



Country: Romania

PROJECT DOCUMENT

**Project Title**

Improving the Financial Sustainability of the Carpathian System of Protected Areas

**UNDAF Outcome(s)/Indicator(s):**

(Link to UNDAF outcome., If no UNDAF, leave blank)

**Expected Outcome(s)/Indicator(s):**

(CP outcomes linked to the SRF/MYFF goal and service line)

**Expected Output(s)/Indicator(s):**

(CP outputs)

**Implementing partner:**

(designated institution/Executing agency)

Environmental governance strengthened at central and local levels and greater compliance with EU environmental standards and international conventions.

Policies and strategies effectively integrating environmental concerns.

National Forestry Administration

**Brief Description**

The project objective is to secure the financial sustainability of Romania's Carpathian network of PAs, as a model for replication to the entire Carpathian Network of Protected Areas (CNPA). With adequate financial resources the Romanian Carpathian PAs and the CNPAs will be on path to greater financial sustainability. This objective will be realized through two components: i) Strengthening the supportive legislative framework and Sustainable Finance Strategy, and ii) Strengthening the institutional and individual capacities of management authorities and other local stakeholders to implement the sustainable finance plan. The project is expected to generate significant new revenues to the CNPAs. Taken together, the GEF investment in Components 1 and 2 of approximately USD 1 million is projected to generate additional revenue of USD 5 million per year. Over a 10 year period, the net benefit of this investment is USD 35 million using a discount rate of 6 percent. In other words, an investment of USD 1 million today may generate as much as USD 35 million in additional revenue over 10 year (discounted to today's prices).

**Programme Period:** 2010-2014  
**Atlas Award ID:** 00058266  
**Atlas Project ID:** 00072323  
**PIMS:** 3458  
**Start date:** January, 2010  
**End Date:** January, 2014  
**LPAC Meeting Date:** July 2009  
**Management Arrangements:** NEX

**Total budget:** US\$ 5,667,041  
**Allocated resources:**  
 • GEF US\$ 950,000  
 • UNDP US\$ 20,000  
 • WWF US\$ 50,300  
**In kind contributions:**  
 • NFA US\$ 4,646,741

Agreed by Ministry of Agriculture, Forest and Rural Development:

Nicolae Giugea, Minister, Secretary of State

NAME



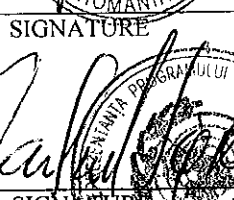
27.XI.2009

Date/Month/Year

Agreed by Regia Nationala a Padurilor Romsilva:

Valerian Solovastru, General Director

NAME



16/11.2009

Date/Month/Year

Agreed by UNDP:

Jan Sorensen, Resident Representative

NAME



16/11/2009

Date/Month/Year

## TABLE OF CONTENTS

<b>PART I: SITUATION ANALYSIS</b> .....	<b>4</b>
<b>1.1. Context, global significance, environmental, institutional and policy background</b> .....	<b>4</b>
<b>1.2 Threats and root-causes</b> .....	<b>8</b>
<b>1.3 Desired long-term vision and barriers to achieving it</b> .....	<b>9</b>
<b>1.4 Stakeholder analysis</b> .....	<b>10</b>
<b>1.5 Baseline analysis</b> .....	<b>13</b>
<b>PART II: STRATEGY</b> .....	<b>14</b>
<b>2.1 Project Rationale and Conformity to GEF Policies and Strategic Objectives</b> .....	<b>14</b>
<b>2.2 Country Ownership: Country Eligibility and Country Drivenness</b> .....	<b>14</b>
<b>2.3 Design principles and strategic considerations</b> .....	<b>15</b>
<b>2.4 Project Objective, Outcomes and Outputs/Activities</b> .....	<b>19</b>
<b>2.5 Financial modality</b> .....	<b>28</b>
<b>2.6 Indicators, Risks and Assumptions</b> .....	<b>28</b>
<b>2.7 Cost Effectiveness</b> .....	<b>29</b>
<b>2.8 Sustainability</b> .....	<b>29</b>
<b>2.9 Replicability</b> .....	<b>30</b>
<b>PART III: PROJECT RESULTS FRAMEWORK</b> .....	<b>32</b>
<b>PART IV: MANAGEMENT ARRANGEMENTS</b> .....	<b>38</b>
<b>PART V: MONITORING FRAMEWORK AND EVALUATION</b> .....	<b>39</b>
<b>PART VI: LEGAL CONTEXT</b> .....	<b>43</b>
<b>PART VII: ANNEXES</b> .....	<b>44</b>
<b>Annex I: Risk Analysis</b> .....	<b>44</b>
<b>Annex II: Terms of Reference for Key Project Positions</b> .....	<b>45</b>
<b>Annex III: Stakeholder Involvement Plan</b> .....	<b>48</b>
<b>Annex IV: METT, Capacity Development and Financial Scorecards</b> .....	<b>51</b>
<b>SIGNATURE PAGE</b> .....	<b>52</b>

## ACRONYMS

APR	Annual Project Report
AWP	Annual Work Plan
BAU	Business as Usual
BD	Biodiversity
BP	Business Plan
CBD	UN Convention on Biological Diversity
CCF	Country Cooperation Framework
COP	Conference of the Parties
CO	UNDP Country Office
CNPAs	Carpathian Network of Protected Areas
CPAP	Country Programme Action Plan
DI	Designated Institution
EA	Executing Agency
EIA	Environmental Impact Assessment
EU	European Union
EBRD	European Bank for Reconstruction and Development
GDP	Gross Domestic Product
GEF	Global Environment Facility
IA	Implementing Agency
IR	(Project) Inception Report
IUCN	International Union for the Conservation of Nature
IW	Inception Workshop
M&E	Monitoring and Evaluation
MAFRD	Ministry of Agriculture, Forestry and Rural Development
MPF	Ministry of Public Financing
METT	Management Effectiveness Tracking Tool
MT	Ministry of Tourism
NAPA	National Agency for Protected Areas
NFA	National Forestry Administration
NBSAP	National Biodiversity Strategy and Action Plan
NEX	National Execution
NGO	Non-Government Organization
NP	National Park
PA	Protected Area
PAs	Protected Areas
PAS	Protected Area System
PIR	Project Implementation Review
PM	Project Manager
PMU	Project Management Unit
POC	Project Oversight Committee
PSC	Project Steering Committee
PTR	Project Technical Report
RCU	UNDP-GEF Regional Coordination Unit
SBAA	Standard Basic Assistance Agreement
SFS	Sustainable Finance Strategy
SMP	Strategic Management Plan
SO	Strategic Objective
SWOT	Strengths, Weaknesses, Opportunities and Threats
TBD	To be determined
TBWP	Total Budget and Work Plan
TOR	Terms of Reference
UN	United Nations
USD	United States Dollar
UOB	University of Bucharest
WWF	Worldwide Fund for Nature

## **PART I: SITUATION ANALYSIS**

### **1.1. Context, global significance, environmental, institutional and policy background**

1. Romania is characterized by a belated transition to a functional market economy, compounded by deficient management, against the background of a difficult historical legacy and severe structural distortions that occurred in the past decades. Between 2001 and 2007, Romania's macroeconomic performance improved significantly despite less than favorable international circumstances. The growth of the gross domestic product (GDP) posted an average annual rate of more than 6%, one of the highest in the region, and was accompanied by a sustained and largely successful process of macro-stabilization. In 2007, the GDP reached a total of about Euro 121.3 billion, three times over the figure for the year 2000. None the less, the GDP per capita calculated at standard purchasing power parity represented only some 41% of the EU average. After 1990, the Romanian economy underwent important structural changes, marked by transfers of activity from manufacturing industries and farming first to services and then to construction. In the early stages, the restructuring of manufacturing industries caused a reduction of their contribution to GDP formation from about 40% in 1990 to about 25% in 1999. After 2000, structural decline was halted and the contribution of industrial activities to GDP held steady. It is significant that, in 2007, the private sector created 86.6% of the gross value added in industry compared to 68.4% in 2000. The share of the service sector rose from 26.5% of the GDP in 1990 to about 50% in 2007. It is noteworthy that some sectors (textiles, footwear, furniture, electrical equipment) underwent deeper structural adjustments, which were made possible due to rapid privatization and were able to attain a reasonable level of profitability. Significant progress was also made in the restructuring of the mining sector, building materials production and shipbuilding. Romania's agriculture is still in decline due to excessive fragmentation of land property (subsistence farming is predominant), poor endowment with machines and equipment, precarious state of rural infrastructure, low amounts of chemical or organic fertilizers and pesticides used, dramatic reduction of irrigated areas, soil degradation, chronic deficit of available financing and the absence of a functional system of farming credit. The farming area of Romania covered roughly 14.7 million hectares in 2006, representing 61.8% of the total land area. In accordance with the new land restitution legislation, an estimated 95.3% of the farmland and a large proportion of the state-owned forested land have been returned to their rightful private owners. As a result, the actual farming and forestry areas are dramatically decreasing<sup>1</sup>. Nevertheless, the Romanian economy registered a high growth in 2008 (8.2%), mainly due to agricultural output (recovering from the 2007 drought). Absolute poverty rates declined in 2008 following the pattern of steady decline since 2000. Romania has been allocated €2.9bn from the EU budget in 2008, including generous funding for social inclusion. Absorption rates of EU funds were highest in Romania among new member states. However, the final quarter of 2008 witnessed a significant output decrease due to the global financial crisis.

2. Romania is a medium-sized country compared to the other EU Member States, with a surface area of 238,391 square kilometers and a population of 21,584,365 in 2006. It is located in the basins of the Danube River and the Black Sea and encompasses a large portion of the Carpathian mountain range. Five of the eleven bio-geographic regions of Europe are found in Romania: alpine, continental, Pannonian, Pontic (Black Sea coast) and steppic. The country is also placed at the junction of the Mediterranean, Pontic and Eurasian Palaeartic eco-zones of flora and fauna. This variety of the abiotic substratum in terms of composition and structure also explains the wealth, distribution and representation of natural habitat types throughout Romania's territory. Of the 198 habitats recorded in continental Europe (of which 65 have priority status) Romania holds 94 (23 with priority status), and of the 14 biomes identified worldwide, 5 are present in Romania: temperate coniferous forests, temperate deciduous forests, pasture lands, mixed mountainous landscapes, and lakes. Existing records show a remarkable variety of ecosystem types, species and superior plant and animal taxons, although a thorough inventory of species has not yet been completed, while the inventory of genetic resources is still at an early stage. Natural or semi-natural ecosystems as well as those

---

<sup>1</sup> Data from the National Sustainable Development Strategy – 2008.

where extensive or semi-intensive farming has been practiced contain 3,630 plant species and 688 algae species; 105 mammal species including large carnivores; 25 reptile species; 19 amphibians species; 216 fish species; 30,000 insect species; 860 crustaceans species, and 688 molluscs species.

3. The variety and relative balance of **relief forms** are unique in Europe and quite rare in the world: 28% mountain areas (altitudes over 1,000m), 42% hills and plateaus (altitudes between 300 and 1,000m) and 30% plains (below 300m in altitude). Romania holds 54% of the Carpathian mountain range of medium elevation (1,136m on average) with just a few peaks exceeding 2,500 meters in altitude. The Carpathian Mountains extend over an area of 210,000 km<sup>2</sup> in Central and Eastern Europe covering seven countries: Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia and Ukraine. More than 80% of Romania's water supply (excluding the Danube) and 40% of Ukraine's water supply comes from the Carpathians. The Carpathian Mountains are included in the WWF "Global 200" Ecoregion list and host Europe's most extensive tracts of montane forest, the largest remaining natural mountain beech and beech/fir forest ecosystems, and the largest area of virgin forest left in Europe. It is estimated that the Carpathian forests cover about 90,000 km<sup>2</sup> in total<sup>2</sup>, which is approximately half of the Carpathians. Together with semi-natural habitats such as montane pastures and hay meadows, which are the result of centuries of traditional management of the land, the region's biodiversity is unsurpassed in Europe. One-third (3,988 plant species) of all European vascular plant taxa can be found in this region, 481 of which are endemic. The Carpathians form a 'bridge' between Europe's northern forests and those in the south and west and as such they are a vital corridor for the dispersal of plants and animals throughout Europe. The Carpathians are the last region in Europe to support viable populations of large carnivores. An estimated 8,000 brown bears, 4,000 wolves, and 3,000 lynx can still be found here.

4. The Carpathian Convention was established at The Conference of Kiev in May 2003. Article 4.5 of the Convention states that: "The parties shall cooperate in developing an ecological network in the Carpathians, as a continuant part of the Pan-European Ecological Network, in establishing and supporting a Carpathian Network of Protected Areas, as well as enhancing conservation and sustainable management in the areas outside of protected areas".

5. Recognizing the biological and economic importance of the Carpathians, all the seven range states (Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia and Ukraine) have taken measures to protect this ecoregion. The Carpathian Network of Protected Areas (CNPA) is comprised of 285 protected areas that cover 31,978 km<sup>2</sup> (See Table 1). In terms of coverage, this brings under protection only 17% of the ecoregion, which is very low when compared with the Alpine Bioregion of Europe that has 35% coverage by the network of Natura 2000 sites. Further, the effectiveness of the management regimes is also varied. In general, the northwest of the Carpathians is more effectively covered and managed than the southeast portion.

**Table 1: Current protected areas in the Carpathian Mountains**

Country	No of PAs	Total area (ha)	Legal responsibility for PA	Type of management authority
Romania	106	1,057,487	Ministry of Environment and Sustainable Development	National Forest Administration, NGOs
Slovakia	64	817,720	Ministry of Environment / State Nature Conservancy	State Agency for Nature Conservation
Ukraine	77	355,880	Ministry of Environment and Natural Resources	State Agency for Protected Areas
Poland	21	536,496	Ministry of Environment	National Park, State Forest Administration, Local Forestry offices
Hungary	15	161,487	Ministry of Environment and Water	National Park Directorates
Czech	13	205,832	Ministry of Environment	Administration of Protected Areas

<sup>2</sup> Romanian Carpathian forest: 55,000 km<sup>2</sup>, Slovakia Carpathian forests: 17,500 km<sup>2</sup>; Ukrainian Carpathians: 15,000 km<sup>2</sup>, Poland Carpathian forests: 4,800 km<sup>2</sup>.

