengthen capacities of the existing institutions (primarily MENP, SINP, and EPEEF). The ultimate question at the end of the project will be to what extent the solutions developed under the



project are sufficiently “institutionalized” within MENP for sustainability, at least in the intervening years until the next phase of institutional evolution of Croatia’s national PA system.

12. Sustainability is difficult to assess at the mid-term of a project, but risks to the sustainability of project results appear to be only moderate at this stage, and overall **sustainability** is considered **moderately likely**. Financial sustainability is of limited concern, considering that the MENP is anticipating having €120 million euros of EU funding to invest in PAs and the Natura2000 network over the next six years. In addition, the financial analysis of the PA system carried out under the project has indicated that availability of financial resources are not a critical issue, but rather the distribution of financial resources is. Socio-political sustainability is considered moderately likely, as the project has strong stakeholder support, but the political will to establish the systemic strengthening mechanisms proposed under the project – in particular, a revenue sharing mechanism – must be demonstrated through the remainder of project implementation. Although Croatia has its share of political instability and is rated low in the EU with respect to corruption, institutional and governance risks are not considered a significant threat to the PARCS project’s results. Environmental risks are present, as Croatia’s PAs work to balance maximizing revenue (mainly from tourism) against the core business of nature protection, but these risks are also only considered moderate at this stage.

## RECOMMENDATIONS

13. The recommendations of the mid-term review are listed below, with the primary target audience for each recommendation following in brackets.<sup>1</sup>

14. **Key Recommendation 1:** The project should re-emphasize to stakeholders the need for a concise and practical national strategic document (Output 1.1) to set in place the vision and organizational set-up for the national protected area system in the coming five-year period. This will serve as a tool for stakeholder engagement, coordination, a more stable and focused strategic approach for development of the national protected area system, and collective planning and management of the system of protected areas, both during the remaining implementation of the project and in the period after the end of the project. This should be a practical and implementable document of no more than 30 pages. This strategic vision document should be linked and integrated with the NBSAP. Although the document will have no legislative basis, its relevance will derive from the consensus of all key stakeholders, and in this way it will help mitigate potential future instability caused by shifting political winds. A draft of this document should be developed and approved as soon as possible, but preferably by the end of 2016, and at the latest in the 1<sup>st</sup> quarter of 2017. [MENP/PMU and UNDP]

15. **Key Recommendation 2:** While all planned results remain as high priorities, the project should prioritize establishment and operationalization of the system-level PA revenue sharing

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<sup>1</sup> **Note:** In some instances the target audience is referred to as MENP/PMU, indicating that overall responsibility of responding to the recommendation falls within the institutional mandate of the MENP, but considering that the PMU is actually under the auspices of the MENP, and may ultimately be the party responsible for implementation. In other cases the target audience is simply indicated as the PMU, for recommendations that are more related to the project management and work planning - not necessarily related to the institutional mandate of MENP, and recognizing that the PMU has to date operated as a distinct entity physically and operationally outside the MENP.

mechanism before project completion. In absence of establishment of the SSC, this will serve as a major substitute achievement that will significantly address critical systemic weaknesses. In support of this mechanism, the project should re-institute the activity of a basic system-level business plan, in order to analyze the system as a unit from a financial perspective, with various sources of revenue in the system, and the financial needs. Such an exercise would be relatively straightforward as it would be significantly informed by the project's already-completed work on financial analysis of the system, and the system-level pricing activity. In fact the establishment of a revenue sharing mechanism is likely to require such a document as necessary supporting documentation, to provide convincing detailed justification, rationale, and outline of procedures for re-allocation of resources within the system (e.g. how much, to whom, for what, under what criteria). The revision of the nature protection law, codifying relevant PA system changes, is a second, related, and also highly important result to be achieved. The project should provide close support to the ongoing process of the nature protection law revision, by preparing key project results – including the system-level PA revenue sharing mechanism, provisions on minimum management standards, financial management, management plans preparation, etc. – in the formats required by the law revision process. [MENP/PMU]

16. **Key Recommendation 3:** At least six months before completion the project should prepare a sustainability plan outlining how the functional areas with the highest potential for improvement of management efficiency and effectiveness through more coordination and provision of shared services are being addressed, and will continue to be addressed after project completion. These are: a) fund-raising and shared revenue distribution; b) high value procurement of common goods and services; c) collective branding, promotion, marketing, communications, sales and reservations; d) project preparation and management; e) shared legal support services, and f) potentially also human resources management (notably a common payroll management system). [PMU]

17. **Key Recommendation 4:** Building on the above recommendation, the project should develop a full exit strategy, to be agreed with all stakeholders, that outlines how key project results will be sustained. For example, how the web portal will be maintained, how the necessary technical and management support for the e-ticketing system will be maintained, how the operating and maintenance costs of project investments in PA infrastructure and services (e.g. solar boats, etc.) will be covered in the future, etc. This should also be carried out approximately six months prior to completion. [PMU]

18. **Key Recommendation 5:** The project should work with PAs to emphasize the necessarily co-dependent nature of PA management planning, PA business planning, and elements such as pricing and visitor management. Some national PAs are at risk of carrying out some of these elements individually, without sufficient recognition of the importance of the inter-linkages between each of them. To fulfill this recommendation, the team should work with the PAs currently undertaking i.) management planning; ii.) business planning; iii) pricing strategies; or iv.) visitor management planning to ensure that the three latter elements are adequately integrated with and supportive of the nature conservation management objectives of the PAs, but also support revenue needs for effective management. The result of this action will be PA pricing strategies and visitor management plans with sustained relevance for mid-term planning (i.e. ~ 5 years), which ensure that natural values of PAs are not infringed upon, but which also

generate revenue at the desired level. To achieve longer-term outcomes it may be necessary to produce guidelines for Croatia on the integration of business planning with PA management plans, since all PAs will not be completing pricing strategies, visitor management plans, and business plans before project completion. [MENP/PMU]

19. **Key Recommendation 6:** Partially linked with the above recommendation, the project should work with PAs to sufficiently achieve completion spatial/physical plans that are fully aligned with the PA management plans (incorporating business planning aspects). The absence of spatial/physical plans was originally identified as a major barrier for effective management of PAs in the project document, but is not an issue that the project has focused on, although it remains a significant challenge for effective management of PAs, including financial management aspects. The project could, for example, develop the capacity of PAs to work effectively with physical planners to ensure PA management considerations are fully reflected in spatial/physical plans; another option might be to produce a small number of case studies of PA physical planning highlighting good practices or lessons, with the goal of undertaking more significant work on this issue within the forthcoming EU funding window. Also, for example, appropriate provisions addressing this issue could be included in all guidelines prepared by the project, including in particular the guidelines for preparation of the PA management plan; practical guidelines on visitors management (based on the pilot prepared for NP Plitvice lakes); practical guidelines on preparation of business plans for PAs (based on implemented pilot business plans); and provisions on minimum standards for effective PA management. This would include sufficiently detailed descriptions of the issues that should be addressed to harmonize all planning documents. By including appropriate requirements in guidelines being prepared, the practice of effective development of and integration with spatial/physical plans will be “built in” for the future. These activities are expected to contribute to longer-term outcomes addressing the spatial/physical plan “barrier” identified in the project document; this means that at the end of the next round of expected spatial/physical plan updating and revision, plans will be adopted that appropriately and adequately reflect requirements for effective management of PAs. However, it is not anticipated that the process of development and adoption of these spatial/physical plans would be completed before the end of the project. [MENP/PMU]

20. **Recommendation 7:** The project should seize the opportunity to contribute to further development of public-private partnerships related to PA services, such as tourism services. This could be pursued through strengthening Public Institutions’ know-how and capacities for engagement and facilitation with the private sector, including development of incentives for investment, or approaches such as investor information packets. This would be in the context of the project’s work on the development of more cohesive and integrated tourism and recreational products to improve the visitor experience. Along related lines, it could be helpful to support sharing lessons and experiences between PAs on approaches to concessions, from the international level, but also at the national level – for example through a workshop or series of presentations at joint meetings. [PMU]

21. **Recommendation 8:** The project should revise the results framework indicators and targets to strengthen their alignment with “SMART” criteria. Some proposed revisions are included as an annex to this report. Any final revised version of the results framework should be approved by the Project Board. [MENP/PMU, UNDP, Project Board]

22. **Recommendation 9:** As the project duration has been effectively shortened for half a year, with the last year with less support from UNDP (as the national office is closing, and support services will be provided from the regional level), and as some time has been lost due to changing direction and associated postponements of various activities, the PMU should be strengthened by both A) a complete pool of long-term experts covering all key issues addressed by the project, including the team leaders in the teams that prepared the key project deliverables, and including internationally recognized experts for quality assurance in-line with international best practices for the most challenging tasks related to system capacity strengthening; and B) additional member of the core team, senior staff with experience in the project management, coordination, supervision; dealing with the integration, take over and sustainability of the project results, in particular within Component 1. [MENP and UNDP]
23. **Recommendation 10:** Considering that there will be no opportunity for project extension since all UNDP activities in Croatia will be ceasing, the project should ensure contingency plans for ensuring disbursement of all funds by the end of 2017. This could include, for example, taking advantage of opportunities to invest in technical assistance for preparation of projects for PAs for the pipeline of subsequent EU funding, as this provides a strong financial leveraging mechanism and supports sustainability of results produced from GEF funding. [PMU and Project Board]
24. **Recommendation 11:** The project should carry out an at least preliminary analysis of potential synergies and benefits of shared services related to the core business of nature conservation, similar to the work that has been done to analyze the potentially beneficial operational functions. It will be insightful for all stakeholders to see and understand the potential benefits for biodiversity conservation that might be possible if it were more feasible for PAs to share resources (e.g. equipment, human resources, scientific data, etc.) related to their core business. This activity is highly correlated with the foreseen activity dealing with the national plan for development of the capacities and competencies of PA staff. [MENP/PMU and Project Board]
25. **Recommendation 12:** Throughout the remaining project period the project should invest additional effort in extracting from project deliverables and formatting well-thought-out “packages” of information for targeted purposes and audiences, in order to maximize the relevance and sustainability of some of the projects major analytical outputs. For example this could include distilling some of the project’s major studies into short (2-3 page) policy briefs or information documents. Along similar lines, to increase understanding of and access to project results by stakeholders, the project should prepare a list of the project’s key outputs and deliverables, with a summary in English and Croatian. [PMU]
26. **Recommendation 13:** The project should consistently and comprehensively document all sources of co-financing, including leveraged and parallel financing. [UNDP and PMU]
27. **Recommendation 14:** Considering the place of Plitvice Lakes as the “crown jewel” of the national PA system, which has more than 1 million visitors per year and generates more than half of the self-generated revenue in the national PA system, the project should provide the necessary support and expertise to ensure that Plitvice Lakes has access to the best possible international expertise for the urgent – preferably initiated during the 2016 high visitation season - development of its visitor management plan. If feasible within time and budget constraints, a visitor management plan for Krka NP should also be completed. [PMU]

28. **Recommendation 15:** Building on the already established practice of regular MENP meetings and thematic workshops with PA staff, the project should seize the opportunity to introduce and – during the remaining time of the project – establish practice of systemic, need-driven approach to capacity building in PAs, based on the established effectiveness assessment tools, i.e. the METT, Capacity Development and Financial Scorecards. Operationally, the project should identify the weakest points in the METT, Capacity Development and Financial Scorecards and select some of them as the subjects for the capacity building workshops with the PA staff during the remaining time of the project. This activity will also most directly contribute to achieving of the targets set in the project results framework. [MENP/PMU]

29. **Recommendation 16:** The project should assure that PAs’ annual work plans and annual reports include, in an appropriate high quality manner, the degree of conservation for the Natura 2000 target species and habitats within the protected areas (i.e. the EU Article 17 three point rating system of FV, U1, U2). The level of conservation should be among the central concerns in the PAs’ risk management, and contingency planning practice. [MENP/CAEN]

30. **Recommendation 17:** There is currently an inadequate understanding of the financing “gap” for effective PA management in the Croatian context. Although management costs depend on the specific context of each PA, an overall standardized and objective approach for basic and optimal PA management budgeting should be established. Considering that enhancing transparency and efficiency is a key objective of the PARCS project, the project should put resources toward the development of standards and criteria for sound financial planning for PAs’ core activities. This activity should start with analysis of the existing best practice and comparative analysis of the current practice in Croatian parks (not necessarily all of them, but sample representative with regard to the types of habitat and level of visitation, and associated distinctive management practices). The activity both draws from and feeds into the activities dealing with preparation of PA business plans.

#### PARCS PROJECT MID-TERM EVALUATION SUMMARY RATINGS TABLE

Evaluation Ratings:			
1. Monitoring and Evaluation	Rating	2. Implementation & Execution	Rating
M&E Design at Entry	S	Quality of UNDP Implementation	S
M&E Plan Implementation	S	Quality of Execution - Executing Agency	S
Overall Quality of M&E	S	Overall Quality of Implementation / Execution	S
3. Assessment of Outcomes	Rating	4. Sustainability	Rating
Relevance	R / HS	Financial Resources	L
Effectiveness	MS	Socio-political	ML
Efficiency	S	Institutional Framework and Governance	L
Overall Project Outcome Rating	MS	Environmental	ML
5. Impact	Rating	Overall Likelihood of Sustainability	ML
Environmental Status Improvement	N		
Environmental Stress Reduction	N		
Progress Toward Stress/Status Change	N	<b>Overall Project Results</b>	S

#### Standard UNDP-GEF Ratings Scale

Rating Criteria	Rating Scale
Relevance	• Relevant (R)

	<ul style="list-style-type: none"> <li>• <b>Not-relevant (NR)</b></li> </ul>
Effectiveness, Efficiency, Results, GEF principles, other lower-level ratings criteria, etc.	<ul style="list-style-type: none"> <li>• <b>Highly satisfactory (HS):</b> There were no shortcomings in the achievement of objectives in terms of effectiveness or efficiency</li> <li>• <b>Satisfactory (S):</b> There were minor shortcomings in the achievement of objectives in terms of effectiveness or efficiency</li> <li>• <b>Moderately satisfactory (MS):</b> There were moderate shortcomings in the achievement of objectives in terms of effectiveness or efficiency</li> <li>• <b>Moderately unsatisfactory (MU):</b> There were significant shortcomings in the achievement of objectives in terms of effectiveness or efficiency</li> <li>• <b>Unsatisfactory (U):</b> There were major shortcomings in the achievement of objectives in terms of effectiveness or efficiency</li> <li>• <b>Highly unsatisfactory (HU):</b> There were severe shortcomings in the achievement of objectives in terms of effectiveness or efficiency</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>• <b>Likely (L):</b> Negligible risks to sustainability, with key outcomes expected to continue into the foreseeable future</li> <li>• <b>Moderately Likely (ML):</b> Moderate risks, but expectations that at least some outcomes will be sustained</li> <li>• <b>Moderately Unlikely (MU):</b> Substantial risk that key outcomes will not carry on after project closure, although some outputs and activities should carry on</li> <li>• <b>Unlikely (U):</b> Severe risk that project outcomes as well as key outputs will not be sustained</li> </ul>
Impact	<ul style="list-style-type: none"> <li>• <b>Significant (S):</b> The project contributed to impact level results (changes in ecosystem status, etc.) at the scale of global benefits (e.g. ecosystem wide, significant species populations, etc.)</li> <li>• <b>Minimal (M):</b> The project contributed to impact level results at the site-level or other sub-global benefit scale</li> <li>• <b>Negligible (N):</b> Impact level results have not (yet) been catalyzed as a result of project efforts</li> </ul>
Other	<ul style="list-style-type: none"> <li>• <b>Not applicable (N/A)</b></li> <li>• <b>Unable to assess (U/A)</b></li> <li>• <b>Not specified (N/S)</b></li> </ul>

## II. PARCS Project Mid-term Evaluation Approach

31. The mid-term evaluation is initiated by UNDP, which is the GEF Agency for the project, in line with the monitoring and evaluation plan of the project. The evaluation was carried out as a collaborative and participatory exercise, and identifies key lessons and any relevant recommendations necessary to ensure the achievement and sustainability of project results.

### A. Mid-term Evaluation Purpose, Objectives and Scope

32. The **purpose** of the evaluation is to provide an independent external view of the progress of the project at its approximate mid-point, and to provide feedback and recommendations to UNDP and project stakeholders that can help strengthen the project and ensure its success during the second half of implementation.

33. The **objective** of the mid-term evaluation is to:

- Identify potential project design issues;
- Assess progress toward achievement of expected project results;
- Identify and document lessons that can both improve the sustainability of benefits from this project and aid in the overall enhancement of UNDP and GEF programming in the region; and
- Make recommendations regarding specific actions that should be taken to improve the project.

34. The **scope** of the evaluation is as outlined in the Terms of Reference for the evaluation (Annex A), and covers the following aspects, integrating the GEF's Operational Principles (Annex B), as appropriate:

- Project design, development (including decision-making and gender mainstreaming), risk assessment / management, and preparation
- Country ownership and drivenness
- Project timing and milestones
- Implementation and execution arrangements, including GEF Agency oversight
- Stakeholder participation and public awareness
- Communications
- Partnership approach
- Work planning, financial management/planning, co-financing
- Flexibility and adaptive management
- Progress toward results outcomes and impacts
- Gender integration and mainstreaming in implementation
- Key remaining barriers
- Sustainability
- Catalytic role: Replication and up-scaling
- Monitoring and evaluation (project and results levels) compliance with UNDP and GEF minimum standards, including SMART criteria for indicators
- Lessons learned
- Impact and Global Environmental Benefits

35. In addition, the UNDP requires that all evaluations assess the **mainstreaming of UNDP programming principles**, which include:

- UN Development Assistance Framework (UNDAF)/Country Program Action Plan (CPAP) / Country Programme Document (CPD) Linkages
- Poverty-Environment Nexus / Sustainable Livelihoods
- Disaster Risk Reduction / Climate Change Mitigation / Climate Change Adaptation
- Crisis Prevention and Recovery
- Gender Equality / Mainstreaming
- Capacity Development
- Rights-based Approach

36. Evaluative evidence will be assessed against the main UNDP and GEF evaluation criteria, as identified and defined in Table 2 below:

**Table 2. GEF and UNDP Main Evaluation Criteria for GEF Projects**

<b>Relevance</b>
<ul style="list-style-type: none"> <li>• The extent to which the activity is suited to local and national development priorities and organizational policies, including changes over time.</li> <li>• The extent to which the project is in line with the GEF Operational Programs or strategic priorities under which the project was funded.</li> <li>• Note: Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances.</li> </ul>
<b>Effectiveness</b>
<ul style="list-style-type: none"> <li>• The extent to which an objective has been achieved or how likely it will be achieved.</li> </ul>
<b>Efficiency</b>
<ul style="list-style-type: none"> <li>• The extent to which results have been delivered with the least costly resources possible; also called cost-effectiveness or efficacy.</li> </ul>
<b>Results</b>
<ul style="list-style-type: none"> <li>• The positive and negative, foreseen and unforeseen changes to and effects produced by a development intervention.</li> <li>• In GEF terms, results include direct project outputs, short to medium-term outcomes, and longer-term impact including global environmental benefits, replication effects and other local effects.</li> </ul>
<b>Sustainability</b>
<ul style="list-style-type: none"> <li>• The likely ability of an intervention to continue to deliver benefits for an extended period of time after completion: financial risks, socio-political risks, institutional framework and governance risks, environmental risks</li> <li>• Projects need to be environmentally, as well as financially and socially sustainable.</li> </ul>



## **B. Principles for Design and Execution of the Evaluation**

37. The evaluation was conducted in accordance with the GEF M&E Policy,<sup>2</sup> which includes the following principles for evaluation: Credibility, Utility, Impartiality, Transparency, Disclosure, and Participation. The evaluation was also conducted in line with United Nations Evaluation Group norms and standards.<sup>3</sup>

## **C. Evaluation Approach and Data Collection Methods**

38. The MTR evaluation matrix, describing the indicators and standards applied with respect to the evaluation criteria, is attached as Annex 3 to this report. The interview guide used to provide a framework for qualitative data collection is included as Annex 4 to this evaluation report. The standard UNDP-GEF rating tables and rating scale applied is included as Annex 5 to this report. The evaluation commenced March 1<sup>st</sup>, 2016 with the signing of the evaluation contract, and the evaluation field mission was carried out from March 29<sup>th</sup> – April 8<sup>th</sup>, 2016. The evaluation field visit itinerary is included as Annex 6 to this report.

39. The evaluation was carried out in accordance with the guidance outlined in the UNDP Handbook on Planning, Monitoring and Evaluating for Development Results,<sup>4</sup> and in accordance with the evaluation guidance as outlined in the GEF M&E Policy.

40. The collection of evaluative evidence was based on three primary data collection methodologies:

1. Desk review of relevant documentation (list of documents reviewed included as Annex 7 to this report).
2. Semi-structured interviews with relevant stakeholders at local, regional, and national
3. Field visit to projects sites

41. As such, the mid-term evaluation process involved four main steps, some of which overlapped temporally:

1. Desk review of project documentation, and logistical preparation and coordination with the project team for the field visit
2. In-country field visit, including visits to project field sites, and qualitative interviews with key stakeholders at the national and local levels
3. Analysis of data, follow-up to address any data gaps, and drafting of the evaluation report, then circulation to evaluation participants for additional feedback and input
4. Finalization of the evaluation report and follow-up with the project team and stakeholders

42. Individuals targeted for interviews were intended to represent the main project stakeholders, partners and beneficiaries, and those most knowledgeable about various aspects of the project. The evaluation also sought to include a representative sample covering all different types of stakeholders, including national and local government, civil society, local communities, and the private sector.

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<sup>2</sup> See <http://www.thegef.org/gef/Evaluation%20Policy%202010>.

<sup>3</sup> See [http://www.uneval.org/normsandstandards/index.jsp?doc\\_cat\\_source\\_id=4](http://www.uneval.org/normsandstandards/index.jsp?doc_cat_source_id=4).

<sup>4</sup> See <http://www.undp.org/evaluation/handbook>.

## **D. Limitations to the Evaluation**

43. All evaluations face limitations in terms of the time and resources available to adequately collect and analyze evaluative evidence. For the PARCS project mid-term evaluation, the evaluation team was not able to visit all participating PAs, though a selection of key PAs in Croatia was visited. Also, as is understandable, some project documents were available only in Croatian language, although the project team and UNDP worked to ensure that language was not a barrier to the collection of evaluative evidence, and the composition of the evaluation team – with a national expert team member – further supported this point. Interpretation was also provided as necessary during the evaluation mission. In addition, all key documents were available in English. Altogether the evaluation challenges were not significant, and the evaluation is believed to represent a fair and accurate assessment of the project.

## **III. Project Overview**

### **A. PARCS Project Development Context**

44. This section contains a brief description of the project development context, i.e. the basic info on the Croatian protected areas system, in particular the Croatian national-level PAs that are the focus of the PARCS project, and the socio-economic, legal and institutional context. It draws mainly from the project document, which contains more extensive and detailed information.

45. Croatia is European country located (see Figure 1) at the juncture of the middle Europe, southeast Europe and the Mediterranean. It declared its independence from the former Yugoslavia in 1991. After fully harmonizing with the EU acquis, policies and standards, Croatia became 28<sup>th</sup> EU member state in 2013.

46. The total surface area of its terrestrial part (including lakes and rivers) is 56,594 km<sup>2</sup>. Its coastal sea surface area is 31,479 km<sup>2</sup>. With a population of circa 4.3million (2011 census), it has population density of 76 per km<sup>2</sup>, which makes it one of the more sparsely populated EU countries (the EU average is 116 per km<sup>2</sup>). With the median age of 41.4, the population age is close to the EU-28 average. The population has been decreasing since 1990s, by a couple of percentage points annually. The population is predominantly urban (56%), with a further decreasing rural population. The capital Zagreb metropolitan area has a population of around 1 million, while seven more regional centers have population over 50,000; Split and Rijeka are the largest among them, with populations over 100,000. With Human Development Index of 0.796, Croatia is ranked as 46<sup>th</sup> among the 187 countries (UNDP, 2011). Croatia has a universal health care system, a life expectancy of 78 years (relative to 80.6 average for the EU-28), a literacy rate of 98.1% and GDP per capita, corrected for PPP, 12,324 USD in 2014 (i.e. 40% lower than EU average).

47. Croatian economic development has faced many challenges since 1991, including war related destruction, refugees, temporary occupation of territory until 1995, transition from command to market economy, denationalization and privatization, inefficient bureaucracy, poor legal framework, recent global and EU economic crises. As result, after a period of GDP growth at 4-5% annually (from the end of the war in 1995 to global financial crises in 2008) fueled mostly by consumption, infrastructure investment, and foreign loans, Croatia entered 6-year recession.

The year 2015 marked the end of the recession with modest 1% GDP growth. Unemployment is still very high: overall around 17% (i.e. around 287,000 unemployed) and over 45% youth unemployment (which is by both criteria the 3<sup>rd</sup> worst in EU, after Greece and Spain). The highest development challenge of the recently elected Croatian government (beginning of 2016) is reduction of the budget deficit and halting of the further growth of the external national debt, without too much austerity, in a way that supports much needed structural reforms and economic growth and maintain social stability and prosperity.

**Figure 1 Map of Croatia**



48. Croatia has a service based economy (tertiary sector makes around 70% of the GDP), with manufacturing sector slowly and partially recovering after the transition and restructuring period, and agricultural sector struggling to find its place on open EU market. With over 14 million guests and almost 80 million overnights, the tourism sector contributes around 20% to the Croatian GDP. Croatia's coastal area is the main touristic part of the country, the major exception being capital Zagreb (over 1 million) and the UNESCO site National Park Plitvička jezera (1.3 million visitors).

49. At the beginning of the 2014, Croatia entered the EU Excessive Deficit Procedure, which is causing budget cuttings in all sectors, including nature protection. On the other hand, EU funds present significant additional opportunity for financing. In particular, there is €50 million

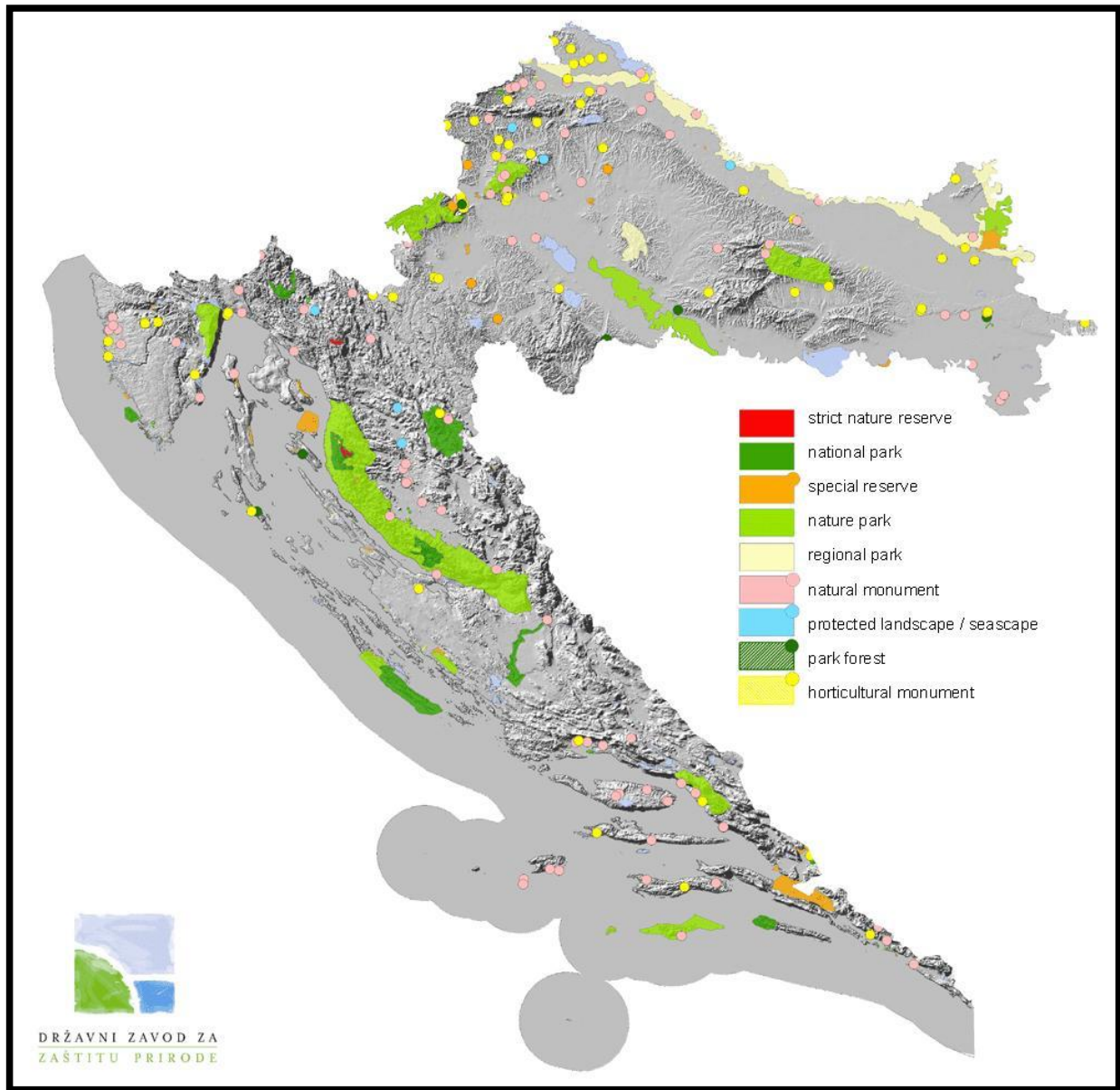
available in the 2014-2020 envelope for development of visitors infrastructure within PAs and additional €70 million for management of the NATURA 2000 ecological network.

50. Croatia is located at the juncture of the four European biogeographical regions: the Mediterranean – in its coastal area, with 1,777 km long coastline, with its 1,246 islands and islets, with additional 4,058 km of the coastline; the Alpine – in its Dinaric Alps area, with Dinara as the highest mountain in Croatia (1,831 m); the Pannonian – in the Slavonia region which is the south part of the Pannonian Basin plain in Slavonia; and the Continental in the remaining portion of the country. Due to this extraordinary diversity, it is one of the richest European countries in terms of its biodiversity, both in respect of number of species (38,000 recorded and several times higher estimated number) and high levels of endemism (over 1,000 recorded endemic species). The most significant habitats in Croatia are: underground habitat, including submerged karst; forests (covering 47% of the country); inland surface water and wetlands, including the gravels, sands and muds of the large lowland rivers and the tufa stream and tufa cascade habitat types specific to the Croatian karst rivers; marine habitats and coastal habitats of the Adriatic Sea, including karst marine lakes and caves, mudflats and saltmarshes; relict threatened bogs and fens; wet and Mediterranean dry grasslands; and scrub habitats. The main centers of endemism are Velebit and Biokovo mountains, underground habitats in karst areas (46% of the country territory, with 7,000 recorded caves and pits), the islands, and karst rivers. Three out of five large EU carnivores are resident in Croatia: grey wolf, Eurasian lynx and brown bear. Almost all natural and semi-natural habitat types represented in Croatia are protected by the EU regulations.

51. The most significant threat to Croatia's terrestrial biodiversity is habitat loss and degradation / fragmentation, mainly due to infrastructure and settlement construction; unsustainable tourism development; disappearance of the traditional agricultural practices and associated mosaic cultivated landscapes in the rural areas. The major threats to Croatia's marine biodiversity are overfishing, coastal development and pollution, pressure from nautical tourism, invasive species driven partially by the climate change and resulting warming of the Adriatic Sea. The Red List of plants and animals of the Republic of Croatia includes around 2,500 threatened taxa.