Republic				
Serbia	1	62,943	Ministry of Science and Environmental Protection	Public Enterprises (mostly), NGOs approved by the Institute for Nature Conservation
<b>Total</b>	<b>285</b>	<b>3,197,845</b>		

6. Several key steps have been taken by the Government of Romania to address the commitment to the Carpathian Convention. For example, the appointment of a representative to the Interim Secretariat of the Carpathian Convention, the creation of a management unit for the CNPA, the organization of the first General Assembly of the CNPA, the definition of the CNPA structure, the Mala Fatra Declaration (2006) and the Conference of PAs, which took place in September 2008 in Romania. It is expected that the Romanian CNPAs will contribute to:

- (i) Promote the protection and sustainable development of the Carpathians
- (ii) Implement the Carpathian Convention
- (iii) Promote cooperation amongst Carpathian protected areas and with other mountain regions of Europe
- (iv) Represent the interests of the Carpathian protected areas in national and international authorities and organizations
- (v) Promote protection and restoration of nature and the sustainable use of natural and cultural resources
- (vi) Implement the EU Habitat Directive, Bird Directive, NATURA 2000, Water Framework Directive and other EU related policies
- (vii) Promote sustainable livelihoods and development of the Carpathians

7. The Protected Areas Steering Committee established the main criteria for including protected areas in the Romanian CNPAs: i) protected areas larger than 100 ha, and ii) protected areas with their own staff or a responsible administrating institution. According to these criteria, 21 major protected areas (12 national parks and 10 nature parks) were included in the Romanian CNPA. The list included the Defileul Mureşului Superior Nature Park which will have an administrative structure in 2010. The Romanian CNPAs are listed in the table below.

#### Romanian CNPAs

PARKS	Admin. institution	Total surface ha	Forest type			
			Forest cover		Strictly protected forest - ha -	
			- ha -	%		
<b>NATIONAL PARKS</b>						
1	CĂLIMANI	Romsilva	24,041.0	16,118.5	67.05	8,464.3
2	CHEILE BICAZULUI – HĂŞMAŞ	Romsilva	6,575.0	6,345.5	96.51	4,823.7
3	CHEILE NEREI – BEUŞNIŢA	Romsilva	36,758.0	29,165.0	79.34	7,588.0
4	COZIA	Romsilva	17,100.0	16,055.6	93.89	7,839.9
5	DOMOGLED - VALEA CERNEI	Romsilva	61,211.0	45,641.8	74.56	19,755.3
6	PIATRA CRAIULUI	Romsilva	14,773.0	10,170.8	68.85	3,753.68
7	RETEZAT	Romsilva	38,138.0	19,254.0	50.49	884.9
8	MUNTII RODNEI	Romsilva	46,399.0	27,670.3	59.64	13,323.6
9	SEMENIC - CHEILE CARAŞULUI	Romsilva	36,160.7	30,743.1	85.02	9,405.2
10	BUILA – VÂNTURARIŢA	Romsilva	4,186.0	3,850.7	91.99	1,496.9
11	CEAHLĂU	C Council	8,396.0	7,321.9	87.21	3,243.6
12	DEFILEUL JIULUI	Romsilva	11,127.0	9,422.0	84.68	9,012.0
<b>NATURE PARKS</b>						
13	APUSENI	Romsilva	75,784.0	48,795.5	64.39	11,647.0
14	BUCEGI	Romsilva	32,663.0	21,357.7	65.39	5,805.0
15	GRĂDIŞTEA MUNCELULUI - CIOCLOVINA	Romsilva	38,184.0	26,229.7	68.69	4,357.1

16	PORTILE DE FIER	Romsilva	115,655.0	63,919.5	55.27	9,610.4
17	VÂNĂTORI NEAMȚ	Romsilva	30,818.0	26,322.6	85.41	11,417.0
18	MUNȚII MARAMUREȘULUI	Romsilva	148,850.0	72,000.0	48.37	8,850.0
19	PUTNA – VRANCEA	Romsilva	38,204.0	30,563.5	80.00	6,423.2
20	GEOPARCUL DINOZAUROILOR ȚARA H.	U. Bucharest	102,392.0	45,256.0	44.20	0.0
21	GEOPARCUL PLATOUL MEHEDIȚI	C Council	106,000.0	6,000.0	5.66	0.0
22	DEFILEUL MUREȘULUI SUPERIOR	No admin.	9,156.0	7,500.0	81.91	1,000.0
<b>TOTAL</b>			<b>1,002,570.7</b>	<b>569,703.7</b>	<b>56.82</b>	<b>148,700.8</b>
National Parks			<b>304,864.7</b>	<b>221,759.2</b>		<b>89,591.1</b>
Nature Parks			<b>697,706.0</b>	<b>347,944.5</b>		<b>59,109.7</b>
<b>CNPA Romania</b>			<b>1,002,570.7</b>	<b>569,703.7</b>		<b>148,700.8</b>

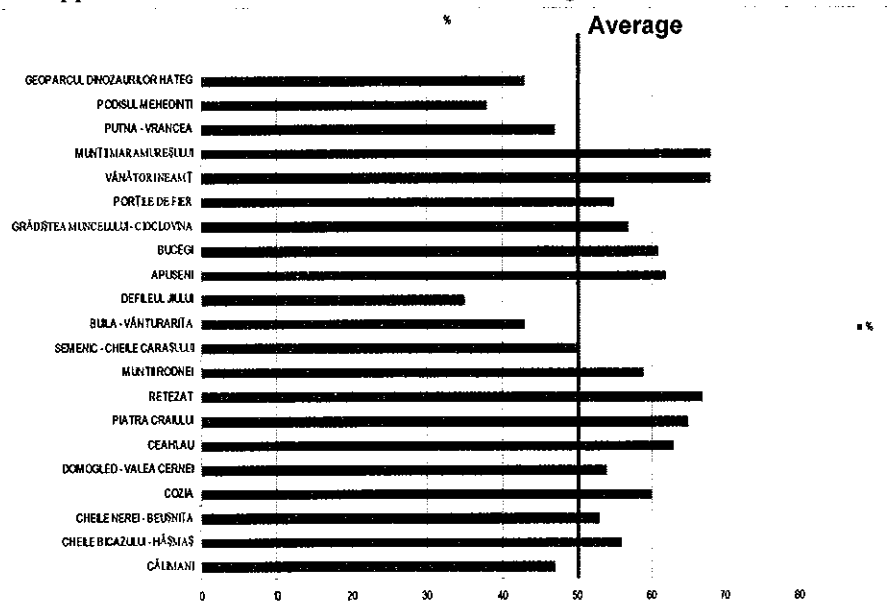
8. The total area occupied by the PAs in Romania is covering approximately 18% of the country area (42,000km<sup>2</sup>), with 1,080 km<sup>2</sup> on sea, 100 km<sup>2</sup> scientific reserves (IUCN II), 3,160 km<sup>2</sup> national parks, 100 km<sup>2</sup> nature monuments, 25,280 km<sup>2</sup> nature reserves and 13,360 km<sup>2</sup> nature parks, including the Danube Delta Biosphere Reserve. The national authority for biodiversity conservation and protected areas is the Ministry of Environment and Sustainable Development. Recently, through a governmental decision, a new National Agency for Protected Areas was created, but it is not yet functional due to lack of political support and funding. Consequently, the management of the protected areas continues to be under a special administration unit for national and nature parks, biosphere reserves and selected Natura-2000 sites, while for other smaller protected areas the administration is done directly through custodians – physical persons, NGOs or other legal persons, without the special administration units. The Danube Delta Biosphere Reserve is administrated directly by the Ministry of Environment and Sustainable Development, 12 national parks and 10 nature parks by the National Forest Administration, 1 national park and 1 nature park by Neamt and Mehedinti County Councils, 1 nature park by the University of Bucharest, while the others do not have administration yet created. The nature reserves are administrated by the National Forest Administration (230), NGOs, other companies, universities, local authorities, etc. The Nature Monuments Commission, under the Romanian National Academy of Science, provides scientific guidance for in-situ conservation, and a PA Scientific Council, whose members are selected by the PA administration and approved by the Minister of Environment supports the management of each protected area. The administration of PAs is also guided by the stakeholders through the Consultative Councils that comprises all institutions representing local authorities, companies, investors, other authorities, NGOs, etc.

9. The financial situation in the Romanian PA system is critical. Only half of what is required to implement basic conservation (pay salaries, utilities, fuel and basic equipment) is available. Protected areas in the Romanian CNPAs currently receive no funding from the national budget; a new protected areas agency was established under the Ministry of Environment at the end of 2008 (this has been under discussion for several years), but due to the impact of the global financial crisis in Romania and lack of political will, the Agency is likely to change into an internal department within the Environment Ministry. This situation is similar to that of the entire PA system. The UNDP Financial Sustainability Scorecard was completed for all the Romania PA system during project preparation (See Annex F). The Scorecard assessed financial information related to costs, revenues, needs and gaps both in the current year and as forecast for future years. It also assessed the governance and institutional frameworks, the use of business planning and other tools for cost-effective management such as accounting practices, and tools for revenue generation. The results of the Scorecard indicate that the estimated annual funding required is approximately USD 9 Million for the basic conservation level and USD 15 Million for optimal conservation (i.e. full implementation of all PA management plans). The current annual income of the Romanian CNPAs is estimated at USD 5 million only. Thus, the current estimated financial gaps are USD 4 Million and USD 10 Million for the basic and optimal

levels, respectively. The following table illustrates the also low results (ranking) in the rest of the scorecard components:

Assessment of the Financing System	Total possible score	Actual Score	As percentage of total score
Component 1: Legal regulatory and institutional frameworks	78	15	19.2
Component 2: Business planning and tools for cost effectiveness	61	15	24.6
Component 3: Tools (mechanisms) for revenue generation	57	3	5.3
<b>TOTAL</b>	<b>193</b>	<b>33</b>	<b>17</b>

10. In addition to the UNDP Financial Sustainability Scorecard, the METT Scorecard (See Annex G) was also applied to the Romanian CNPAs. The average score is 50% and is illustrated in the next table.



## 1.2 Threats and root-causes

11. The main threats to the globally significant biodiversity of the Carpathian mountains are: (i) overexploitation of natural resources, especially forest resources through logging and poaching which have intensified as a result of land restitution and privatization; and (ii) habitat degradation and fragmentation through construction of roads, houses and other infrastructure including tourism infrastructure that is not properly planned and developed and by opening up access to natural areas that should be preserved. It is estimated that 27% of Romania's land surface is under forest cover (circa 6.43 million hectares), of which 3% (circa 200 thousand ha) is listed as primary forest and 97% as secondary forest or sparsely wooded areas, and ecologically sound forests cover just 23% of the national territory. The percentage of forested land in Romania is well below the other European countries having similar climate conditions (Slovenia 57%, Austria 47%, Bosnia 53%, Slovakia 41%) and about half of the ideal proportion for Romania (40-45%). About half of these forests were restituted to the former owners – local authorities, common ownership, church, private persons etc. This restitution process led, together with the lack of legislation and the lack of staff for enforcing the



legislation, to illegal harvesting activities. It is estimated that about 30,000 ha of restituted forests were clear cut, while around 100,000 ha were affected by partial illegal cuts. Furthermore, an active process of erosion of biological diversity, on the other hand, has caused the extinction of plant species (documented for 74 superior plant species). To date, 1,256 superior plant species were classified as rare, 171 as vulnerable and 39 as endangered. Regarding animal species, out of the 105 mammal species in the native fauna, 26 are listed as endangered, 35 are vulnerable and 25 are in serious decline. However, 3 rare species, almost extinct in many other EU countries, wolf, brown bear and lynx have very vigorous stocks in Romania. Out of the 216 species of fish in Romanian waters, 11 species are endangered, 10 species are in critical state and 18 are vulnerable.

### 1.3 Desired long-term vision and barriers to achieving it

12. The long-term solution to the financial problems confronting protected areas in the Romanian Carpathians lies in ensuring a steady stream of funding from diverse sources and effectively increasing the overall resource envelope. The current network of PAs in the Carpathian Mountains is considered insufficient in scale, connectivity and management performance to prevent the irreversible loss of biodiversity in the Carpathian ecoregion over the next decades. Protected area experts, decision makers from government, and civil society representing the Carpathians have recognized (at a 2006 workshop to discuss the implementation of the CBD Programme of Work on Protected Areas) that the long-term goal must be to establish a scientifically-based and representative regional network of well-managed protected areas that are sustainably financed, as well as to ensure effective participation of local communities and provide social and economic benefits. To achieve this goal, the range states need to take action on three fronts: improve the biogeographical representation of protected areas, strengthen management of protected areas to ensure that human and other resources are being efficiently and effectively deployed, and secure a sustainable and predictable stream of financing for protected areas. A number of GEF and non-GEF initiatives and programs (a list of these is provided in Table 2) have been launched at the regional and national level to strengthen the CNPA. These efforts are primarily targeted to addressing bio-geographical shortcomings and some of the individual and institutional capacity barriers related to realizing the long-term goal. There remains an unmet need to address the financial barrier and the associated capacities. There are two main barriers to realizing financial sustainability:

Barrier 1. Financing streams are inadequate to sustain the ecological qualities of the PA system through proper management: The financial situation in the Romanian Carpathian PA system is similar to that of the entire CNPA where protected areas are severely under-funded. The Romanian CNPAs receive only half of what is needed to carry out basic conservation programs. The estimated annual funding required is approximately USD 9 Million for the basic conservation level and USD 15 Million for optimal conservation (full implementation of all PA management plans). The current annual income of the Romanian CNPAs is estimated at USD 5 million only. Thus, the current estimated financial gaps are USD 4 Million and USD 10 Million for the basic and optimal levels, respectively. There are no central budget allocations for the protected areas in the Romanian Carpathians. However, there is revenue allocation for PA co-management, designated by the Ministry of Environment and administrated by the National Forestry Administration (NFA). A 2% tax on sales of timber products is paid by harvesting and processing companies (i.e. sawmills). These resources provide the basic funding for the 22 PAs of the CNPAs, comprising 18 National and Nature Parks managed by the NFA, 2 parks managed by County Councils, one park managed by Bucharest University and one additional park without an administration agreement. Currently, 85% of the annual cost of protected areas is covered through NFA funding [although transfers from NFA to particular PAs are usually extremely delayed, which is a problem in itself], and a meager 3% is covered through revenue generated at site level through activities such as guided tours, fees for filming and bear watching, and the remaining 12% is covered with international donor funding that comes via international unpredictable short-term projects. The bulk of the current funding goes towards covering the cost of basic operations and salaries (there are approximately 325 people employed in the PA administrations in the Carpathians), and there is a chronic shortage of resources for key functions such as habitat restoration, wildlife management, visitor infrastructure, awareness-raising,

enforcement and research. Short-term projects are an unpredictable source of funding. While there is strong interest and support for a national strategy for sustainable financing of protected areas, this is a very new area for Romania, with a wide range of options such as timber royalties, pollution charges and fines, local property taxes, park entry fees and other tourism-related fees. There is an urgent need for consultative and informed discussions on the potential applicability of various sustainable financing mechanisms, and how the legal and policy environment needs to be modified to effectively support implementation of these. A business case needs to be made, to justify more government investment in the public interest; feasibility assessments to be undertaken, regulations enacted and institutional arrangements structured to unlock the existing and new funding opportunities. Romania has a national-level Environmental Fund which is financed by pollution charges and fines, and administered by the Ministry of Environment, which makes grants each year for various types of environmental projects. Currently only about 3% of the grants are awarded for projects relating to protected areas and biodiversity conservation, but relevant stakeholders feel that it would not be unrealistic to try to raise this to 30% of all grants awarded each year by the Environmental Fund. The Environmental Fund awards its grants on an open and competitive basis, and does not pre-allocate certain percentages of its grants for particular purposes or activities. The procedures for accessing its funding are extremely cumbersome. For instance, over 5 Million Euros have been available each year in 2007 and 2008 to support projects on biodiversity conservation, PA management and ecological restoration/sustainable forest management. However, only 1.2 Million Euro was allocated in 2007 and only 3% of the grants were awarded to PA related projects. There is no way to compensate to forest-users for avoided deforestation and degradation. While such compensation is "generally" envisaged, it is difficult to use this mechanism as the approval system is complicated and involves several agencies such as the ministries of agriculture, forests and rural development. The country continues to suffer from inconsistent, outdated and/or "general" legislation governing PA financing. For example, there is a lack of provisions to allow advance payments to subcontractors until donor funding is available (the current systems is based on reimbursement of actual expenses). This causes, for example, long delays in the construction of tourism infrastructure. The legislation does not envisage incentives to park managers for increased non-governmental revenue generation.

Barrier 2: Deficiencies in PA governance and low cost-effectiveness of management at the site level: Generally, there continues to be a lack of clarity in the relations between the Ministry of Environment and the National Forestry Association, which contributes to poor overall governance of the PA system in the country. There is no inter-institutional mechanism to expedite revenue collection and transfers of funding to PAs. There is poor understanding of ways to harmonize PA management plans with municipal land use plans and community development plans. There is an opportunity to mobilize funding through earmarked revenue generation due to the fact that protected area laws allow for charging entry fees and other user charges on resource-users and for retaining 100% of the revenues thus raised for protected area management. However, there is a lack of experience and expertise among PA managers on how to capitalize on these opportunities. Legal provisions are not put to good use because PA management planning has not been underpinned by business planning. There is a lack of capacity and experience within the Romanian institutions responsible for PA management to systematically tap diverse sources of funding. Decision-makers and technical-level representatives of key stakeholder organizations (Ministry of Environment, National Forest Administration) are not familiar with sustainable financing mechanisms. At the level of individual protected areas, PA management planning is not underpinned by business planning. Business planning to ensure financial sustainability of PAs is not a routine part of PA management; there are no internal capacities to prepare business plans nor are there standardized national PA business planning guidelines. Effective management of the PA system is being compromised by deficiencies in the skills set of staff responsible for PA management, as well as by some legal deficiencies (such as, e.g., limitations in the use of co-management agreements.). The system suffers from low PA staff salaries, lack of incentives, and limiting contractual agreements are causing the rapid staff turn-around as staff leave the parks administration for better paid and more secure jobs. Currently, the average age of the PA staff is 30 years.

#### **1.4 Stakeholder analysis**

13. The National Forest Administration “Romsilva” will be the main institution responsible for different aspects of the project development process. They will work in close cooperation with the Ministry of Environment and the National Agency For Protected Areas inside the Ministry. The Ministry of Agriculture, Forests and Rural Development will be involved in the project together with other relevant Ministries and agencies like the Ministry of Public Finances, Ministry of Tourism, the Water Management Agency, a.s.o.. The project will also engage the necessary support from national and international NGOs like WWF who is also a cofinancing partner. The project will address stakeholder engagement at three levels: (i) working with national and local public institutions including the central government and the Parliament in order to assess, communicate and mobilize the necessary support to improve the national legislation and regulatory framework; (ii) working with the protected areas administrations to develop sufficient skills and knowledge for achieving the project objectives; and (iii) working directly with civil society organisations, formal and informal land-use rights holders, private landowners, private sector and individuals. Table 2 below describes the major categories of stakeholders and their involvement in the project.

**Table 2: Key stakeholders and roles and responsibilities**

Stakeholder	Role and Responsibilities
Ministry of Environment (ME)	Main institution responsible for the protected areas will have the most prominent role, together with the project consultants, in assessing the possible changing of the legislative and regulatory framework including specific water legislation and regulatory framework, and also to provide the necessary support for the legislative and institutional reform. The ME will chair the Project Steering Committee (PSC)
National Agency for Protected Areas NAPA	NAPA will work in close cooperation with the ME. It will contribute to the project through: (i) collaborate to create the sustainable financing strategy for the CNPA, as a part and initial model of the future sustainable financing strategy of the Romanian Network of Protected Areas. It will also provide, together with ME, the necessary lobby to support the reform of the PA finance regulatory framework. The NAPA will be a member of the PSC if it will function as a separate institution from ME.
National Forest Administration “Romsilva”	NFA “Romsilva” will provide inside the Protected Areas Unit the Project Implementation Team that will carry out the project’s administrative and financial management. Also it will provide as a co financing partner all the necessary support in developing the project. It will coordinate the 18 park administrations belonging to NFA that are part of CNPA. The NFA “Romsilva” will be a member of the PSC.
Ministry of Agriculture, Forestry and Rural Development	MAFRD is also an important partner in the project. The main role will be the optimization of the payments for compensation to land owners in the protected areas. The MAFRD will also help in elaborating and promoting PES and the specific necessary regulatory framework. MAFRD will be a member of the PSC.
Other relevant agencies	National Water Agency, National Agency for Mineral Resources, other agencies administrating natural resources will be involved in developing mechanisms for financing the protected areas.
Ministry of Tourism MT	Ministry of Tourism will assess, together with the project team, the tourism-business opportunities, and tourism based income options that can be generated to support PA’s tourism infrastructure and promotion. The MT will support the development of the necessary regulatory framework. It will be part of the PSC.
Ministry of Public Finances	MPF is an important partner. It will support the assessment of the financial legal and regulatory framework, and will support the reform of financial legislation. It will cooperate in the effort to ensure the transparency of the new PA accounting system and the financial training of the PA’s managers. The MPF will be a member of the PSC.
Protected Areas Administrations	All 18 park administrations of the NFA “Romsilva” will provide direct

Stakeholders	Values and Expectations
members of CNPA (18 NFA)	support in the implementing the project: direct personnel involvement and also logistical support, including the public awareness campaign, sustainable financial strategy, business plans, trainings, project outcomes.
Protected Areas Administrations members of CNPA (2 County Councils)	The 2 park administrations administrated by county councils will provide direct support during project implementation including direct personnel involvement and logistical support to the public awareness campaign, sustainable financial strategy, business plans, trainings and project outcomes. The involvement of the 2 county councils will be critical to develop financial models for other county councils willing to administrate protected areas.
Protected Areas Administrations members of CNPA (University of Bucharest -UOB)	The UOB will provide direct support during project implementation including direct personnel involvement and research and implementation support (academicians and graduate students "volunteers") to the public awareness campaign, sustainable financial strategy, business plans and trainings. UOB will also provide academic endorsement to training content and an administrative platform to support PA practitioners involved in trainings.
WWF – Danube Carpathian programme	WWF will provide cofinancing and support the implementation of the project through additional in-kind contributions. WWF will particularly support the capacity building component and will contribute to the process of sharing of experiences between different projects. WWF may also provide support during the assessment of the legislation and regulatory framework, reform lobbying and will be member of the PSC.
NGOs	Relevant national environmental NGO's will be involved in achieving the project outcomes and will play important role in public campaigns, accountant system transparency and PA volunteers support programmes.
Academic and research Institutes	Relevant national and regional academic and research institutes will contribute to the project in, for example, the Tourism Research institute delegated to elaborate the National Ecotourism strategy, National Statistic Institute can help with valuable data, and the Academy for Economic Sciences will be involved in assessing the financial framework.
Representatives of local communities	Representatives of local communities of the PA's will be invited to participate for developing the PA's business plans and for lobbying the compensation to forest land owners in the protected areas, and to elaborate a financial best practices guidelines for communities involved in PA business plans.
National and local press and media	The project will cooperate with the national and local media (TV, press, Internet and radio) on public awareness and legal reform issues.
Land owners	Will be involved in all the actions designed to improve compensation payment, for economical losses, to landowners in the PA's and also in developing PES schemes.
Private sector	It is critical element. The project will promote the engagement of as many as possible private partners in PA financing. For instance, professional tourism national associations like ANTREC and NATA and other potential donors and/or PA co-management partners. At least one representative from the private sector will be member of the PSC.
UNDP-Romania	The roles and responsibilities of UNDP-Romania will include: Ensuring professional and timely implementation of the activities and delivery of the reports and other outputs identified in the project document; Coordination and supervision of the activities; Assisting and supporting NFA "Romsilva" in organizing coordinating and where necessary hosting all project meetings; Coordinate of all financial administration to realize the targets envisioned in consultation with NFA Romsilva; supporting the establishing of an effective network between

Project description	Baseline and the project objectives
	project stakeholders, specialized international organizations and the donor community. The UNDP will also be a member of the PSC.

## 1.5 Baseline analysis

14. The project is consistent and will coordinate with current related projects and programmes (listed in Section 2.2, Coordination with other related initiatives). This constitutes a solid baseline upon which the project is built, since such initiatives are strengthening the foundations for improved PA management in the Carpathians. However, there is a need to ensure that the sustainable financing dimension evolves in parallel to the other institutional reforms (including a strengthening of managerial and technical capacities of PAs), so that the areas can fully realize, not just their conservation potential, but also their economic potential. In the absence of the project, efforts to address the issue of financial sustainability may deal with one side of the equation only or be biased towards individual sites, foregoing thereby the opportunity to introduce comprehensive, system-level financing solutions for the PA system in the Carpathians with conservation objectives duly prioritized with mechanisms for cross subsidization of sites (currently absent from on-going discussions). In the absence of the project, even though the governments of the Carpathian countries have articulated their commitment to expand the Carpathian network of protected areas so as to cover priority areas for biodiversity conservation, this will likely remain an ambitious programme unless fundamental PA financing issues are addressed. The PA system will neither be able to provide effective protection to biodiversity within its existing national and regional system, nor be able to expand to include ecosystems and habitats that are receiving sub-optimal coverage.

15. In Romania, previous to the proposed GEF intervention, several national and international initiatives have addressed PA bio-geographical shortcomings and some of the individual and institutional capacity barriers related to realizing the overall long-term conservation goal. But they have neglected the need to address the financial barrier and the associated capacities. Therefore, the critical seed funding provided by the GEF involvement in the project will result in a cost-efficient way to move the Romania CNPAs from the current under-funded situation (Business as usual) where the lack of funding and poor individual and institutional capacity are undermining the viability of the CNPAs, to a more sustainable situation (Alternative scenario), in which diversified revenue mechanisms are balanced with the capacity to manage the CNPAs financial needs to ensure appropriate management of the CNPAs. Thus, the CNPAs improves representativity (habitats and species) and fully supports ecosystem functions.

16. Without the project, however, the Government of Romania will continue to provide limited support to the CNPAs through the national Forestry Administration. As indicated in Section C, the Romanian CNPAs receive only a half of what is needed to carry out basic conservation programs. The estimated annual funding required is approximately USD 9 Million for the basic conservation level and USD 15 Million for optimal conservation (full implementation of all PAs management plans). The current annual income of the Romanian CNPAs is estimated at USD 5 million only. Thus, the current estimated financial gaps are USD 4 Million and USD 10 Million per year for the basic and optimal scenario respectively. PA funding will remain dependent on scarce NFA funding, extremely low level of self-generated funding (tourism-based funding) and few international projects. In the BAU scenario, the widening of these financial gaps is unavoidable.

17. The National Agency for Protected Areas (NAPA) was approved by the Legislative in 2008 but failed to take off due to lack of funding, legal inconsistencies and political will. It is now expected that it will be established as a PA Department under the Ministry of Environment. This political and institutional hurdle is affecting the approval of PA management plans, for example. The existing PA legislation provides that the National Agency for Protected Areas should approve and coordinate PA planning. Without the NAPA in place, PA management plans are not being approved and therefore, the development of financial strategies and new revenue streams will continue to be compromised. Under the BAU scenario, although the discussions

regarding the establishment of the autonomous NAPA will continue, it is likely that the already approved NAPA will be scaled down since the funding situation of the CNPAS will only deteriorate.