52. The establishment and management of a system of PAs is recognized by the Nature Protection Act (OG 80/2013) among the key nature protection strategies and instruments in Croatia. The Act recognizes nine different categories of PAs, two of which – National Parks and Nature Parks – are “national protected areas” in the sense that they are state-managed by the national level authority, i.e. by the Public Institutions (PIs) established by the national authority. The rest of them are state-managed by the PI established by the regional or local level authority. According the official Registry of PAs, there were 408 PAs in Croatia in 2015, comprising: 2 Strict Reserves; 8 National Parks; 77 Special Reserves; 11 Nature Parks; 2 Regional Parks; 81 Nature Monuments; 82 Significant Landscapes/ Seascapes; 26 Forest Parks and 119 Horticultural Monuments (see Figure 2).

Figure 2 Croatia National Protected Area System<sup>5</sup>



53. Collectively these protected areas cover a total area of around 7,542 km<sup>2</sup>, encompassing approximately 12% of the terrestrial and inland water ecosystems of Croatia and 2% of the country's coastal sea. The "national protected areas" – 8 National Parks (Plitvička jezera, Risnjak, Brijuni, Paklenica, Sjeverni Velebit, Krka, Kornati, Mljet) and 11 Nature Parks (Kopački Rit, Papuk, Lonjsko polje, Medvednica, Žumberak-Samogorsko gorje, Učka, Velebit, Telašćica, Vransko jezero, Biokovo, Lastovsko otočje) – which are in the focus of the PARCS project, comprises over 70% of the country's total protected area estate.

<sup>5</sup> Source: Project Document.

54. Due to their exceptional value, a number of the Croatian protected areas are also designated internationally. There are five Ramsar sites (including Nature Parks Kopački rit, Lonjsko polje and Vransko jezero); National Park Plitvice lakes is on UNESCO World Heritage List (while Kornati, Telašćica, Velebit and Lonjsko polje are included on the tentative list); Velebit and Mura-Drava-Denube are designated as UNESCO MAB reserves; and Nature Park Papuk is member of European and UNESCO Global Geoparks Network.

55. The current PA system in Croatia is fairly representative with major protected areas located in each of the four biogeographic regions of Croatia. A recently implemented PA Gaps Analysis (WWF, 2009) identified as the main gaps the high biodiversity habitats such as cave ecosystems, coastal lagoons, freshwater watercourses, karstic fields and bogs, with priority areas including Neretva Delta, River Mreznica, and Dinara mountain.

56. The protected areas are integral parts of the Natura 2000 ecological network in Croatia, which comprise a much larger area within the 780 sites of various size, covering 36.67% of the terrestrial and inland water ecosystems of Croatia and 16.39% of the country's coastal sea (with an intention to increase the area of the coastal sea within the network).

## **B. Project Concept Background**

57. According to the project inception report, "The PARCS project was proposed by the Ministry of Environmental and Nature Protection in 2012." Although the Croatian government individuals involved at this time were not available for this evaluation, this was likely related to a variety of initiatives that were ongoing in Croatia related to development of the national parks system, and the country's ongoing integration with the European Union, including alignment with the EU Habitats Directive relating to the national ecological network of Natura2000 sites. In 2009 the World Bank had commissioned the report "*Sustainable Financing Review for Croatia's Protected Areas*". The government subsequently initiated the "EU Natura 2000 Integration Project" (NIP), a World Bank loan of \$28.8 million USD, to be implemented from mid-2011 to mid-2016. The NIP project is one of the main sources of co-financing for the PARCS project, as well as a source of parallel financing.

58. According to individuals involved with the project development process, the intention at the start of the project development period was that the project would establish a single PAs management institution, integrating the 19 separate PIs. However, during the project development period the minister of environment changed, and shortly before the full project document was to be submitted to the GEF a decision was made to adjust the objective of the project to focus on establishing the "Shared Service Center" while only assessing the feasibility of a single PAs management institution. During project implementation there has been further vacillation on this point.

## **C. Problems the Project Seeks to Address**

59. The project design phase identified that the long term solution for Croatian PAs system sought by the Government of Croatia is characterized by: "(i) an efficient, cost-effective and accountable institutional framework for the protected area system; and (ii) the adequate staffing, resourcing and sustainable financing of each protected area institution to ensure that they achieve the management objectives for the protected areas under their stewardship." These two desired features are directly connected with the two main identified barriers addressed by the

project – namely 1) Weaknesses in the institutional framework for national PAs; 2) Inefficiencies in the administration, adequacy, allocation and effectiveness of funding in national PAs.

60. More concretely, under the first barrier, the project is addressing the key systemic and institutional weaknesses of the current national PAs system, including primarily: weak coordination, limited performance accountability, duplication, cost-inefficiencies and inequitable distribution of funds. Although even the current legal and institutional framework would allow more coordinated, effective and efficient system, in reality, the system lacks all types of capacities in all its components (including MENP, SINP and the 19 national protected area Public Institutions [PIs]); lacks internal communication, cooperation, coordination; lacks common strategic vision; common standards, templates, guidelines; lacks efficient reporting, monitoring and performance accountability; lacks capacity for cost-efficient financial management, revenue generation that does not jeopardize the protected nature; lacks efficient mechanism for revenue-sharing between parks. Further on, overall cost efficiency and performance of the system could be improved by centralized provision of the support services to individual parks.

61. Under the second barrier, the project is attempting to improve the financial sustainability of the national protected areas by: 1) reducing some current costs (e.g. the transaction costs of user pay systems; costs due to inefficient energy and water usage); 2) improving overall productive efficiency and strengthening the service standards; 3) increasing revenues from offered tourism and recreational product (by improved, more integrated product and more sound pricing strategies).

#### **D. Project Description and Strategy**

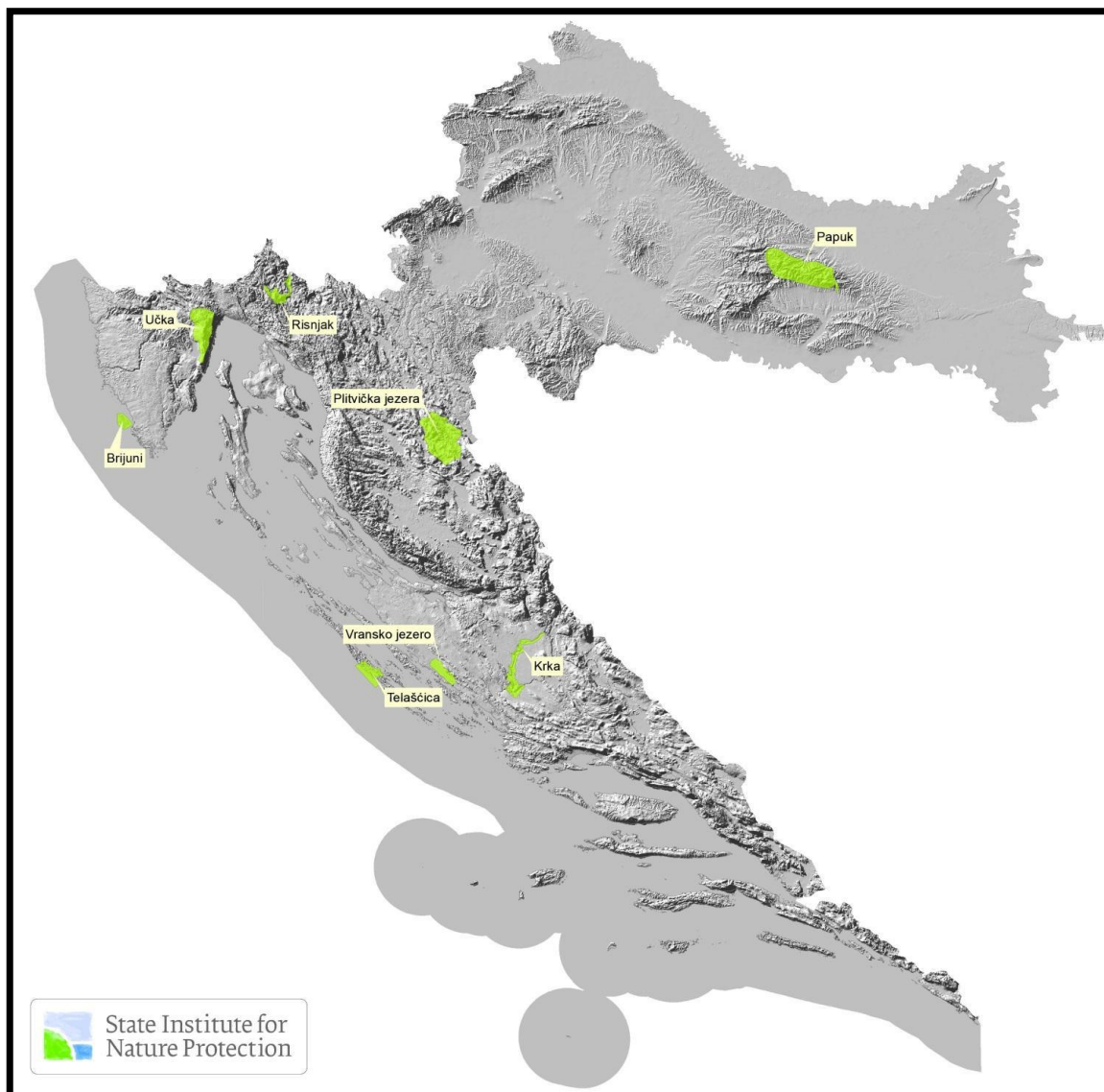
62. As stated in the Project Document, the long-term goal towards which the project will contribute is *“To develop, and effectively manage, a system of protected areas to conserve a representative sample of the globally unique biodiversity of Croatia, including all ecosystems and species.”* The project objective is *“Enhancing the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity.”* The project is structured in two components, consisting of seven outputs:

- **Component 1: Reforming the institutional framework to strengthen the management effectiveness of national protected areas**
  - Output 1.1. Develop a National Planning Framework for the Protected Area System
  - Output 1.2. Improve the Financial Management Capacity of Protected Area Institutions
  - Output 1.3. Establish a Shared Service Center for National Protected Areas
  - Output 1.4. Assess the Feasibility of Establishing A Park Agency to Administer National Protected Areas
- **Component 2: Improving the financial sustainability of the network of national protected areas**
  - Output 2.1. Reduce the Transaction Costs of User-Pay Systems in National Protected Areas
  - Output 2.2. Develop Integrated Tourism and Recreational Products and Services in National Protected Areas
  - Output 2.3. Improve the Productive Efficiency of National Protected Areas

63. The main results expected from the project are highlighted in the project results framework, included as Annex 9 to this evaluation report (with a summary of progress). While certain aspects of the project support the full national protected area system (under Component 1), eight specific national parks were targeted for direct investment support from the project, under Component 2. These protected areas are indicated in Figure 3 below.

64. The total GEF financing for the project is \$4,953,000 USD, funded from the GEF biodiversity focal area.

**Figure 3 National Protected Areas Targeted for Support Under the Project<sup>6</sup>**



<sup>6</sup> Source: Project Document.



## E. Implementation Approach and Key Stakeholders

### i. Implementation Arrangements

65. The implementation structure of the project is indicated in Figure 4, below. The project is executed under UNDP's "National Implementation" modality (NIM), in line with the Standard Basic Assistance Agreement and the Letter of Agreement concluded between the UNDP and the Government of Croatia. The Nature Protection Directorate of the Ministry of Environment and Nature Protection (MENP) is the Croatian executing agency. Consequently, the MENP has the overall responsibility both for achieving the project goal and objectives and for creation of the enabling conditions for implementation of all project activities. The MENP has designated the Assistant Minister for Nature Protection as the Project Director (PD) providing the strategic oversight and guidance to project implementation. The PD was changed in January 2016<sup>7</sup> due to the change of the government following elections in late 2015.

66. Working in close cooperation with MENP, the UNDP Country Office is monitoring the project implementation, reviewing its progress and ensuring the proper use of UNDP/GEF funds. It is also providing support services to the project - including procurement, contracting of service providers, human resources management and financial services - in accordance with the relevant UNDP rules and procedures and Results-Based Management (RBM) guidelines.

67. A Project Board (PB) was constituted as the executive decision making body for the project. It has seven members, senior representatives from the key national stakeholder institutions, including: the PD (Assistant Minister) from the MENP, UNDP's Head of Office, Director of the Budget Execution Directorate from the Ministry of Finance, Assistant Minister from the Ministry of the Regional Development and EU Funds, Minister's advisor from the Ministry of Tourism, SINP's Director, and the Head of nature protection programmes from the NGO SUNCE which actively supported PIs in preparation of the most recent PA management plans. The PB has met at least two times annually (four meetings prior to the mid-term), approving the project Annual Work Plans (AWPs), discussing and deciding on the strategic issues, providing overall guidance and oversight of the project.

68. The day-to-day administration of the project is carried out by the UNDP project management unit (PMU) comprising a Project Manager, Project Officer, Project Administrative Assistant and Project Clerk, based at the UNDP office in Zagreb. The team shares UNDP administrative and financial support services with other UNDP activities. The PM is accountable to the PD for the quality, timeliness and effectiveness of the activities carried out, as well as for the use of funds. The PM prepares AWP and submits them to PB for approval, and ensures that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The PM has been technically supported by contracted national and international service providers. All recruitments and procurements are implemented by PM, in close consultation with the PD, in line with the UNDP rules and procedures.

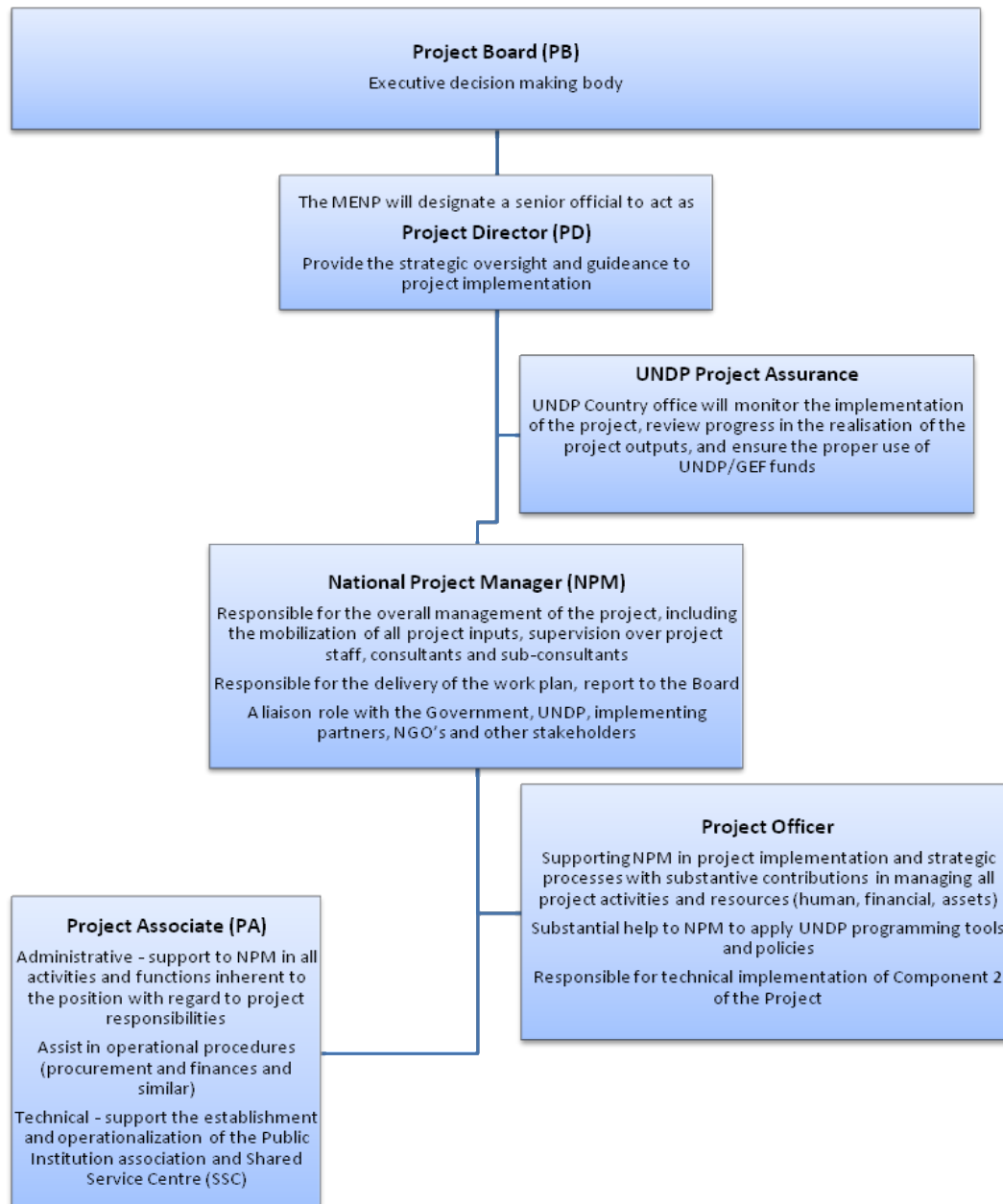
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<sup>7</sup> Mr Nenad Strizrep was PD since the project beginning in mid-2014 to the end of 2015; Ms Irina Zupan is the current Assistant Minister and the project PD.

69. A Technical Working Group (TWG) – consisting of the most senior professional and technical staff from MENP, SINP and PIs, including the Head of Section for the appropriate assessment and Head of Section for PAs, geo-diversity and ecological network from the MENP; Head of Department for PAs and Head of the Nature Conservation Department from the SINP; one general manager and two conservation managers from PI managing PAs – has been convened to guide and oversee the preparation of the national planning framework for PAs system, foreseen by the project, i.e. to review and approve approach to, and format and content of, the Strategic Plan, Financial Plan and policies and guidelines. TWG has met 5 times since the beginning of the project. A similar Technical Task Team (TTT) was foreseen, but has not been established, to provide technical guidance to the feasibility assessment of a park agency for administering Croatia’s national PAs.

70. UNDP supported project start-up through personnel recruitment and set-up of the PMU, and provides support for budget management, travel logistics, workshop management, human resources services, and procurement. The project is supported by the UNDP-GEF regional office in Istanbul, and the UNDP Croatia Project Support Office, in Zagreb.

**Figure 4 PARCS Project Implementation Structure<sup>8</sup>**



**ii. Key Stakeholders**

71. Given the geographic coverage of the project, the complex issues involved in protected areas management, and the transitional nature of Croatia’s protected area system, the relevant stakeholders in relation to Croatia’s national protected areas are numerous. The full list of stakeholders identified in the project document is included as Annex 8 to this evaluation report. Stakeholders include government authorities at local, regional, and federal levels, numerous civil

<sup>8</sup> Source: Inception Report.

society stakeholders, local land users and other private sector actors, as well as academic and research institutes. The most critical stakeholders can be considered as those represented on the Project Board, as indicated in Section III.E.i above.

72. The key stakeholders in the project are the institutions with the top authority, mandate and responsibilities in management and governance of the Croatian PA system, in particular of its “national protected areas”, and in particular those most relevant for the specific issues addressed by the project. The table below, updated from the stakeholder table in the project document, summarizes the information on the key stakeholders. In addition to these, a number of other stakeholders have been occasionally involved in the implementation of the project, including various other on-going projects (e.g. WWF SEAMed project and Dinaric Arc Parks project) and their implementers, other sectoral Ministries and state institutions.

## **F. Key Milestone Dates**

73. Table 3 below indicates the key project milestone dates. The project concept began in 2011, with the PIF subsequently submitted to the GEF March 26, 2012. The PPG was approved July 26, 2012, and it is unclear why the PPG was only approved three months after the PIF. The full project document was then developed through the remainder of 2012 and the first nine months of 2013. The period from PIF approval to CEO Endorsement was 20.5 months. According to individuals involved with the project’s development, some delays were encountered due to changes in the government’s preferred approach for the project’s strategy, related to a change in the position of Minister of Environment during the project development phase. Initially the government had supported the idea of establishment of a new national protected areas agency, and then toward the end of the project development period (in approximately May 2013), after the change of ministers, it was decided that the project strategy should only be to support the establishment of a “Shared Service Center” for protected areas, rather than an entire new institution.

74. Once the project received the final GEF approval, the project start-up phase lasted more than six months. The project team was only in place in May 2014, and then the project inception workshop was held on July 17, 2014.

75. The project was planned for a 48-month implementation period, which would mean that official completion would be either February 6, 2018 (four years after Prodoc signature), or rather in mid-2018, if the project were allocated a few months of no-cost extension to compensate for the six month project inception period, as is common for most UNDP-GEF projects. However, since Croatia has joined the EU, UNDP is winding down its activities in the country – the PARCS project is the last UNDP-GEF project that is being implemented in Croatia. The UNDP office will actually be closed December 31, 2016, and the PARCS PMU team will re-locate to alternative premises, likely in the MENP. During implementation in 2017 the project will receive UNDP support from the UNDP regional office in Istanbul. Thus the project will be completed December 31, 2017, with one to seven months less time for implementation than would normally be expected.

**Table 3 PARCS Project Key Milestone Dates<sup>9</sup>**

Milestone	Expected Date [A]	Actual Date [B]	Months (Total)
1. Project Information Form (PIF) Submission	N/A	March 26, 2012	
2. PIF Approval	N/S	April 11, 2012	0.5 (0.5)
3. GEF Council Workplan Inclusion Approval	N/S	June 7, 2012	2 (2.5)
4. Project Preparation Grant (PPG) Approval	N/S	July 26, 2012	1.5 (4)
5. UNDP Project Approval Committee (PAC) Meeting	N/S	September 12, 2013	13.5 (17.5)
6. CEO Endorsement Request	October 11, 2013	December 13, 2013	3 (20.5)
7. CEO Endorsement	January 13, 2014	December 30, 2013	0.5 (21)
8. UNDP-Country Prodoc Signature	N/S	February 7, 2014	1 (22)
9. Project Team In Place	N/S	May 15, 2014	3 (25)
10. Inception Workshop	July 2014	July 17, 2014	2 (27)
11. Mid-term Evaluation	May 2016	April 2016	21 (48)
12. Terminal Evaluation	September 2017	N/A	17 (65)
13. Project Operational Completion	February 6, 2018	December 31, 2017 (current planned)	3 (68)
14. Project Financial Closing	December 31, 2018	N/A	12 (80)

<sup>9</sup> Sources: 1.A. Not applicable; 1.B. GEF online PMIS; 2.A. Not specified; 2.B. GEF online PMIS; 3.A. Not specified; 3.B. GEF online PMIS; 4.A. Not specified; 4.B. GEF online PMIS; 5.A. Not specified; 5.B. Date indicated on project document cover page; 6.A. 18 months after PIF approval, as per GEF requirements; 6.B. CEO Endorsement Request document; 7.A. 30 days after CEO Endorsement Request, as per GEF business standards; 7.B. GEF online PMIS; 8.A. Not specified; 8.B. Project Inception Report; 9.A. Not specified; 9.B. Project Inception Report; 10.A. Within six months of Prodoc signature; 10.B. Project Inception Report; 11.A. Project Inception Report; 11.B. Timeframe of MTE data collection phase and field mission; 12.A. Currently expected date - to be completed within three months of currently planned project completion; 12.B. Not applicable; 13.A. 48 months after Prodoc signature; 13.B. Currently planned project operational completion; 14.A. Based on standard UNDP procedures, in relation to expected project operational completion date; 14.B. Not applicable.

## **EVALUATION FINDINGS AND CONCLUSIONS**

### **IV. Relevance**

#### **A. Relevance of the Project Objective**

76. The PARCS Project is considered **relevant** (or “satisfactory” in terms of the relevance criteria), as the project directly addresses systemic weaknesses in Croatia’s protected area system, a system that is the backbone of biodiversity conservation in any country. The project is in line with numerous national policies and pieces of legislation, and is relevant to local resource user needs and priorities as well. The project is in-line with the agreed UNDP priorities for Croatia, and is in-line with the GEF strategic priorities for the biodiversity focal area. Further, the project clearly supports relevant multilateral environmental agreements, including the CBD, the Ramsar Convention, and the World Heritage Convention.

##### **i. Relevance to National and Local Policies and Strategic Priorities**

77. The project is directly contributing to implementation of a number of Strategic Objectives (SO) and associated action plans of the National Strategy and Action Plan for the Protection of Biological and Landscape Diversity of the Republic of Croatia (2008),<sup>10</sup> which is the key strategic document for nature protection in Croatia. Specifically, it contributes to: SO 3.1.1. Continue development of the system of protected areas, efficiently manage protected areas; Strategic Guidance 3.1.1.5. Improving management of the Protected Areas System; Action plans 3.1.1.5.1. Continue with the standardization of reports and documents in National and Nature Parks; 3.1.1.5.2. Strengthen the capacities of the PI managing PAs; 3.1.1.5.3. Education of the PI staff; 3.1.1.5.4. Establishment of the common ticketing system for Nature and National Parks; SO 6.8 Given the great importance of tourism as an industry in the Republic of Croatia and also taking account of its negative impacts, promote development of sustainable tourism and eco-tourism; Strategic guidance 6.8.2. Developing nature based / nature friendly tourism in some PAs and areas of ecological network; Action plans 6.8.2.1. to 6.8.2.2. addressing various prerequisites for sustainable visitors management and high quality visitation experience in PAs; SO 7.2 Establish an integral institutional framework for the protection of biological and landscape diversity at the national and county levels; Strategic guidance 7.2.1. and 7.2.2. Administrative and Institutional strengthening of all key institutions for nature protection; Strategic guidance 7.2.5. Establishment of financial mechanisms required for the institutional strengthening; with Action plans 7.2.5.1. and 7.2.5.2. dealing with the establishment of the nature protection fund and financial solidarity mechanism for National and Nature Parks.

78. In addition, as the project is contributing to improvement of efficiency, effectiveness, financial management and sustainability of the largest portion of protected high biodiversity value areas in Croatia with the longest tradition of protection and management, it is indirectly contributing to effectiveness and efficiency of management throughout the whole Natura 2000 network (which is approximately four times more area than just the national PAs): once

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<sup>10</sup> Thus indirectly also contributing to derived, more operative, shorter term documents such as MENP Strategic plan for the period 2015-2017 (adopted in 2014).

developed within the national PAs, the planning and management best practices, standards, and procedures will be more easily transferred to and replicated in the rest of the network.

79. The project is also contributing to a number of other strategies, either those dealing with the conservation and sustainable use of natural heritage, or those addressing some of the general management efficiency and effectiveness issues which are relevant for nature protection sector too. E.g., by supporting PI capacity building for sounder financial management and reporting, the project is contributing to fulfillment of the requirements from the Law on Budget Execution, in particular related to the management of their self-generated income (Article 38 of O.G. 148/14). By supporting integration of energy efficiency measures, the project contributes to fulfillment of objectives from the National Action Plan for Energy Efficiency in Croatia. By supporting development of the nature based touristic offer in PAs, the project is contributing to the objectives stated in the Croatian Tourism Development Strategy until 2020 (2013) and Green Tourism Development Action Plan (2015).

80. The EU-Croatia Partnership Agreement for 2014-2020, and associated Operational Programmes (including Operational Programme Competitiveness and Cohesion 2014 – 2020) are the key documents specifying overall development and usage of available EU structural funds in Croatia during this seven-year period. The project contributes to Thematic Objective 6 – *Preserving and protecting the environment and promoting resource efficiency*; Investment priority 6c – *Conserving, protecting, promoting and developing natural and cultural heritage*; Specific Objective 6c2 - *Increasing attractiveness, educational capacity and sustainable management of natural heritage sites*. It is also contributing to achievement of several objectives and priorities in EU Strategy for the Adriatic Ionian Region and EU Strategy for the Danube Region – which sets the framework for the regional cooperation and use of EU funds.

## ii. Relevance to GEF Strategic Objectives

81. The GEF has limited financial resources so it has identified a set of strategic priorities and objectives designed to support the GEF's catalytic role and leverage resources for maximum impact. Thus, GEF supported projects should be, amongst all, relevant to the GEF's strategic priorities and objectives. The project was approved and is being implemented under the strategic priorities for GEF-5 (July 2010 – June 2014).<sup>11</sup> Under the GEF-5 biodiversity strategic objectives, the project's objective is directly in line with and supportive of Objective 1: "Improve the Sustainability of Protected Area Systems," and contributes to Outcome 1.1: "Improved management effectiveness of existing and new protected areas." The relevant GEF biodiversity focal area results framework indicators are:

- Indicator 1.1: Protected area management effectiveness score as recorded by Management Effectiveness Tracking Tool
- Indicator 1.2: Funding gap for management of protected area systems to meet total expenditures required for management.

82. The project results framework includes indicators directly feeding into the GEF indicators.

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<sup>11</sup> For the focal area strategic priorities for GEF-5, see GEF Council document GEF/R.5/31, "GEF-5 Programming Document," May 3, 2010.

### iii. Relevance to Multilateral Environmental Agreements

83. The CBD is a key multilateral environmental agreement for which the GEF is the financial mechanism. Croatia is a party to the CBD, having ratified the agreement on October 7, 1996, and becoming a party on January 5<sup>th</sup>, 1997. The PARCS project supports the CBD's protected areas program of work, and meets CBD objectives by supporting the Convention's Articles 6 (General Measures for Conservation and Sustainable Use), 7 (Identification and Monitoring), 8 (In-situ Conservation), 10 (Sustainable Use of Components of Biological Diversity), 11 (Incentive Measures), 12 (Research and Training), 13 (Education and Awareness), 14 (Impact Assessment and Minimizing Adverse Impacts) and 17 (Exchange of Information). The project also supports the CBD's Aichi targets for 2020, including:

- *Target 1: By 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably.*
- *Target 2: By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems.*
- *Target 5: By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced.*
- *Target 11: By 2020, at least 17 per cent of terrestrial and inland water, and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes and seascapes.*
- *Target 12: By 2020 the extinction of known threatened species has been prevented and their conservation status, particularly of those most in decline, has been improved and sustained.*
- *Target 14: By 2020, ecosystems that provide essential services, including services related to water, and contribute to health, livelihoods and well-being, are restored and safeguarded, taking into account the needs of women, indigenous and local communities, and the poor and vulnerable.*
- *Target 17: By 2015 each Party has developed, adopted as a policy instrument, and has commenced implementing an effective, participatory and updated national biodiversity strategy and action plan.*
- *Target 19: By 2020, knowledge, the science base and technologies relating to biodiversity, its values, functioning, status and trends, and the consequences of its loss, are improved, widely shared and transferred, and applied.*

84. Croatia's Action Plan for Implementing the Convention on Biological Diversity's Programme of Work on Protected Areas (PoWPA Action Plan), submitted to the CBD Secretariat on the 5th of April, 2012, prioritizes several actions which are also directly addressed by the project, in particular the Implementation of sustainable financing mechanism, which includes development of new PA funding mechanisms and PA business plans. Among the key assessment results, it mentions consideration of switching to a more parastatal PA system, i.e. the one "functioning more like a private company operating at arm's length from the government", which resembles the idea of the PA management agency that the project has as a potentially desirable long term institutional set-up for effective and efficient PA management.



85. The PARCS project also supports the World Heritage Convention, as National Park Plitvice jezera was designated a World Heritage Site in 1979. In a similar manner the project supports the Ramsar Convention, as three of Croatia's national PAs have been designated as a wetlands of international importance: Kopacki Rit, Lonjsko Polje, and Vransko Jezero. The project could also be considered supportive of the Convention on Migratory Species, considering that there are some species that migrate back and forth between Croatia's PAs and other countries' territories, particularly birds and fish.