18. Although the Romanian government may continue to commit limited financial resources and provide basic technical and professional capacity to support the planning, management and expansion of protected areas, it will remain inadequate to improve the current management effectiveness and representativity of the Romanian CNPAs. In the BAU scenario, it is highly unlikely that the Government will embark on any major fiscal reform scheme to increase funding and capacity of the Romanian CNPAs. It is also unlikely that under the BAU scenario the Government will fully grasp the importance of the diversification of the funding mechanisms of PAs and the ways and means to develop them. Under the BAU, the CNPAs will remain fragmented, under-represented (habitats and species) and poorly support the ecosystem functions. The political commitment to consolidate the existing and establish new protected areas will remain low and Romania will not meet the national conservation targets due to lack of funding. Opportunities to generate new revenue streams will be missed due to lack of financial strategies and business plans, insufficient capacity, and absence of the required legal, regulatory and institutional framework.

## **PART II: STRATEGY**

### **2.1 Project Rationale and Conformity to GEF Policies and Strategic Objectives**

19. The project is fully consistent with the GEF Strategic Objective 1: Catalyzing the Sustainability of Protected Areas/Strategic Programme 1 “Sustainable Financing of Protected Areas”. The project will support the development of a sustainable financing plan which will include the legal and institutional framework to enable protected areas to plan and conduct income generating activities, and to retain and invest back into conservation the funds thus generated. In addition, it will build the capacity of the Carpathian Network of Protected Areas practitioners in business planning so as to effectively implement the sustainable financing plan and demonstrate replicable innovations in protected area management, testing public-private sector partnerships and other types of governance and new income generating activities, such as utilization of non-timber forest products, grazing and mowing in some areas, fishing, game viewing, tourism and recreation, among others. The project will also explore the feasibility of applying market-based charges for PA goods and services, such as: tourism charges, resource extraction fees and payments for ecosystem services.

### **2.2 Country Ownership: Country Eligibility and Country Drivenness**

20. The project is fully in line with the **National Development Plan 2007-2013**, which is the key document for strategic planning and multi-annual financial programming designed to give a sense of direction to national economic and social development in agreement with the principles of the EU Cohesion Policy. The Plan sets as a general objective the fastest possible reduction of socio-economic disparities between Romania and the other EU Member States and details the specific objectives of this process along 6 priority lines of action that integrate, directly or indirectly, the demands of sustainable development for the short and medium term. One of the priorities is : to protect and improve the quality of the environment, including measures to raise living standards through provision of public utilities, in particular water and waste management; to enhance regional and sector environmental management, conservation of biodiversity, ecological rehabilitation, risk prevention and intervention in case of natural disasters. The project is also in line with the objectives of the **National Strategic Reference Framework 2007-2013**, which was accepted by the European Commission on 25 June 2007, sets the priorities for the application of the EU Structural Intervention Instruments (the European Fund for Regional Development, the European Social Fund and the Cohesion Fund) and links the priorities of the National Development Plan 2007-2013 to those of the EU as established in the Community Strategic Guidelines on Cohesion 2007-2013 and the revised Lisbon Strategy. The National Strategic Reference Framework presents the socio-economic situation in Romania at the time of

accession, analyses its strengths, weaknesses, opportunities and threats (SWOT), offers a strategic vision and provides a synthesis of the Sector Operational Programmes (SOP), including the SOP for Environment to be implemented under the convergence objective. The SOP Environment has priority axis no. 4 dedicated to funding management planning of protected areas, especially Natura 2000 Sites.

21. In addition, the project fully complies with the **National Sustainable Development Strategy 2007-2030** with clear objectives focused on the maintenance, consolidation, enhancement and continued adaptation of the structural configuration and functional capacity of natural capital as a foundation for the preservation and augmentation of its support capacity and its ability to operate under the pressure of social development, economic growth and the foreseeable impacts of climate change.

22. The project is fully aligned with the **National Biodiversity Conservation Strategy and Action Plan (NBSAP)** of Romania, which was developed in 1996 and updated in 2001. The NBSAP has identified the Carpathian Mountains and the financial sustainability of the protected area system as priorities for the country. Currently, Romania is updating its NBSAP with GEF support. The project objective is to enhance the national capacity to implement the Convention on Biological Diversity (CBD) provision through addressing institutional and human capacity gaps and adopting a more integrated approach to biodiversity conservation. The main components of the project are: (i) Aligning the National Strategy and Action Plan on Conservation and Sustainable Use of Biodiversity with legal obligations under the CBD, (ii) Strengthening Romania's CHM, (iii) Undertaking a detailed capacity needs assessment in the areas of priority to the CBD implementation. During the NBSAP stocktaking phase, the financial sustainability of the Carpathian protected areas has been already identified as one of the main priorities of the future NBASP. The recently adopted Protected Area Law of Romania identifies a series of financial mechanisms for protected areas, which this project will be testing. Moreover, the proposed project is fully in line with the commitment of the Carpathian countries to address the main articles of the Carpathian Convention. In 2003 all the range states signed a Framework Convention on the Protection and Sustainable Development of the Carpathians (the Carpathian Convention), which was subsequently ratified by all seven signatory countries (including Romania) and entered into force on December 11, 2006. Romania has committed at the first COP of the Carpathian Convention (December 2006) to use its potential GEF-4 national allocation under the Biodiversity Focal Area for the development and implementation of a project that addresses the issue of financial sustainability of the Romanian Carpathian protected areas, and to lay the ground for replicating the approach to the entire Carpathian Network of Protected Areas.

23. The nature of the project is policy development, capacity building and technology testing. The project objective will be attained through technical assistance and investment in demonstration activities. No loan or revolving-fund mechanisms are considered appropriate, and therefore grant-type funding is considered most adequate to enable successful delivery of the project outcomes.

### **2.3 Design principles and strategic considerations**

24. The project design will build on and integrate recommendations of the successfully completed World Bank/GEF project on Biodiversity Conservation and Management in three protected areas in the Romanian Carpathian Mountains. Further, it will complement other initiatives at national and regional levels and, in particular, the UNEP-GEF regional project (Bulgaria and Romania): "Promoting Payments for Environmental Services (PES) and Related Sustainable Financing Schemes in the Danube Basin" which includes mainstreaming payments for ecosystem services and sustainable financing schemes and the "2012 PA Programme - The Carpathian Mountains Ecoregion" implemented by WWF and funded by the MAVA foundation (last row of Table 3). This initiative aims to establish a mechanism to support and coordinate the PoWPA implementation through capacity development for PA practitioners; improve participation in PA design, management and benefit sharing; fill critical gaps in the PA network by creating large intact blocks of freshwater ecosystems, wilderness areas and transboundary PAs. The project will also build on the best

practices of the GEF funded project implemented by UNDP in partnership with NFA during 2005-2009 “Strengthening Romania’s Protected Area System by Demonstrating Public-Private Partnership in Romania’s Maramuresului Mountains Nature Park”. The project will build upon the results of various studies, mainly the PES/TEV study and recommendations to generate alternative sources of income for PA managers. The project will use the results of the assessments generated under the GEF funded initiative “Alignment of the National Biodiversity Strategy and Action Plan to the latest CBD requirements and strengthening the Clearing House Mechanism (CHM)” and will develop the appropriate linkages of the PAs information exchange platform with the national CHM.

25. The table below lists the major national and regional major initiatives in the ecoregion. Opportunities for collaboration have already been sought as the project’s partners are also part of the Carpathian Network of Protected Areas.

**List of relevant initiatives in the Carpathian Mountains (national and regional)**

Name	Main partners	Aim
<b>NATIONAL</b>		
Romania: Conservation of Maramures Mountains	UNDP, GEF, National Forest Administration	Demonstrating effective biodiversity conservation in Maramures Mountains Natural Park in Romania’s northern Carpathian Mountains.
Romania: Biodiversity Conservation Management (FSP – completed in 2005)	World Bank, GEF, National Forest Administration	Establish effective, inter-sectoral, participatory planning and sustainable management of natural ecosystems and associated landscapes at 3 demonstration sites in the Carpathian mountains, and mechanisms to support replication
Slovakia: Conservation, restoration and wise use of rich fens	UNDP, GEF, Daphne Institute of Applied Ecology	Representative habitats of unique calcareous rich fens are maintained through the promotion of restoration, conservation and sustainable management practices.
Slovakia: Conservation and Sustainable Use of the Central European Grasslands	World Bank, GEF, Daphne Institute of Applied Ecology	Maintain representative samples of unique grassland ecosystems and their biodiversity in both protected areas and within the production landscape, through the promotion of restoration, conservation and sustainable use management practices.
Czech Republic: Carpathian grasslands	UNDP, GEF	Management of globally significant species in mountain meadows rich in species in two Protected Landscape Areas in the Carpathians.
<b>REGIONAL</b>		
Promoting Payments for Environmental Services (PES) and Related Sustainable Financing Schemes in the Danube Basin.	UNEP-GEF (Bulgaria and Romania)	Mainstreaming payments for ecosystem services (PES) and sustainable financing (SF) schemes in integrated river basin management for large-scale international watersheds.
Carpathian List of Endangered Species	WWF and Polish Academy of Science	List of threatened species and awareness
Network of Carpathian Protected Areas and Ramsar sites	Slovak Nature Conservancy, Norwegian Government	Establishment of the Carpathian network of Protected Areas
Carpathians Environment Outlook	UNEP	Comprehensive assessment of the state and trends in the Carpathians
Guide to Implementation of Carpathian Convention	REC Slovakia, Italian Trust Fund, UNEP, MoE Italy	Country by country diagnostic audit of policy, institutional and legal frameworks relevant to Carpathian Conventions;
Development of a Carpathian Ecological network	CERI, Daphne Institute, ECNC, WWF Danube Carpathian, Dutch BBI	Carpathian Biodiversity Information System; Carpathian Ecological network based on analysis of existing PAs and other priority areas.



Name	Main partners	Aim
	Matra Programme	
Realizing large scale action in the Carpathians as part of the vision for an ecological network	WWF, WWF Netherlands	Realization of a functional ecological network in the Carpathians
Carpathian Project	UNEP, 19 partners from the region, EU Interreg IIIB CADSES programme	Atlas of Cultural Diversity. Tourism protocol for the Carpathian Convention; Capacity development on EU funding opportunities
The Carpathian Mountains Ecoregion	WWF, Mava Foundation	Mechanism to support and coordinate the PoWPA implementation; Capacity development for PA practitioners; Improved participation in PA design, management and benefit sharing; ensure critical gaps in the PA network are filled with a focus on creation of large intact blocks, freshwater ecosystems, wilderness and Transboundary PAs

26. Furthermore, the project design is based on the principle of incremental costs advocated by the Global Environment Facility. As part of the incremental cost analysis at the preparatory stage, two major finance-related barriers were identified during project preparation which are the basis for defining the 'Alternative scenario'. This new situation will be achieved by implementing the project's Components 1 and 2. The identified barriers refer to i) the chronic lack of funding and ii) the inadequate individual and institutional capacity to address PA financial management and revenue generation. Consequently, under the 'Alternative scenario', by 2012, with GEF support, the Romanian CNPAs will accomplish the following increments.

27. Increments in Component 1: the Romanian CNPAs will have a functional legal and regulatory framework supporting PA revenue mechanisms and the implementation of a financial sustainability strategy that comprises the 22 large PAs in the Romanian portion of the CNPAs. The financial strategy will include a diversified funding portfolio including: an agreed upon government commitment to establish and gradually increase central funding allocations to cover up to 40% of the cost of managing the Romanian CNPAs, and a mix of other funding sources such as tourism-based revenue, payments for environmental services, environmental compensation, trust fund funding and international funding covering the remaining 60% of the costs. The sustainable finance strategy will be supported by model business plans being implemented in 5 PAs. Business plans will ensure that the financial targets for non-government funding are timely met.

28. Increments in Component 2: The project has produced and placed a critical number of PA managers and staff skilled in all strategic aspects of financial planning of PAs. This technical workforce is indispensable for the successful implementation of the legal and regulatory reform, the financial sustainability strategy and the business plans. This will be achieved with the support of a state-of-the-art training platform that integrates face-to-face and online training. Given the low cost and accessibility of technology-based training, this platform will serve to expand the project's training component to cover the entire CNPA. Lessons and knowledge will be documented and transferred through this platform. An important increment of this component is a critical number of well-informed decision-makers (e.g. high-level government officials, politicians, legislators and private sector executives) about the economic value of the CNPAs and its contribution to productivity and human well-being. This is critical to enable the political and legal reform proposed by the project.

29. Furthermore, CNPAs' financial management will be fully supported by an intranet-based financial management system that will ensure cost-efficient management of diversified sources of revenue and cost reduction strategies. In addition, the GEF involvement will be instrumental to establish institutional support pillars that otherwise will not be possible. These include a public forum (PA management committee) strengthened and with new mandate to monitor the financial effectiveness and efficiency of the CNPAs. In addition, it is expected that as a result of the GEF intervention, a strong Carpathian-National Association of

Protected Area Administrators will be available to support interaction with the private sector, promote the CNPAs and advance the sustainable financing of the Romanian CNPAs and beyond.

30. National ecological increments: Components 1 and 2 will be critical to achieve national ecological increments such as: (i) a fully ecologically representative Romanian CNPAs that would adequately conserve terrestrial and freshwater biodiversity, (ii) finance the possible establishment of additional protected areas. The administrative boundary of the project is the entire PA network. The duration of the project will be four years. Thematically, the project will deal with: a) raising ecological representativity of the PA system through ecological gap studies and PA strategy formulation; b) management effectiveness improvements, and; c) capacity building.

31. The Global Environmental Benefit is represented by: ensuring financial sustainability for 1,027,533 ha of world's threatened terrestrial habitats and the expected increase in the Financial Scorecard Rating from a baseline of 33% to 50%. In the long-term (by 2015 and beyond), threats such as unsustainable tourism development; illegal construction; and illegal harvesting of forest products, fish, game and other natural resources, will be contained at the level of the entire expanded PA system of the country, covering 1,652,469 hectares.

32. The project will contribute to advance the implementation of the CBD PoWPA in Romania, particularly: Goal 1.1 – “To establish and strengthen national and regional systems of protected areas integrated into a global network as a contribution to globally agreed goals”, Goal 3.1 – “To provide an enabling policy, institutional and socio-economic environment for protected areas”, Goal 3.2. – “To establish and strengthen national and regional systems of protected areas integrated into a global network as a contribution to globally agreed goals” and 3.4 – “To ensure financial sustainability of protected areas and national and regional systems of protected areas”.

33. The global benefits of implementing this project will result in long term conservation of Carpathians biodiversity, including vast montane forest and the largest remaining natural mountain beech/fir forest ecosystems and virgin forest in Europe. These forests provide the habitat for the most representative fauna species in the region such as bear, lynx and wolf. According to IUCN's Red List books, at the level of the Carpathians there are 13 Vascular plants extinct, several are critically endangered, 135 are endangered, 155 species are vulnerable. There are almost 200 endemic species of vascular plant, at a total number of 4000 species (almost a third of the European species of vascular plants). Animal species are also under stress, 2 species are extinct, 2 are critically endangered, 12 are endangered, 44 are vulnerable. Among the birds, 7 are critically endangered, 11 are endangered and 11 are vulnerable, and among fish, 2 species are extinct, 3 species are critically endangered, 14 species are endangered, 11 are vulnerable. The most representative fauna species in the Romanian Carpathians are the large carnivores, as bear (*Ursus arctos*) lynx (*Lynx lynx*) and wolf (*Canis lupus*). The large carnivore population in Romania is about 30% of all of Europe's carnivore population. All three species in Romania have a “vulnerable” status according to the IUCN red list. The population of bears in the Romanian Carpathians is around 6,000 bears, the wolf population is around 3,000 and the lynx population is about 1,500. In comparison with other European countries and even with other Carpathian countries, the status of the large carnivores is by far better in the Romanian Carpathians. The importance of maintaining the large carnivores habitats in the Carpathians and especially in Romania where the populations are still mainly natural ones is therefore crucial. One key goal of the Romanian CNPAs is to ensure the conservation of almost 570,000 hectares of proper forest habitats for large carnivores, including 150,000 hectares of undisturbed protected forests. Besides the forest habitats, 300,000 hectares of meadows, pastures and subalpine habitats are the host of a list of critical endangered, endangered or vulnerable species of vascular plants. Among those, there are endemic species for the Carpathians and local endemic species. From the eight flagship species of birds in the Carpathians, 5 are located also in the Romanian Carpathians: Lesser spotted eagle *Aquila pomarina*, Corncrake *Crex crex*, White-backed woodpecker *Dendrocopos leucotos*, Rock thrush *Monticola saxatilis* and Capercaillie *Tetrao urogallus*. In the Romanian Carpathians, for example,

comprehensive inventories of species population and mapping of the most important habitats is still to be done in most of the protected areas. Outside of the protected areas, there are no detailed inventories and mapping of biodiversity done. Global benefits will primarily be realized by enhancing the financial sustainability of the existing Romanian Carpathian PAs, so that the network no longer faces financial constraints to providing effective protection to the globally significant biodiversity harbored in the approximately 1 million hectares of the Carpathian ecoregion. These global benefits will be magnified over the medium term as the improved financial management model is replicated in other countries that form part of the CNPAs with an indirect impact on 2.7 million hectares. Benefits will be further magnified over the long-term because as the Carpathian countries add new PAs to the network to enhance bio-geographic representation, these new PAs will also implement similar sustainable financing approaches piloted under this MSP

## 2.4 Project Objective, Outcomes and Outputs/Activities

34. The **objective** is to secure the financial sustainability of Romania's Carpathian network of PAs, as a model for replication to the entire Carpathian Network of Protected Areas (CNPA). With adequate financial resources the Romanian Carpathian PAs and the CNPA will be on path to greater financial sustainability<sup>3</sup>. This objective will be realized through the following two components.

### Component I. Supportive legislative framework and Sustainable PA Financing Strategy:

#### Output (i) A set of by-laws developed and amendments to existing laws adopted.

The assessment and amendment of the legal and regulatory framework, as well as the institutional structure governing the Romanian CNPAs is an indispensable piece in the process of formulating the financial strategy of the CNPAs and enabling the mobilization of funding. This will build upon the work undertaken in the preparatory stage and will be more comprehensive. Thus, the project will review the efficiency of the legal and institutional framework that supports the existing and potential PA financial mechanisms and the adequateness of the supportive institutional structure. This will include, but not be limited to, the following key aspects:

Legal and regulatory	Institutional
(i) Environmental legislation and regulations.	(xi) Stakeholders: Institutions involved in PA financing and management (challenges and opportunities), including: National Planning Administration (approved and being discussed), Ministry of Environment, National Forestry Administration, PA Agency (to be established), Ministry of Tourism, Industry and Mining, Transport, Municipal and local governments; donors, the private sector and civil society organizations.
(ii) Existing and potential fiscal instruments and regulations supporting or with potential to generate revenue at site and network-level:	(xii) Level of harmonization between PA and central budgeting cycles
- Central budget direct contribution to PA budgets for priority activities	(xiii) Financial decision-making structure
- Tourism: entry fees and passes, admission fees, user fees, royalties and sales revenue, licenses and permits, concessions fees, leases and rent fees	(xiv) Mechanisms for revenue collection, transfers and disbursement
- Water user fees in various sectors	(xv) Compatibility with national development plans
- Surcharges, tariffs and fees related to other services such as clean air soil nutrients, climate regulation, hazard prevention	(xvi) Strategic and financial planning at protected area and network levels
- Timber royalties	(xvii) Communication of information on PA values and benefits
- Revenue-sharing mechanisms	
- Environmental violations fines	
- Forest conservation compensations to private land owners	

<sup>3</sup> This enhanced financial security coupled with activities for improving the management effectiveness of PAs in the Carpathian (see Table 3) will together help ensure the conservation of biodiversity in the Carpathian ecoregion.

Legal and regulatory	Institutional
<ul style="list-style-type: none"> <li>- Environmental compensation in infrastructure and mining</li> <li>- Endowment funds</li> <li>(iii) PA financial management autonomy: co-management, subcontracting with private sector, consortia.</li> <li>(iv) Incentives for protected areas sponsorship</li> <li>(v) Coherency: local, national, and international laws</li> <li>(vi) Extraction and use of natural resources (mining, forestry, energy) and private sector participation</li> <li>(vii) Land tenure legislation (national and local)</li> <li>(viii) Perverse subsidies (and phase-out strategies)</li> <li>(ix) Legislation to support transparent and effective resource allocation and management.</li> <li>(x) Compliance, enforcement and M&amp;E mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>(xviii) Private to public experience and knowledge exchange</li> <li>(xix) Access to existing financial mechanisms: National Environmental Fund and EU funding</li> <li>(xx) Compatibility of planning levels: PA management plans, land use plans, community development plans</li> <li>(xxi) Salaries and incentives</li> <li>(xxii) Viability of PA infrastructure ownership rights.</li> <li>(xxiii) PA co-management agreements</li> </ul>

Based on the above indicated reviews, the project will propose a set of legal and institutional reforms and a multi-year priority-based implementation program to be negotiated with the government. This activities will be lead by a local specialist (consultant) in Romanian Finance Law and related regulations and will be implemented during the first year of the implementation phase. The reviews will be implemented in close collaboration with Output 2, 3, and 5 of this Component, because it is expected that the sustainable finance strategy (SFS) will include a set of key legal and regulatory reforms that will enable additional public funding to protected areas. It will also help to construct the financial and legal arguments for decision-makers under Output 3, and will support the diversification of financial mechanisms under Output 5.

**Output (ii) Sustainable Financing Strategy (SFS) for 22 large PAs in the Romanian portion of the Carpathians developed:**

The project, lead by the financial and business planning specialists (national and international), will formulate a sustainable finance strategy (SFS) for Romanian CNPAs and start implementation. Prior to the formulation of the SFS, the project will use a result-oriented accounting method<sup>4</sup> to carry out a detailed assessment to define levels of income, expenditure, needs and financial gaps at network level and cost reduction opportunities. The assessment will include the existing financial management systems being used by the CNPAs, and will be correlated to the existing baseline provided by UNDP's Financial Sustainability Scorecards and METT Scorecards. In addition, in a separate assessment, the project will screen and select new revenue streams and strategies to optimize existing revenue sources; this assessment will include the feasibility analysis<sup>5</sup> of key market-based revenue options. In order to expedite the feasibility analyses, the project will prepare a tailored guideline. A draft version of this guideline, which will be refined during project implementation, is provided in Annex H of the CEO Endorsement document. The guideline provides a detailed description of the sections and content of the feasibility assessment.

The results of the above analyses<sup>6</sup> will be used to formulate the SFS of the CNPAs. The SFS will be used as a business-oriented management tool and it will summarize the CNPA' financial history (income, expenditures, financial needs and gaps), identify investment priorities, select revenue mechanisms (incl. revenue-sharing mechanisms to expand benefits to population in and around PAs such as private forest owners and family-owned tourism lodges), and propose cost-saving strategies that will be used to address the financial needs and

<sup>4</sup> ABC cost accounting.

<sup>5</sup> An analysis will be used to determine whether a financial mechanism is feasible or not. The feasibility study defines different feasible alternatives or models to make the given mechanism operational and facilitate selection of the best operating model for implementation. If a financial mechanism is not feasible, consideration may be given to corrective measures to eliminate shortcomings or, in an extreme case, the mechanism may simply be dropped. It is important to note that a feasibility study is not a business plan (Flores, 2008).

<sup>6</sup> The financial analysis and the legal, regulatory and institutional analyses will be included as an annex to the SFS.

reduce gaps. The SFS will include summaries of the feasibility analyses of selected financial mechanisms and provide critical input for the development of the site-level business plans. Additionally, the SFS will include a summary of the assessment of the political, legal and regulatory framework governing PA financing and its institutions (Output I). The tentative structure of the SFS will include but is not limited to:

- (i) CNPA background;
- (ii) Financial goals and objectives;
- (iii) Financial background;
- (iv) Summary of financial gaps;
- (v) Summary of investment priorities;
- (vi) Summary of financial strategies and feasibility;
- (vii) Revenue projections (how the financial gaps will be filled over time);
- (viii) Economic impact;
- (ix) Financial management systems, monitoring and evaluation; and,
- (x) Implementation plan, including all activities, dedicated staff and responsibilities.

A critical element of the formulation of the SFS is the identification of opportunities to reduce costs in most or any portion of the management functions of the CNPAs, particularly in the services provision area. To this output will identify cost-saving opportunities and a 2-year roadmap for achieving them, which will be an integrated part of the SFS. Cost-saving strategies<sup>7</sup> in the CNPAs may include:

- (i) Contract out services that are not deemed necessary to keep in-house;
- (ii) Assess visitation patterns and develop self-guided tours to reduce staffing needs in low visitation seasons;
- (iii) When PA entry fees are established, promote the use of alternative fee-collection mechanisms to reduce full-time staff assigned to kiosks at entry points;
- (iv) Optimization of the vehicle fleet through vehicle sharing in order to reduce size and fleet maintenance costs;
- (v) Lease underutilized infrastructure (including historic sites);
- (vi) Use of more cost-effective equipment: HVAC (Air Conditioning, Heating & Refrigeration) systems, higher efficiency lighting, auto-off lighting, solar power, and hybrid and electric vehicles; and
- (vii) Promote parks to become demonstration site for vendors of energy efficient equipment. E.g. car manufacturers/dealers may donate energy-efficient vehicles for park use and get exposure to thousands of park visitors annually.

Additional cost-saving strategies to be assessed include: volume purchases, extending the useful life of goods and equipment (emphasis on preventive maintenance), a balance between full-time staff and consultants, analysis of savings in main expenditure items, strategic adjustments in programs and activities, increased efficiency of financial-administrative systems, co-management, strategic partnerships, volunteer programs, corporate sponsorships, among others. It is expected that the introduction of a significant number of cost reduction strategies in addition to the expansion of revenue mechanisms will have a major impact at reducing the financial gaps of the CNPAs, and PA managers will become cost-conscious managers.

In order to optimize the process of the formulation of the SFS, the project will prepare a tailored guideline for the formulation of the SFS. A draft version of this guideline, which will be refined during project implementation, is provided in Annex H of the CEO Endorsement document. The Draft Guideline included provides a detailed description of the proposed content for each section of the SFS.

**Output (iii) Government commits to gradually increase funding (e.g. 20% yearly increases from 2007 level) for the targeted PAs:**

---

<sup>7</sup> Strategies commonly used by the US National Park Service and numerous parks in Latin America and around the rest of the world.