## **B. Relevance of the Project Approach: Project Strategy and Design**

86. There are not critical issues in relation to the relevance of the project design. The project's approach is considered sound, and was developed based on the political and institutional context of Croatia in relation to PAs at that time. There are, however, a few areas where the project design might have been strengthened. One aspect is that the project includes very little attention to or focus on addressing PA management plans. The project is targeting financial aspects of PAs, but strengthened financing is only useful if there are effective and well-developed management plans to be implemented with financing. Good management plans are a key element for securing biodiversity through Croatia's PA system. Good management plans are also important to ensure that the drive for revenue generation doesn't begin to interfere with the PA's core function of nature protection. The PA management plans are also the crucial link to explicitly identify how the project's various activities and contributions feed into actually addressing the threats to biodiversity faced in the PAs; the project document doesn't fully and adequately present the theory of change linkages to impact-level results. It is not necessary for the project to directly generate impacts, but there needs to be an explicit understanding of the project's strategy – for example, how investing in energy efficiency of PA facilities allows the PAs to address the key direct threats to biodiversity.

## **V. Project Management and Cost-effectiveness (Efficiency)**

87. Overall, project **efficiency** is rated **satisfactory**. The results produced thus far are impressive relative to the project expenditure, and adaptive management and the project's partnership approach are highlights. Project management costs are also on-track to be below the budgeted amount, and are expected to remain less than 10% of GEF funding. Financial management procedures are in-line with international norms, and conform with UNDP and Government of Croatia policies and procedures. Project expected co-financing is on-track with 77.9% of co-financing contributed to date, and is projected to exceed the planned co-financing by the end of the project. The PMU is highly professional and has demonstrated excellent planning, reporting, and financial management. The notable weakness under this evaluation criteria is that as of December 31, 2015 the project's overall financial delivery was only 27.8%, which is a slight concern considering there is no possibility for a project extension. However, considering the capacity of the PMU and the strong stakeholder participation, it is expected that the project will be able to deliver the full budget by December 31, 2017. The most significant risk to the project is the stability of the current Croatian government, as any change in government would notably slow the project's progress. In addition, the fact that the project will only have UNDP support based in Istanbul during the last year of the project is also a risk, as this is likely to

slow some aspects of financial management (e.g. procurement) and other support functions during the project's final year.

### **A. Implementation, Including UNDP Oversight**

88. UNDP is the responsible GEF Agency for the project, and carries general backstopping and oversight responsibilities. UNDP's has fully and adequately supported the project during implementation, with no notable issues. UNDP implementation is considered **satisfactory**. One challenge is that UNDP is phasing out its operations in Croatia, following Croatia's accession to the EU. UNDP ceased to have formal international representation with a UN Resident Coordinator and UNDP Resident Representative as of July 1, 2014. At this point the UNDP presence in Croatia was solely as a Project Management Office. This office will be officially closing at the end of 2016, and therefore the PARCS project will be implemented during its last year (2017) with UNDP support only from the Istanbul regional office. It is expected that the procurement and other financial / administrative support provided by UNDP will be slower during this period, which is a risk for the successful wrap-up of the project. Considering this risk, this evaluation recommends that the PMU be strengthened as necessary to ensure all project activities are rapidly executed in the 2<sup>nd</sup> half of the project.

### **B. Execution, Including Country Ownership**

#### **i. Project Management**

89. As indicated in Section III.E above, the responsible national executing partner is the MENP. While the project is implemented under the "national implementation" modality, the PMU is actually external to the MENP, and is in-fact based in the UNDP office with staff with UNDP contracts and UNDP email addresses. Therefore project execution can also be considered "project management", and relates directly to the work of the PMU, in combination with the financial management and administrative aspects handled by UNDP. Project execution is considered **highly satisfactory**. The PARCS project is characterized by highly professional and efficient project management, excellent financial planning, strong adaptive management, comprehensive reporting, and good engagement of stakeholders.

#### **ii. Country Ownership**

90. Country ownership of the project has been manifested throughout its preparation and implementation. First, as reflected in the previously cited national strategic objectives and priorities, the project is clearly addressing issues that are recognized among the key issues and top priorities of the Croatia's nature protection system. Second, the project has been developed and implemented in close cooperation and full appreciation of the needs and priorities expressed by the MENP's representatives. The earliest trigger for the project as it was described in its Project Identification Form (PIF) back in 2012, came from the recognition on the side of then relevant top political decision makers of the key weaknesses of the national PA system – in particular weak coordination, limited performance accountability, duplication, cost-inefficiencies and inequitable distribution of funds – and conviction that the single park agency, in a place of the decentralized system with the existing 19 PIs, would be preferable solution. During preparation of the final project document, the top decision makers in the MENP changed, and the newcomers, also very aware of the significance of the issues addressed by the project,

decided that the preferable way to strengthen the protected area system should be more gradual. As an answer to this slight change in approach, the project adapted its focus and scope from assistance to establishment of the single agency, to supporting MENP in more incremental process of tackling individual identified weaknesses, establishing Shared Service Center, that would function as a centralized support service to individual parks, with objective of increasing both result and cost effectiveness, and eventually, assessing feasibility of – over the longer term – establishing a single, rationalized ‘park agency’ as potentially preferable solution.

91. During the project implementation, the MENP Assistant Minister for Nature Protection, in his role of the Project Director (PD), closely guided the project, setting the pace and direction, based on his best judgment of what is politically feasible in particular moment and its political context. The UNDP PMU followed the lead, adapting to changes in the decisions regarding the institutional framework reform that should be supported by the project: from the initial decision to switch to the Shared Service Center; to the decision to skip the SSC as intermediary step and go directly for single park agency; to the most recent – after the second change of the top decision makers in the MENP (after the national parliamentary elections in late 2015) at the beginning of 2016 – decision to follow more evolutionary approach. This includes incremental improvements of the current institutional framework, i.e. by capacity building within its existing components, and within the procedures that connect them into a functioning integrated system, as well as identification, testing and establishment of the piecemeal “institutional upgrades” that provide solutions for particular identified weaknesses (including e.g. the cross-subsidization mechanism as solution to the current inequitable and inefficient distribution of funds).

92. The described impacts of changes in the political context on the project are arguably the best indicator of the highest level of country ownership and drivenness in the project. Fortunately, the project design was such that it had capacity to accommodate these political shifts, and the PMU successfully adapted the project implementation strategy in a way that both respected country ownership and minimized inefficiency in the project implementation due to frequent changes. Namely, the focus was on the activities addressing various identified weaknesses directly – e.g. improving financial management and reporting, establishing of the common on-line ticketing system for all PAs, developing of the common web page under the common brand of Parks of Croatia, the project providing legal support services to all PAs on their demand – thus establishing and testing the necessary building blocks of any institutional set-up which will be eventually selected in the future. Thanks to such implementation strategy, that focused on the concrete measures with the benefits tangible to all involved stakeholders in the system – as confirmed in all MTR interviews, without exception – the main project idea – i.e. that the shift from initially extremely decentralized management of the PAs toward somewhat more centrally driven and coordinated management brings significant improvements in the system effectiveness, efficiency, sustainability – has gotten more widely accepted, thus increasing the project’s country ownership.

93. Country ownership arguably has gotten even stronger with the new Project Director, who sees the project and PMU as a valuable asset closely attached to the MENP, dealing with top priority issues that otherwise wouldn’t be addressed because of the lack of the MENP and SINP capacities. Other partners, including Ministry of Finance and all interviewed PI representatives, expressed similar appreciation for the project contribution.

### C. Partnership Approach and Stakeholder Participation

94. The project has very strong partnership approach and stakeholder participation. The PB has been meeting on average every six months, and more frequent if the situation requires, as was the case, when a decision had to be made on how to proceed with the SSC establishment related activities in July 2015. Minutes from the PB meetings suggest high involvement of all its members, all of which are senior representatives of their institutions.

95. In addition to the PB, the project has Technical Working Group (TWG) as an advisory body reviewing and approving the project activities dealing with the development of the national planning framework for the protected areas (i.e. foreseen Strategic Plan, Financial Plan and policies and guidelines), comprised of professional and technical staff from the MENP, SINP and protected area PIs. TWG has met 5 times since the beginning of the project. Initially, TWG members were a bit reserved towards the project, as they experienced it dominantly as a project supporting implementation of insufficiently analyzed, hasty, politically driven idea of “overnight replacement” of the existing system with the new single agency. However, thanks to PMU persistence and tangible project results, as well as the changes in the PD and a new strategic decision on more evolutionary and incremental approach to the system upgrading, TWG members eventually became fully aware of the project’s potential significance and value. However, they yet have to have a common understanding of the purpose, content and format of the originally foreseen national planning framework for the protected area, which will complement and not duplicate existing strategies and plans. These activities have been postponed until now because they were dependent on the strategic decision on the institutional framework, which kept changing until recently, and the TWG concluded that it will be implemented as part of the preparation of the revised NBSAP. As the situation changed – strategic decision has been made and NBSAP revision postponed – there is again clear need for operational document summarizing common vision for the mid-term evolution of the national PA system.

96. An especially valuable practice introduced by the project (in cooperation with the NIP project) is holding regular meetings (approximately bi-monthly), convening representatives of all 19 PIs (general managers, parks management board directors and other senior staff, depending on the meeting agenda) together with national stakeholders and various experts; the benefits of this activity is later discussed in Section VI.A on the results of Component 1.

97. Excellent cooperation has been established with the EU Natura 2000 Integration Project (NIP), the other major on-going project funded from a World Bank loan, which, among other activities, also provides technical and financial support to national PAs in development of the visitors’ infrastructure, which will contribute to their self-generated income and thus improve their financial sustainability. The cooperation started during the PARCS preparation phase, when PARCS scope was fine-tuned to avoid duplication and maximize complementarity with the NIP project. As a result, the two projects currently together provide a significant portion of the common support functionalities foreseen within the Shared Service Center: NIP providing support in project preparation and implementation, PARCS with legal advice, both of them together on common marketing and promotion of the recently established common brand for all Croatian national PAs (“Parks of Croatia”, see at <http://www.parkovihrvatske.hr>) and on organization of regular meetings with their common stakeholders (19 PIs, MENP, SINP, and

additional participants, regarding on the agenda). By doing that, by demonstrating benefits of existence of such centralized support service capacities, they provided the most convincing argument for its more formal institutionalization in the future.

98. Very good cooperation has been achieved with the Ministry of Finance, on activities dealing with strengthening of the capacities within the system for financial management. In addition there has been cooperation with the Ministry of Regional Development, on using GEF funds as the leverage for more effective absorption of the available EU funds (€50 mil for visitors infrastructure in national PAs and €70mil for management of Natura 2000 network). Successful cooperation with the EEEPF is critical for co-financing of the implemented infrastructural activities (for details on the project's micro-capital grants to PAs see Annex 12).

99. If possible with regard to already many other priorities, there is a significant opportunity for improved stakeholder engagement and nurtured partnership approach with the private sector, within the parks and in the surrounding area. There are great opportunities to stimulate interest, in cooperation with the PIs, in private sector partnerships offering goods and services for PA visitors. This evaluation recommends PARCS contribute to further forging these important partnerships by motivating and strengthening PIs' know how and capacities for establishment and facilitation of private sector engagement and development of incentives, in the context of its activities within the Component 2 (i.e. activities dealing with the support to the expansion and inter-linking of a number of isolated attractions/destinations in national protected areas into a more integrated tourism and recreational product in order to improve the visitor and/or user experience).

#### **D. Risk Assessment and Monitoring**

100. The project document discusses identified risks (p. 56), only three risks are identified, but they are substantial and well-analyzed, with mitigation measures extensively outlined. The first risk is described as broad "strategic" risk related to effective coordination. The second risk is "financial" relating to the financial commitment of the PIs. The third risk, "environmental" relates to climate change risks, as required. In addition, the project results framework (Section II of the project document, p. 73) includes a column on "Risks and Assumptions" for each of the indicators listed. The project inception report did not update the risk assessment analysis. The 2015 PIR discusses the project's critical risks, with a description of the political risk related to MENP decision-making and establishment of the SSC.

101. GEF projects typically have inadequate risk assessment at the development phase, and it would appear that the PARCS project risk assessment was also very limited, considering only three risks were identified for a project encompassing such a wide range of activities and issues over such a large area. In particular, the "political" risk of establishing the SSC was not highlighted. In addition, there are a number of technical execution risks related to project activities, for example in relation to e-ticketing. In the case of the PARCS project, although risks may not have been comprehensively documented, the PMU is in-fact proactively undertaking risk management and developing mitigation approaches.

102. In terms of new or current risks, as mentioned above, the fact that UNDP will have no country-based supporting presence for the final year of the project is a risk for efficient project management. The PMU will be required to work with the UNDP office in Istanbul, which is highly

likely to slow basic support functionality. A current political risk relates to the stability of Croatia’s current government. If there were to be a change in government (new elections, etc.) before the end of the project, critical decision-making within the MENP would be paralyzed for a period of time, and could potentially cause the project to miss the achievement of some key results by December 31, 2017. At the time of drafting this evaluation report the government was highly unstable, and it is very likely that new elections will be called before the end of the PARCS project. It is unclear what ramifications this may have for the project’s results.

### E. Flexibility and Adaptive Management

103. Flexibility is one of the GEF’s ten operational principles, and all projects must be implemented in a flexible manner to maximize efficiency and effectiveness, and to ensure results-based, rather than output-based approach. Thus, during project implementation adaptive management must be employed to adjust to changing circumstances.

104. The PARCS project has required adaptive management even from the project development phase, when the decision was switched about whether to pursue a single PAs institution vs. the SSC. The project has faced a changing context and decision-making during the implementation period as well, requiring frequent adjustments and flexible planning from the PMU. As such, the PARCS project is being implemented in a flexible and adaptive manner, and adaptive management is one of the strengths in execution so far. The most significant adaptation has been the shift from establishing the SSC to a more decentralized and alternative approach to providing support for shared services, as discussed in greater depth in later Section VI.A regarding Component 1. No notable changes to planned project activities or to the project results framework were made at the inception workshop. The Inception report states “The content of the project SRF as defined in the project document (Section II) has remained unchanged.”

### F. Financial Planning by Component and Delivery

105. The breakdown of project GEF financing is indicated in Table 4 below. Additional details on project finances are included in tables in Annex 9. The total project budget is \$4,953,000 USD, not including the PPG amount. Of this, \$1.76 million (or 35.6% of the total) was planned for Outcome 1, and \$2.84 million (57.4%) was planned for Outcome 2. The planned project management budget equates to 7.0% of the total GEF resources. The M&E budget indicated in the M&E plan in the project document was \$0.12 million, or 2.3% of the total budget. However, the M&E costs are drawn from various project budget lines, and do not have their own separate budget line.

106. Figure 5 below shows the breakdown of planned and actual spending by outcome. As of December 31, 2015, the project had disbursed \$1.38 million, or 27.8% of the project budget. Figure 6 shows the project planned, revised, and actual budget total budget expenditure by year.

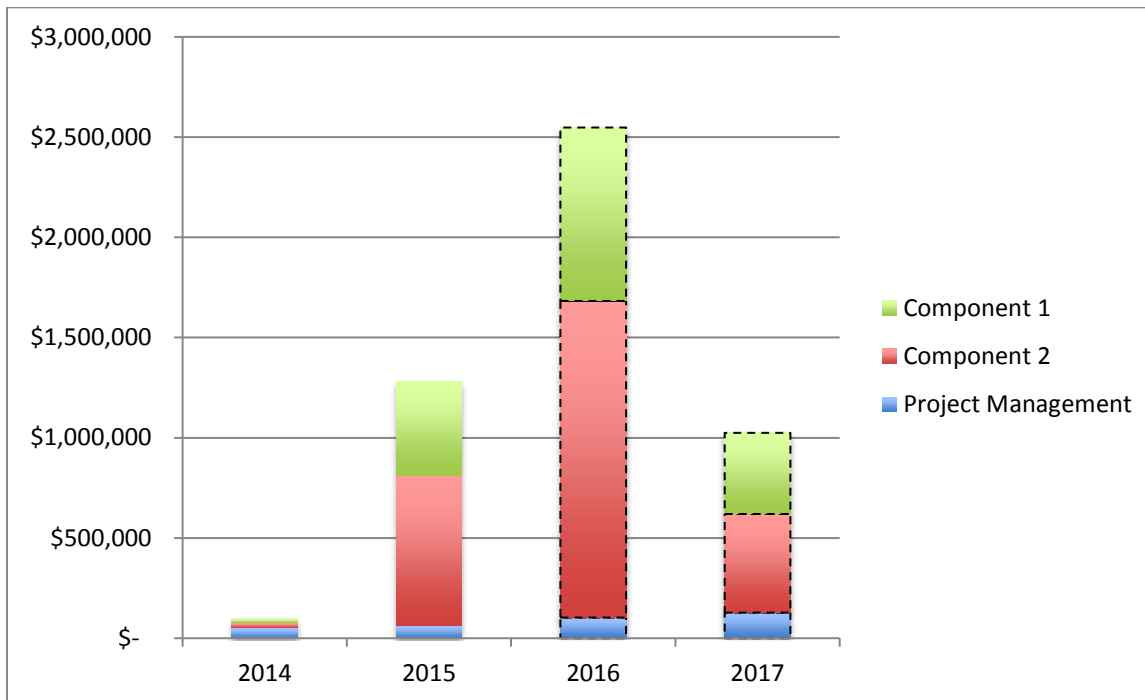
**Table 4 Project Planned vs. Actual Financing, Through December 31, 2015 (\$ million USD)**

	GEF amount planned	Share of total GEF amount	GEF amount actual	% of GEF amount actual	% of original planned
<b>Component 1</b>	\$1.76	35.6%	\$0.49	35.6%	27.8%
<b>Component 2</b>	\$2.84	57.4%	\$0.77	55.9%	27.1%
Monitoring and Evaluation*	\$0.12	2.3%	N/S	N/S	N/S
Project Coordination and Management	\$0.35	7.0%	\$0.12	8.6%	33.8%
<b>Total<sup>†</sup></b>	<b>\$4.95</b>	<b>100.0%</b>	<b>\$</b>	<b>100.0%</b>	<b>27.8%</b>

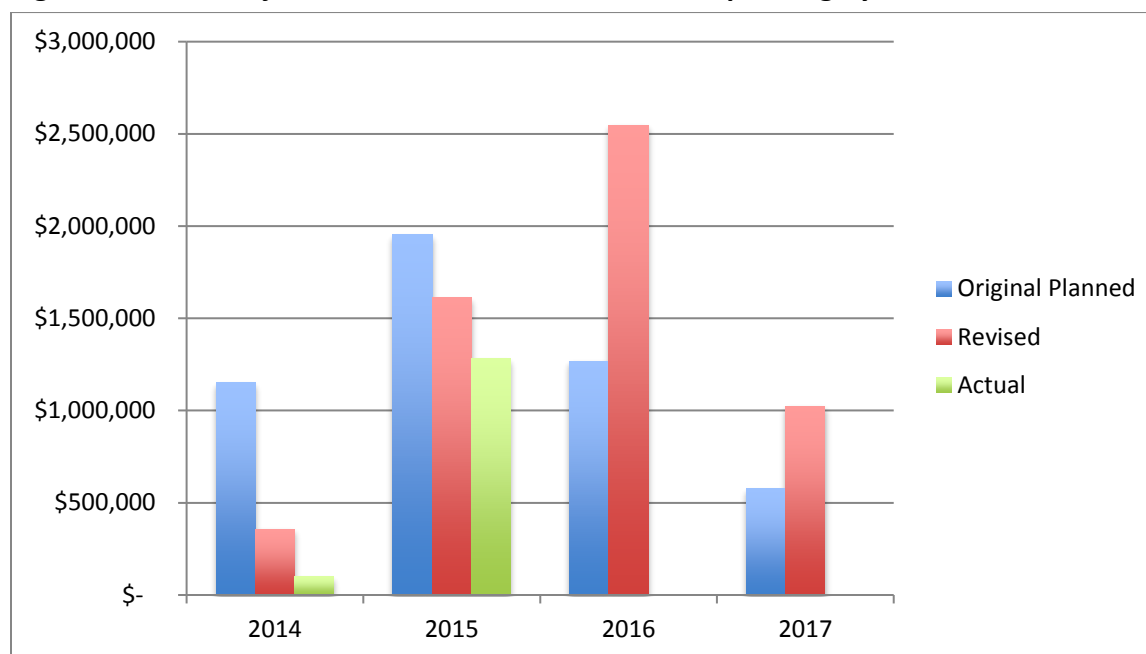
Sources: Project Document for planned amount; data provided by PMU for actual GEF amounts.

\*The project document includes a detailed M&E budget. However, the total M&E budget includes activities that would be funded from the project management budget line (such as annual reporting) or other sources (such as UNDP oversight). As such, the funds for M&E activities were drawn from across project budget lines.

**Figure 5 Project Actual (through 2015) and Planned (2016-17) Spending By Component (\$ USD)**



**Figure 6 PARCS Project Planned, Revised, and Actual Spending by Year<sup>12</sup> (\$ USD)**



107. The project financial delivery in 2014 was only 8.6% of the originally planned budget for the first year of the project. The “inception phase” of the project lasted five months from Prodoc signature in February to the inception workshop in July 2014, and little expenditure occurred during this time; thus financial delivery for the first year of the project would only be expected at maximum 50% of the originally planned amount. However, a budget revision was made for 2014 in August 2014 following the inception workshop, and by the end of 2014 the project still only delivered 27.8% of the planned budget for the year. Although both Component 1 and Component 2 went slower than planned, in 2014 Component 2 was delivered at 34.3% of the revised budget, while Component 1 was delivered at only 9.2%, indicating that lack of delivery on Component 1 was the more significant factor in the project’s slower than planned implementation. In 2015, the first full calendar year of implementation, the delivery rate significantly improved. Delivery against the originally revised budget for the year was 79.5%, and delivery against the mid-year budget revision was 97.5%, with the only part of the project with under-delivery being the management costs, which is a positive trend.

108. The project management costs are another positive indicator of project efficiency and strong project financial management. The planned management costs were 7.0% of the total GEF funding, which is below the stated 10% threshold. Total management costs through 2015 were \$117,965, or 8.6% of the total disbursed thus far; this is more than the originally planned 7.0%, but represents financial delivery of only 33.8% of planned management costs. Therefore, it is anticipated that as financial delivery for Components 1 and 2 increase, project management costs will remain at or below the originally planned share of total expenditures.

<sup>12</sup> Note: Budget revisions in August and December 2014 envisioned expenditures in 2018 of a little more than \$200,000, but in the most recent budget revisions in August and December 2015 there is no foreseen expenditure in 2018, since it has become clear that the project will be required to close by December 31, 2017, with no possibility for extension.



109. The project has not yet had an audit, although an annual audit is indicated in the project M&E plan, and is budgeted in the project document ATLAS budget (see budget note 8 in Section III ). The project document also states that auditing will be done in accordance with UNDP requirements and procedures, so it is possible that there has not been a requirement to have an external audit conducted as yet. Although there is strong faith in UNDP financial management processes, and no indication that there are any shortcomings in project financial management, it is worthwhile for the project to ensure that at least one external audit is conducted prior to the final project evaluation.

## G. Planned and Actual Co-financing

**Table 5 Planned and Actual Co-financing Received, as of December 31, 2015 (USD)**

Source	Type	Planned In-kind	Planned Grant	Actual Grant	Actual In-kind	% of Planned
<i>Originally Planned Contributors</i>						
MENP	Government	16,700,000	0	0	10,038,349	60.1%
UNDP	GEF Agency	0	500,000	Not specified	0	0.0%
PI Vransko Jezero	Government	0	123,000	0	9,248	7.5%
PI Papuk	Government	0	67,978	5,905	4,690	15.6%
PI Telascica	Government	0	76,956	19,920	0	25.9%
PI Risnjak	Government	0	400,000	11,792	9,832	5.4%
PI Ucka	Government	0	143,182	0	4,591	3.2%
<i>Sub-total Planned</i>		<i>16,700,000</i>	<i>1,311,116</i>	<i>37,617</i>	<i>10,066,710</i>	<i>56.1%</i>
<i>New Contributors</i>						
PI Miljet	Government	N/A	N/A	147,360	3,600	N/A
PI Paklenica	Government	N/A	N/A	257,694	0	N/A
World Bank NIP	Multilateral	N/A	N/A	8,145	0	N/A
EPEEF	Government	N/A	N/A	2,912,767	0	N/A
World Bank NIP / EPEEF (data not broken out)	Multilateral / Government	N/A	N/A	574,270	0	N/A
Hrvatska Voda (Croatian Waters)	Government	N/A	N/A	28,402	0	N/A
<i>Sub-total New</i>		<i>N/A</i>	<i>N/A</i>	<i>3,928,638</i>	<i>3,600</i>	<i>N/A</i>
<b>Grand Total</b>		<b>16,700,000</b>	<b>1,311,116</b>	<b>3,966,255</b>	<b>10,070,310</b>	<b>77.9%</b>
<i>Parallel Financing</i>						
World Bank NIP	Multilateral	N/A	N/A	10,156,681		N/A

Sources: Planned from Project Document. Actual total co-financing received as per data received from PMU.

110. The expected project co-financing was \$18,011,116, with the majority (\$16.7 million USD) as in-kind co-financing from MENP. This is an expected co-financing ration of 3.6 : 1. Table 5 above shows planned and actual co-financing. According to data provided by the PMU, the project had received a total of approximately \$14.04 million<sup>13</sup> USD in co-financing as of December 31, 2016, and has benefited from \$10.16 in parallel financing from the World Bank NIP project. This is 77.9% of the expected co-financing at the mid-point of the project. The co-financing from originally planned contributors stands at 56.1% of the planned total, but this has been

<sup>13</sup> Exact amount in USD depends on the exchange rate applied, depending on exactly when the co-financing is accounted during 2014 and 2015.

augmented by the new contributors. The breakdown of co-financing is not tracked by project outcome because it is not managed by the project.

111. The evaluation recommends that the project team keep detailed records of co-financing received from all sources. It is expected the project will receive more co-financing than originally planned, considering that more than 3/4<sup>th</sup> of the co-financing has been received as of the mid-point of the project. At the same time, the number and type of co-financing partners, not just the amount of co-financing received, can be an important indication of stakeholder ownership and support, and thus should be explicitly recorded as an input to the project's terminal evaluation.

## H. Monitoring and Evaluation

112. The PARCS Project **M&E design** generally meets UNDP and GEF minimum standards, and is considered **satisfactory**. **M&E implementation** is considered **satisfactory**, and therefore **overall M&E** is considered **satisfactory**.

### i. M&E Design

113. The PARCS Project M&E plan is outlined in the project document under Part IV (beginning p. 68). The project document describes each of the planned M&E activities, including roles, responsibilities, and timeframe. The identified M&E activities include inception workshop and report, annual progress reporting (APR/PIR), PSC meetings, quarterly status reports, project measurement of means of verification of results and implementation, the independent mid-term and terminal evaluations, project terminal report, audit, and monitoring visits from UNDP. The M&E plan does not specifically mention lessons learned, although "Learning and knowledge sharing" is briefly described; however, it is expected lessons will be captured in the various M&E activities and reports, since, for example, they are included in the annual MIR, and MTR and TE. The M&E plan is summarized in a table showing responsible parties, budget, and timeframe for each of the M&E activities, with the total expected budget of \$115,000. This is adequate for a project of this size and scope, representing approximately 2.3% of the GEF allocation; however the plan does not indicate if the M&E costs are to be fully covered by GEF resources, or would be also partially funded by project partners such as MENP or other partners. The project's activity-based budget does not have a specific M&E budget line; the resources for M&E activities is to be drawn from various project components, such as project management. The project M&E plan is appropriately designed and well-articulated, and conforms to GEF and UNDP M&E minimum standards.

114. The project results framework is a critical component of the project's overall M&E framework. The PARCS project results framework indicators and targets are considered to meet SMART criteria. However, the relevance of some indicators and targets has changed since the project was originally designed, considering the extent of adaptive management that the project has had to apply. A proposal for a revised results framework is included as Annex 11 to this evaluation report. Any final revised results framework should be formally adopted by the Project Board (can be done by email).

## ii. M&E Implementation

115. The project M&E activities are generally being implemented as foreseen. The PMU provides detailed reports at required reporting intervals, UNDP oversight has been appropriate, and the mid-term evaluation was commissioned according to schedule. Project Board meetings have been held regularly, with four meetings held in the first 18 months of project implementation (one in 2014, three in 2015), not including the inception workshop. The PMU is also in contact with the PSC through email as necessary for decision-making on project annual workplans and budgets. The workplan and budget is distributed in December for remote approval, along with information on the previous year's results.

116. Another minor issue is that the project has not had an audit, although the M&E plan indicates that audits would be conducted annually. The lack of audit is not necessarily due to inattention, as audits may not be required for every individual project according to UNDP procedures, as many UNDP offices undergo an overall office audit. However, this evaluation recommends that at least one independent external audit be conducted prior to the terminal evaluation.

## VI. Effectiveness and Results: Progress Toward the Objective and Outcomes

117. The PARCS project has faced some challenges in making progress on certain key activities (i.e. the SSC, under Output 1.2), but on the whole many impressive and significant results have been produced in the first half of the project. The project is well on-track to make important progress toward the overall project objective, and to achieve the supporting two outcomes. The project is likely to achieve a majority of its key results indicator targets. A detailed assessment of project results framework indicators and targets is included as Annex 10 to this evaluation report. Due to the limited progress on some of the Component 1 results and the overall financial delivery rate of 27.8% as of December 31, 2015, project **results / progress toward overall outcomes** thus far is rated ***moderately satisfactory***, and project **effectiveness** is also rated ***moderately satisfactory***. Nonetheless, based on the project's track record in the first half of implementation, the project has the clear potential to reach a level of results by completion that would warrant a satisfactory or highly satisfactory rating at project completion. To achieve a highly satisfactory rating at project completion any GEF-funded project should generate results that go above and beyond the originally anticipated results, or should have truly zero shortcomings.

118. Key results achieved with project support thus far include:

- Convergence toward a vision and strategy for institutional improvement of the national protected areas system – i.e. an evolutionary approach, with incremental improvements tackling the key weaknesses, strengthening the national level coordination, guidance and supervision, establishing the key missing parts – shared by all key stakeholders, including PAs themselves, national authorities and institutions and key political parties. The project facilitated discussion and gradual convergence by extensive data collection and fact-finding, comprehensive analysis, and genuine stakeholder engagement.
- Upgraded standards and formats for PAs' annual plans and reports on their execution;

- Instructions on the application of budget accounting and budget classification for parks were developed in close cooperation with the MENP and the Ministry of Finance. Education for 32 PI staff from financial departments was organized. It was the first time in the history of Croatia's national PAs that the finance staff from all PAs was brought together in one place, along with the representatives from MENP and SINP.
- Establishment and piloting of a number of shared services required to address the identified weaknesses of the PA system, in particular: establishment of the common web portal and mobile phone application "Parks of Croatia"; a number of promotional activities, including the award winning exposure on the international fair Place2Go in Zagreb, in March 2016; provision of service for on-demand technical assistance to PAs in legal affairs; support in project preparation and management, in particular related to the project investment supported under the Component 2.
- Initiation of an analysis for pricing structures at the system level;
- Significant progress toward instituting standardized financial management software for all PAs, integrated with MENP;
- Development of an online e-ticketing system, already implemented in four PAs, with four additional PAs to roll-out in 2016; and
- Significant progress in investments in PAs infrastructure and services, with a total anticipated expenditure of approximately \$1.1 million USD, with leveraged additional co-financing investments of \$2.4 million USD.

119. As highlighted above there are many impressive results already generated as of the mid-term; a number of results, such as the establishment of a joint web portal, and piloting of e-ticketing could be considered "end of project" achievements for many projects. The most notable "shortcoming" in the expected project results is that it is clear as of the mid-term that the political and institutional context in the country is not yet prepared for the establishment of an integrated protected areas agency tasked with managing all national protected areas – or even the establishment of the short-term solution Shared Service Center foreseen in the project document. Nonetheless, addressing a majority of the identified weaknesses in the national PA system does not necessarily require the establishment of a new institution, and the project has taken the tack of addressing the weaknesses through practical and functional solutions that do not require establishment of new institutions, but instead widen the scope of the work and strengthen capacities of the existing institutions (primarily MENP, SINP, and EPEEF). The ultimate question at the end of the project will be to what extent the solutions developed under the project are sufficiently "institutionalized" within MENP for sustainability, at least in the intervening years until the next phase of institutional evolution of Croatia's national PA system.

120. Considering the scope of the PARCS project it is beyond the capacity of this evaluation report to mention all project activities and outputs, and only the key results are discussed under each of the components below.

## A. Component 1: Reforming the Institutional Framework to Strengthen the Management Effectiveness of National Protected Areas

121. The first component of the project is focused on improving the current institutional framework for national protected areas in order to address its key systemic and institutional weaknesses, including primarily: weak coordination, limited performance accountability, duplication, cost-inefficiencies and inequitable distribution of funds. The total GEF funding for the component is \$1,762,000 USD, which is around 35% of the total GEF funding for the project. The total delivery under the Component 1 as of December 31, 2015 is 27.8%. The activities foreseen under this component are organized around the four key outputs:

122. Output 1.1. Develop a National Planning Framework for the Protected Area System: Comprises an overarching long-term strategic plan, a medium-term financial plan and a set of operational policies and guidelines – as a mechanism to better coordinate the efforts and align the performance accountability, of the national protected area agencies (i.e. MENP, SINP and the 19 national PA PIs);

123. Output 1.2. Improve the Financial Management Capacity of Protected Area Institutions: To reduce cost-inefficiencies, improve revenues and develop mechanisms for revenue-sharing between parks;

124. Output 1.3. Establish a Shared Service Center for National Protected Areas: The SSC was intended to function as a centralized support service to individual parks - as a means of delivering value-added system-based services to, reducing duplication of effort across, and improving the cost-effectiveness of, the national PAs;

125. Output 1.4. Assess the Feasibility of Establishing A Park Agency to Administer National Protected Areas: Assessing the potential benefits of - over the longer term - establishing a single, rationalized 'park agency' as a more enduring solution to the systemic and institutional weaknesses of the current institutional framework.

126. Key results indicators for Component 1 are summarized in Table 6 below.

**Table 6 Component 1 Indicators and Targets**

Indicator	Baseline	Target
Strategic plan and management guidelines for national protected areas approved.	Strategic plan: None Management guidelines: Partial, but incomplete	Strategic plan: Yes Management guidelines: Complete
Number of park management plans conforming with the policies and guidelines for national protected areas	5	>10
Number of financial/business plans adopted and operational	National protected area network: 0 Individual national protected areas: 0	National protected area network: 1 Individual national protected areas: >3
Number of PI and MENP staff completing specialized, targeted short-course financial training and financial skills development programs	0	26

Percentage of overall national protected areas bookings/month being administered through the centralized SSC:	0	Overnight accommodation: >20% Camping: >30% Other services: >15%
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127. With its intention to support institutional reforms, this component is arguably the most challenging part of the project. Changes in a status quo both at the individual and various systemic levels are processes that require time and have their own intrinsic dynamic. Institutional reform depends on political decisions and political support, which in turn depends on the political context, which is intrinsically uncertain and unpredictable. This fact was recognized already in the project document, which recognized potential “lack of effective coordination between MENP, SINP and the 19 PIs” as a “high strategic risk” (with the potentially high impact and moderately likely likelihood). Accordingly, the project was designed in a way that allows adaptability to various potential circumstances. The said, dependence on political context and decisions has directly influenced the time schedule, ordering and pace of actual implementation. Thanks to being exceptionally well-networked and connected with the key stakeholders, the project team has adapted to this demanding situation very effectively. The team has minimized negative effects of changing circumstances and directives by focusing efforts on activities contributing to the systemic elements and processes that are a necessary part of any eventually selected institutional arrangement. A summary of progress made so far for each of the above listed outputs, with explanations of circumstances, is provided below.

128. The activities within Output 1 dealing with the development a national planning framework for the PA system are still in the planning phase – with the exception of the project support in establishment of upgraded standards and formats for PAs’ annual plans and reports on their execution – with a demonstrated determination to start with the intensive implementation in the following couple of months. In line with the project document, the TWG comprised of professional and technical staff from the MENP, SINP and protected area PIs (two from MENP, two from SINP, three from PIs), was established at the beginning of the project with the main task to guide, review, and approve implementation. Five meetings were held: the first one three months after the start of the project. Initially, as the general conclusion of the first two meetings, the TWG agreed that the activities should be harmonized, i.e. delayed until the finalization and adoption of the new nature protection law and NBSAP scheduled for September 2015, as these are the two most important documents providing strategic guidance for development of a national planning framework for the protected area system. This would address all three foreseen project outputs, including: overarching long-term strategic plan, medium-term financial plan and a set of operational policies and guidelines. The second reason for some delay was uncertainty and changing of decisions on the side of MENP regarding the future institutional set-up for management of national PAs, which is also a necessary “input” for all listed activities. Eventually, due to the delays in the preparation and adoption processes, as well as political circumstances involving elections and change of the government at the beginning of the 2016, the new NBSAP and the law have never been adopted. Under the guidance of the newly appointed PD (which was previously TWG member), the TWG swiftly adapted to the new circumstances, and on the three meetings during February and March 2016, agreed on the following three top priority “operational policies and guidelines” (i.e. foreseen activity stream 1.1.3.). The first is preparation of updated guidelines for preparation of PA management plans,

including specification of format, scope, minimal elements and indicators, applicable both for national PAs and for Natura 2000, with associated training for PA staff. The other is preparation of the national plan for development of the capacities and competencies of the PA staff, including implementation of the two identified priority trainings in community outreach and using of NPIS Internal Web Portal. The third one is identification of the minimal standards for PAs management and associated scheme for criteria based transparent funds allocation across the national PAs. TWG also approved the project plans on providing top-notch international expert support to NP Plitvice lakes in preparation of its visitors management plan.

129. Although the TWG has not yet formally decided on the way forward with regard to the first two activities foreseen under the output 1.1 in the project document – the overarching long-term strategic plan, and the medium-term financial plan - the interviews during MTR mission, including those with some of the leading TWG members, clarified both the need for documents of these types and how and where they fit within the wider context. The first one is foreseen as 25-30 pages document, putting in a written form the vision, strategy and action plan for national PAs in the forthcoming 5-10 year period, contributing to convening all key stakeholders around the well-thought-of, clear, common understanding and plan for the future activities. This would also mitigate the risk of political instability, which has negatively affected the development processes in the previous period, including during the project implementation. The later document will not be the financial plan in the strict sense of the way the term is commonly used in financing area, but rather a summary analysis of the financial performance of the national PA system in the last couple of years (for which the project has assembled the data), with the recommendations for its optimization, including through the cross-subsidization mechanism, and simulations of the future financial performances, for several selected most favorable set of fund allocation rules and criteria. As such, it will be very important support documentation to the foreseen proposal for “financial cross-subsidization mechanism”.

130. The project work on Output 1.2 relating to improving of the financial management capacity of the national PA institution has been especially appreciated by all involved stakeholders. Instructions on the application of budget accounting and budget classification for parks were developed in close cooperation with the MENP and the Ministry of Finance. Education for 32 PI staff from financial departments was organized. It was the first time in the history of Croatia’s national PAs that the finance staff were brought together in one place, along with representatives from MENP and SINP. Ongoing activities are on standardization of financial software solutions in all parks, and their integration with the MENP. Introduction of the new software, and training of the staff will be finished by the end of the 2016.

131. The newly appointed NPD emphasized the project support to the MENP in establishment of the cross-subsidization (i.e. revenue-sharing between parks) mechanism as an urgent issue and top priority. The PMU responded to the NPD’s request with a preliminary analysis of the potential and the most preferable options for the institutional set-up and legal underpinning of the mechanism, as well as the algorithm and criteria for cross-subsidization, with justification based on the set of underlying more general principles. The principles identified thus far include a constitutional provision regarding the natural heritage as the common good of special interest and under special protection of the state; solidarity principle; and principle of fair compensation

for restricted rights of affected communities. The part of the wider package will include also a regulations on sponsorships, donations etc. for the national PA system.

132. Finally, the project initiated activities on development of a methodology for pricing structure on a system level, as well as the pricing strategy and tourism product portfolio for individual parks. A detailed analysis of the current situation was done, based on the extensive meetings with all parks, MENP, SINP, TWG. A workshop was organized with all parks as the participants, discussing the results of the analysis in the context of the best world's practice. Recommendations on the product and pricing strategy for all parks are expected to be finalized by the end of July 2016.

133. Another symbolic but also important activity is the establishment of regular meetings / workshops between staff from all 19 PAs. Altogether 13 such meetings have been organized as of the MTR. This practice has multiple benefits of critical importance for the overall success of the project initiatives. First, it provided an additional opportunity for discussion of project activities, options and identification of the most effective and efficient strategies in achieving the project objectives and outcomes, progress achieved, and remaining challenges. Second, it represents an improved PA system management practice that tackled several of the identified major weaknesses of the current PA system – namely, weak coordination, duplication, cost-inefficiencies, lack of common strategic vision, unexploited potential of internal communication, cooperation, experience and know-how exchange – thus demonstrating the benefits of more centrally driven and coordinated planning and management of the system. Third, according to multiple stakeholders interviewed for the evaluation, it has contributed to a gradual shift in the self-perception among the PIs from the viewpoint of practically independent institutions in charge of their individual PA, to components within the wider Croatian PA system.

134. The project has invested significant effort and achieved many worthy results in the direction of the establishment of a shared service center (i.e. the output 1.3). The greatest expected potential for SCC in joint operations were expected in areas of:

- Public procurement: including through savings from the common procurement of larger quantities, exchange of experience and strengthened capacities for more demanding procurement processes;
- Marketing and sales: including through common branding and promotional activities; common web shop, cross-selling, standardization and harmonization of the pricing and selling strategies;
- Project preparation and management: including through common assistance in monitoring and informing of financing opportunities and tenders; harmonization and cooperation in project preparation and application; cooperation in implementation of the common projects;
- Legal affairs: through securing appropriate expertise and assistance both within the system and through the external expertise.

135. MTR Interviews with the parks representatives – with a fairly representative sample, both with regard to the financing and visitation levels (i.e. including NP Plitvice and NP Krka as the two parks with the by far highest visitation and largest self-generated income (together over 70% of the total annual income); NP Kornati, NP Telašćica, NP Paklenica, as the mid-level self-generated



income park and NP Papuk, NP Vransko Lake; NP Učka as relatively poor parks, with small number of visitors and minimal self-generated income), and with regard to the habitat / landscape related specific challenges (i.e. Kornati and Telašćica within coastal and marine areas; Plitvice lakes, Vransko lakes, Krka with freshwater ecosystems as the core phenomena; Papuk, Učka, Paklenica as mountain PAs) – confirmed both the analysis’s findings and recommendations and PAs’ representatives awareness of and agreement with this findings and associated recommendations.

136. First, the most comprehensive data collection and in-depth analysis of the individual PI operations, for all 19 national PAs, as well as the analysis of potential for improved efficiency and effectiveness, and legal and institutional options for SSC was conducted. The analysis revealed that national level PAs:

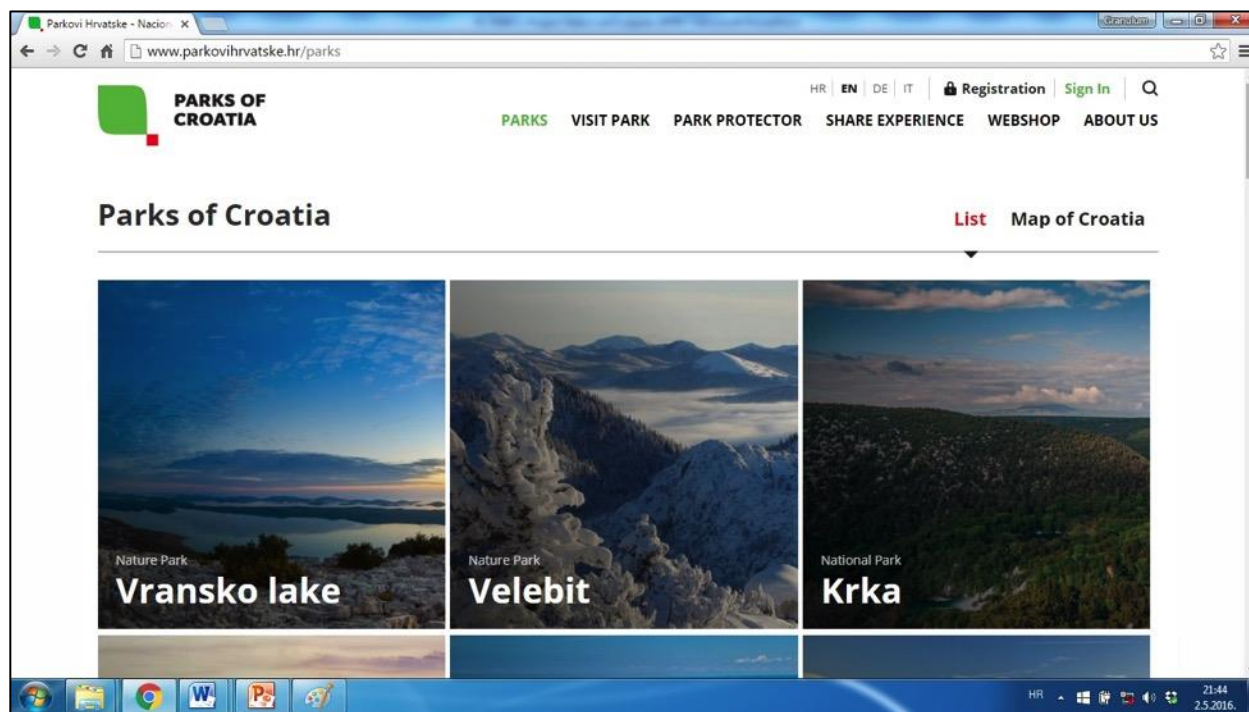
- Are sizable system with altogether around 1,300 employees in 19 PIs, over 1/3 of them in HORECA sector, which is inherited as historical fact in some parks (by far the most in the NP Plitvice and NP Briuni).
- Have well educated staff, with majority of parks having 25-50% of the staff with graduate degrees (only exceptions being parks with large HORECA sector).
- Varies significantly in number of staff involved in the PA core business activities (BD protection, maintenance, conservation, interpretation, monitoring, research) per ha of the parks area, with “rich parks” that can afford more staff having more staff per unit of area.
- Greatly varies in size: eight of them with area less than 10,000 ha, including the smallest NP Brijuni with area of 3,395 ha; five with area between 10,000 and 20,000 ha; five with area between 20,000 and 30,000 ha; three between 30,000 and 50,000 ha, and the largest Nature Park is Velebit with 200,000 ha;
- Varies in habitat / landscape type: nine in mountain areas; five with coastal / marine areas; five fresh water lakes, wetlands, river areas;
- Varies in level and type of tourism activities: out of around 2.8 million tickets sold, 1.3 is sold in NP Plitvice, almost 1 million in NP Krka, on average 100,000 in NP Brijuni, Telašćica, Mljet and Paklenica, and 200,000 in remaining 13 parks. The visitation is highly seasonal, with the season from May to October, with peak in July and August (approximately half of the visitors to NP Plitvice);
- Varies hugely in annual income total volume and structure: out of the total national level PA income in 2014, which was around \$60 million USD – which was 87% self-generated, 8% from state budget, and 5% from donations and other sources – by far the greatest part (over 55% of the total income) is self-generated within the NP Plitvice, another 16% in NP Krka and 10% in NP Brijuni; 1-2% by Mljet, Paklenica, Telašćica, Kornati; while the remaining 12 PA together self-generate around 0.5% of the total income, eight of them heavily depending on the state budget financing (60-85% of the annual PI budget).

137. The analysis also revealed that system as the whole generates surplus: in 2014, it was roughly 15% of the total incomes, which was roughly twice larger than the total financing from the state budget. This means that, if there was in place some kind of cross-subsidization mechanism which could effectively allocate this 15% of the total income over the system, based on the highest priorities and needs, the system would invest in PA conservation and management

7% more, without any need for financing from the state budget! The fact that the PIs accumulated on their bank accounts amount which is almost four times larger than the total state budget financing in 2014, implies that 2014 was not exception, and that cross-subsidization mechanism is absolute priority for more efficient, effective and sustainable financing of the national level PAs system.

138. Second, several examples of the listed foreseen centralized support services have been initiated / piloted / established by the project. A common web portal “Parks of Croatia” ([www.parkovihrvatske.hr](http://www.parkovihrvatske.hr)) (see Figure 7) has been established rich in the content (easy to read 19 “stories about parks”, 96 interesting facts, 116 texts about natural and cultural values, 889 activities and attractions, 951 photographs), advanced visitors friendly functionalities (in four languages, with 1,172 activities and locations presented on an interactive map, experience sharing posts). Online purchase of entry tickets will be available in May 2016. The portal has also integrated volunteer programs. The procedures have been established for preparation, provision and clearance of the new materials for the portal, and training for PI staff provided, guaranteeing the sustainability of the established web portal. The MENP plans to embed the portal within the SINP, which is already administering the national Nature protection information system ([www.bioportal.hr](http://www.bioportal.hr)).

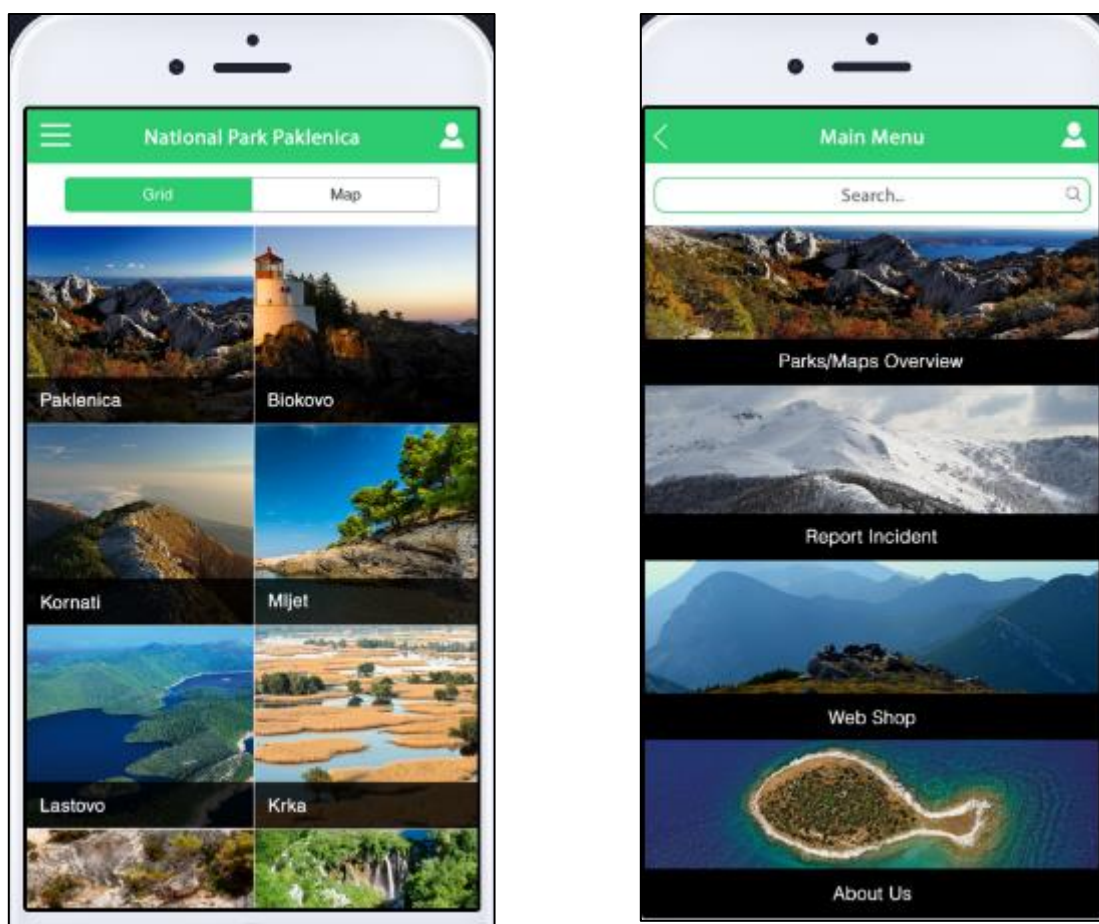
**Figure 7 User Interface of the Web Portal "Parks of Croatia"**



139. The project is developing a mobile phone application “Parks of Croatia”, which utilizes beacon technology for enhancing the visitor experience, and is also adjusted for disabled people. “Beacon” technology is deployed using small transmitters positioned around the visitor areas of the national park, so that when visitors using the mobile application approach within a certain distance (e.g. 50m) of these small hidden transmitters, they are provided with particular

information about a natural feature in that location. For example, a beacon placed near a large tree on a walking path could provide users with information about that particular type of tree, leading into broader information about typical forest ecosystems of the region. Because the beacon technology is location based, this technology could be used to assist park managers, and visitors themselves, to improve the distribution of visitors within parks during peak times. For example, visitors could be shown information that a particular area of the park currently has more people visiting it than the recommended capacity, and recommend that they delay visiting that site until crowds are smaller. Development of the application is under way: the beta version is completed, and the fully functional mobile application is expected by May 2016, available for the summer tourist season 2016.

**Figure 8 User Interface of the Smartphone Application “Parks of Croatia”**



140. A number of promotional activities have been implemented on the system level, under the common brand “Parks of Croatia”, including: the ongoing cooperation with Ministry of Tourism and Croatian Tourist Board, on various promotional activities in-country (e.g. Tour of Croatia cycling tour) and abroad (various international fairs), initiated in September, 2015; brochure “Parks of Croatia”, published in cooperation with the daily newspaper Slobodna Dalmacija (September 2015); exposure on the international fair Place2Go in Zagreb, in March 2016; established social network “Parks of Croatia” [Facebook](#). Cooperation with National

Geographic Croatia is in progress: 19 articles in 19 editions, within the period 2016 – 2017, with the possibility of special edition for all 19 parks in December 2017.

141. Expert assistance in addressing various legal issues (including public procurement, labor law, contractual relationships, property rights, etc.) has been provided to all parks on their request.

142. Third, under the guidance of the former NPD, which was also the Assistant Minister in the MENP, the project supported the MENP in its attempt to formally establish the Shared Service Center as an association of public institutions. After an extensive consultation process – several meetings and workshops with park directors and directors of the parks management board, at the end of 2014 and first half of 2015 – MENP concluded that SSC cannot solve all the problems in the system and decided to refocus on the centralized model with a single management agency in charge of the whole system. The decision was also approved by the PB in July 2015. The newest MENP strategic decision, communicated to the PMU and MTR team by the new NPD (the one appointed at the beginning of 2016, after the election and change of the government) is to proceed with the evolutionary approach, aware of “the big picture” and long term goals, but focusing on concrete incremental improvement, without new institutions, with improved coordination, cooperation and capacity of the existing institutional framework. The MENP plans to secure sustainability of the SSC functionalities established and tested by the project by combination of strengthening of its own capacities and capacities of other key stakeholders (e.g. SINP, EPEEF) and procurement of the required services on the market.

143. MTR interviews confirmed that the project succeeded in convincing all the key stakeholders in the validity of centralized support service to individual parks as a way to significantly improve both efficiency and effectiveness of the operations.

144. Finally, activities assessing the feasibility of establishing a park agency to administer national protected areas (the output 1.4) are under way, with the draft feasibility study expected by June 2016. While this study will not support any further processes supporting actual establishment of the agency during the project lifetime, it will enlighten, i.e. provide structure and argument for all future discussions on this issue, which is still highly pertinent on the nature protection agenda in Croatia.

## **B. Component 2: Improving the Financial Sustainability of the Network of National Protected Areas**

145. The second component of the project is focused on improving the financial sustainability of the national protected areas to ensure that they have adequate financial resources to cover the full costs of their management. The total GEF funding for Component 2 is \$2,842,000 USD, which is 57.4% of the total GEF funding for the project. The total delivery under the Component 2 as of December 31, 2015 is 27.1%. The activities foreseen under this component are organized around three key outputs:

146. Output 2.1. Reduce the Transaction Costs of User-Pay Systems in National Protected Areas: This output is focused on reducing the costs associated with the implementation and administration of entrance fees (i.e. the “transaction costs”) in national protected areas, particularly in the nature parks and the inland national parks with low annual visitor use.

147. Output 2.2. Develop Integrated Tourism and Recreational Products and Services in National Protected Areas: This output is focused on expanding and linking the discrete tourism and recreational products and services in national protected areas.

148. Output 2.3. Improve the Productive Efficiency of National Protected Areas: This output seeks to improve the productive efficiency in national protected areas. It targets two strategic areas of support: a) developing mechanisms to strengthen the service standards, and improve the economic efficiencies, of existing tourism products and services in national protected areas (with a spatial focus on three high-income generating parks - Plitvicka jezera, Brijuni and Krka National Parks); and b) adopting more energy efficient technologies in national protected areas (with a spatial focus on Risnjak National Park and Papuk Nature Park) to reduce the high costs of the supply of power.

149. Key results indicators for Component 2 are summarized in Table 6 below. It is not feasible as of the mid-term to assess the likelihood of achievement of the targets for the Component 2 indicators, as many of the activities to generate the targeted results are just underway. The project is undertaking the activities to generate the targeted results (except an online e-ticketing approach is being employed instead of “smart cards”), but assessment of whether the targets have been achieved will only be possible at the end of the project, or even afterwards, as official government financial reporting for 2017 will only be available in February 2018.

**Table 7 Component 2 Indicators and Targets**

Indicator	Baseline	Target
Net income (US\$/annum) from sales of smart cards	US\$0	>US\$4m
Increase in self-generated income (US\$/annum) in target national parks and nature parks	Ucka: US\$49k Risnjak: US\$279k Papuk: US\$32k Telascica: US\$614k Vransko jezero: US\$56k	Ucka: >US\$100k Risnjak: >US\$450k Papuk: >US\$50k Telascica: >US\$1m Vransko jezero: >US\$100k
Decrease in costs (US\$/month) of power supply to targeted nature parks	Risnjak Nature Park: US\$1,455 Papuk Nature Park: US\$745	Risnjak Nature Park: <US\$1,000 Papuk Nature Park: <US\$500
Surplus/(deficit) per annum (US\$) for high-income national protected areas	Plitvicka jezera National Park: US\$4.7m Krka National Park: US\$0.9m Brijuni National Park: US\$(-0.5m)	Plitvicka jezera National Park: US\$5.7m Krka National Park: US\$1.1m Brijuni National Park: US\$0.5m

150. The two main activities under output 2.1 are the implementation of the online e-ticketing system for PAs that charge entrance fees, and the development of a mooring fee system in Telascica National Park. The development and implementation of an e-ticketing system has been a major undertaking, as it requires strong engagement, coordination, and administrative capacity from the PAs that will be deploying it. The e-ticketing system will greatly increase the efficiency of the PAs in collecting entrance fee revenue, and will improve the visitor experience. There are

multiple elements to the e-ticketing system. Visitors can purchase entrance tickets to the participating PAs in advance online. In addition, visitors can purchase tickets at kiosks at the PA entrances; this allows the PAs to reduce the human resources required to staff the ticket booths.

151. As of the MTR, the e-ticketing system had been implemented by four PAs (Mljet, Krka, Kornati, and Telascica), and was in the process of implementation in four additional PAs (Plitvice Jezera, Brijuni, Paklenica, and Biokovo) in the 2<sup>nd</sup> quarter of 2016. All remaining PAs are expected to implement the system in 2017.

152. The e-ticketing system has a variety of benefits, but one of the most significant is that it greatly improves the PAs' capacity for real-time visitor management, which is a critical issue for some key PAs. When visitors enter the PAs, tickets are registered electronically into the system for each PA, so PA staff and managers can see in real-time how many visitors have entered in which areas of the PA. This allows PA managers to make decisions about closing various PA entrances at different times to ensure that visitation doesn't significantly exceed capacity. The centralized e-ticketing system also allows detailed tracking of visitation statistics (such as average

**Figure 9 Example of Handheld Wireless Device Used for Mooring Fee Collection System**



number of entrances during the 10:00 hour, at a PA entrance, for an entire PA, or for the entire system), in real-time, but also in terms of summary data for any given time period (i.e. weekly, monthly, annual).

153. In addition to the visitor management benefits, the e-ticketing system also provides significantly increased transparency in terms of PA finances, as the centralized system allows all authorized users to see revenue data from entrance fees (the main source of revenue) for all participating PAs.

154. The mooring fee system in Telascica is also related to the e-ticketing system. The project conducted a feasibility assessment for implementing the mooring system, and implementation is now underway. The PA currently has 75 mooring sites, and plans to have 200. The system also deploys modern technology, as rangers use hand-held wireless devices (see Figure 9) to carry out their rounds of the mooring sites (see Figure 10, below) and charge visitors. The system works via the cellular network, but the devices are able to process mooring fee purchases when offline as well, which is critical in this PA, where cellular connectivity is limited. The development of the mooring system in Telascica should also support improved revenue collection, transparency, and efficiency of operations of the PA.

**Figure 10 Mooring Sites at Telascica NP**



155. The second and third outputs of Component 2 entail some of the main expenditures under the project, as these outputs encompass the project’s “micro-capital grants” program for investment in the PAs. Output 2.2 focuses in investment for the improvement of tourism infrastructure and services, while Output 2.3 focuses on energy and water efficiency for operations of PAs, to reduce their fixed operating costs. Both approaches are focused on improving the financial sustainability of PAs, and activities under both outputs take a similar approach, through the micro-capital grants program. A summary of the micro-capital grants is included in Table 8 below, and a more comprehensive list is attached as Annex 12 of this report.

156. As discussed previously in Section V.G on co-financing, the micro-capital grants program is one of the areas of the project that has received significant new co-financing from partner, particularly from the EPEE and World Bank NIP project. In total the co-financing has covered 72% of the total cost of expenditures for the micro-capital grant investments – in other words, a co-financing ratio of 1 : 2.5.

157. The investments under these two project outputs were initiated and prepared in the first 12-18 months of the project, and are primarily being undertaken in 2016. Some activities have been mostly completed as of the MTR, such as the reconstruction of the Papuk administrative building. Information provided by the PMU, and visual evidence collected during the evaluation mission indicates that investment activities are on track to be completed before the end of the project. In some cases there may be limited time before project completion to assess the improvement in financial efficiency generated by the investments however. Photos of investment works collected during the evaluation mission and drawn from project sources are provided in Figure 11 below.