Based on the results of Outputs I and II of this component, the project will develop a powerful communications strategy to persuade senior government officials, top level decision-makers, key executives of the private sector and the civil society of the financial shortages and pressing needs of the Romania CNPAs, including: i) the contributions of the CNPAs to productivity and social development, ii) the need for increasing funding to the CNPAs based on realistic needs and gaps assessments, iii) their role and responsibility, iv) “what and how to do it”, and v) the commitment of the CNPAs to strengthen their financial management capacity, including higher levels of transparency and accountability<sup>8</sup>. It is expected that, as a result of this component, the government will agree to negotiate an agenda to gradually increase funding to the Romanian CNPAs, with participation and support of the private sector. To achieve this, the project will carry out the following 5 key interactive activities:

- (i) **Develop economic and social development arguments:** assess and document the economic contribution of the Romanian CNPAs to productivity in sectors such as tourism, hydropower, clean water, forestry and industry, using key indicators i.e. employment, job creation, generation of tax revenue, foreign exchange and equity aspects.
- (ii) **Develop financial and legal arguments:** Using information from the financial analysis and legal analysis under Output 1 and 2 above.
- (iii) **Communicate and persuade:** Using key information from actions 1 and 2 above, the project will formulate a communication and outreach strategy to present concise arguments and briefings tailored to the needs of high level decision makers and public opinion builders: legislators, politicians, senior government officials, private sector executives, journalists, public figures recognized by the Romanian civil society or international known personalities linked to Romania.
- (iv) **Develop a negotiation agenda to include potential revenue sources,** investment priorities (as per the SFS), tentative and gradual commitments for the government, private sector and CNPAs.
- (v) **Agree on increment levels and implement: revenue sources,** annual increases have been analyzed and agreed with stakeholders.

The implementation of the above listed activities will be lead by a team of consultants including experts in legal reform, PA & ecosystems valuation and political strategies. It is expected that high-level government officials, legislators, multilateral agencies representatives, academicians and high-profile members of the Romanian civil society who will support the strategy will be engaged in the different stages of the reform process. This Output will mobilize the critical political and financial support not only to increase the Government’s contributions to cover the costs of protected areas but also to support the overall implementation of the sustainable financial strategy of the CNPAs.

#### **Output (iv) Model business plans developed to demonstrate specific market-based revenue mechanisms for 5 clusters of PAs in the Romanian Carpathians.**

Based on the results of Outputs I, II, and III, the project will develop business plans (BP) for the 5 selected sites and possibly clusters of protected areas that can benefit from site-level business plans. The proposed business plans will be used as key management tools that will guide the step-by-step process to establish feasible market-based financial mechanisms, using an approach that will maximize economic returns and minimize costs and environmental impact. Thus, the business plans will be based on the feasible operating model defined in the feasibility assessments. The business plans will be developed only for financial mechanisms that have been determined to be feasible. In order to be cost-efficient, the project - where appropriate - will establish clusters of parks that can benefit from a common business plan (e.g. because of strategic geographical situation or/and proximity to high-profile tourism attractions). The project also recognizes that not all sites may be financially feasible (e.g. due to remote location and poor visitation) and therefore in such cases the project will assess other clustering options. To this end, in consultation with the CNPAs and using viability criteria and a scoring system, during the project preparation phase, the project identified a group of 5 leading sites and 6 potential clustering sites (see next table). Annexes I and J of the

---

<sup>8</sup> Through a benchmark systems possibly linked to funding increases.

CEO Endorsement document provide the map of the sites, the draft selection criteria & ranking and a brief description of the selected sites respectively.

Leading Sites (5) / Administrator	Possible clustering parks (6) / Administrator
1. Vanatori Neamt Nature Park (National Forestry Agency-NFA)	1. Ceahlau National Park (Neamt City Council)
2. Piatra Craiului National Park (NFA)	2. Cheile Bicazului National Park (NFA)
3. Maramuresului Mountains Nature Park (NFA)	3. Bucegi Nature Park (NFA)
4. Apuseni Nature Park (NFA)	4. Rodnei Mountains National Park (NFA)
5. Retezat National Park (NFA)	5. Gradistea Muncelului-Cioclovina Nature Park (NFA)
	6. Geoparcul Dinozaurilor Hateg Nature Park (Bucharest University)

The above listed sites will formulate business plans following an agreed upon structure. The tentative key sections of the business plan structure will include: (i) Description of mechanism; (ii) Marketing plan; (iii) Operations; (iv) Financial projections; (v) M&E; (vi) Dedicated staff; and (vii) Cost-reduction strategies.

As for the SFS, in order to optimize the formulation of the BP, the project will prepare a tailored guideline for the formulation of the BP. A draft version of the BP guideline, which will be refined during project implementation, is provided in Annex H of the CEO Endorsement document. The Draft Guideline includes a detailed description of the proposed content for each section of the BP. This output will be lead by the business planning and revenue mechanisms experts, both national and international. The formulation of the business plans will be lead by national and international specialists.

**Output (v) A set of PA diversified income-generation mechanisms (market and non-market options) validated in at least 3 PAs (Vanatori Neamt Nature Park, Piatra Craiului National Park and Maramuresului Mountains Nature Park).**

Diversification will be key for the CNPAs to manage the unpredictable fluctuations of traditional sources of funding such as the limited funding from NFA and international projects (EU, GEF and international NGOs). It is also important that the selected sites have established capacity to support the implementation of diversified portfolios of revenue mechanisms. Therefore, the project will help to develop diversified revenue portfolios for at least 3 of the 5 selected PA targets including: Vanatori Neamt Nature Park, Piatra Craiului National Park and Maramuresului Mountains Nature Park. These sites' capacity for improved conservation management has been built through previous GEF-funded projects implemented by the World Bank and UNDP. Thus, these are the sites ready to take a step towards establishing long-term financial sustainability. Such portfolios will contribute to minimize vulnerability to financial shocks (by distributing risk) and at the same time, reduce the need for international funding and encourage the increase of central government budget allocations. The diversified portfolios will comprise a mix of international, national/regional and site-level revenue mechanism, including market or non-market based options included in the next table.

Revenue mechanisms	International	National/ regional	Site-level	Market- based	Non market- based
Government allocations/transfers		•			•
Tourism-based revenue: multi-entry pass system (including entry fees, admission fees, user fees)	•	•	•	•	
Natural resource extraction fees	•	•		•	
Carbon capture projects	•	•		•	•
Water user fees	•	•		•	
Royalties from sales / sales revenue		•	•	•	
Licenses and permits		•	•	•	
Concessions fees		•	•	•	

Revenue mechanisms	International	National/ regional	Site-level	Market- based	Non market- based
Leases and rent fees.		•	•	•	•
Natural hazard reduction fees		•	•	•	
Timber royalties	•	•		•	
Improved forest compensations		•	•		•
Environmental compensation	•	•		•	
Endowment fund	•	•			•
International NGO grants	•				•
Global Initiatives: GEF	•				•
Multilateral and bilateral grants (EU, national donors)	•				•
Corporate grants	•	•			•

This activity will build on Output 1 and 2, and will be lead by the PA finance specialist with support from other specialists such as tourism-fees, payments for ecosystem services and business planning. The team, in close collaboration with local stakeholders, will determine which financing mechanisms and funding sources have the potential to generate the largest amount of revenues for PAs and which are also the most politically feasible, both for individual protected areas and for the protected area network as a whole. To this end, the team will use a systematic approach to (i) compare level of complexity<sup>9</sup> and impact, and (ii) analyze financial break-even point. As they see fit, the team will further evaluate the feasibility (as indicated in Output 2) of each of the candidate strategies for generating income in terms of their income generation potential, their social, financial and institutional sustainability and their potential to generate negative or positive impacts at specific sites and for the system as a whole. It is expected that the diversified financial revenue portfolios in the 3 pilot sites will be completed during the second half of the project.

**Component 2. Institutional and individual capacities of management authorities and other local stakeholders to realize sustainable financing of PAs developed:**

**Output (i) A critical number of PA finance professionals (Minimum 33 staff, 3 from each PA including leading and cluster PAs) trained using:** a) face-to-face training, b) sharing lessons through publications, and c) state-of-the-art online training modules on sound financial management.

This will be jointly implemented with Output 5 of this component. It will initially target the Romania CNPAs and the 5 selected protected areas (and clusters) but will build the platform to provide training to the entire CNPAs. The Project envisions that the participants in the capacity building component will be diverse in terms of academic level, responsibility level, learning styles, working environment, motivation, computer skills and access to the Internet. Therefore, lead by the PA finance capacity building specialists, the project team will identify learner groups and subgroups<sup>10</sup>, learning preferences, priority content needs for groups and subgroups and define the structure of the learning modules. Specialized project partners, the project consultants and research institutions) will review and provide the content materials based on the above indicated assessments. The project will analyze the materials and articulate, in consultation with the stakeholders, the most desirable learning structure.

Financial Planning will be considered the core of the training component. It will include different interactive processes involving numerous stakeholders. It is expected that this framework will create broad-based

<sup>9</sup> E.g. Fiscal, administrative, social, political.

<sup>10</sup> Although all stakeholders will be provided with comprehensive training on most aspects of PA financial planning, additional tailored training will be provided to subgroups according to their specific roles and responsibilities during project implementation.



ownership across constituencies, systematize actions and attract investment to the CNPAs in a stable long-term manner. The project will develop a series of training modules which will include key aspects such as:

- (i) Financial analysis and result-oriented cost accounting
- (ii) Optimization of financial management systems
- (iii) Assessing cost-saving opportunities and developing strategies
- (iv) Screening and selection of financial mechanisms
- (v) Financial feasibility analysis
- (vi) Formulation of PA financial strategies
- (vii) Formulation of PA business plans and business management

At the same time, training will be delivered on issues related to political, legal and regulatory framework governing PA financing and the institutional structure. Thus, the component will also include key topics such as:

- (i) Environmental Fiscal Reform planning and management
- (ii) PA Valuation planning and management
- (iii) High-leverage communication and persuasion strategies (to influence decision-makers and politicians)
- (iv) Formulation of finance-related funding proposals and PA finance project management
- (v) Fundraising strategies
- (vi) Public Awareness Campaign planning

To produce the training content, the project will rely on the consultant team and materials already available to develop specific training modules that will be available for participants in hard copy and online formats. It is expected that, during the first year of the project, all training materials and training platform (Output 5) will be available, including the early lessons of project implementation, case studies from other countries and regions, packaged in a comprehensive training plan (capacity building strategy). Training will be delivered through conventional platforms such as workshops, conferences and seminars. However, the project will also use technology-based platforms because conventional platforms often fail to address issues related to accessibility (time and distance to events), permanence (long space in between training opportunities, and short training times), cost (travel and accommodation) and effectiveness (e.g. conventional workshop mostly use PowerPoint presentations that focus on the “what” and neglect the “how” and rarely use educational methods). Thus, in addition to conventional platforms, with support of local and international experts and in partnership with a Romanian or other EU member Academic Institution, the project will deliver on-line training modules.

The capacity building strategy’s target audience includes key actors involved in the design and implementation of the sustainable finance plan at site and system level. This includes decision makers and planners from government agencies, such as ministries of environment and finance, protected area system agencies and PA managers, and key specialists from conservation NGO. The selection of participants will be carried out jointly with the project team, national government agencies and other strategic partners. The strategy will include the detailed implementation plan, including: curricula, timetables, training events and locations, tentative participant lists, list of content experts (including the project’s international and national consultants), and specific collaboration agreements with academic and research institutions. The strategy will include at least 4 project-sponsored training events linked to the problem solving-workshops indicated in Output 5. It is expected that the training plan will start in the fall of 2010.

**Output (ii) A Carpathian National Association of Protected Area managers established:**

Under this output, the project will support CNPA administrators to obtain legal recognition through the creation of a grass-root organization (e.g. National Association of PA Administrators). This organization will carry out their vision and facilitate collaboration towards the elimination of PA administrative and financial hurdles. Key activities will include:

- (i) Establish a PA working group and select “champion leaders”.
- (ii) Develop a common agenda, by-laws, vision and an intention statement of the PA administrators.

- (iii) Assess options (administrative and legal framework, governance, operational cost and funding options) of at least two options:
- An Association of the Legal Entities administrating the parks. In this case, parks under the NFA, parks administrated by county councils, the Danube Delta Biosphere Reserve as a state authority, and the University of Bucharest should associate and create the proposed grass-root organization. This option may be challenging in terms of meeting the park authority's own institutional requirements and also fulfilling the legal requirements to establish an NGO under Romanian law.
  - An association based on individual membership (e.g. PA staff: managers, rangers, and other PA specialists). The establishment of a professional association may be much simpler in legal and administrative terms. However, staff turn-around may be challenging for the leadership and membership of the organization.
  - Select best option and develop a concrete proposal (including legal aspects, governance, location, costs and funding options) for the creation of the grass-root organization with possible NGO status within the existing framework for NGOs in Romania, including all administrative and legal amendments.

Working group leaders will lead the negotiations with the Ministry of Environment, other relevant ministries and representatives of Parliament until an agreement is reached. It is expected that the PA organization will be fully operational during the second half of the project.

**Output (iii) Improved information management linking PA management plans (programs and activities) with financial management/accounting system**

The project will support the improvement of financial management systems to become management tools that provide relevant, reliable and timely information to improve the efficiency and effectiveness of financial, business and operational functions of the CNPAs. The project will, therefore, asses the viability of establishing a consolidated system that eliminates redundancies across PA departments and functions. The systems will be aimed at achieving economies of scale, eliminate duplication, and improve PA service delivery. The system will:

- (i) Use a user-friendly Intranet based platform that conveys the entire set of CNPA conservation programs (including the costs of creation and management of new protected areas).
- (ii) Eliminate redundant and outdated systems by implementing a modern integrated CNPAs-wide system.
- (iii) Produce accurate, timely, reliable and relevant financial information to help CNPA managers make informed decisions to improve PA performance and service.
- (iv) Comply with applicable national financial management system guidelines, accounting and transaction standards.
- (v) Strengthen internal controls by introducing business principles, data standards and accounting policies across CNPAs.
- (vi) Streamline operational activities to achieve more efficient and cost-effective performance using result-oriented cost accounting, linked to the network-level PA management plan.
- (vii) Support the implementation of the SFS of the CNPAs and business plans in the 5 pilot clusters.
- (viii) Facilitate semiannual reporting and auditing of annual financial statements.

Based on existing cases of optimized PA financial management systems, the specialists (national and international) will lead the completion of this output. It is expected that the optimized financial management systems for the Romanian CNPAs will be fully operational by the project mid term.