**Table 8 Summary List of Micro-Capital Grant Investments in PAs**

PA	Project	Amount (USD)
Papuk	Reconstruction of administrative building to Near Zero Energy Building	\$120,000
Papuk	Construction of Dubok campground near park administration to be operated by PA	\$410,000
Kopacki Rit	Electrification of boat pier, for use by electric visitor tour boat	\$125,000
Kopacki Rit	Purchase of electric visitor tour boat (20% of total estimated cost)	\$112,000
Biokovo	Electrification of Podgara entry point to improve control, for increased revenue generation	\$45,000
Risnjak	Development of guided tour through Kupa river valley, including trail, info points, picnic stops, and renovation of parking site	\$72,000
Risnjak	Reconstruction of administrative building in Crni Lug to Near Zero Energy Building	\$220,000
Vrankso Jezero	Preparation for deployment of electric visitors boat, including documentation preparation, road construction to boat dock, and dredging to facilitate lake access to boat dock	\$60,000
Vrankso Jezero	Purchase of electric visitor tour boat (20% of total estimated cost)	\$110,000
Mljet	Purchase of electric visitor tour boat (20% of total estimated cost)	\$105,000
Telascica	Preparation of mooring sites, and purchase of electric transportation (vehicles and bicycles)	\$45,000
Paklenica	Reconstruction of administration buildings, reconstruction of solar thermal water heating for accompanying PA-managed visitor campground, and construction of biological waste water treatment infrastructure	\$85,000
Ucka	Development of vulture feeding and bird watching facility on Bodaj ridge, and purchase of all-wheel drive visitor tour van to provide bird watching tour services to site	\$70,000
Ucka	Integration of energy efficiency approaches into renovation of visitor information center	N/S

**Figure 11 Photos of Investment Works in PAs as of MTR**

(a) Renovated Administration Building of Papuk NP

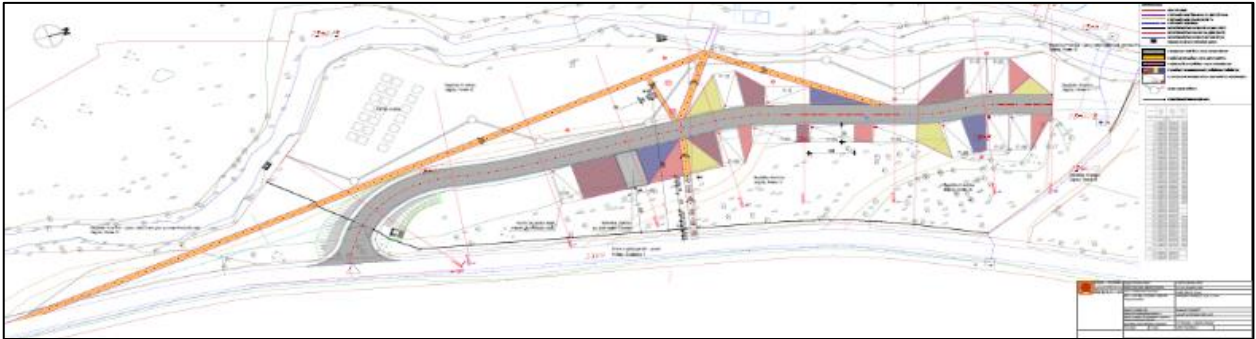


(b) Construction of Dubok Campground at Papuk NP





(c) Plans for Development of Dubok Campground at Papuk NP



(d) Renovation of Administration Building and Construction of Biological Wastewater Treatment Facility at Paklenica NP



(e) Constructed Dock for Electric Visitor Tour Boat at Vransko Jezero NP



(f) Former Chicken Barn Facility to be Renovated with Energy Efficiency Technology at Ucka NP



(g) Site Planning for Vulture Feeding Site at Ucka NP



- (h) Model of Electric Tour Boat to be Purchased for Kopacki Rit NP, Vransko Jezero NP, and Mljet NP
- (i) Info Point on Visitor Trail in Kapuk Valley in Risnjak NP



### C. Impacts and Global Environmental Benefits

158. For the GEF biodiversity focal area project impacts are defined as documented changes in environmental status of species, ecosystems or genetic biodiversity resources. Global Environmental Benefits have not been explicitly defined, but are generally considered to involve sustained impact level results of a certain scale or significance.

159. The project document identifies the specific Global Environmental Benefits expected (p. 41). These include:

*“...reducing the threats to, and improving the conservation status of: (i) 3 Important Bird Areas; (ii) 3 wetlands of international importance; (iii) 1 World Heritage Site (WHS) and 3 sites on the tentative list of WHSs; (iv) 2 biosphere reserves (BR), one of which is included within a trans-boundary BR; (v) 1 Geo-park; (vi) 38,169 ha of priority habitat types (comprising Posidonia beds - 9,810 ha, coastal lagoons - 2,065 ha, Mediterranean temporary ponds - 8 ha, Pinus Mugo-Rhododendretum hirsute shrub - 15 ha, Alysso-Sedion albi grasslands – 3,980 ha, Festuco Brometalia grassy scrub (important orchid sites) – 9,776 ha, Thero-Brachypodietea pseudo-steppe - 1,815 ha, Nardus grasslands - 647 ha, petrifying springs with tufa formation - 1 ha, forests of slopes, screes and ravines - 1,032 ha, alluvial forests - 6,123 ha, Pannonian woodlands - 435 ha, and sub-Mediterranean pine forest – 2,462 ha); (vii) 8 priority faunal species – Vipera ursinii macrops (meadow viper), Degenia velebitica (endemic to Croatia), Proteus anguinus (olm), Euplagia quadripunctaria (moth jersey tiger), Osmoderma eremita (hermit beetle), Rosalia alpina (longhorn beetle), Canis lupus (gray wolf) and Ursus arctos (brown bear); (viii) viable populations of 528 endangered taxa (57 cave fauna, 21 mammals, 3 amphibians, 7 reptiles, 17 dragonflies, 54 freshwater fishes, 48 sea fishes, 171 fungi, and 150 taxa of vascular flora), many of which are endemic; and (ix) important ecological corridors (the mountain areas of Medvednica, Zumberak-Samoborsko gorje, Ucka, Biokovo, Velebit and Papuk Nature Parks) of the Dinaric Arc eco-region.”*

160. The PARCS project results framework does not include impact level indicators. This is appropriate, considering that the project’s theory-of-change focuses on developing and strengthening Croatia’s system of national PAs, without specific on-the-ground activities targeted to address threats directly. In other words, the project’s point of intervention is a few steps removed from the impact level. Impacts would only be expected in a longer-term timeframe as

Croatia's PAs effectively function better in performing their core business of nature conservation. Further, keeping in mind the slow rate of change in ecosystems and many species populations, site-level impacts, and broader Global Environmental Benefits are rarely achieved in the lifetime of a single project, which has only a four-year implementation period. Considering it is only the mid-point of the project, it is early to expect there to be any notable impact level results, and certainly not Global Environmental Benefits. As such, impact ratings for the PARCS project are currently "negligible".

#### **D. The Long View: Remaining Threats and Barriers to Safeguarding Croatia's Globally Significant Biodiversity Through the National Protected Areas System**

161. The project will definitely contribute to establishment of the framework that allows sounder management of PAs, and consequently more effective and efficient safeguarding of Croatia's significant biodiversity. However, whether this framework will be effectively used, in the end depends again on the political will to use and enforce compliance with the established standards and procedures. For example, prepared guidance on preparation of management plans with minimum standards and content does not by itself guarantee that the quality standards set in the guidelines will be met by the next generation of the plans, if there is no political will to enforce it. Probably the most challenging institutional reform foreseen and supported by the project is establishment of the cross-subsidization mechanism for redistribution of the revenues among the PAs, through transparent procedures, according to the agreed criteria. The project will assist MENP by proposing solution for the mechanism, soundly based in transparent principles, with clear procedures, founded in the existing legislative framework, as well as in presentation and discussion of the proposed solution. However, sufficient political will on the national level will be required to negotiate and push the process towards its successful end, despite the inevitable opposition from those stakeholders that will try to preserve the status quo to protect their particular interests.

### **VII. Key GEF Performance Parameters**

162. Sustainability is one of the five main evaluation criteria, as well as being considered one of the GEF operational principles. Other GEF operational principles not otherwise addressed are discussed below, including the project's catalytic role and stakeholder participation.

163. UNDP-GEF project evaluations are also required to discuss the mainstreaming of UNDP program principles. This is covered in Annex 14 of this evaluation report.

#### **A. Sustainability**

164. While a sustainability rating is provided here as required, sustainability is a temporal and dynamic state that is influenced by a broad range of constantly shifting factors. It should be kept in mind that the important aspect of sustainability of GEF projects is the sustainability of results, not necessarily the sustainability of activities that produced results. In the context of GEF projects there is no clearly defined timeframe for which results should be sustained, although it is implied that they should be sustained indefinitely. When evaluating sustainability, the greater the time horizon, the lower the degree of certainty possible.

165. In addition, by definition, mid-term evaluations are not well-positioned to provide ratings on sustainability considering that many more activities will be undertaken before project end that may positively or negatively affect the likelihood of sustainability. Based on GEF evaluation policies and procedures, the overall rating for sustainability cannot be higher than the lowest rating for any of the individual components. Therefore the overall **sustainability** rating for the PARCS Project for this mid-term evaluation is ***moderately likely***.

166. Although sustainability is considered moderately likely, this evaluation is making a number of recommendations to support and ensure sustainability of all specific project results to the extent possible. Even though there will be a natural transition from the PARCS project to the MENP's use of the EU structural funds during the final year of the project, there are many elements of the PARCS project results that will not be inherently integrated in the activities supported by the EU funding. To consolidate results and strengthen sustainability this evaluation recommends that the project produce and secure stakeholder agreement on an exit strategy. The project exit strategy should be developed by early 2017, for approval by relevant stakeholders in mid-2017. The exit strategy is necessary to clearly define roles and responsibilities to support the sustainability of project results. The exit strategy would include clear agreement about the responsibility for project results, including, for example, management, updating, and maintenance of the "Parks of Croatia" web portal.

#### **i. Financial Risks**

167. While financial resources are always an important consideration, in the case of the PARCS project financial risks to sustainability of project results are considered low, and sustainability in this regard is considered ***likely***. Financial sustainability is of limited concern, considering that the MENP is anticipating having €120 million euros of EU funding to invest in PAs and the Natura2000 network over the next six years.

168. In addition, the financial analysis of the PA system carried out under the project has indicated that availability of financial resources are not a critical issue, but rather the distribution of financial resources is. However, this issue also represents the most notable potential financial risk – whether the project will succeed in supporting the government to establish a PA revenue sharing mechanism, to allow the distribution of funding from the few PAs with high revenues to the rest of the PAs in the system that have much more limited opportunities for revenue generation. Without such a revenue sharing mechanism, Croatia's PAs will remain as many separate and independent entities, and those small PAs with limited budgets will not be able to effectively implement the necessary nature and visitor management measures in-line with their management plans.

#### **ii. Socio-political Risks**

169. While the project objective has the strong declarative support from all the key stakeholders, there are some moderate socio-political risks to sustainability, and sustainability in this regard is considered ***moderately likely***. The most significant question is whether there will be sufficiently strong and determined political will and support to implement proposed institutional reforms, in particular the one dealing with the redistribution of the revenues among the PAs, when faced with the opposition from the parks that will be donors in this new

arrangement. Along similar lines, the project is assisting in the preparation of guidance and proposals of standards and procedures in line with best practices for PA management, but political will is required for monitoring and enforcement of compliance with those new standards and procedures, i.e. for setting up and operating system for monitoring and continuous improvement of effectiveness and efficacy of the national PA management system.

170. The eventually selected evolutionary approach to institutional reforms is preferable in this sense, as it allows a very gradual approach, which at every step can convincingly prove its usefulness, fairness and validity. In order for the cross-subsidization mechanism to be accepted by the local communities within the national parks with the high revenues, the proposal should also recognize their rights to compensation, on account of restricted property and customary rights. In order to maximize probability of acceptance, the proposal should also include rules and regulations for more transparent and efficient usage of the resources, as well as analysis and projections convincingly proving benefits for the majority.

171. The fact that the proposals developed and tested by the project will be integrated in the new Act on Nature Protection scheduled for adoption early in 2017 will also contribute to sustainability of the project results.

172. MTR interviews were held representatives of the both main political options in Croatia: the one that was in government during the first half of the project, and the other one that formed the new government, after the election, at the beginning of 2016. Both confirmed that – taking into account remaining project duration, and all other nature protection system priorities on the agenda – that the current “evolutionary approach” is the most sensible way forward. Consequently, top decision support to the implementation of the project is arguably guaranteed even in the case of new elections and government change before the end of the project. However, a change in government would slow the national decision-making process, and the project’s life is set for completion as of December 31, 2017, with no possibility for extension.

173. The foreseen long-term strategic plan that will be prepared within the Output 1.1, putting in written form vision, strategy and action plan for national PAs in forthcoming 5-10 year period, and being discussed and agreed on by all major stakeholders, will also contribute to the mitigation of the risk of political instability, which has negatively affected development processes in the previous period.

### iii. Institutional and Governance Risks

174. The eventually selected evolutionary approach to institutional reforms minimizes institutional and governance risks related to the project results, thus sustainability in this regard is considered *likely*. Namely, a gradual approach will focus on concrete incremental improvements, each of which will have sufficient time to prove usefulness, fairness and validity, and thus minimum probability to be abandoned after the end of the project. Blueprints for the majority of the planned institutional reforms will be completed towards the end of the 2016, thus leaving one more year to pilot it within the system, while still enjoying benefits of the project support. Further on, during the last project year, the PMU will be located within the MENP premises, thus additionally “simulating” the situation in which the services provided by the project are provided by some entity within the MENP.

175. The wider context is also favorable. Securing sufficient additional support capacity is very high on the MENP agenda, as it will be required for administration and management of the significant funds available in the ongoing programming period (including €50 million for investment in visitors infrastructure in national PAs, €70 million for Natura 2000 management, another €20 million from EPEEF's emission funds). Consequently, it is likely that the capacity required for the sustainability of all Shared Service functionalities established by the project will be secured, especially so because all of them are directly relevant for efficient and effective absorption of the mentioned funds. The PD confirmed to MTR team their plan to secure required additional capacities within the Ministry, by establishment of Project Implementation Units attached to the MENP and funded from the EU funds available for technical assistance to MENP. Sustainability of the "SSC functionalities / processes" initiated and established by the project will be further supported by preparation of detailed exit strategy specifying models for provision of various services, based on the analysis and lessons learned from the project SSC piloting.

#### iv. Environmental Risks

176. Environmental risks are present, as Croatia's PAs work to balance maximizing revenue (mainly from tourism) against the core business of nature protection, but these risks are also only considered moderate at this stage, and this aspect of sustainability is considered **moderately likely**. There are a few PAs where visitor numbers exceed the PA's visitor infrastructure capacity at certain times of year and certain times of day; this is particularly the case in Croatia's crown jewel, Plitvice lakes. There are also environmental risks from poor quality management plans, lack of implementation or enforcement of management plans, and lack of alignment of spatial plans with management plans. For example, in some PAs there is "illegal" construction as construction is permitted due to poor spatial plans, although construction is not allowed as per a PAs management plan. According to PA staff, there are also cases of poaching in some PAs. In addition, until the staff of Croatia's PAs (including PA directors) are fully professionalized, there remains risks of poor management decision-making leading to negative impacts. For example, a decision to develop tourist infrastructure in unsuitable areas of Plitvice National Park a number of years ago led to damage to the natural values of the PA. The present risk of such a problem seems to be low, but systemic safeguards are not sufficiently in place to prevent such problems from occurring again in the future.

### B. Catalytic Role: Replication and Up-scaling

177. UNDP-GEF projects typically have little catalytic effect to report by the mid-term of the project, but the PARCS project has generated some results that will have a catalytic effect. The project is targeting the entire national system of PAs, so it is practically difficult to up-scale or replicate beyond that level, but there are relatively "small" results the project had produced that will have a large effect within the system. For example, the project's work to implement a standardized financial management approach for the PAs will have major long-term benefits in many different ways. The e-ticketing activity is another such activity; developing and instituting the e-ticketing system took a good deal of PMU attention and stakeholder effort, but the significance and long-term effect of this approach will be huge, as it facilitates a highly detailed real-time analysis of visitation in the PAs that are able to use the system (some PAs have open access systems due to the nature of their location and surrounding infrastructure).

178. One notable result that could potentially be replicated at the international level, beyond Croatia, is the development of the Croatian PAs smart-phone application, utilizing the “beacon” technology that provides visitors with site-specific information and insights as they move around within the PA. This application has the potential to greatly enrich the visitor experience at PAs by providing extensive site-specific information and education about the PA, while at the same time facilitating a wide range of potential management uses. According to the PARCS PMU, they were not able to find a similar example to model from anywhere in the world, suggesting that the PARCS approach is a global cutting-edge good practice that has great potential for replication around the world, if the PARCS experience with this smartphone application can be appropriately disseminated.

## VIII. Main Lessons Learned and Recommendations

### A. Lessons from the Experience of the PARCS Project

179. The mid-term evaluation is early for there to be significant lessons from the project, but a few lessons that have been identified are included below.

180. **Lesson:** Projects supporting institutional reforms should be designed in a way that allows great flexibility and adaptability to the uncertainty regarding the political context and final results of political decision-making processes. Such projects should support structured, argument-based discussion on the preferable institutional reform scenario, while focusing on practical on-the-ground activities convincingly demonstrating benefits of the proposed reforms. The Croatia PARCS project was not necessarily designed this way, but the PMU has undertaken implementation along these lines by finding practical approaches to meeting the project’s objectives in the face of political uncertainty with respect to institutional reform.

181. **Lesson:** Bringing individuals together for joint activities, experience sharing, and joint problem solving can make a big difference in developing a shared identity and common purpose. Through the Croatia PARCS project the staff of the PIs have had the opportunity to communicate and interact with their peers much more than they had before. Many of the PI staff interviewed for the MTR indicated that there is now much more of a cohesive identity and understanding of the PAs as part of one larger system, rather than the original identity of 19 completely independent and separate entities.

182. **Lesson:** National PA systems must be cohesive and share resources to achieve financial sustainability for all PAs. There are typically only a few PAs within an entire national system that have the capacity to generate high revenue from tourism, and thus this revenue must be shared within the system to support PAs that have less revenue generation potential. In other words, it is not realistic to expect all individual PAs to be financially self-sustaining; an integrated national PA system as a whole has much greater potential to achieve financial self-sustainability.

183. **Lesson:** Modern technology has the potential to significantly improve the efficiency and effectiveness of PA management through innovative approaches, if all stakeholders buy-in to such approaches. In the case of the Croatia PARCS project, the project-developed e-ticketing system and the smartphone application are expected to improve the visitor experience, but also have extremely significant potential to facilitate improved PA management through better real time information about PA visitation, and more comprehensive data.

184. **Lesson:** It is important to gather and involve project stakeholders from the early stage of the project design and also to ensure their participation later in the process of the project implementation, particularly those stakeholders who may be affected by the project's activities. This is crucial for establishing the feeling of ownership of the project results. According to stakeholders in the PARCS project, there was not sufficient consultation with all relevant stakeholders (particularly the professional nature conservation staff within the country) with respect to the project's approach of either institutional reform or establishing the SSC. This is partially why the project has faced some challenges in reaching this result, even though the project has employed excellent stakeholder participation during implementation.

## **B. Mid-term Recommendations for the PARCS Project**

185. The recommendations of the mid-term review are listed below, with the primary target audience for each recommendation following in brackets.<sup>14</sup>

186. **Key Recommendation 1:** The project should re-emphasize to stakeholders the need for a concise and practical national strategic document (Output 1.1) to set in place the vision and organizational set-up for the national protected area system in the coming five-year period. This will serve as a tool for stakeholder engagement, coordination, a more stable and focused strategic approach for development of the national protected area system, and collective planning and management of the system of protected areas, both during the remaining implementation of the project and in the period after the end of the project. This should be a practical and implementable document of no more than 30 pages. This strategic vision document should be linked and integrated with the NBSAP. Although the document will have no legislative basis, its relevance will derive from the consensus of all key stakeholders, and in this way it will help mitigate potential future instability caused by shifting political winds. A draft of this document should be developed and approved as soon as possible, but preferably by the end of 2016, and at the latest in the 1<sup>st</sup> quarter of 2017. [MENP/PMU and UNDP]

187. **Key Recommendation 2:** While all planned results remain as high priorities, the project should prioritize establishment and operationalization of the system-level PA revenue sharing mechanism before project completion. In absence of establishment of the SSC, this will serve as a major substitute achievement that will significantly address critical systemic weaknesses. In support of this mechanism, the project should re-institute the activity of a basic system-level business plan, in order to analyze the system as a unit from a financial perspective, with various sources of revenue in the system, and the financial needs. Such an exercise would be relatively straightforward as it would be significantly informed by the project's already-completed work on financial analysis of the system, and the system-level pricing activity. In fact the establishment of a revenue sharing mechanism is likely to require such a document as necessary supporting documentation, to provide convincing detailed justification, rationale, and outline of procedures

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<sup>14</sup> **Note:** In some instances the target audience is referred to as MENP/PMU, indicating that overall responsibility of responding to the recommendation falls within the institutional mandate of the MENP, but considering that the PMU is actually under the auspices of the MENP, and may ultimately be the party responsible for implementation. In other cases the target audience is simply indicated as the PMU, for recommendations that are more related to the project management and work planning - not necessarily related to the institutional mandate of MENP, and recognizing that the PMU has to date operated as a distinct entity physically and operationally outside the MENP.



for re-allocation of resources within the system (e.g. how much, to whom, for what, under what criteria). The revision of the nature protection law, codifying relevant PA system changes, is a second, related, and also highly important result to be achieved. The project should provide close support to the ongoing process of the nature protection law revision, by preparing key project results – including the system-level PA revenue sharing mechanism, provisions on minimum management standards, financial management, management plans preparation, etc. – in the formats required by the law revision process. [MENP/PMU]

188. **Key Recommendation 3:** At least six months before completion the project should prepare a sustainability plan outlining how the functional areas with the highest potential for improvement of management efficiency and effectiveness through more coordination and provision of shared services are being addressed, and will continue to be addressed after project completion. These are: a) fund-raising and shared revenue distribution; b) high value procurement of common goods and services; c) collective branding, promotion, marketing, communications, sales and reservations; d) project preparation and management; e) shared legal support services, and f) potentially also human resources management (notably a common payroll management system). [PMU]

189. **Key Recommendation 4:** Building on the above recommendation, the project should develop a full exit strategy, to be agreed with all stakeholders, that outlines how key project results will be sustained. For example, how the web portal will be maintained, how the necessary technical and management support for the e-ticketing system will be maintained, how the operating and maintenance costs of project investments in PA infrastructure and services (e.g. solar boats, etc.) will be covered in the future, etc. This should also be carried out approximately six months prior to completion. [PMU]

190. **Key Recommendation 5:** The project should work with PAs to emphasize the necessarily co-dependent nature of PA management planning, PA business planning, and elements such as pricing and visitor management. Some national PAs are at risk of carrying out some of these elements individually, without sufficient recognition of the importance of the inter-linkages between each of them. To fulfill this recommendation, the team should work with the PAs currently undertaking i.) management planning; ii.) business planning; iii) pricing strategies; or iv.) visitor management planning to ensure that the three latter elements are adequately integrated with and supportive of the nature conservation management objectives of the PAs, but also support revenue needs for effective management. The result of this action will be PA pricing strategies and visitor management plans with sustained relevance for mid-term planning (i.e. ~ 5 years), which ensure that natural values of PAs are not infringed upon, but which also generate revenue at the desired level. To achieve longer-term outcomes it may be necessary to produce guidelines for Croatia on the integration of business planning with PA management plans, since all PAs will not be completing pricing strategies, visitor management plans, and business plans before project completion. [MENP/PMU]

191. **Key Recommendation 6:** Partially linked with the above recommendation, the project should work with PAs to sufficiently achieve completion spatial/physical plans that are fully aligned with the PA management plans (incorporating business planning aspects). The absence of spatial/physical plans was originally identified as a major barrier for effective management of PAs in the project document, but is not an issue that the project has focused on, although it

remains a significant challenge for effective management of PAs, including financial management aspects. The project could, for example, develop the capacity of PAs to work effectively with physical planners to ensure PA management considerations are fully reflected in spatial/physical plans; another option might be to produce a small number of case studies of PA physical planning highlighting good practices or lessons, with the goal of undertaking more significant work on this issue within the forthcoming EU funding window. Also, for example, appropriate provisions addressing this issue could be included in all guidelines prepared by the project, including in particular the guidelines for preparation of the PA management plan; practical guidelines on visitors management (based on the pilot prepared for NP Plitvice lakes); practical guidelines on preparation of business plans for PAs (based on implemented pilot business plans); and provisions on minimum standards for effective PA management. This would include sufficiently detailed descriptions of the issues that should be addressed to harmonize all planning documents. By including appropriate requirements in guidelines being prepared, the practice of effective development of and integration with spatial/physical plans will be “built in” for the future. These activities are expected to contribute to longer-term outcomes addressing the spatial/physical plan “barrier” identified in the project document; this means that at the end of the next round of expected spatial/physical plan updating and revision, plans will be adopted that appropriately and adequately reflect requirements for effective management of PAs. However, it is not anticipated that the process of development and adoption of these spatial/physical plans would be completed before the end of the project. [MENP/PMU]

192. **Recommendation 7:** The project should seize the opportunity to contribute to further development of public-private partnerships related to PA services, such as tourism services. This could be pursued through strengthening Public Institutions’ know-how and capacities for engagement and facilitation with the private sector, including development of incentives for investment, or approaches such as investor information packets. This would be in the context of the project’s work on the development of more cohesive and integrated tourism and recreational products to improve the visitor experience. Along related lines, it could be helpful to support sharing lessons and experiences between PAs on approaches to concessions, from the international level, but also at the national level – for example through a workshop or series of presentations at joint meetings. [PMU]

193. **Recommendation 8:** The project should revise the results framework indicators and targets to strengthen their alignment with “SMART” criteria. Some proposed revisions are included as an annex to this report. Any final revised version of the results framework should be approved by the Project Board. [MENP/PMU, UNDP, Project Board]

194. **Recommendation 9:** As the project duration has been effectively shortened for half a year, with the last year with less support from UNDP (as the national office is closing, and support services will be provided from the regional level), and as some time has been lost due to changing direction and associated postponements of various activities, the PMU should be strengthened by both A) a complete pool of long-term experts covering all key issues addressed by the project, including the team leaders in the teams that prepared the key project deliverables, and including internationally recognized experts for quality assurance in-line with international best practices for the most challenging tasks related to system capacity strengthening; and B) additional member of the core team, senior staff with experience in the project management, coordination,

supervision; dealing with the integration, take over and sustainability of the project results, in particular within Component 1. [MENP and UNDP]

195. **Recommendation 10:** Considering that there will be no opportunity for project extension since all UNDP activities in Croatia will be ceasing, the project should ensure contingency plans for ensuring disbursement of all funds by the end of 2017. This could include, for example, taking advantage of opportunities to invest in technical assistance for preparation of projects for PAs for the pipeline of subsequent EU funding, as this provides a strong financial leveraging mechanism and supports sustainability of results produced from GEF funding. [PMU and Project Board]

196. **Recommendation 11:** The project should carry out an at least preliminary analysis of potential synergies and benefits of shared services related to the core business of nature conservation, similar to the work that has been done to analyze the potentially beneficial operational functions. It will be insightful for all stakeholders to see and understand the potential benefits for biodiversity conservation that might be possible if it were more feasible for PAs to share resources (e.g. equipment, human resources, scientific data, etc.) related to their core business. This activity is highly correlated with the foreseen activity dealing with the national plan for development of the capacities and competencies of PA staff. [MENP/PMU and Project Board]

197. **Recommendation 12:** Throughout the remaining project period the project should invest additional effort in extracting from project deliverables and formatting well-thought-out “packages” of information for targeted purposes and audiences, in order to maximize the relevance and sustainability of some of the projects major analytical outputs. For example this could include distilling some of the project’s major studies into short (2-3 page) policy briefs or information documents. Along similar lines, to increase understanding of and access to project results by stakeholders, the project should prepare a list of the project’s key outputs and deliverables, with a summary in English and Croatian. [PMU]

198. **Recommendation 13:** The project should consistently and comprehensively document all sources of co-financing, including leveraged and parallel financing. [UNDP and PMU]

199. **Recommendation 14:** Considering the place of Plitvice Lakes as the “crown jewel” of the national PA system, which has more than 1 million visitors per year and generates more than half of the self-generated revenue in the national PA system, the project should provide the necessary support and expertise to ensure that Plitvice Lakes has access to the best possible international expertise for the urgent – preferably initiated during the 2016 high visitation season - development of its visitor management plan. If feasible within time and budget constraints, a visitor management plan for Krka NP should also be completed. [PMU]

200. **Recommendation 15:** Building on the already established practice of regular MENP meetings and thematic workshops with PA staff, the project should seize the opportunity to introduce and – during the remaining time of the project – establish practice of systemic, need-driven approach to capacity building in PAs, based on the established effectiveness assessment tools, i.e. the METT, Capacity Development and Financial Scorecards. Operationally, the project should identify the weakest points in the METT, Capacity Development and Financial Scorecards and select some of them as the subjects for the capacity building workshops with the PA staff during the remaining time of the project. This activity will also most directly contribute to achieving of the targets set in the project results framework. [MENP/PMU]

201. **Recommendation 16:** The project should assure that PAs' annual work plans and annual reports include, in an appropriate high quality manner, the degree of conservation for the Natura 2000 target species and habitats within the protected areas (i.e. the EU Article 17 three point rating system of FV, U1, U2). The level of conservation should be among the central concerns in the PAs' risk management, and contingency planning practice. [MENP/CAEN]

202. **Recommendation 17:** There is currently an inadequate understanding of the financing "gap" for effective PA management in the Croatian context. Although management costs depend on the specific context of each PA, an overall standardized and objective approach for basic and optimal PA management budgeting should be established. Considering that enhancing transparency and efficiency is a key objective of the PARCS project, the project should put resources toward the development of standards and criteria for sound financial planning for PAs' core activities. This activity should start with analysis of the existing best practice and comparative analysis of the current practice in Croatian parks (not necessarily all of them, but sample representative with regard to the types of habitat and level of visitation, and associated distinctive management practices). The activity both draws from and feeds into the activities dealing with preparation of PA business plans.

## **IX. Annexes**

Annex 1: Terms of Reference

Annex 2: GEF Operational Principles

Annex 3: Croatia PARCS Project Mid-term Evaluation Matrix

Annex 4: Interview Guide

Annex 5: Rating Scales

Annex 6: Mid-term Evaluation Mission Itinerary

Annex 7: Documents Reviewed

Annex 8: Croatia PARCS Project Stakeholders

Annex 10: PARCS Project Results Framework and Assessed Level of Indicator Target Achievement

Annex 10: PARCS Project Results Framework and Assessed Level of Indicator Target Achievement

Annex 11: Proposed Mid-term Revisions to the PARCS Project Results Framework

Annex 12: Summary List of Micro-Capital Grants Projects for each PA

Annex 13: Croatia PARCS Project Mainstreaming of UNDP Programme Principles

## A. Annex 1: Terms of Reference<sup>15</sup>

### UNDP-GEF Midterm Review Terms of Reference The International Consultant – Team Leader

Project Strengthening the Institutional and Financial Sustainability  
of the National Protected Area System

#### 1. INTRODUCTION

This is the Terms of Reference (ToR) for the UNDP-GEF Midterm Review (MTR) of the full-sized project titled Strengthening the Institutional and Financial Sustainability of the National Protected Area System (**PIMS#4731**) implemented through the Directorate of nature protection under the Ministry of Environmental and Nature protection (MENP) of the Republic of Croatia, which is to be undertaken in 2016. The project started on **07 February 2014** and is in its *third* year of implementation. In line with the UNDP-GEF Guidance on MTRs, this MTR process was initiated before the submission of the second Project Implementation Report (PIR). This ToR sets out the expectations for this MTR.

#### 2. PROJECT BACKGROUND INFORMATION

Croatia currently has a well-developed system of 420 protected areas, comprising: 2 Strict Reserves; 8 National Parks; 79 Special Reserves; 11 Nature Parks; 2 Regional Parks; 85 Nature Monuments; 84 Significant Landscapes/ Seascapes; 28 Forest Parks and 121 Horticultural Monuments. Collectively these protected areas cover a total area of 717,921 ha, encompassing 11.61% of the terrestrial and inland water ecosystems of Croatia and 1.97% of the country's marine territorial waters. The largest portion (>60%) of the protected area system in Croatia comprises the 'national protected areas' (Nature Parks and National Parks), covering an area of 515,084 ha. These national protected areas form the spatial focus for GEF project investment.

The project has been organised into two components:

The first component of the project is focused on improving the current institutional framework for national protected areas in order to address its key systemic and institutional weaknesses (weak coordination, limited performance accountability, duplication, cost-inefficiencies and inequitable distribution of funds). Under this component GEF funding will be used to develop a national planning framework for protected areas – comprising an overarching long-term strategic plan, a medium-term financial plan and a set of operational policies and guidelines – as a mechanism to better coordinate the efforts, and align the performance accountability, of the national protected area agencies (i.e. MENP, SINP and the 19 national protected area Public Institutions [PIs]). GEF resources will also be used in this component to strengthen the financial management capacities of the national protected area agencies in order to reduce cost-inefficiencies, improve revenues and develop mechanisms for revenue-sharing between parks. Further, GEF funds will be used in this

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<sup>15</sup> Note: Annexes to the ToRs have been left out of this evaluation report for space and clarity considerations. The annexes to the ToRs are as follows: A. List of Documents to be Reviewed; B. Guidelines on Contents for the Midterm Review Report; C. Mid-term Review Evaluative Matrix Template; D. UNEG Code of Conduct for Evaluators/Midterm Review Consultants; E. MTR Ratings Scales; F. MTR Report Clearance Form.

component to assess the efficacy of – over the longer term – establishing a single, rationalised ‘park agency’ as a more enduring solution to the systemic and institutional weaknesses of the current institutional framework.

The second component of the project is focused on improving the financial sustainability of the national protected areas to ensure that they have adequate financial resources to cover the full costs of their management. In this component, GEF funds will be used to reduce the transaction costs of user pay systems in national protected areas by developing and testing on-line ticketing system and piloting mooring fees as a means of collecting revenues for boat-based access to marine national protected areas. GEF resources will also be used under this component to support the expansion and inter-linking of a number of isolated attractions/destinations in national protected areas into a more integrated tourism and recreational product in order to improve the visitor and/or user experience. Finally, GEF funding will be allocated under this component to improving the productive efficiencies in national protected areas by: (i) identifying the mechanisms required to strengthen service standards, and improve economic efficiencies in the high-income generating national parks; and (ii) encouraging the adoption of more energy efficient technologies in national protected area in order to reduce the high recurrent costs of power supply.

The project is being implemented over a period of four years. The total cost of investment in the project is estimated at US\$22,964,116, of which US\$4,953,000 constitutes grant funding from GEF and US\$18,011,116 comprises co-financing (MENP US\$ 16,700,000; UNDP US\$500,000; and National Protected area Public Institutions US\$811,116).

### **3. OBJECTIVES OF THE MTR**

The MTR will assess progress towards the achievement of the project objectives and outcomes as specified in the Project Document, and assess early signs of project success or failure with the goal of identifying the necessary changes to be made in order to set the project on-track to achieve its intended results. The MTR will also review the project’s strategy, its risks to sustainability.

### **4. MTR APPROACH & METHODOLOGY**

The MTR must provide evidence based information that is credible, reliable and useful. The MTR team will review all relevant sources of information including documents prepared during the preparation phase (i.e. PIF, UNDP Initiation Plan, UNDP Environmental & Social Safeguard Policy, the Project Document, project reports including Annual Project Review/PIRs, project budget revisions, lesson learned reports, national strategic and legal documents, and any other materials that the team considers useful for this evidence-based review). The MTR team will review the baseline GEF focal area Tracking Tool submitted to the GEF at CEO endorsement, and the midterm GEF focal area Tracking Tool that must be completed before the MTR field mission begins.

The MTR team is expected to follow a collaborative and participatory approach ensuring close engagement with the Project Team, government counterparts (the GEF Operational Focal Point), the UNDP Project Office, UNDP-GEF Regional Technical Advisers, and other key stakeholders.

Engagement of stakeholders is vital to a successful MTR. Stakeholder involvement should include interviews with stakeholders who have project responsibilities, including but not limited to the National and Nature Park Directors and other employees working on the implementation of

PARCS project activities, Individuals working in the Ministry of Environmental and Nature Protection, key experts and consultants in the subject area, Project Board, project stakeholders, local government etc.

Interviews will be held with the following organizations and individuals at a minimum:

- Ministry of Environmental and Nature Protection, Directorate for Nature Protection
- GEF Focal Point
- Croatian Agency for Environment and Nature
- Members of Project Board
- Members of Technical Work Group
- Project Manager
- National and Nature Park Directors and other relevant staff from selected parks where project has direct investments
- Selected vendors and individual consultants
- Head of UNDP Project Office Croatia

Additionally, the MTR team is expected to conduct field missions to Croatia, including the following project sites:

1. Nature Park Papuk
2. Nature Park Kopački rit
3. National Park Paklenica
4. National Park Krka
5. Nature Park Vransko Jezero
6. Nature Park Učka
7. National Park Risnjak

The final MTR report should describe the full MTR approach taken and the rationale for the approach making explicit the underlying assumptions, challenges, strengths and weaknesses about the methods and approach of the review.

## **5. DETAILED SCOPE OF THE MTR**

The MTR team will assess the following four categories of project progress. See the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for extended descriptions.

### **i. Project Strategy**

#### Project design:

- Review the problem addressed by the project and the underlying assumptions. Review the effect of any incorrect assumptions or changes to the context to achieving the project results as outlined in the Project Document.
- Review the relevance of the project strategy and assess whether it provides the most effective



route towards expected/intended results. Were lessons from other relevant projects properly incorporated into the project design?

- Review how the project addresses country priorities. Review country ownership. Was the project concept in line with the national sector development priorities and plans of the country (or of participating countries in the case of multi-country projects)?
- Review decision-making processes: were perspectives of those who would be affected by project decisions, those who could affect the outcomes, and those who could contribute information or other resources to the process, taken into account during project design processes?
- Review the extent to which relevant gender issues were raised in the project design.
- If there are major areas of concern, recommend areas for improvement.

#### Results Framework/Logframe:

- Undertake a critical analysis of the project’s logframe indicators and targets, assess how “SMART” the midterm and end-of-project targets are (Specific, Measurable, Attainable, Relevant, Time-bound), and suggest specific amendments/revisions to the targets and indicators as necessary.
- Are the project’s objectives and outcomes or components clear, practical, and feasible within its time frame?
- Examine if progress so far has led to, or could in the future catalyse beneficial development effects (i.e. income generation, gender equality and women’s empowerment, improved governance etc...) that should be included in the project results framework and monitored on an annual basis.
- Ensure broader development and gender aspects of the project are being monitored effectively.  
Develop and recommend SMART ‘development’ indicators, including sex-disaggregated indicators and indicators that capture development benefits.

#### **ii. Progress Towards Results**

##### Progress Towards Outcomes Analysis:

- Review the logframe indicators against progress made towards the end-of-project targets using the Progress Towards Results Matrix and following the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects*; color code progress in a “traffic light system” based on the level of progress achieved; assign a rating on progress for each outcome; make recommendations from the areas marked as “Not on target to be achieved” (red).

#### **Table. Progress Towards Results Matrix (Achievement of outcomes against End-of-project Targets)**

- <sup>1</sup>Populate with data from the Logframe and scorecards
- <sup>2</sup>Populate with data from the Project Document
- <sup>3</sup>If available
- <sup>4</sup>Colour code this column only
- <sup>5</sup>Use the 6 point Progress Towards Results Rating Scale: HS, S, MS, MU, U, HU

In addition to the progress towards outcomes analysis:

- Compare and analyse the GEF Tracking Tool at the Baseline with the one completed right before the Midterm Review.
- Identify remaining barriers to achieving the project objective in the remainder of the project
- By reviewing the aspects of the project that have already been successful, identify ways in which the project can further expand these benefits.

### **iii. Project Implementation and Adaptive Management**

#### Management Arrangements:

- Review overall effectiveness of project management as outlined in the Project Document. Have changes been made and are they effective? Are responsibilities and reporting lines clear? Is decision-making transparent and undertaken in a timely manner? Recommend areas for improvement.
- Review the quality of execution of the Executing Agency/Implementing Partner(s) and recommend areas for improvement.
- Review the quality of support provided by the GEF Partner Agency (UNDP) and recommend areas for improvement.

#### Work Planning:

- Review any delays in project start-up and implementation, identify the causes and examine if they have been resolved.
- Are work-planning processes results-based? If not, suggest ways to re-orientate work planning to focus on results?
- Examine the use of the project's results framework/ logframe as a management tool and review any changes made to it since project start.

#### Finance and co-finance:

- Consider the financial management of the project, with specific reference to the cost-effectiveness of interventions.
- Review the changes to fund allocations as a result of budget revisions and assess the appropriateness and relevance of such revisions.
- Does the project have the appropriate financial controls, including reporting and planning, that

allow management to make informed decisions regarding the budget and allow for timely flow of funds?

- Informed by the co-financing monitoring table to be filled out, provide commentary on co-financing: is co-financing being used strategically to help the objectives of the project? Is the Project Team meeting with all co-financing partners regularly in order to align financing priorities and annual work plans?

#### Project-level Monitoring and Evaluation Systems:

- Review the monitoring tools currently being used: Do they provide the necessary information? Do they involve key partners? Are they aligned or mainstreamed with national systems? Do they use existing information? Are they efficient? Are they cost-effective? Are additional tools required? How could they be made more participatory and inclusive?
- Examine the financial management of the project monitoring and evaluation budget. Are sufficient resources being allocated to monitoring and evaluation? Are these resources being allocated effectively?

#### Stakeholder Engagement:

- Project management: Has the project developed and leveraged the necessary and appropriate partnerships with direct and tangential stakeholders?
- Participation and country-driven processes: Do local and national government stakeholders support the objectives of the project? Do they continue to have an active role in project decision-making that supports efficient and effective project implementation?
- Participation and public awareness: To what extent has stakeholder involvement and public awareness contributed to the progress towards achievement of project objectives?

#### Reporting:

- Assess how adaptive management changes have been reported by the project management and shared with the Project Board.
- Assess how well the Project Team and partners undertake and fulfill GEF reporting requirements (i.e. how have they addressed poorly-rated PIRs, if applicable?)
- Assess how lessons derived from the adaptive management process have been documented, shared with key partners and internalized by partners.

#### Communications:

- Review internal project communication with stakeholders: Is communication regular and effective? Are there key stakeholders left out of communication? Are there feedback mechanisms when communication is received? Does this communication with stakeholders contribute to their awareness of project outcomes and activities and investment in the sustainability of project results?

- Review external project communication: Are proper means of communication established or being established to express the project progress and intended impact to the public (is there a web presence, for example? Or did the project implement appropriate outreach and public awareness campaigns?)
- For reporting purposes, write one half-page paragraph that summarizes the project's progress towards results in terms of contribution to sustainable development benefits, as well as global environmental benefits.

#### **iv. Sustainability**

- Validate whether the risks identified in the Project Document, Annual Project Review/PIRs and the ATLAS Risk Management Module are the most important and whether the risk ratings applied are appropriate and up to date. If not, explain why.
- In addition, assess the following risks to sustainability:

##### Financial risks to sustainability:

- What is the likelihood of financial and economic resources not being available once the GEF assistance ends (consider potential resources can be from multiple sources, such as the public and private sectors, income generating activities, and other funding that will be adequate financial resources for sustaining project's outcomes)?

##### Socio-economic risks to sustainability:

- Are there any social or political risks that may jeopardize sustainability of project outcomes? What is the risk that the level of stakeholder ownership (including ownership by governments and other key stakeholders) will be insufficient to allow for the project outcomes/benefits to be sustained? Do the various key stakeholders see that it is in their interest that the project benefits continue to flow? Is there sufficient public / stakeholder awareness in support of the long term objectives of the project? Are lessons learned being documented by the Project Team on a continual basis and shared/ transferred to appropriate parties who could learn from the project and potentially replicate and/or scale it in the future?

##### Institutional Framework and Governance risks to sustainability:

- Do the legal frameworks, policies, governance structures and processes pose risks that may jeopardize sustenance of project benefits? While assessing this parameter, also consider if the required systems/ mechanisms for accountability, transparency, and technical knowledge transfer are in place.

##### Environmental risks to sustainability:

- Are there any environmental risks that may jeopardize sustenance of project outcomes?

#### **Conclusions & Recommendations**

The MTR team will include a section of the report setting out the MTR's evidence-based

conclusions, in light of the findings.

Recommendations should be succinct suggestions for critical intervention that are specific, measurable, achievable, and relevant. A recommendation table should be put in the report's executive summary. See the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for guidance on a recommendation table.

The MTR team should make no more than 15 recommendations total.

### Ratings

The MTR team will include its ratings of the project's results and brief descriptions of the associated achievements in a *MTR Ratings & Achievement Summary Table* in the Executive Summary of the MTR report. See Annex E for ratings scales. No rating on Project Strategy and no overall project rating is required.

**Table. MTR Ratings & Achievement Summary Table**

<b>Measure</b>	<b>MTR Rating</b>	<b>Achievement Description</b>
<b>Project Strategy</b>	N/A	
<b>Progress Towards Results</b>	Objective Achievement Rating: (rate 6 pt. scale)	
	Outcome 1 Achievement Rating: (rate 6 pt. scale)	
	Outcome 2 Achievement Rating: (rate 6 pt. scale)	
	Outcome 3 Achievement Rating: (rate 6 pt. scale)	
	Etc.	
<b>Project Implementation &amp; Adaptive Management</b>	(rate 6 pt. scale)	
<b>Sustainability</b>	(rate 4 pt. scale)	

### 6. TIMEFRAME

The total duration of the MTR will be approximately 25 working days during the period of 10 weeks starting 22 February 2016, and shall not exceed four months from when the consultant(s) are hired. The tentative MTR timeframe is as follows:

<b>TIMEFRAME</b>	<b>ACTIVITY</b>
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13-22 February 2016	Advertisement
22 February 2016	Application closes
22- 26 February 2016	Select MTR Team/contract issuance process
29 February 2016	Contract begins Prep the MTR Team (handover of Project Documents)
29 February – 21 March 2016 (max 5 working days)	Project Document Review Preparing MTR Inception Report
21 March 2016  (max 1 working day in-country)	Inception meeting at UNDP Project Office  Finalization and Validation of MTR Inception Report- latest start of MTR mission
21-30 March 2016  (max 8 working days in-country)	MTR mission: stakeholder meetings, interviews, field visits
30 March 2016  (max 1 working days in-country)	Mission wrap- up meeting & presentation of initial findings-earliest end of MTR mission  earliest end of MTR mission
04 April - 08 April 2016 (max 7 working days)	Preparing draft report
18 April - 25 April 2016  (0 working days for consultant)	Circulation of draft report for comments
26 April - 29 April 2016  (max: 3 working days)	Incorporating audit trail from feedback on draft report/Finalization of MTR report  Preparation & Issue of Management Response
02 May 2016	Expected date of contract closure

## 7. MIDTERM REVIEW DELIVERABLES

#	Deliverable	Description	Timing	Responsibilities
1	<b>MTR Inception Report</b>	MTR team clarifies objectives and methods of Midterm Review	No later than 2 weeks before the MTR mission: draft by 14 March 2016	MTR team submits to the Commissioning Unit and project management
2	<b>Presentation</b>	Initial Findings	End of MTR mission: 30 March 2016.	MTR Team presents to project management and the Commissioning Unit
3	<b>Draft Final</b>	Full report (using	Within 3 weeks of	Sent to the

	<b>Report</b>	guidelines on content outlined in Annex B) with annexes	the MTR mission: by 08 April 2016.	Commissioning Unit, reviewed by RTA, Project Coordinating Unit, GEF OFP
<b>4</b>	<b>Final Report*</b>	Revised report with audit trail detailing how all received comments have (and have not) been addressed in the final MTR report	Within 1 week of receiving UNDP comments on draft: by 2 May 2016	Sent to the Commissioning Unit

\*The final MTR report must be in English. If applicable, the Commissioning Unit may choose to arrange for a translation of the report into a language more widely shared by national stakeholders.

## 8. MTR ARRANGEMENTS

The principal responsibility for managing this MTR resides with the Commissioning Unit. The Commissioning Unit for this project’s MTR is the Croatia UNDP Project Office.

The commissioning unit will contract the consultants and ensure the timely provision of per diems and travel arrangements within the country for the MTR team. **The Project Team will be responsible for liaising with the MTR team to provide all relevant documents, set up stakeholder interviews, and arrange field visits.**

## 9. TEAM COMPOSITION

A team of two independent consultants will conduct the MTR - one team leader (with experience and exposure to projects and evaluations in other regions globally) and one team expert, usually from the country of the project. The consultants cannot have participated in the project preparation, formulation, and/or implementation (including the writing of the Project Document) and should not have a conflict of interest with project’s related activities.

The selection of consultants will be aimed at maximizing the overall “team” qualities in the following areas:

- Recent experience with result-based management evaluation methodologies;
- Experience applying SMART indicators and reconstructing or validating baseline scenarios;
- Competence in adaptive management, as applied to multi-focal areas;
- Experience working with the GEF or GEF-evaluations;
- Experience working in Europe and the Balkans will be an asset;
- Work experience in relevant technical areas for at least 10 years;
- Demonstrated understanding of issues related to gender and Biodiversity; experience in gender sensitive evaluation and analysis.
- Excellent communication skills;
- Demonstrable analytical skills;
- Project evaluation/review experiences within United Nations system will be considered an asset;
- A Master’s degree in environmental studies, development studies, social sciences and/ or other

closely related field.

## **10. PAYMENT MODALITIES AND SPECIFICATIONS**

10% of payment upon approval of the final MTR Inception

Report 30% upon submission of the draft MTR report

60% upon finalization of the MTR report

Travel cost will be paid separately, 80% prior to the mission in Croatia, and 20% upon completion of the mission.

## **11. APPLICATION PROCESS**

### **Recommended Presentation of Proposal:**

1. **Proposal:** Brief proposal explaining why you are the most suitable for this consultancy including confirmation on availability to take up assignment for the whole period.
2. **Financial proposal:** The financial proposal must indicate Lump sum professional fee and lump sum travel related expenses to Croatia.

**To submit Financial Proposal, please use Template of Submission of Financial Proposal provided in Annex I.**

3. Personal CV and/or P.11 including past experience in similar projects and the name and contact details of 3 references

Proposal should be submitted by email to [registry.hr@undp.org](mailto:registry.hr@undp.org) no later than **22 February 2016**

**Criteria for Evaluation of Proposal:** Only those applications which are responsive and compliant will be evaluated. Offers will be evaluated according to the Combined Scoring method – where the educational background and experience on similar assignments will be weighted at 70% and the price proposal will weigh as 30% of the total scoring. The applicant receiving the Highest Combined Score that has also accepted UNDP's General Terms and Conditions will be awarded the contract.



## B. Annex 2: GEF Operational Principles

<http://www.gefweb.org/public/opstrat/ch1.htm>

### TEN OPERATIONAL PRINCIPLES FOR DEVELOPMENT AND IMPLEMENTATION OF THE GEF'S WORK PROGRAM

1. For purposes of the financial mechanisms for the implementation of the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change, the GEF will **function under the guidance of, and be accountable to, the Conference of the Parties (COPs)**. For purposes of financing activities in the focal area of ozone layer depletion, GEF operational policies will be consistent with those of the Montreal Protocol on Substances that Deplete the Ozone Layer and its amendments.
2. The GEF will provide new, and additional, grant and concessional funding to meet the agreed **incremental costs** of measures to achieve agreed global environmental benefits.
3. The GEF will ensure the **cost-effectiveness** of its activities to maximize global environmental benefits.
4. The GEF will fund projects that are **country-driven** and based on national priorities designed to support sustainable development, as identified within the context of national programs.
5. The GEF will maintain sufficient **flexibility** to respond to changing circumstances, including evolving guidance of the Conference of the Parties and experience gained from monitoring and evaluation activities.
6. GEF projects will provide for **full disclosure** of all non-confidential information.
7. GEF projects will provide for consultation with, and **participation** as appropriate of, the beneficiaries and affected groups of people.
8. GEF projects will conform to the **eligibility** requirements set forth in paragraph 9 of the GEF Instrument.
9. In seeking to maximize global environmental benefits, the GEF will emphasize its **catalytic role** and leverage additional financing from other sources.
10. The GEF will ensure that its programs and projects are **monitored and evaluated** on a regular basis.

### C. Annex 3: Croatia PARCS Project Mid-term Evaluation Matrix

Evaluation Questions	Indicators	Sources	Data Collection Method
<b>Evaluation Criteria: Relevance</b>			
<ul style="list-style-type: none"> <li>Does the project’s objective align with the priorities of the local government and local communities?</li> </ul>	<ul style="list-style-type: none"> <li>Level of coherence between project objective and stated priorities of local stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Local stakeholders</li> <li>Document review of local development strategies, environmental policies, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Local level field visit interviews</li> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>Does the project’s objective fit within the national environment and development priorities?</li> </ul>	<ul style="list-style-type: none"> <li>Level of coherence between project objective and national policy priorities and strategies, as stated in official documents</li> </ul>	<ul style="list-style-type: none"> <li>National policy documents, such as National Biodiversity Strategy and Action Plan, National Capacity Self-Assessment, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Desk review</li> <li>National level interviews</li> </ul>
<ul style="list-style-type: none"> <li>Did the project concept originate from local or national stakeholders, and/or were relevant stakeholders sufficiently involved in project development?</li> </ul>	<ul style="list-style-type: none"> <li>Level of involvement of local and national stakeholders in project origination and development (number of meetings held, project development processes incorporating stakeholder input, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Project staff</li> <li>Local and national stakeholders</li> <li>Project documents</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>Does the project objective fit GEF strategic priorities?</li> </ul>	<ul style="list-style-type: none"> <li>Level of coherence between project objective and GEF strategic priorities (including alignment of relevant focal area indicators)</li> </ul>	<ul style="list-style-type: none"> <li>GEF strategic priority documents for period when project was approved</li> <li>Current GEF strategic priority documents</li> </ul>	<ul style="list-style-type: none"> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>Was the project linked with and in-line with UNDP priorities and strategies for the country?</li> </ul>	<ul style="list-style-type: none"> <li>Level of coherence between project objective and design with UNDAF, CPAP, CPD</li> </ul>	<ul style="list-style-type: none"> <li>UNDP strategic priority documents</li> </ul>	<ul style="list-style-type: none"> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>Does the project’s objective support implementation of the Convention on Biological Diversity? Other relevant MEAs?</li> </ul>	<ul style="list-style-type: none"> <li>Linkages between project objective and elements of the CBD, such as key articles and programs of work</li> </ul>	<ul style="list-style-type: none"> <li>CBD website</li> <li>National Biodiversity Strategy and Action Plan</li> </ul>	<ul style="list-style-type: none"> <li>Desk review</li> </ul>
<b>Evaluation Criteria: Efficiency</b>			

Evaluation Questions	Indicators	Sources	Data Collection Method
<ul style="list-style-type: none"> <li>Is the project cost-effective?</li> </ul>	<ul style="list-style-type: none"> <li>Quality and adequacy of financial management procedures (in line with UNDP, UNOPS, and national policies, legislation, and procedures)</li> <li>Financial delivery rate vs. expected rate</li> <li>Management costs as a percentage of total costs</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> </ul>	<ul style="list-style-type: none"> <li>Desk review</li> <li>Interviews with project staff</li> </ul>
<ul style="list-style-type: none"> <li>Are expenditures in line with international standards and norms?</li> </ul>	<ul style="list-style-type: none"> <li>Cost of project inputs and outputs relative to norms and standards for donor projects in the country or region</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> </ul>	<ul style="list-style-type: none"> <li>Desk review</li> <li>Interviews with project staff</li> </ul>
<ul style="list-style-type: none"> <li>Is the project implementation approach efficient for delivering the planned project results?</li> </ul>	<ul style="list-style-type: none"> <li>Adequacy of implementation structure and mechanisms for coordination and communication</li> <li>Planned and actual level of human resources available</li> <li>Extent and quality of engagement with relevant partners / partnerships</li> <li>Quality and adequacy of project monitoring mechanisms (oversight bodies' input, quality and timeliness of reporting, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>National and local stakeholders</li> <li>Project staff</li> </ul>	<ul style="list-style-type: none"> <li>Desk review</li> <li>Interviews with project staff</li> <li>Interviews with national and local stakeholders</li> </ul>
<ul style="list-style-type: none"> <li>Is the project implementation delayed? If so, has that affected cost-effectiveness?</li> </ul>	<ul style="list-style-type: none"> <li>Project milestones in time</li> <li>Planned results affected by delays</li> <li>Required project adaptive management measures related to delays</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> </ul>	<ul style="list-style-type: none"> <li>Desk review</li> <li>Interviews with project staff</li> </ul>
<ul style="list-style-type: none"> <li>What is the contribution of cash and in-kind co-financing to project implementation?</li> </ul>	<ul style="list-style-type: none"> <li>Level of cash and in-kind co-financing relative to expected level</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> </ul>	<ul style="list-style-type: none"> <li>Desk review</li> <li>Interviews with project staff</li> </ul>
<ul style="list-style-type: none"> <li>To what extent is the project leveraging additional resources?</li> </ul>	<ul style="list-style-type: none"> <li>Amount of resources leveraged relative to project budget</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> </ul>	<ul style="list-style-type: none"> <li>Desk review</li> </ul>

Evaluation Questions	Indicators	Sources	Data Collection Method
			<ul style="list-style-type: none"> <li>Interviews with project staff</li> </ul>
<b>Evaluation Criteria: Effectiveness</b>			
<ul style="list-style-type: none"> <li>Are the project objectives likely to be met? To what extent are they likely to be met?</li> </ul>	<ul style="list-style-type: none"> <li>Level of progress toward project indicator targets relative to expected level at current point of implementation</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>What are the key factors contributing to project success or underachievement?</li> </ul>	<ul style="list-style-type: none"> <li>Level of documentation of and preparation for project risks, assumptions and impact drivers</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>What are the key risks and barriers that remain to achieve the project objective and generate Global Environmental Benefits?</li> </ul>	<ul style="list-style-type: none"> <li>Presence, assessment of, and preparation for expected risks, assumptions and impact drivers</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>Are the key assumptions and impact drivers relevant to the achievement of Global Environmental Benefits likely to be met?</li> </ul>	<ul style="list-style-type: none"> <li>Actions undertaken to address key assumptions and target impact drivers</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>
<b>Evaluation Criteria: Results</b>			
<ul style="list-style-type: none"> <li>Have the planned outputs been produced? Have they contributed to the project outcomes and objectives?</li> </ul>	<ul style="list-style-type: none"> <li>Level of project implementation progress relative to expected level at current stage of implementation</li> <li>Existence of logical linkages between project outputs and outcomes/impacts</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>Are the anticipated outcomes likely to be achieved? Are the outcomes likely to contribute to the achievement of the project objective?</li> </ul>	<ul style="list-style-type: none"> <li>Existence of logical linkages between project outcomes and impacts</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>Are impact level results likely to be achieved? Are they likely to be at the scale sufficient to be</li> </ul>	<ul style="list-style-type: none"> <li>Environmental indicators</li> <li>Level of progress through the project's Theory of Change</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>

Evaluation Questions	Indicators	Sources	Data Collection Method
considered Global Environmental Benefits?			
<b>Evaluation Criteria: Sustainability</b>			
<ul style="list-style-type: none"> <li>To what extent are project results likely to be dependent on continued financial support? What is the likelihood that any required financial resources will be available to sustain the project results once the GEF assistance ends?</li> </ul>	<ul style="list-style-type: none"> <li>Financial requirements for maintenance of project benefits</li> <li>Level of expected financial resources available to support maintenance of project benefits</li> <li>Potential for additional financial resources to support maintenance of project benefits</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>Do relevant stakeholders have or are likely to achieve an adequate level of “ownership” of results, to have the interest in ensuring that project benefits are maintained?</li> </ul>	<ul style="list-style-type: none"> <li>Level of initiative and engagement of relevant stakeholders in project activities and results</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>Do relevant stakeholders have the necessary technical capacity to ensure that project benefits are maintained?</li> </ul>	<ul style="list-style-type: none"> <li>Level of technical capacity of relevant stakeholders relative to level required to sustain project benefits</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>To what extent are the project results dependent on socio-political factors?</li> </ul>	<ul style="list-style-type: none"> <li>Existence of socio-political risks to project benefits</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>To what extent are the project results dependent on issues relating to institutional frameworks and governance?</li> </ul>	<ul style="list-style-type: none"> <li>Existence of institutional and governance risks to project benefits</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>
<ul style="list-style-type: none"> <li>Are there any environmental risks that can undermine the future flow of project impacts and Global Environmental Benefits?</li> </ul>	<ul style="list-style-type: none"> <li>Existence of environmental risks to project benefits</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>
<b>Cross-cutting and UNDP Mainstreaming Issues</b>			
<ul style="list-style-type: none"> <li>Did the project take incorporate gender mainstreaming or equality, as relevant?</li> </ul>	<ul style="list-style-type: none"> <li>Level of appropriate engagement and attention to gender-relevant aspects of the project</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Project staff</li> <li>Project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Field visit interviews</li> <li>Desk review</li> </ul>



## D. Annex 4: Interview Guide

*Overview: The questions under each topic area are intended to assist in focusing discussion to ensure consistent topic coverage and to structure data collection, and are not intended as verbatim questions to be posed to interviewees. When using the interview guide, the interviewer should be sure to target questions at a level appropriate to the interviewee. The interview guide is one of multiple tools for gathering evaluative evidence, to complement evidence collected through document reviews and other data collection methods; in other words, the interview guide does not cover all evaluative questions relevant to the evaluation.*

### Key

**Bold** = GEF Evaluation Criteria

*Italic* = GEF Operational Principles

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## I. PLANNING / PRE-IMPLEMENTATION

### A. **Relevance**

- i. Did the project's objectives fit within the priorities of the local government and local communities?
- ii. Did the project's objectives fit within national priorities?
- iii. Did the project's objectives fit GEF strategic priorities?
- iv. Did the project's objectives support implementation of the relevant multi-lateral environmental agreement?

### B. *Incremental cost*

- i. Did the project create environmental benefits that would not have otherwise taken place?
- ii. Does the project area represent an example of a globally significant environmental resource?

### C. *Country-drivenness / Participation*

- i. How did the project concept originate?
- ii. How did the project stakeholders contribute to the project development?
- iii. Do local and national government stakeholders support the objectives of the project?
- iv. Do the local communities support the objectives of the project?
- v. Are the project objectives in conflict with any national level policies?

### D. Monitoring and Evaluation Plan / Design (*M&E*)

- i. Were monitoring and reporting roles clearly defined?
- ii. Was there either an environmental or socio-economic baseline of data collected before the project began?

## II. MANAGEMENT / OVERSIGHT

### A. Project management

- i. What were the implementation arrangements?
- ii. Was the management effective?

- iii. Were workplans prepared as required to achieve the anticipated outputs on the required timeframes?
- iv. Did the project develop and leverage the necessary and appropriate partnerships with direct and tangential stakeholders?
- v. Were there any particular challenges with the management process?
- vi. If there was a steering or oversight body, did it meet as planned and provide the anticipated input and support to project management?
- vii. Were risks adequately assessed during implementation?
- viii. Did assumptions made during project design hold true?
- ix. Were assessed risks adequately dealt with?
- x. Was the level of communication and support from the implementing agency adequate and appropriate?