**Output (iv) A public PA management committee strengthened and with new mandate to monitor revenue and expenditure of PAs**, including representatives of private sector, protected area authority, ministry of finance or national audit office, local stakeholders, government stakeholders (e.g. Tourism/Industry), existing PA committees.

Under this component the project will promote and establish a Public Forum that will have the mandate to monitor PA revenue and expenses. Members of the Forum will include representatives of private sector, donor community, protected area authority, Ministry of Finance, the Romania Auditor General's Office (National Audit Office), local stakeholders, local government stakeholders (e.g. Tourism/Industry), and existing PA committees. The terms of reference for the Forum will be developed during project implementation, and it is expected that the Forum will be fully operative by the end of the project mid-term. Key aspects for the Forum's monitoring function may include:

- (i) PA income and expenses;
- (ii) Compliance with CNPAs broad financial policies, objectives and guidelines;
- (iii) Establishment of a Valuation and Financial Sustainability Unit at the Romanian CNPAs;
- (iv) Selection, appointing and reviewing the performance of the CNPAs Chief Financial Officer;
- (v) Implementation of PA Business Plans and Sustainable Finance strategy; and
- (vi) Annual budgeting process.

Given the new autonomy of PAs and complex nature of PA finance in Romania, it is expected that the Forum's monitoring functions are rather rigorous as in a typical government corporation. Thus, it is expected that the Forum will be accountable to stakeholders for the monitoring of the CNPAs financial performance.

**Output (v) Lessons and knowledge documented and transferred to key actors representing PAs from other Carpathian countries:** Lessons on PA cost-accounting, legal reform, formulation and implementation of financial mechanisms and business plans identified, formatted and distributed to neighboring countries. The activities part of this output will be implemented directly linked to those of Output 1. Throughout the implementation phase, the project will constantly generate lessons from successful and less-successful experiences resulting from the implementation of Components 1 and 2. Additionally, other related regional and global experiences will be identified and systematized to optimize knowledge exchange amongst the CNPAs. To operationalize this process, the project will establish a permanent "virtual learning community" of PA finance practitioners. This community will help to document experience and lessons and facilitate the transfer of knowledge on PA finance to the entire CNPAs. It is expected that the learning community will form a network of "PA finance champions" that will eventually lead the process of identifying and filling knowledge gaps across the CNPAs and beyond. The design of the learning community will consider:

- (vii) Participants from sectors relevant to the financial sustainability of the CNPAs, such as NGOs, government, academia, private sector, and other stakeholders who share a common learning need and professional interest.
- (viii) The learning process will use a problem-solving approach linked to the training topics listed in Output II and agreed upon by members.
- (ix) The learning community will be driven by a learning agenda that will promote innovation, generate collective knowledge, develop capacities, improve practice and strengthen bonds between PAs of the CNPAs.
- (x) Members of the learning community will meet twice a year in at least 4 problem-solving workshops (2-day workshops) in coordination with any training events from Output 1. These face-to-face meetings will be used to: i) share experience and actual problems, ii) design innovative approaches to solve problems, and iii) take action (implement problem-solving strategy).
- (xi) The locations for the workshops will be strategic in order to benefit the majority of practitioners and stakeholders of the CNPAs. These workshop will also create the premises for the setting up of a permanent working group of interested Carpathian PAs managers and financial officers, in order to further consult and exchange experience, either through future meetings or through electronic communication.
- (xii) The learning community will be supported by virtual information platform that will facilitate the dissemination of lessons (webpage, part of the online training platform indicated in Output 1). The web page of the CNPAs will also be linked to support the dissemination of knowledge and project results.
- (xiii) Learning community members will formulate the Terms of Reference for the community.

- (xiv) The learning community will function in close coordination with Output 1, and in coordination with the PA Steering Committees and other focal points of the Carpathian countries.

It is expected that the learning community will provide permanent input to improve the project outcomes and outputs, and ultimately increase the likelihood of the target PAs becoming financially sustainable. The detailed design of the learning community, including activities, products, outputs, work plan and defined roles and responsibilities, will be defined during the first year off the project. It is expected that the learning community will continue to exchange practice and knowledge beyond the life of this project.

## 2.5 Financial modality

35. The nature of the project is policy development, capacity building and technology testing. The project objective will be attained through technical assistance and investment in demonstration activities. No loan or revolving-fund mechanisms are considered appropriate, and therefore grant-type funding is considered most adequate to enable successful delivery of the project outcomes.

## 2.6 Indicators, Risks and Assumptions

36. The project indicators are detailed in the Strategic Results framework – which is attached in section II of this document. The project risk and assumptions are described in the next table.

Risk	Rating	Mitigation Strategy
PA financing –low on the political agenda; suggested PA financing strategy, financial management plans and suggested fiscal mechanisms not approved during the lifespan of the project.	High	A strong communication strategy that will build political ownership from the beginning. Continuous dialogue and involvement of the political decision makers in order to prioritize the approval of the new legislative framework for sustainable PA financing.
Significant increases in external development pressure on the protected areas result in continued de facto open access to resources within them and in buffer zones	Medium-low	Promote the political commitment to establish a strong and effective network of protected areas in the Carpathian Region under the Carpathian Convention and its ratification by member states, including Romania. Further, the process of developing the sustainable financing strategy and prioritizing financing mechanisms will be a highly consultative and supported by technical studies.
There is a low risk that some key stakeholders (public and private) have limited success in participating in co-management and sponsorship.	Low	Consultations, a strategic communication campaign, presentations on PA's socio-economic benefits and PA benefits to public and corporate image will be conducted in order to involve institutions and private sector.
Governments of other range states are slow in using project results to further develop and implement activities to strengthen the financial sustainability of national PA systems in the Carpathians	Low	As signatories to the Carpathian Convention other range states are fully committed to addressing the issue of financial sustainability. To ensure that technical-level representatives from other range states can benefit from the lessons and approaches piloted in Romania, the project (under Outcome 2) will include them in capacity development activities. An initial survey of PA stakeholders carry out during project preparation corroborates that there is initial political will amongst high-level government officials and civil society organizations to support the formulation and implementation of the sustainable finance strategy based on diversified revenue streams for the Romanian part of the CNPAs (See Annex K of the CEO Endorsement document).

Risk	Rating	Mitigation Strategy
Climate change (CC) undermines efforts to conserve the globally significant biodiversity within the Romanian Carpathians.	Low	Strengthening the financial situation of protected areas in the Carpathians so that PA management authorities can effectively carry-out conservation activities mandated in conservation management plans, to increase the resilience and adaptability of PAs to CC impacts.

## 2.7 Cost Effectiveness

37. Based on existing information the current financial management of PAs is not cost-effective and funding levels are not enough to meet conservation priorities. Against this backdrop of inadequate funding, in many cases, PA expenditures are skewed towards meeting recurrent costs, especially staffing, while investment needs that are critical over the long-term remain under-funded. By creating the enabling environment (legislative framework, and individual and institutional capacities) for diversifying financing sources and ensuring that funds thus raised are effectively deployed to promote investment and recurrent costs, the project will be demonstrating more cost-effective financial management of PAs as compared to the business-as-usual practice of PAs being funded largely from government budgets or piece-meal donor grants.

38. The project is expected to generate significant new revenues to CNPAs. Taken together, the GEF investment in Components 1 and 2 of approximately USD 1 million is projected to generate additional revenue of USD 5 million per year. Over a 10 year period, the net benefit of this investment is USD 35 million using a discount rate of 6 percent. In other words, an investment of USD 1 million today may generate as much as USD 35 million in additional revenue over 10 year (discounted to today's prices). During project implementation, through detailed feasibility analysis of different revenue options, more accurate return rates will be determined. The project's cost effectiveness therefore, is based on substantial returns from increased central transfers and revenue generated through new financial mechanisms, optimized operational costs and new financial management capacity established in the Romanian CNPAs. Thus, this one-off grant from the GEF will create a lasting financially sustainable future for the PA system in question. Alternative approaches could include financing large-scale investment in PA infrastructure and hardware, through loans of the World Bank or EBRD. That scenario would presumably achieve a similarly lasting effect in terms of PA financial health, yet with much larger investment and with an additional burden (repayment of loans) on the Government during the uneasy times of the global financial crisis. The per-dollar value of achievements of the loan-based scenarios, would therefore much exceed those of the project, meaning the much lower cost-effectiveness of such scenarios.

## 2.8 Sustainability

39. The project has been carefully designed to optimize the viability of achieving the financial sustainability of the Romanian CNPAs and set the foundations for replication in the entire CNPAs. Since the project focuses on building the financial sustainability of the CNPAs, it is expected that the project outcomes will be sustainable in financial and institutional terms, which in turn will be instrumental to ensure the ecological sustainability of the CNPAs.

40. **Ecological sustainability:** will be a direct result of the improved institutional and financial sustainability. It is expected that with solid financial and institutional foundations, the Romanian CNPAs will effectively conserve terrestrial and fresh water species, habitats and ecological processes. The sustainable financial and institutional base will also support the collation and collection of a more rigorous biodiversity database to underpin and support future environmental decision-making processes related to protected area planning and management. If successful, the project's interventions would lay the foundations for the long-term viability of the entire network of CNPAs.

41. **Financial sustainability** refers to the government's ability to ensure sufficient and stable long-term financial resources, and to allocate them in a timely and appropriate manner, and to cover the total costs of protected area management (IUCN, 2006). It implies the "supply" issue of generating more revenue, but just as importantly, the "demand" side challenge of managing PA financing needs (UNDP, 2007). The project, through component 1 and 2, will address both sides of the sustainable finance equation. Component 1 focuses on the resource mobilization aspect by tackling the reform of the legal and regulatory framework (Output 1), developing a sustainable finance strategy for the Romanian CNPAs (Output 2), promoting the increase of the government's share of PA costs (Output 3), formulating PA business plans (Output 4), and promoting the diversification of PA revenue streams (Output 5). The project is expected to generate significant new revenues to CNPAs. Taken together, the GEF investment in Components 1 and 2 of approximately USD 1 million is projected to generate additional revenue of USD 5 million per year. Over a 10 year period, the net benefit of this investment is USD 35 million using a discount rate of 6 percent. In other words, an investment of USD 1 million today may generate as much as USD 35 million in additional revenue over 10 years (discounted to today's prices). Component 2 focuses on building national capacity to effectively manage the financial needs of the Romanian CNPAs. This includes the training of PA staff and stakeholders in financial planning and management (Output 1), promoting the establishment of a strong PA Association (Output 2), improving the information and financial management system of the CNPAs (Output 3), establishing a transparency mechanism to support PA financial management (Output 4) and lastly, building network-level financial management skills through the exchange of lessons and practice on PA financial management (Output 5). It is expected that this one-off grant from the GEF will create a lasting financially sustainable future for the Romanian CNPAs.

42. **Institutional sustainability.** The sustainability of the institutions managing protected areas and stakeholders is critical to the financial sustainability of the Romanian CNPAs. Both project components touch upon the key elements of institutional sustainability. For instance, they include financial planning, income diversification, administration and financial management systems, and staff capacity building. It is expected, therefore, that the project will use a participatory approach to engage a variety of stakeholders in the different phases of project implementation. Consequently, both project components will benefit not only the Romanian CNPAs but also stakeholder institutions. To achieve this, the project will identify key stakeholders, assess institutional strengthening bottlenecks and deliver solutions through all outputs of Components 1 and 2. Particularly important to institutional sustainability are: Component 1, Output 1 (reform of the legal and regulatory framework), and Component 2, Output 1 (increase of institutional capacity through the increase of individual capacities), Output 2 (improving the financial management system) and Output 3 (promoting institutional transparency).

## 2.9 Replicability

43. The project will support the Government of Romania in strengthening the financial sustainability of the Romanian CNPAs. The lessons and experiences of Romania will be part of the building blocks for other PA financial sustainability strategies in the CNPAs. To this end, the project will promote direct replication of selected practices and methods within the Romanian part of the CNPAs, as well as the scaling up of experiences to reach the entire CNPAs. In order to facilitate direct replication, the project will, for example, assess the viability of establishing clusters of protected areas (Component 1, Output 4) around the 5 leading sites that will be developing business plans. These clusters have the possibility of engaging and benefiting additional 6 PAs in the short term (Component 1, Output 5). In addition to this, the project's high-leverage capacity building strategy (Component 2, Output 1 and 5) will include stakeholders from all PAs in the Romanian Carpathians and will systematically engage key actors to scale up activities in the entire CNPAs. This strategy is supported by an accessible high-quality on-line training available to the majority of PA finance practitioners. The online platform will include an information system to ensure the effective dissemination of experiences and information gained in the course of the project implementation. It is expected that the direct flow of information will facilitate informed decision-making during and after the

project. The following project elements that will significantly contribute to strengthening financial sustainability, stand out as being most desirable for replication elsewhere in the CNPAs: (i) institutional and legal reform; (ii) PA financial analysis; (iii) feasibility assessment of revenue mechanisms; (iv) formulation and implementation of financial and business plans; and (v) institutional transparency and (vi) public-private partnerships. By year 4, it is anticipated that a significant number of PAs in the CNPAs are implementing programs geared to strengthen their financial sustainability.