**B. Flexibility**

- i. Did the project have to undertake any adaptive management measures based on feedback received from the M&E process?
- ii. Were there other ways in which the project demonstrated flexibility?
- iii. Were there any challenges faced in this area?

**C. Efficiency (*cost-effectiveness*)**

- i. Was the project cost-effective?
- ii. Were expenditures in line with international standards and norms?
- iii. Was the project implementation delayed?
- iv. If so, did that affect cost-effectiveness?
- v. What was the contribution of cash and in-kind co-financing to project implementation?
- vi. To what extent did the project leverage additional resources?

**D. Financial Management**

- i. Was the project financing (from the GEF and other partners) at the level foreseen in the project document?
- ii. Were there any problems with disbursements between implementing and executing agencies?
- iii. Were financial audits conducted with the regularity and rigor required by the implementing agency?
- iv. Was financial reporting regularly completed at the required standards and level of detail?
- v. Did the project face any particular financial challenges such as unforeseen tax liabilities, management costs, or currency devaluation?

**E. Co-financing (*catalytic role*)**

- i. Was the in-kind co-financing received at the level anticipated in the project document?
- ii. Was the cash co-financing received at the level anticipated in the project document?
- iii. Did the project receive any additional unanticipated cash support after approval?



- iv. Did the project receive any additional unanticipated in-kind support after approval?
  - F. Monitoring and Evaluation (*M&E*)
    - i. Project implementation M&E
      - a. Was the M&E plan adequate and implemented sufficiently to allow the project to recognize and address challenges?
      - b. Were any unplanned M&E measures undertaken to meet unforeseen shortcomings?
      - c. Was there a mid-term evaluation?
      - d. How were project reporting and monitoring tools used to support adaptive management?
    - ii. Environmental and socio-economic monitoring
      - a. Did the project implement a monitoring system, or leverage a system already in place, for environmental monitoring?
      - b. What are the environmental or socio-economic monitoring mechanisms?
      - c. Have any community-based monitoring mechanisms been used?
      - d. Is there a long-term M&E component to track environmental changes?
      - e. If so, what provisions have been made to ensure this is carried out?
  - E. *Full disclosure*
    - i. Did the project meet this requirement?
    - ii. Did the project face any challenges in this area?
- III. ACTIVITIES / IMPLEMENTATION
- A. **Effectiveness**
    - i. How have the stated project objectives been met?
    - ii. To what extent have the project objectives been met?
    - iii. What were the key factors that contributed to project success or underachievement?
    - iv. Can positive key factors be replicated in other situations, and could negative key factors have been anticipated?
  - B. Stakeholder involvement and public awareness (*participation*)
    - i. What were the achievements in this area?
    - ii. What were the challenges in this area?
    - iii. How did stakeholder involvement and public awareness contribute to the achievement of project objectives?
- IV. RESULTS
- A. Outputs
    - i. Did the project achieve the planned outputs?
    - ii. Did the outputs contribute to the project outcomes and objectives?
  - B. Outcomes
    - i. Were the anticipated outcomes achieved?

- ii. Were the outcomes relevant to the planned project impacts?
- C. Impacts
  - i. Was there a logical flow of inputs and activities to outputs, from outputs to outcomes, and then to impacts?
  - ii. Did the project achieve its anticipated/planned impacts?
  - iii. Why or why not?
  - iv. If impacts were achieved, were they at a scale sufficient to be considered Global Environmental Benefits?
  - v. If impacts or Global Environmental Benefits have not yet been achieved, are the conditions (enabling environment) in place so that they are likely to eventually be achieved?
- D. Replication strategy, and documented replication or scaling-up (*catalytic role*)
  - i. Did the project have a replication plan?
  - ii. Was the replication plan “passive” or “active”?
  - iii. Is there evidence that replication or scaling-up occurred within the country?
  - iv. Did replication or scaling-up occur in other countries?
- V. LESSONS LEARNED
  - A. What were the key lessons learned in each project stage?
  - B. In retrospect, would the project participants have done anything differently?
- VI. SUSTAINABILITY
  - A. Financial
    - i. To what extent are the project results dependent on continued financial support?
    - ii. What is the likelihood that any required financial resources will be available to sustain the project results once the GEF assistance ends?
    - iii. Was the project successful in identifying and leveraging co-financing?
    - iv. What are the key financial risks to sustainability?
  - B. Socio-Political
    - i. To what extent are the project results dependent on socio-political factors?
    - ii. What is the likelihood that the level of stakeholder ownership will allow for the project results to be sustained?
    - iii. Is there sufficient public/stakeholder awareness in support of the long-term objectives of the project?
    - iv. What are the key socio-political risks to sustainability?
  - C. Institutions and Governance
    - i. To what extent are the project results dependent on issues relating to institutional frameworks and governance?
    - ii. What is the likelihood that institutional and technical achievements, legal frameworks, policies and governance structures and processes will allow for the project results to be sustained?
    - iii. Are the required systems for accountability and transparency and the required technical know-how in place?

- iv. What are the key institutional and governance risks to sustainability?
- D. Ecological
  - i. Are there any environmental risks that can undermine the future flow of project impacts and Global Environmental Benefits?

## E. Annex 5: Rating Scales

<b>Progress towards results: use the following rating scale</b>	
Highly Satisfactory (HS)	Project is expected to achieve or exceed all its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.
Satisfactory (S)	Project is expected to achieve most of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.
Moderately Satisfactory (S)	Project is expected to achieve most of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve some of its major global environmental objectives or yield some of the expected global environment benefits.
Moderately Unsatisfactory (MU)	Project is expected to achieve its major global environmental objectives with major shortcomings or is expected to achieve only some of its major global environmental objectives.
Unsatisfactory (U)	Project is expected not to achieve most of its major global environment objectives or to yield any satisfactory global environmental benefits.
Highly Unsatisfactory (HU)	The project has failed to achieve, and is not expected to achieve, any of its major global environment objectives with no worthwhile benefits.
<b>Adaptive management AND Management Arrangements: use the following rating scale</b>	
Highly Satisfactory (HS)	The project has no shortcomings and can be presented as “good practice”.
Satisfactory (S)	The project has minor shortcomings.
Moderately Satisfactory (S)	The project has moderate shortcomings.
Moderately Unsatisfactory (MU)	The project has significant shortcomings.
Unsatisfactory (U)	The project has major shortcomings.
Highly Unsatisfactory (HU)	The project has severe shortcomings.
<b>Sustainability: use the following rating scale</b>	
Likely (L)	There are no or negligible risks that affect this dimension of sustainability/linkages
Moderately Likely (ML)	There are moderate risks that affect this dimension of sustainability/linkages
Moderately Unlikely (MU)	There are significant risks that affect this dimension of sustainability/linkages
Unlikely (U)	There are severe risks that affect this dimension of sustainability

## F. Annex 6: Mid-term Evaluation Mission Itinerary

MID-TERM EVALUATION OF THE PARCS PROJECT						
Date	Time	Organization	Address	Name and function	E-mail	Phone
Tuesday, March 29	Afternoon	MTE team	Zagreb, Westin	Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
Wednesday, March 30th	9,00 - 10,00	UNDP	Zagreb, UNDP office, Lomnička 2	Sandra Vlašić, Head of the office	<a href="mailto:sandra.vlasic@undp.org">sandra.vlasic@undp.org</a>	00385(0)99 2167 002
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
	10,00 - 12,30	UNDP, PARCS team	Zagreb, UNDP office, Lomnička 2	Valentina Futač, Project manager	<a href="mailto:valentina.futac@undp.org">valentina.futac@undp.org</a>	00385 (0)91 2259 422
				Marija Jurčević, Senior project associate	<a href="mailto:marija.jurcevic@undp.org">marija.jurcevic@undp.org</a>	00385(0)99 2138 504
				Petra Erhardt, Project clerk	<a href="mailto:petra.erhardt@undp.org">petra.erhardt@undp.org</a>	00385 (0)91 373 8543
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
	12,30 - 14,00	Break				
	14,00 - 15,30	Ministry of Environment al and Nature Protection	Zagreb, Radnicka cesta 80, Zagrebtower, 3rd floor	Irina Zupan, Assistant minister for nature protection,	<a href="mailto:irina.zupan@mzoip.hr">irina.zupan@mzoip.hr</a>	Secretary Snježana Starčević +385(0)1 4866 102
				Daniel Springer, Head of service for protected areas, geodiversity and ecological network	<a href="mailto:Daniel.Springer@mzoip.hr">Daniel.Springer@mzoip.hr</a>	00385 (0)99 267 4543
Loris Elez,				<a href="mailto:Loris.Elez@mzoip.hr">Loris.Elez@mzoip.hr</a>	00385 (0)91 192 2427	
Joshua Eben Brann				<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508	
Ognjen Skunca				<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273	

Thursday, March 31st	9,00 - 10,00	UNDP consultant	Zagreb, UNDP office, Lomnička 2	Željka Rajković, Protected area specialist	<a href="mailto:zeljka.rajkovic@gmail.com">zeljka.rajkovic@gmail.com</a>	00385 (0)92 204 4100
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
	10,00 - 12,00	ZaVita	Zagreb, UNDP office, Lomnička 2	Matjaž Hermel, director	<a href="mailto:Matjaz.Harmel@zavita.si">Matjaz.Harmel@zavita.si</a>	00386 (0)64 1711 794
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
	12,00 - 13,30	Break				
	13,30 - 14,30	Vendor Axis HRM Ltd.	Zagreb, UNDP office, Lomnička 2	Krešimir Bračić, member of consortium	<a href="mailto:kresimir.bracic@cpa.hr">kresimir.bracic@cpa.hr</a>	00385 (0)98 218 284
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
	15,00 - 16,00	Ministry of Environmental and Nature Protection	Zagreb, UNDP office, Lomnička 2	Igor Kreitmeyer, EU Natura 2000 Integration Project - NIP, project manager	<a href="mailto:Igor.Kreitmeyer@mzoip.hr">Igor.Kreitmeyer@mzoip.hr</a>	00385 (0)99 7368 266
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
Ognjen Skunca				<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273	
Friday, April 1	9,00 - 10,30	Previous Project board member	Zagreb, UNDP office, Lomnička 2	Helga Bubanović Devčić, consultant (previous assistant minister for EU funds and regional development)	<a href="mailto:hbubanovic@gmail.com">hbubanovic@gmail.com</a>	00385 (0)91 5376 136
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
	11,00 - 12,30	Project board member	Zagreb, Ministry of Finance, Katančićeva 5	Ivana Jakir Bajo	<a href="mailto:Ivana.Jakir-Bajo@mfin.hr">Ivana.Jakir-Bajo@mfin.hr</a>	00385 (0)1 4591 249
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
	12,30 - 13,30	Break for lunch		Dario Borković, translator	<a href="mailto:borkovicdario@gmail.com">borkovicdario@gmail.com</a>	00385 (0)98 1849 110

	13,30 - 16,00	Internal meeting				
	TBD	Previous Assistant minister and project director	Zagreb, UNDP office, Lomnička 2	Nenad Strizrep		00385 (0) 99 293 6707
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
Saturday, April 2nd	8,00 - 10,00	Travel to PP Papuk				
	10,00 - 13,00	Nature Park Papuk	Velika, Stjepana Radića 46	Kristina Kozic, Director	<a href="mailto:ravnateljica@pp-papuk.hr">ravnateljica@pp-papuk.hr</a>	00385 (0)91 4779 977
				Gordana Kukić, Head of ranger service	<a href="mailto:gordana.kukic@pp-papuk.hr">gordana.kukic@pp-papuk.hr</a>	00385 (0)34 313 030
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
				Dario Borković, translator	<a href="mailto:borkovicdario@gmail.com">borkovicdario@gmail.com</a>	00385 (0)98 1849 110
	13,00 - 14,00	Break for lunch				
14,00 - 16,00	Travel to Zagreb					
Sunday, April 3rd	8,00 - 10,00	Travel to Plitvicka jezera				
	10,00 - 11,30	National Park Plitvicka jezera	Plitvička jezera, Josipa Jovića 19, Znanstveno - stručni centar "Dr. Ivo Pevalek"	Natalija Bozicevic, Director	<a href="mailto:natalija.bozicevic@np-plitvicka-jezera.hr">natalija.bozicevic@np-plitvicka-jezera.hr</a>	00385 (0)99 276 7207
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
				Dario Borković, translator	<a href="mailto:borkovicdario@gmail.com">borkovicdario@gmail.com</a>	00385 (0)98 1849 110
	11,30 - 16,00	National Park Plitvicka jezera	Plitvička jezera, Josipa Jovića 19, Znanstveno - stručni centar	Andjelko Novosel, Head of nature protection	<a href="mailto:andjelko.novosel@np-plitvicka-jezera.hr">andjelko.novosel@np-plitvicka-jezera.hr</a>	00385 (0)99 276 7204
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
Ognjen Skunca				<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273	

			"Dr. Ivo Pevalek"	Dario Borković, translator	<a href="mailto:borkovicdario@gmail.com">borkovicdario@gmail.com</a>	00385 (0)98 1849 110
	16,00 - 17,30	Travel to Starigrad Paklenica				
Monday, April 4th	9,00 - 11,30	National Park Paklenica	Starigrad Paklenica, Dr. Franje Tuđmana 14a	Zlatko Marasovic, Director	<a href="mailto:ravnatelj@paklenica.hr">ravnatelj@paklenica.hr</a>	00385 (0)99 2184 176
				Gordan Lukač, Head of nature protection	<a href="mailto:sluzba-zastite@paklenica.hr">sluzba-zastite@paklenica.hr</a>	00385 (0)98 273 125
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
				Dario Borković, translator	<a href="mailto:borkovicdario@gmail.com">borkovicdario@gmail.com</a>	00385 (0)98 1849 110
	11,30 - 12,15	Travel to PP Vransko jezero				
	12,15 - 13,00	Break for lunch				
	13,00 - 15,30	Nature Park Vransko jezero	Biograd na moru, K. Petra Svačića 2	Danijel Katicin, Director	<a href="mailto:ravnatelj@pp-vransko-jezero.hr">ravnatelj@pp-vransko-jezero.hr</a>	00385 (0)98 273 354
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
Dario Borković, translator				<a href="mailto:borkovicdario@gmail.com">borkovicdario@gmail.com</a>	00385 (0)98 1849 110	
15,30 - 16,00	Travel to Murter					
Tuesday, April 5th	9,00 - 11,00	National Park Kornati	Murter, Butina 2	Josip Zanze, Director	<a href="mailto:ravnatelj@np-kornati.hr">ravnatelj@np-kornati.hr</a>	00385 (0)91 2250 401
				Vladislav Mihelčić, Hed of nature protection	<a href="mailto:vladislav.mihelcic@np-kornati.hr">vladislav.mihelcic@np-kornati.hr</a>	00385 (0)91 434 1660
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
				Dario Borković, translator	<a href="mailto:borkovicdario@gmail.com">borkovicdario@gmail.com</a>	00385 (0)98 1849 110
	11,00 - 13,00	Travel by boat to Nature park Telascica				
	13,00 - 14,00	Break for lunch				
	14,00 - 16,00	Nature Park Telascica	Sali, Sali IV 2	Nikolin Bakovic, Director	<a href="mailto:nikolina.bakovic@telascica.hr">nikolina.bakovic@telascica.hr</a>	00385 (0)99 270 9614
Joshua Eben Brann				<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508	



				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
				Dario Borković, translator	<a href="mailto:borkovicdario@gmail.com">borkovicdario@gmail.com</a>	00385 (0)98 1849 110
	16,00 - 18,00	Travel to Murter				
Wednesday, April 6th	9,15 - 10,00	Travel to NP Krka				
	10,00 - 13,00	National Park Krka	Šibenik, Trg Ivana Pavla II. 5	Kresimir Sakic, Director	<a href="mailto:ravnatelj@npk.hr">ravnatelj@npk.hr</a>	00385 (0)22 201 777
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
				Dario Borković, translator	<a href="mailto:borkovicdario@gmail.com">borkovicdario@gmail.com</a>	00385 (0)98 1849 110
	13,00 - 14,00	Lunch break				
14,00 - 17,30	Travel to Opatija					
Thursday, April 7	9,00 - 9,15	Travel to PP Ucka				
	9,15 - 11,30	Nature Park Ucka	Lovran, Liganj 42	Egon Vasilic, Director	<a href="mailto:evasilic@pp-ucka.hr">evasilic@pp-ucka.hr</a>	00385 (0)91 252 9403
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273
				Dario Borković, translator	<a href="mailto:borkovicdario@gmail.com">borkovicdario@gmail.com</a>	00385 (0)98 1849 110
	11,30 - 14,00	Travel to Zagreb				
	14,00 - 16,00	Ministry of Environmental and Nature Protection	Zagreb, Radnicka cesta 80, Zagreb tower, 3rd floor	Irina Zupan, Assistant minister for nature protection,	<a href="mailto:irina.zupan@mzoip.hr">irina.zupan@mzoip.hr</a>	Secretary Snježana Starčević +385(0)1 4866 102
Daniel Springer, Head of service for protected areas, geodiversity and ecological network				<a href="mailto:Daniel.Springer@mzoip.hr">Daniel.Springer@mzoip.hr</a>	00385 (0)99 267 4543	
Loris Elez,				<a href="mailto:Loris.Elez@mzoip.hr">Loris.Elez@mzoip.hr</a>	00385 (0)91 192 2427	
Joshua Eben Brann				<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508	
			Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273	

Friday, April 8th	9,00 - 11,00	UNDP	Zagreb, UNDP office, Lomnička 2	Sandra Vlašić, Head of the office	<a href="mailto:sandra.vlasic@undp.org">sandra.vlasic@undp.org</a>	00385(0)99 2167 002
				Valentina Futač, Project manager	<a href="mailto:valentina.futac@undp.org">valentina.futac@undp.org</a>	00385 (0)91 2259 422
				Marija Jurčević, Senior project associate	<a href="mailto:marija.jurcevic@undp.org">marija.jurcevic@undp.org</a>	00385(0)99 2138 504
				Petra Erhardt, Project clerk	<a href="mailto:petra.erhardt@undp.org">petra.erhardt@undp.org</a>	00385 (0)91 373 8543
				Joshua Eben Brann	<a href="mailto:brann.evaluation@gmail.com">brann.evaluation@gmail.com</a>	+ 1 415-312-4508
				Ognjen Skunca	<a href="mailto:oskunca@yahoo.com">oskunca@yahoo.com</a>	00385(0)513 1273

Skype call					
Date and Time: TBD	NGO Sunce	Zrinka Jakl, PB member	00385 (0)91 505 6107	Email: zrinka.jakl@sunce-st.org	Skype name: zrinka.jakl
Date and Time: TBD	UNDP consultant	James Jackleman, Consultant that wrote PRODOC	00278 (0)29 214 012	Email: environ@mweb.co.za	Skype name: envirocentric
Date and Time: TBD	UNDP consultant	Goran Čačić, Sustainable energy expert	00385 (0)99 2159 361	E-mail: goran.cacic@undp.org	Skype name: cacic.goran

## **G. Annex 7: Documents Reviewed**

- PIF
- PPG
- UNDP Project Document
- UNDP Environmental and Social Screening results
- Project Inception Report
- All Project Implementation Reports (PIR's)
- Project progress reports and work plans presented to Project Board and Technical Work Group
- Finalized GEF focal area Tracking Tools at CEO endorsement and mid-term
- Oversight mission reports
- All monitoring reports prepared by the project
- Financial and Administration guidelines used by Project Team
- Project operational guidelines, manuals and systems
- UNDP project office programme document(s)
- Minutes of the Board Meetings and other meetings (i.e. Project Appraisal Committee meetings)
- Project site location maps
- Project document, including associated signature letters, co-financing letters, and other supporting accompanying documentation
- Project Inception Workshop Report
- Project Events List
- Project Budget Revisions
- List of Contracts and Procurement Items
- Co-financing summary table
- Project financial data provided by the project management unit
- Annual Project Implementation Report 2015
- Project annual workplans

A number of additional project outputs and documents that were also only available in Croatian were also briefly reviewed with minor translation support.

## H. Annex 8: Croatia PARCS Project Stakeholders

**Table 9 Croatia PARCS Project Stakeholders** (Source: Project Document, updated by MTE team)

Stakeholder	Mandate	Roles and responsibilities in the project
Ministry of Environmental and Nature Protection (MENP) Nature Protection Directorate (NPD) Directorate for Inspectional Affairs (DIA) EU Natura 2000 Integration Project (NIP)	<p>MENP is the central executive authority responsible for the protection of the environment.</p> <p>The NPD is directly responsible for inter alia: coordinating the overall planning and management of the PA system; providing regulatory and administrative and financial oversight of the 19 National Public Institutions; designating new national PAs; reporting on the PA system; and maintaining the register of PAs.</p> <p>The DIA is responsible for the enforcement of, and conformance with, all relevant legislative, regulatory and permitting requirements/conditions in PAs.</p> <p>The NIP, funded by a WB loan - provides financial and technical support to improving data management systems, developing infrastructure and purchasing key technical equipment for PAs.</p>	<p>The MENP has overall responsibility for overseeing the implementation of the project. It has the lead role in liaising and coordinating with all government agencies in respect of project implementation. The MENP is also responsible for preparing any legislation and regulations required in support of project activities.</p> <p>The NPD coordinates all project activities. It is also responsible for the direct implementation of a number of activities.</p> <p>The DIA supports the project in incrementally improving the cost-effectiveness and operational efficiencies of the compliance and enforcement functions in national PAs.</p> <p>The NIP works in close collaboration with the project to ensure effective harmonization between the closely linked activities of NIP and the project.</p>
State Institute for Nature Protection (SINP)	<p>The central institution dealing with expert tasks of nature conservation in Croatia.</p> <p>The Department for PAs within SINP provides specialized expert advice and support to the NPD in the establishment, planning, administration, monitoring and expansion of the PA system.</p> <p>SINP also provides expert advice and support to the PIs regarding their 10-year and annual planning.</p>	<p>SINP provides expert and specialist technical support to the project, particularly with regard to preparing the national planning framework.</p> <p>SINP staff is providing necessary expert activities in support of a number of project activities.</p> <p>SINP may also be affected by project activities, through the incremental integration of their PA functions into a future park agency (or similar), if considered feasible.</p>
19 national Public Institutions: 8 PIs for National Parks; 11 PIs for Nature Parks	Each Public Institution is directly responsible for the 10-year and annual planning, and day-day operational management, of the National Park/Nature Park under its jurisdiction.	<p>The staff within the respective PIs is responsible for coordinating, or directly implementing, a number of park-specific project activities.</p> <p>The PIs actively participate in all project activities dealing with the improvement of the PAs institutional framework and overall PAs system effectiveness and efficiency.</p>

Stakeholder	Mandate	Roles and responsibilities in the project
Environmental Protection and Energy Efficiency Fund (EPEEF)	The EPEEF is a national fund that receives revenues from various environmental taxes and special regulation fees, and provides grants, including for BD protection. It is also the implementing body for the EU Structural funds for the nature protection sector, including for PAs.	The EPEEF is assisting the project in strengthening the capacity of the MENP and national PIs to develop projects for funding support from the EPEEF.
Ministry of Finance (MF)	The MF is the central executive authority responsible for national financial policy and the management of state finances. It prepares, administers and monitors the state budget.	The MF is responsible for ensuring the ongoing allocation of funds in the state budget for PAs, including the project co-financing. It participates in the project activities dealing with building of the PIs capacities for sound financial planning, management and reporting.
Ministry of Tourism (MT) Croatian National Tourist Board (CNTB)	The MT is the central executive authority with the overall responsibility for tourism legislation, planning, marketing and development. The CNTB (as the roof institution of the system of local and regional tourist boards) is the main promoter of the Croatian tourism.	The CNTB will partner with the project in designing, developing and implementing a common marketing strategy and booking system for the tourism and recreational products and services provided by the national PAs; as well as in improving the quality and range of tourism and recreational products and services in the national PAs.
Ministry of Regional Development and EU Funds (MRD&EUF)	The MRD&EUF is responsible for planning and implementing the regional development policy, as well as coordinating activities related to management of the EU funds.	The MRDEUF will assist the project in data exchange and coordination with regard to projects prepared for EU Structural and Investment Funds (ESI).

## I. Annex 9: Croatia PARCS Project Financial Tables

<b>ORIGINAL BUDGET</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Component 1	\$401,000	\$585,500	\$487,000	\$288,500		\$1,762,000
Component 2	\$671,000	\$1,282,000	\$690,000	\$199,000		\$2,842,000
Project Management	\$81,000	\$86,000	\$91,500	\$90,500		\$349,000
Total	\$1,153,000	\$1,953,500	\$1,268,500	\$578,000		\$4,953,000
<b>ACTUAL EXPENDITURE - CDRs</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Component 1	\$21,372	\$468,997				\$490,369
Component 2	\$23,697	\$746,769				\$770,466
Project Management	\$54,102	\$63,864				\$117,965
Total	\$99,171	\$1,279,630				\$1,378,801
<b>Actual Delivery vs Original Planned Budget</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Component 1	5.3%	80.1%				27.8%
Component 2	3.5%	58.3%				27.1%
Project Management	66.8%	74.3%				33.8%
Total	8.6%	65.5%				27.8%
<b>REVISION 1 - AUGUST 2014</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Component 1	\$233,125	\$604,875	\$505,500	\$288,000	\$130,500	\$1,762,000
Component 2	\$69,000	\$621,000	\$1,484,000	\$613,000	\$55,000	\$2,842,000
Project Management	\$54,500	\$86,000	\$90,000	\$90,000	\$28,500	\$349,000
Total	\$356,625	\$1,311,875	\$2,079,500	\$991,000	\$214,000	\$4,953,000
<b>ACTUAL DELIVERY VS AUGUST 2014 REVISION</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Component 1	9.2%	77.5%				27.8%
Component 2	34.3%	120.3%				27.1%
Project Management	99.3%	74.3%				33.8%
Total	27.8%	97.5%				27.8%
<b>REVISION 2 - DECEMBER 2014</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Component 1	\$21,550	\$543,800	\$716,250	\$353,900	\$126,500	\$1,762,000
Component 2	\$24,500	\$979,500	\$1,217,000	\$571,000	\$50,000	\$2,842,000
Project Management	\$55,200	\$87,050	\$89,125	\$89,125	\$28,500	\$349,000
Total	\$101,250	\$1,610,350	\$2,022,375	\$1,014,025	\$205,000	\$4,953,000

<b>ACTUAL DELIVERY VS DECEMBER 2014 REVISION</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Component 1	99.2%	86.2%				27.8%
Component 2	96.7%	76.2%				27.1%
Project Management	98.0%	73.4%				33.8%
Total	97.9%	79.5%				27.8%
<b>REVISION 3 - AUGUST 2015</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Component 1	\$21,372	\$468,000	\$865,300	\$407,328		\$1,762,000
Component 2	\$23,697	\$753,500	\$1,579,500	\$485,303		\$2,842,000
Project Management	\$54,102	\$88,600	\$103,200	\$103,098		\$349,000
Total	\$99,171	\$1,310,100	\$2,548,000	\$995,729		\$4,953,000
<b>ACTUAL DELIVERY VS AUGUST 2015 REVISION</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Component 1		100.2%				
Component 2		99.1%				
Project Management		72.1%				
Total		97.7%				
<b>REVISION 4 - DECEMBER 2015</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Component 1	\$21,372	\$470,475	\$865,300	\$404,853		\$1,762,000
Component 2	\$23,697	\$746,769	\$1,579,500	\$492,034		\$2,842,000
Project Management	\$54,102	\$63,864	\$103,200	\$127,834		\$349,000
Total	\$99,171	\$1,281,108	\$2,548,000	\$1,024,721		\$4,953,000
<b>ACTUAL DELIVERY VS DECEMBER 2015 REVISION</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Component 1	100.0%	99.7%				27.8%
Component 2	100.0%	100.0%				27.1%
Project Management	100.0%	100.0%				33.8%
Total	100.0%	99.9%				27.8%
<b>Annual Total Financial Delivery Rate</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
vs Original	8.6%	65.5%				27.8%
vs Revised	27.8%	97.7%				27.8%

<b>ACTUAL AND PLANNED AS OF DECEMBER 31, 2015</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Project Management	\$54,102	\$63,864	\$103,200	\$127,834		\$348,999
Component 2	\$23,697	\$746,769	\$1,579,500	\$492,034		\$2,842,000
Component 1	\$21,372	\$468,997	\$865,300	\$404,853		\$1,760,522
Total	\$99,171	\$1,279,630	\$2,548,000	\$1,024,721		\$4,951,522
<b>ACTUAL VS REVISED VS ORIGINAL PLANNED</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	
Original Planned	\$1,153,000	\$1,953,500	\$1,268,500	\$578,000		\$4,953,000
Revised	\$356,625	\$1,610,350	\$2,548,000	\$1,024,721		\$4,951,522
Actual	\$99,171	\$1,279,630				\$1,378,801



## J. Annex 10: PARCS Project Results Framework and Assessed Level of Indicator Target Achievement

### Results Framework Assessment Key

Green = On-track	Yellow = Achievement Uncertain	Red = Achievement Unlikely	Gray = Not applicable
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Description	Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2015	MTE Assessment
Objective: Enhancing the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity	Increase of financial sustainability scorecard for national system of protected areas	0.32	>45%	It is not possible to calculate target level at this reporting period (indicator will be updated at the mid-term of the project in 2016).	On track. The level assessed as of the mid-term was 40.9%. Based on the results produced by the project to this point, and based on the remaining planned results, it is expected the target will be achieved by project completion. In particular the project's work on standardizing budget reporting and management, electronic fee collection, and assessment of pricing structures are significant contributions in this regard. Achievement of the target would certainly be expected if the PA system revenue sharing mechanism is in place by project completion. The project team will provide additional details on the significance of the target value in the 2016 PIR indicator reporting.
	Capacity development indicator score for protected area system	Systemic: 58% Institutional: 57% Individual: 46%	Systemic: 67% Institutional: 77% Individual: 72%	It is not possible to calculate target level at this reporting period (indicator will be updated at the mid-term of the project in 2016).	Achievement uncertain. The project is making contributions on some aspects related to capacity development of the PA system, but reaching the target is more uncertain than reaching the financial scorecard target, which is the prime focus of the project.

Description	Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2015	MTE Assessment
					This is particularly the case for the target at the individual level. Some aspects of the PA system capacity may be increased during the project period due to the efforts of other stakeholders, for example through guidelines and training modules being produced by SINP. The project is targeting contributions mainly at the systemic and institutional levels, with some progress reached by 2015 (60% at the systemic level, and 65% at the institutional level), but the additional increase to the target level will require some significant changes in capacity at the institutional and systemic levels, which may be beyond the scope of the project.
	Annual financing gap of the optimal management scenario for national protected areas (US\$)	US\$14.7m	<US\$5m	It is not possible to calculate target level at this reporting period (indicator will be updated at the mid-term of the project in 2016).	On-track. Financial analysis of the PA system conducted during implementation actually indicates that there exists a surplus of revenue in the system, but it is not adequately distributed within the system (amongst the various PAs). There are approximately three of 19 PAs that generate surplus revenue, while the remainder are in deficit, but there is currently no revenue sharing mechanism within the system. However, there are three caveats that must be kept in mind for this indicator: 1.

Description	Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2015	MTE Assessment
					The indicator target is not clearly rationalized, as it is not clear what level of significance is represented by the target value, when the overall goal remains to eliminate the financing gap; 2. The financing gap is not well defined – the assessment of the basic financing gap is based on the difference between funds requested by Pas from central government, vs. Funds received from central government. The assessment of the optimal financing gap is based on the best available planning documents, but not all of the PAs even have approved management plans, so it is difficult to assess the optimum level of financing for PA management without management plans in place. 3. The current surplus represents mainly a lack of delivery of existing basic workplanning. Although financial needs for «basic» management was more than \$73 million, and total finances available was more than \$74 million, the actual annual expenditure as for 2015 was only around \$59 million.
	Management Effectiveness Tracking Tool scorecard (average): All national PAs	All national PAs: 63% National Parks: 62% Nature Parks: 64%	All national PAs: >67% National Parks: >67% Nature Parks: >67%	It is not possible to calculate target level at this reporting period (indicator will be	Achievement uncertain. The targets are well-developed based on a clear analysis of each METT question for each PA. The 2015 assessment carried out indicated

Description	Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2015	MTE Assessment
	National Parks Nature Parks			updated at the mid-term of the project in 2016).	that the score for all national PAs had stayed the same, with National Parks slightly increasing to 64% and Nature Parks slightly decreasing to 62%. That assessment was carried out only around a year after project initiation, however, and there may have been more significant results to this point. At the same time, the project is not directly targeting many of the specific elements of the METT scorecard that would leverage short-term improvements. The changes the project is contributing to should have a long-term effect of improving the management effectiveness of national PAs, but it is not clear that there will be sufficient time before project completion to reach the target level, even though the targeted increase is not that significant.
	Income/annum (US\$), by source, from national protected areas	Government budget allocation: US\$6.67m Other government allocation: US\$1m Property income: US\$1.4m Own income: US\$58.29m Donor revenue and other income: US\$0,94m	Government budget allocation: US\$5m Other government allocation: >US\$3.5m Property income: >US\$2m Own income: >US\$65m Donor revenue and other income: >US\$1.5m (target year = 2017)	Government budget allocations: US\$5,661,945 Other government income: US\$2,084,037 Property Income: US\$599,501 Own Income: US\$58,046,247 Donor Revenue: US\$203,156	Not applicable. This indicator is not designed in a relevant way to the targeted activities of the project. This MTE proposes to revise this indicator (see Annex 10). It was foreseen that government budget allocations would be decreasing, and that the project would need to leverage an increase in other sources of revenue. However, given the

Description	Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2015	MTE Assessment
				TOTAL USD 66,594,886 (Data available for December 31, 2014 Source: Annual financial reports)	dynamic context of the national PAs, such as continuously increasing numbers of visitors, alternative metrics that relate more directly to the intended project results could be a better indicator of project effectiveness.
	Degree of conservation for the Natura 2000 target species and habitats in national protected areas[1] [1] Where: A = excellent level of conservation; B = good level of conservation; and C = average or less than average level of conservation)	Species: A 184 B 214 C 14 Habitats: A 94 B 91 C 8	Degree of conservation for the NATURA 2000 target species and habitats stays the same or improves	It is not possible to calculate target level at this reporting period (indicator will be updated at the mid-term of the project in 2016).	Not applicable. The project's theory of change is an extended one, with few or no direct on-the-ground conservation interventions to immediately benefit target species and habitats. In addition, species and habitats have some random stochastic annual variation. Therefore it is unlikely that any changes seen in this indicator at project completion would relate to an influence of the project. Nonetheless, it is useful to retain impact indicators to keep in mind the ultimate objective of the project, but lack of achievement of any targets should be significantly underweighted.
Outcome 1: Reforming the institutional framework to strengthen the management effectiveness of national protected areas	Strategic plan and management guidelines for national protected areas approved.	Strategic plan: None Management guidelines: Partial, but incomplete	Strategic plan: Yes Management guidelines: Complete	It is not possible to calculate target level at this reporting period. It is expected that Nature protection law and NBSAP will be adopted by the Government in September 2015. Having strategic guidance in the two most important	On-track (more accurately, "likely" to be achieved). There has not been significant progress toward the strategic plan to this point, and the concept was even resisted by the project's Technical Working Group, which did not see value in another heavy document that would sit on a shelf somewhere. Nonetheless, as of the mid-term,

Description	Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2015	MTE Assessment
				documents will provide guidance for development of a national planning framework for the protected area system. Upon this, strategic plan and management guidelines for national protected areas will be developed and adopted.	given all of the directional shifts of the project and the recent change in government, it is clear that there remains a need for a strategic document that lays out and sets down clearly the strategic vision for Croatia's system of PAs. As described in the main body of this MTE report, this would be a short, targeted document intended to put all relevant stakeholders on the same page, and identify the future vision for the institutional framework of Croatia's PA system. Although there has been little progress on such as document as of the MTE, there is no reason that producing such a document is not fully achievable in the remaining implementation period.
	Number of park management plans conforming with the policies and guidelines for national protected areas	5	>10	It is not possible to calculate target level at this reporting period. The activities for this Output have been started. Meeting of Technical Work Group was organized and it was concluded that several important guidelines need to be prepared by the Ministry as precondition for revision	Not applicable. The project is not working directly to update PA management plans. These are developed and revised on a rotating 10 year schedule, with minor revisions in intervening years. The guidelines being developed by the project will be integrated during the deployment of the EU SOP funds in the period after project completion.

Description	Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2015	MTE Assessment
				of park management plans.	
	Number of financial/business plans adopted and operational	National protected area network: 0 Individual national protected areas: 0	National protected area network: 1 Individual national protected areas: >3	It is not possible to calculate target level at this reporting period. Financial plans will be developed upon adoption of Strategic plan and management guidelines for national protected (described above).	Achievement uncertain. It is not anticipated that the project will develop a national protected area network business or financial plan, although much of the work being done by the project would provide the functional and data foundation for such a planning document. For
	Number of PI and MENP staff completing specialised, targeted short-course financial training and financial skills development programmes	0	26	32	On-track (achieved). The project held a training for 32 financial management staff from the PAs. The target rationale is not fully clear.
	Percentage of overall national protected areas bookings/month being administered through the centralised SSC:	0	Overnight accommodation: >20% Camping: >30% Other services: >15%	It is not possible to calculate target level at this reporting period. Shared Service Centre hasn't been established. Upon establishment of the agency, web based booking will be organized as their service. First results are expected at the end of 2016.	Not applicable. The project's approach has changed such that this indicator is no longer relevant. The project has instituted the e-ticketing system, but is not instituting a centralized accommodation booking system since the SSC (or a centralized institution) is not being implemented.
Outcome 2: Improving the financial sustainability of the	Net income (US\$/annum) from sales of smart cards	US\$0	>US\$4m	It is not possible to calculate target level at this reporting period. The process of	Achievement uncertain. This indicator is likely to be revised, as the project is not undertaking an activity on selling smart cards,

Description	Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2015	MTE Assessment
network of national protected areas				introduction of advanced ticketing systems in several parks is started and systems will be operational in first half of 2016. The calculation of achieved income from sales will be possible in 2017.	although the e-ticketing system is being implemented. The prospects for revenue processing via the e-ticketing system is not fully clear, as it will be implemented this year for the first time, so it remains to be seen what the uptake by users will be.
	Increase in self-generated income (US\$/annum) in target national parks and nature parks	Ucka: US\$49k Risnjak: US\$279k Papuk: US\$32k Telascica: US\$614k Vransko jezero: US\$56k	Ucka: >US\$100k Risnjak: >US\$450k Papuk: >US\$50k Telascica: >US\$1m Vransko jezero: >US\$100k	It is not possible to calculate target level at this reporting period. Implementation of all of the planned activities is started. During 2015 and 2016 the majority of planned activities will be implemented and the calculation of achieved results will be possible in 2017.	Achievement uncertain. Capital investments in infrastructure and services in the PAs to enhance their self-generating income potential are still underway. Thus it is not possible at the time of the MTR to assess the results.
	Decrease in costs (US\$/month) of power supply to targeted nature parks	Risnjak Nature Park: US\$1,455 Papuk Nature Park: US\$745	Risnjak Nature Park: <US\$1,000 Papuk Nature Park: <US\$500	It is not possible to calculate target level at this reporting period. The activities of deep renovation of buildings in Nature park Papuk and National park Risnjak are ongoing. Finalization of reconstruction of building in Papuk is expected in first quarter of 2016, and of building on Risnjak third quarter	Achievement uncertain. As reported in the 2015 PIR, investments and renovations are underway in 2016, and thus the achievement in savings will only be possible in 2017.



Description	Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2015	MTE Assessment
				of 2016. The calculation of achieved savings will be possible in 2017.	
	Surplus/(deficit) per annum (US\$) for high-income national protected areas	Plitvicka jezera National Park: US\$4.7m Krka National Park: US\$0.9m Brijuni National Park: US\$(-0.5m)	Plitvicka jezera National Park: US\$5.7m Krka National Park: US\$1.1m Brijuni National Park: US\$0.5m	It is not possible to calculate target level at this reporting period. The preparatory works under these activities have been started. Implementation of activities is planned in 2016, and the calculation of achieved results will be done in 2017.	Not applicable / likely to be revised / achievement uncertain. The project pricing strategy activity and e-ticketing activity will enhance these PAs revenue generation capability, but the number of visitors to the PAs has a much more significant influence, which is a factor that is not very much influenced by the project. In addition, the PAs' own budgeting greatly influences their budget surplus or deficit, and there is not currently a well-defined methodology for determining «optimum» budgeting according to PA management plans, so the relevance of this indicator is not high.

## K. Annex 11: Proposed Mid-term Revisions to the PARCS Project Results Framework

Description	Indicator	Baseline Level	Target Level at end of project	MTE Notes on Proposed Revision
Objective: Enhancing the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity	Increase of financial sustainability scorecard for national system of protected areas	0.32	>45%	Minor revision required for baseline value, according to PMU: actual baseline value is 31.1%. In reporting on this indicator the project team should provide sufficient information to clarify the relative significance for Croatia's PA system of the target level. What difference does it make for Croatia's PAs if a level of 45% is reached relative to 31.1%? Does this represent achievement of the project objective? What does it imply in terms of compliance with financial management regulations for PAs?
	Capacity development indicator score for protected area system	Systemic: 58% Institutional: 57% Individual: 46%	Systemic: 67% Institutional: 77% Individual: 72%	No revision required, though similar to the previous indicator, reporting should provide sufficient information to clarify the rationalization of the target in terms of its significance and value in progress toward the project objective.
	Annual financing gap of the optimal management scenario for national protected areas (US\$)	US\$14.7m	<US\$5m	No revision required, though financial figures denominated in USD are subject to influence from exchange rate fluctuations relative to the baseline value. Therefore targets should either be reported based on the baseline exchange rate used, or in local currency. Similar to the previous indicators, the target value is not clearly rationalized; it would be logical that the target value should actually be \$0, though perhaps that is not achievable within the scope of the project. In reporting, information should be included to highlight the relative value of reducing the financing gap to this level.

Description	Indicator	Baseline Level	Target Level at end of project	MTE Notes on Proposed Revision
	Management Effectiveness Tracking Tool scorecard (average): All national PAs National Parks Nature Parks	All national PAs: 63% National Parks: 62% Nature Parks: 64%	All national PAs: >67% National Parks: >67% Nature Parks: >67%	No revision required, but as with previous indicators, reporting should include sufficient information to convey some rationalization of the target values – what is the significance and relative value toward the project objective in reaching the target level?
	Income/annum (US\$), by source, from national protected areas	Government budget allocation: US\$6.67m Other government allocation: US\$1m Property income: US\$1.4m Own income: US\$58.29m Donor revenue and other income: US\$0.94m	Government budget allocation: US\$5m Other government allocation: >US\$3.5m Property income: >US\$2m Own income: >US\$65m Donor revenue and other income: >US\$1.5m (target year = 2017)	Propose to delete and replace with below. Dollar based target values are difficult to deal with as they depend on exchange rates. In addition, the indicator implies that the project is targeting a lower level of government budget allocation for the PAs, rather than just reflecting this as part of the contextual reality that the project is dealing with.
	Share of income/annum (US\$), by source, for national PA system	Other government allocation: 1.5% Property income: 2.0% Own income: 85.3% Donor revenue and other income: 1.4% (Balance of 9.8% from government budget allocation)	Other government allocation: 4.5% Property income: 2.6% Own income: 84.4% Donor revenue and other income: 1.9% (Balance of 6.5% from government budget allocation) (target year = 2017)	Proposed revised indicator for above indicator to improve outcome focus. Based on previous baseline and target dollar values indicated in above indicator, but putting it into a percentage basis provides a better reflection of the desired end-state. However, the target values are still not clearly rationalized - a system-level business plan should be developed to identify the optimum levels of revenue from each possible revenue stream for the whole system.
	Degree of conservation for the Natura 2000 target species and habitats in national protected areas[1] [1] Where: FV = Favourable; U1 – Unfavourable –	Species: A 184 B 214 C 14  Habitats: A 94 B 91 C 8	Degree of conservation for the NATURA 2000 target species and habitats stays the same or improves	Indicator baseline and target should be revised to reflect the updated EU standard scale, as discussed below. The assessment scale is based on the EU standard assessment for Natura 2000, which is reported nationally every year. It appears

Description	Indicator	Baseline Level	Target Level at end of project	MTE Notes on Proposed Revision
	<p>Inadequate; U2 – Unfavourable - Bad</p>			<p>the reference standard was updated in 2011 to apply the scale of</p> <ul style="list-style-type: none"> <li>- Favourable (FV)</li> <li>- Unfavourable – Inadequate (U1)</li> <li>- Unfavourable – Bad (U2)</li> </ul> <p>Which is assessed based on the following parameters:</p> <ul style="list-style-type: none"> <li>☐ Range</li> <li>☐ Population (species only)</li> <li>☐ Area (habitat types only)</li> <li>☐ Habitat for the species (species only)</li> <li>☐ Structure &amp; function (habitat types only)</li> <li>☐ Future Prospects</li> </ul>
<p>Outcome 1: Reforming the institutional framework to strengthen the management effectiveness of national protected areas</p>	<p>Strategic plan and management guidelines for national protected areas approved.</p>	<p>Strategic plan: None Management guidelines: Partial, but incomplete</p>	<p>Strategic plan: Yes Management guidelines: Complete</p>	<p>Indicator should be disaggregated into two indicators, as shown below.</p>
	<p>First 3-year strategic plan for national PAs developed and approved.</p>	<p>Strategic plan: None</p>	<p>Strategic plan: Yes</p>	<p>New proposed disaggregated indicator with increased specificity</p>
	<p>Guidelines for the development and revision of the management plans for PAs developed and adopted using participatory approach. Guidelines and the criteria for assessing management plans and programs developed and</p>	<p>Management guidelines: Partial, but incomplete</p>	<p>Management guidelines: Complete</p>	<p>New proposed disaggregated indicator with increased specificity</p>

Description	Indicator	Baseline Level	Target Level at end of project	MTE Notes on Proposed Revision
	adopted. Guidelines for determining pricing in all national PAs developed.			
	Number of park management plans conforming with the policies and guidelines for national protected areas	5	>10	Indicator should be revised to be more specific about which targets and guidelines. Also, target needs to be rationalized.
	<del>Number of financial/business plans adopted and operational</del>	National protected area network: 0 Individual national protected areas: 0	National protected area network: 1 Individual national protected areas: >3	Revision with increased specificity and improved outcome focus proposed below.
	No. of financial/business plans developed taking into account new government policies such and reporting of own resources (self-generated income) into the State Budget, decrease of government funding, etc.	National protected area network: 0 Individual national protected areas: 0	National protected area network: 1 Individual national protected areas: >3	Revision of above indicator proposed.
	Number of PI and MENP staff completing specialised, targeted short-course financial training and financial skills development programmes	0	26	Indicator should be adjusted to clarify the percentage of total relevant PA system staff that have been included in the training (i.e. have 100% of relevant staff participated?)
	No. of annual financial plans and reports that include improved integration of activity-based accounting into standardized planning and reporting.	0	19 (all national PAs)	Proposed additional indicator.

Description	Indicator	Baseline Level	Target Level at end of project	MTE Notes on Proposed Revision
	<p>Operational mechanisms in place to at least partially address the six key areas for shared support within the national PA system identified in the Prodoc:</p> <ul style="list-style-type: none"> <li>- Human resources management</li> <li>- High value procurement of common goods and services</li> <li>- Collective marketing, branding, and communications</li> <li>- Shared legal support services</li> <li>- Centralized booking</li> <li>- Fundraising</li> </ul>	<p>No shared support of six key areas within national PA system:</p> <ul style="list-style-type: none"> <li>- Human resources management</li> <li>- High value procurement of common goods and services</li> <li>- Collective marketing, branding, and communications</li> <li>- Shared legal support services</li> <li>- Centralized booking</li> <li>- Fundraising</li> </ul>	<p>Operational mechanisms in place for six key areas of shared support within national PA system:</p> <ul style="list-style-type: none"> <li>- Human resources management: PA guidelines and regulations provide mechanisms for cross-sharing of key technical specialists between PAs (i.e. through MoUs or other mechanisms)</li> <li>- High value procurement of common goods and services: MENP has capacity to provide support for procurement of common goods and services</li> <li>- Collective marketing, branding, and communications: Parks of Croatia Web Portal operational and maintained</li> <li>- Shared legal support services: MENP has internal capacity to provide legal inputs to PAs</li> <li>- Centralized booking: E-ticketing service operational in all relevant PAs</li> </ul>	<p>Proposed additional indicator.</p>

Description	Indicator	Baseline Level	Target Level at end of project	MTE Notes on Proposed Revision
			- Fundraising: Revenue sharing mechanism in place	
	Percentage of overall national protected areas bookings/month being administered through the centralised SSC:	0	Overnight accommodation: >20% Camping: >30% Other services: >15%	Indicator to be deleted; as is no longer relevant based on currently planned project activities. Replacement indicator proposed below.
	Percentage of overall annual number of national PA entrance tickets channeled via e-ticketing.	0%	25%	Indicator proposed to replace previous indicator. Target value to be validated, and rationalized to the extent possible, by PMU.
Outcome 2: Improving the financial sustainability of the network of national protected areas				In general - financial reporting indicators may need adjustment for reporting at the end of the project because government financial reports for 2017 won't be available until February 2018 – after the project has been completed and long-after the terminal evaluation will have been conducted. However, it may be possible for the project to provide approximate and unofficial figures for target reporting prior to project completion.
	<del>Net income (US\$/annum) from sales of smart cards</del>	US\$0	>US\$4m	Propose to delete indicator; indicator not relevant, since project is not implementing smart cards. Revised indicator proposed below.
	Share of individual PA revenue channeled via e-ticketing.	0%	10% in first year of implementation for participating PAs.	Revised indicator proposed to replace above. Proposed target value to be validated by PMU. The long-term goal would likely be >90% for participating PAs, but it is not expected this would be possible in the first year of operation.

Description	Indicator	Baseline Level	Target Level at end of project	MTE Notes on Proposed Revision
	Availability of real-time data on PA visitation.	Not available.	Available via a centralized system to designated PA and MENP staff.	New indicator proposed to reflect the additional relative informational value of the e-ticketing system.
	Increase in self-generated income (US\$/annum) in target national parks and nature parks	Ucka: US\$49k Risnjak: US\$279k Papuk: US\$32k Telascica: US\$614k Vransko jezero: US\$56k	Ucka: >US\$100k Risnjak: >US\$450k Papuk: >US\$50k Telascica: >US\$1m Vransko jezero: >US\$100k	No revision required, though the targets are not clearly rationalized. Additional clarifying indicator suggested below. It would be helpful if in the reporting the PMU provides information indicating the significance and relative value of this increase to the target PAs. I.e. what is the benefit for biodiversity, or the increase in management effectiveness, if Ucka NP has more than \$100K in self-generated revenue? Or at least to what extent does this increase help reducing the financing gap for these PAs?
	Share of self-generated income contribution to annual budget in target PAs	Ucka: XX% Risnjak: XX% Papuk: XX% Telascica: XX% Vransko jezero: XX%	Ucka: XX% Risnjak: XX% Papuk: XX% Telascica: XX% Vransko jezero: XX%	Additional suggested indicator with increased outcome focus. Baseline and target values to be completed and validated by PMU.
	Decrease in costs (US\$/month) of power supply to targeted nature parks	Risnjak Nature Park: US\$1,455 Papuk Nature Park: US\$745	Risnjak Nature Park: <US\$1,000 Papuk Nature Park: <US\$500	No revision required, except, as previously mentioned, it may be necessary to report the indicator in local currency, or at least to ensure use of the baseline exchange rate value. However, as with the indicator on self-generated income, it will be helpful if in the reporting the PMU can provide more contextual information in terms of the relative significance and value of this decrease in fixed operating costs to these two PAs – how much will this help these PAs address their monthly financial “gap” with respect to fixed operating costs? Or how will these savings help the PAs be able



Description	Indicator	Baseline Level	Target Level at end of project	MTE Notes on Proposed Revision
				to better meet their financial requirements for nature conservation activities?
	Surplus/(deficit) per annum (US\$) for high-income national protected areas	Plitvicka jezera National Park: US\$4.7m Krka National Park: US\$0.9m Brijuni National Park: US\$(-0.5m)	Plitvicka jezera National Park: US\$5.7m Krka National Park: US\$1.1m Brijuni National Park: US\$0.5m	Propose to delete this indicator, as it is not highly relevant for reflecting the project's results. Proposed alternative indicator below. The project activities relating to e-ticketing and pricing strategy may have some influence on the revenue of these PAs, but much more significant is the general trend of large annual increases in the number of tourists visiting Croatia's PAs. Thus this indicator does not provide sufficient reflection of the project results to be useful.
	Status of of visitor management plans for high visitor / high income national PAs	Visitor management plans do not exist or do not reflect current tourism pressures	Updated visitor management plans adopted by PA boards of Plitvice Jezera NP, Krka NP, and Brijuni NP.	Proposed additional indicator to reflect key element of project's work and key threats for high income NPs.

## L. Annex 12: Summary List of Micro-Capital Grants Projects for each PA

	MCGAs	Short description	Maximum MCG Amount [HRK]	Maximum MCG Amount [USD]	Comment	Expected MCGA closure
1	PP Papuk - NZEB reconstruction	The MCG will be used for co-financing of reconstruction of administrative building in Velika to reach Nearly Zero Energy Building (NZEB). PP Papuk is implementing public procurement process and PARCS project is providing technical support and is monitoring achieved results. Total investment amount is 1.480.895,20 HRK incl. VAT	818,640.00 kn	\$120,000.00	The reconstruction is co-financed by Environmental Protection and Energy Efficiency Fund (FZOEU). The co-financing was confirmed by the FZOEU decision at the amount of 53% (approximately 770.760,64 HRK).	Jun-16
2	PP Kopački rit - electrification - MCGA 1	The MCG will be used to finance electrification of the boat dock that will enable purchase of the electricity powered visitors boat. Additionally the funds from this MCG will be used for development of implementation designs for building of the electricity powered visitors boat. All these activities are precondition for introduction new of electricity powered boat in PP Kopački rit.	852,750.00 kn	\$125,000.00	Although in this MCG there is no co-financing from FZOEU, the activities that are implemented are prerequisite for introduction of electricity powered visitors boat in PP Kopački rit. The purchase of the boat will be covered by second MCG where co-financing in the amount of 80 % is secured. The estimated boat cost is 3.630.000,00 HRK incl. VAT	Dec-16
3	PP Biokovo - electrification	The MCG will be used to finance electrification of the entry point to PP Biokovo located in Podgora. The electrification will enable installation of entrance ramp and introduction of control of cars that enter the park. This will increase the income of the park.	306,990.00 kn	\$45,000.00	For this MCG a co-financing from FZOEU is not secured at this point, but in this Project the PP Biokovo co-finances part of the activities. Additionally the introduction of electricity will enable implementation of new projects (such as introduction of charging station for electricity powered cars that is under development) that will be co-financed by FZOEU	Aug-16
4	NP Risnjak - NZEB reconstruction - MCGA 1	The MCG will be used for co-financing of reconstruction of administrative building in Bijela Vodica (Crni Lug) to reach Nearly Zero Energy Building (NZEB). NP Risnjak will be implementing public procurement process and PARCS project will provide technical support and will monitor achieved results. Amount of investment is 2.890.000,00 HRK.	1,080,750.00 kn	\$150,000.00	The reconstruction will be applied for co-financing from Environmental Protection and Energy Efficiency Fund (FZOEU). The targeted co-financing amount is 1.400.000,00 HRK that is roughly 49% of the total investment.	Jun-16
5	NP Risnjak - NZEB reconstruction - MCGA 2	The limit of one MCGA per institution is 150 00 USD, and as the part of the co-financing covered by PARCS project is greater than this amount the second MCGA will cover the difference to reach the full co-financing amount.	504,350.00 kn	\$70,000.00	The MCGA 2 will be signed upon successful conclusion of MCGA 1 - expected June 2016	Sep-16
6	PP Vransko - Preparatory works for electric boat - MCGA 1	The MCG will be used to co-finance preparatory works needed to introduce the electricity powered visitors boat in the park. The preparatory works will include the development of the implementation documentation for the electric boat in the amount of 122.500,00 HRK, construction of the access road to boat dock in the amount of 35.000,00 HRK and additional leak bed dredging to secure clear access to the docks.	409,320.00 kn	\$60,000.00	These activities are part of a much larger project of development of integral circular visitors route in PP Vransko jezero. The total investment in this project is <b>3.980.000,00 HRK</b> . Co-financing of as part of this MCG amounts to <b>10%</b> of the total project investment.	Apr-16

7	PP Vransko - electric boat - MCGA 2	The MCG will be used to co-finance construction and introduction in park the electricity powered visitors boat. The estimated price of the boat is 3.630.000,00 HRK incl. VAT. PARCS will co-finance 20% (726.000,00 HRK)	762,520.00 kn	\$110,000.00	The co-financing of the boat in the amount of 80% from FZOEU is secured.	May-17
8	PP Kopacki - electric boat - MCGA 2	The MCG will be used to co-finance construction and introduction in park the electricity powered visitors boat. The estimated price of the boat is 3.630.000,00 HRK incl. VAT. PARCS will co-finance 20% (726.000,00 HRK) This MCG is second part of co-financing in PP Kopacki rit (see the description under number 2.)	764,064.00 kn	\$112,000.00	The co-financing of the boat in the amount of 80% from FZOEU is secured.	Dec-17
9	NP Mljet - electric boat	The MCG will be used to co-finance construction and introduction in park the electricity powered visitors boat. The estimated price of the boat is 3.630.000,00 HRK incl. VAT. PARCS will co-finance 20% (726.000,00 HRK).	756,525.00 kn	\$105,000.00	The co-financing of the boat in the amount of 80% from FZOEU is secured.	Oct-17
10	PP Telascica - Anchorage & electric mobility	The MCG will be used to co-finance preparatory works for construction of anchorage location in PP Telascica and introduction of environmentally friendly modes of transportation (electro vehicles and bicycles).	324,225.00 kn	\$45,000.00	For the purchase of the environmentally friendly vehicles (electro vehicles and bicycles) the co-financing from FZOEU in the amount of the 80% is secured. The expected costs of electric vehicle is 1.000.000,00 HRK. Co-financing of as part of this MCG amounts to <b>32%</b> of the total project investment.	Jun-16
11	NP Paklenica - solar water heating & Biological sewage collecting tank	The MCG will be used to co-finance reconstruction of solar thermal system for preparation of Domestic Hot Water in Camp in National park Paklenica as part of reconstruction of existing buildings, and reconstruction of existing sewage water collecting tank in order to increase degree of biological water purification before discharge to the environment. The applied technology will be Sequencing Batch Reactor - SBR. The total expected investment in reconstruction of camp facilities is 2.500.000, 00 HRK (VAT included) and the expected amount of MCGA up to maximum of 580.000,00 HRK (VAT included).	579,870.00 kn	\$85,000.00	The NP Paklenica will secure the co-financing of the project in the amount of 1.920.000,00 HRK (approximately 77%).	Apr-16
12	PP Ucka_Vulture feeding and birdwatching facility	The MCG will be used to co-finance development of Vulture feeding and bird watching facility on the location Bodaj on the ridge in southern part of Nature park Ucka. As part of development of the feeding facility and introduction of bird watching services for visitors a purchase of new multi purpose van with all wheels drive will be included.	485,240.00 kn	\$70,000.00	The works financed through this MCG are preparatory and the complete investment in realization of feeding and bird watching facility will be applied for co-financing to national institutions. Total estimated investment in the feeding and bird watching facility is 1.400.000 HRK The co-financing secured by this MCGA amounts to <b>35%</b> of the total investment	Mar-16
<b>TOTAL MCGA AMOUNT</b>			<b>7,645,244.00 kn</b>	<b>\$1,097,000.00</b>		

## M. Annex 13: Croatia PARCS Project Mainstreaming of UNDP Programme Principles

Programming Principle	Project Principle Mainstreaming Approach
<b>UNDAF / CPAP / CPD</b>	Croatia is a non-UNDAF and non-CPAP country. The most recent relevant UNDP-Croatia strategy document is the UNDP Croatia Strategy Note 2015, which includes the transformation plan of UNDP's role within Croatia following EU accession. The Prodoc cover page identifies the relevant Country Programme Outcome as "Component: Environmental Governance" with relevance to the "Biodiversity Outcome" as "The goal of this program is (...) to ensure the financial sustainability of the protected areas." In addition, the Prodoc cover page indicates: "UNDP Strategic Plan Environment and Sustainable Development Biodiversity Outcome: Output: Supporting financial sustainability of Croatian protected areas". The project results framework indicates: "Country Program Outcome Indicators: None."
<b>Poverty-Environment Nexus / Sustainable Livelihoods</b>	The project's activities to enhance the management of the PAs and increase their revenue and financial sustainability will contribute to addressing poverty in the communities near the PAs. The PAs provide many jobs – particularly the PAs with the largest visitor numbers.
<b>Disaster Risk Reduction, Climate Change Mitigation / Adaptation</b>	Improving the management of the PAs will enhance the capacity for management to adapt to climate change. PA managers' will have improved capacity and expanded resources at hand to facilitate responsiveness to issues arising from climate change impacts.
<b>Crisis Prevention and Recovery</b>	Not highly relevant in the case of the Croatia PARCS project, though it could be said that the PA system continues to contribute to Croatia's recovery from earlier crises in a variety of ways – notably by contributing significantly to the economy. In addition, in some PAs there remain landmines, and the PAs work to manage visitor access to these areas.
<b>Gender Equality / Mainstreaming</b>	As described in the 2015 PIR: "Basic gender assessment has been carried out within profiles of managers and management boards in Public institutions National and Nature parks which are key beneficiaries of the project. Findings include: -Within the 19 Public institutions National and Nature parks there are 7 female managers and 12 male managers -Distribution within the 7 female managers is: 3 National parks and 4 Nature parks -The richest and the world's most famous Croatian National park (Plitvička jezera) is managed by female -Within the 19 Public institutions National and Nature parks there are 5 female and 12 male presidents of Management boards - Distribution within the 5 female presidents is: 1 National park and 4 Nature parks Key findings of a gender assessment in public institutions National and Nature parks were presented to a UNDP Croatia staff members on the eve of Women's Day in Croatia celebrated on the 8th of March.»
<b>Capacity Development</b>	The project is undertaking a variety of capacity development activities, at the individual, institutional and systemic levels. These include, for example, training PA financial managers. The overall objective of the project is to strengthen the systemic capacity of Croatia's PA system, and this is pursued through the full range of project activities. The project's work on strengthening institutional capacity of the system has so far been somewhat limited, though progress is being made and is expected to continue.
<b>Rights</b>	Not highly applicable in the context of the Croatia PARCS project. Land use and usufruct rights are relatively well-established in the context of Croatia's PAs.