## PART III: PROJECT RESULTS FRAMEWORK

<p>This project will contribute to achieving the following Country Programme Outcome as defined in CPAP or CPD: Environmental governance strengthened at central and local levels and greater compliance with EU environmental standards and international conventions.</p> <p><b>Country Programme Outcome Indicators:</b> Policies and strategies effectively integrating environmental concerns.</p> <p><b>Primary applicable Key Environment and Sustainable Development Key Result Area (same as that on the cover page, circle one):</b> 1. Catalyzing Environmental Finance</p> <p><b>Applicable GEF Strategic Objective and Program:</b> SO: Catalyze Sustainability of Protected Area Systems; SP: Sustainable finance of protected area systems at the national level</p> <p><b>Applicable GEF Expected Outcomes:</b> Biodiversity conserved and sustainably used in protected area systems; Strategic Programme: PA systems secure increased revenue and diversification of revenue streams to meet total expenditures required to meet management objectives; Reduction in financing gap to meet PA management objectives</p> <p><b>Applicable GEF Outcome Indicators:</b> Total revenue and diversification in revenue streams</p>
---

Project Strategy	Objectively Verifiable Indicators	Baseline (August 2009)	Target (and tentative date)	Sources of verification	Risks and Assumptions
<p><b>Objective:</b> To secure the financial sustainability of Romania's Carpathian network of PAs, as a model for replication to the entire Carpathian Network of Protected Areas (CNPA)</p>	Overall score of the Financial Scorecard:	33%	50%	<p>Financial reports (income, expenses, needs and financial gaps), Auditing reports, Implementation of PA management and business plans reports.</p>	<p><b>Risk:</b> Lack of political will slows down project efforts. <b>Assumptions:</b> The political commitment to establish a strong and effective CNPAs under the Carpathian Convention will facilitate project implementation. PA stakeholders are able to communicate in an efficient manner the needs and gaps of PAs, the value of PAs and the PAs contribution to productivity. Alliances with key decision makers in the government branches (legislative, judicial and executive), the private sector and civil society organizations are forged to support project implementation.</p>
	Trend in filling funding gap	Stagnant	From Dec 2011, financial gaps are being gradually reduced a rate of 20% per year > 1 million ha.		
	Coverage of Romanian Carpathian ecoregion with ensured financial sustainability	0 ha			
<p><b>Component 1.</b> Supportive legislative framework and Sustainable PA Financing Strategy</p>	Number of PA finance law and regulations reformed	0	5 (central transfers, tourism, environmental compensation, payments for ecosystems services) <\$1 M (basic needs) <\$5 M (optimal needs)	<p>PA needs and gaps document. Studies on PA valuation and contribution to productivity completed and communicated. Agreed agenda and records of increased transfer from government. SFS document Reports on financial gaps reductions SFS implementation reports. Financial and auditing reports.</p>	<p><b>Risks:</b> PA financing-low in the political agenda. Changes proposed to amend the current legislative framework will not be officially approved during the life span of the project. Key stakeholders (public and private) fail to get involved in co-management and sponsorship. Pressure from development on the protected areas result in continued de facto open access to resources within them and in buffer zones</p>
	Funding gap for the Romanian Carpathian PA system:	\$4 M (basic needs) \$11M (optimal).			
	Amount of allocations from Ministry of Environment for Carpathian PAs	App.0	By De. 2013, central budget allocation provision are available in the amount of > 1 million USD		
	Compensation payments to forest users	App. 30%	40% (December 2013)		
	Number and level of central budget transfers.	None	Twice a year by Dec. 2011		



Project Strategy	Objectively Verifiable Indicators	Baseline (August 2009)	Target (and tentative date)	Sources of verification	Risks and Assumptions
	Number of cases for environmental compensation and level of fees	None	3 by Dec. 2013		<p><b>Assumptions:</b> Continuous dialogue and involvement of decision-makers is conducted in order to prioritize approval of the new legislative framework for PA financing, and implementation of the SFS. Consultations and communication campaign on socio-economic benefits of PAs and benefits to corporate image will be conducted to secure involvement of public and private institutions. A strong communication strategy mobilizes political ownership from start.</p> <p><b>Risks:</b> No major risks for this component. However, constant staff turn around may limit the opportunity for PA to benefit from staff with newly acquired skills.</p> <p><b>Assumptions:</b> Progressive increases in PA income will improve personnel permanence through more attractive hiring packages and incentives to existing staff in the Romania CNPAs. Leadership in the CNPAs will support the improved hiring packages and salary policies for PA staff.</p>
	# of sites in Carpathians with business plans and cost-reduction strategies	0	5 by Dec. 2013		
	Number of sites with diversified market-based instruments for PA funding	0	At least 3		
	Number of cost-saving strategies in place at PA system level	0	>10	# of full and part-time staff. # of volume purchases # Life span of goods and equip. # of co-management agreement # of volunteers programs # of corporate sponsorships	
	# of PA staff trained in effective financial management of PAs	0	At least 33 By Dec. 2012	Training modules and content formatted. Learning community meetings reports LC workshop reports Training platform participation reports. Trainees performance reports. PA functional charts.	
<b>Component 2.</b> Institutional and individual capacities of management authorities and other local stakeholders to realize sustainable financing of PAs developed	# of Champion PA Finance Leaders" graduated	0	11 by Dec. 2011		
	A Carpathian's Association of PA Managers	0	One by Dec. 2011	By laws, minutes of meetings, ToR, action plan, results reports. Intranet financial system Reports on financial gaps reductions SFS implementation reports. Financial and auditing reports.	
	PAs conservation targets linked to programmes and activities through a functioning financial management system (FMS) Metrics link conservation goals with costs. Traceable expenses, costs, needs and gaps by program. A PSA Management Committee	No	Yes (By Dec 2010)		
	A PSA Management Committee	0	Yes (By Dec. 2012)	Biannual financial reports. Auditing reports confirm 100% transparency and compliance ToR and minutes of meetings.	

Project Strategy	Objectively Verifiable Indicators	Baseline (August 2009)	Target (and tentative date)	Sources of verification	Risks and Assumptions
	Experience from lessons learned is periodically feed into yearly planning	0	Starting in Dec. 2010, documented lessons available on a yearly basis, on three overarching aspects: cost-accounting, legal reform, formulation and implementation of financial mechanisms and business plans.	Documents with lessons on: Online training modules Annual operational plans Learning community reports Financial reports	

# TOTAL BUDGET AND WORKPLAN

Award ID and Atlas Project ID:		Award: 00058266, Project ID: 00072323									
Award Title:		PIMS 3458 BD MSP: Improving the Financial Sustainability of the Carpathian System of Protected Areas									
PIMS No. and Business Unit:		3458, Business Unit ROU10									
Project Title:		PIMS 3458 BD MSP: Improving the Financial Sustainability of the Carpathian System of Protected Areas									
Implementing Partner:		Ministry of Agriculture and Rural Development through the National Forestry Administration (NFA)									
GEF Outcome / Atlas Activity	Responsible Party / Implementing Agency	Fund ID	Donor Name	Atlas Budgetary Account Code	AFFAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Total (USD)	Budget note
<b>Component 1.</b> Supportive legislative framework and Sustainable Finance Strategy	NFA	62000	GEF	71200	International Consultants	48 000	40 000	11 000		99 000	1
				71300	Local Consultants	20 000	25 000	15 000	14 000	74 000	2
				71600	Travel	20 000	15 000	10 000	5 400	50 400	3
				72300	Materials and goods	7 000	6 000	6 000	6 000	25 000	4
				72400	Equipment	11 000	9 500	-	-	20 500	5
				74100	Professional services	18 000	35 000	15 000	13 000	81 000	6
				74200	Audio visuals and printing	2 000	3 000	3 000	12 000	20 000	7
				74500	Miscellaneous	2 000	2 000	2 000	1 600	7 600	8
<b>Total Outcome 1</b>						<b>128 000</b>	<b>135 500</b>	<b>62 000</b>	<b>52 000</b>	<b>377 500</b>	
<b>Component 2.</b> Institutional & individual capacities of management authorities and other local stakeholders	NFA	62000	GEF	71200	International Consultant	25 000	42 500	18 000	8 000	93 500	9
				71300	Local Consultants	15 000	20 000	14 000	16 000	65 000	10
				71600	Travel	20 000	20 000	20 000	9 650	69 650	11
				72300	Materials and goods	2 000	1 500	1 000	1 000	5 500	12
				72400	Comm. and Audio-visual equip	3 000	-	-	-	3 000	13
				74100	Professional services	40 000	40 000	30 000	10 000	120 000	14
				74200	Audio visual and printing	5 000	2 000	4 000	8 500	19 500	15
				74500	Miscellaneous	2 000	2 000	2 000	2 000	8 000	16
				72500	Supplies	1 000	1 000	1 000	1 000	4 000	17
				74100	Professional services	5 000	5 000	5 000	5 000	20 000	14
<b>Total Outcome 2</b>						<b>118 000</b>	<b>228 500</b>	<b>95 000</b>	<b>61 150</b>	<b>502 650</b>	
<b>PROJECT MANAGEMENT</b>	NFA	62000	GEF	71300	Local Consultants	10 000	10 000	6 000	-	26 000	19
				72800	International consultants		15 000		15 000	30 000	20
				71600	Travel	4 000	3 350	13 500	13 000	33 850	21
<b>Total Project Management</b>						<b>14 000</b>	<b>28 350</b>	<b>19 500</b>	<b>28 000</b>	<b>89 850</b>	
<b>PROJECT TOTALS</b>						<b>260 000</b>	<b>392 350</b>	<b>176 500</b>	<b>141 150</b>	<b>970 000</b>	

Budget Notes:

1	The costs of contractual appointment of short-term international consultants to be recruited under Component I, with expertise in: (i) PA business planning and feasibility assessment of revenue mechanisms 2,750*12 weeks=33,000; (ii) design of payments for ecosystem services & environmental compensation mechanisms 2,750*4 weeks=11,000; (iii) identification of business opportunities for PAs 2,750*8 weeks=22,000; (iv) design of innovative tourism user fees and PA tourism packages 2,750*4 weeks=11,000; (v) economic assessment of PA contribution to growth and equity 2,750*8 weeks=24,000\$.
2	This represents the cost of national experts to be hired under the project, under Component I, as follows: finance law and regulation specialist 1,000*14weeks=14,000; PA financial analysis and costing specialist 1,000*10 weeks=10,000; PA financial and business planning specialist 1,000*10 weeks=10,000; nature-based tourism user fees specialist 1,000*10 weeks=10,000; PA valuation specialist 1,000*10weeks=10,000; communications and marketing specialist 1,000*10weeks=10,000; financial management systems specialist 1,000*10weeks=10,000.
3	Firstly, this includes cost of travel of international consultants that would be visiting Romania to assist with implementation of outputs under Outcome I. 7 trips, each app. 8 days long. 7 tickets = 7,000 + 56 days in Romania at DSA of USD 287 per day = 16,072. Rounded sub-total is 23,100. Secondly, this includes local travel under Output iv (model business planning for PAs): gasoline and car rent costs at app. 10,600 for 4 years + local DSA (app. 150 USD per day) for app. 112 person-days in the field over the course of 4 years. Sub-total is USD 27,400. The total was rounded up.
4	Procurement of materials, information panels, related to events on development of business plans at the 3 pilot PAs (app.8,330 per PA*3).
5	Computer for the working group on Sustainable Financing Strategy (output ii, Component I) (3,000). Video-projector + 1 computers with monitor procured for each of the PAs participating in the pilots on development of business planning (17,500 in total for 3).
6	The total includes: a national subcontract for an institution to supervise the preparation of the PA Financing Strategy under output ii (app.30,000); a subcontract for PA valuation under output iii (app. 20,000), and a subcontract for development of income-generation mechanisms at pilot PAs, output v (app.31,000).
7	These are costs associated with designing and developing various communication media and resource materials (e.g. brochures 5,000, manuals 8,000, fact sheets+ booklets + interpretation boards+ dvd's totaling 7,000).
8	This is a margin allowed for possible unexpected rises in costs associated with organizing local events at the 3 PAs on business planning under Component I: workshops (venue, catering, facilitation, printing, translation, etc.).
9	Costs of contractual appointment of short-term international consultants to be recruited under Component II, with expertise in (vi) global PA finance capacity building and training 2,750*4 weeks=11,000, and (vii) technology based training design 2,750*10 weeks=27,500. In addition, other short-term expertise that will be needed as the project evolves is counted here (2,750*20 weeks=55,000). The international expertise will be utilized, as needed, to provide appropriate technical advice on issues that might arise as the project evolves. The international consultants will be involved in order to provide the ad hoc assistance on the narrow topics (e.g. agro-biodiversity, market analysis, etc.), when required. The ToRs will be developed by the project personnel in consultation with the CTA and other international consultants working for the project.
10	This represents the cost of national experts to be hired under the project, under Component II, as follows: capacity building and partnerships specialist 1,000*20 weeks=20,000; instructional designer 1,000*12 weeks=12,000; web-based training platform specialist 1,000*12weeks=12,000; web training administrator 1,000*21weeks=21,000.
11	Firstly, this includes cost of travel of international consultants that would be visiting Romania to assist with implementation of outputs under Outcome II. Similar to the previous Outcome, 7 trips, each app. 8 days long are expected. 7 tickets = 7,000 + 56 days in Romania at DSA of USD 287 per day = 16,072. Rounded sub-total is USD 23,100. Secondly, this includes local travel under Component II. Specifically, local travel will be required to successfully implement Output (i) for which participants from Carpathian PAs will have to come to Bucharest for trainings. The cost-breakdown is as-follows: local DSA (app. 150 USD per day) for app. 30 persons attending 5 sessions = 24,750. Thirdly, the cost of the workshops and conferences under output (v) of Component II which deals with replication of experience and knowledge sharing, is broken down as follows: 3 events*50 participants*USD150 DSA per day = 22,500. The total was rounded.
12	The cost of paraphernalia (information materials, exhibition panels) related to the implementation of the training system under output I of Component II.
13	Computer + basic furniture (total 3,000) for the Carpathian PA Association (supported under Output ii, Component II).
14	The total includes: a subcontract for the development and implementation of the vocational training system, output i Outcome II (app. 60,000); a subcontract for GIS, accounting web-portal and data-base management under output iii (app.80,000)
15	Costs associated with spreading the information about the project, including printing of reports & lessons-learnt brochures (10,000), short video production (9,500)
16	This is a margin allowed for possible unexpected rises in costs associated with organizing and running the replication events under output v of Component II.
17	Co-financing for consumable materials for the duration of the project (1,000 per year).
18	The cost of hardware and software required to support the information, communications, technology based learning data base and accounting system implemented under Outcome II (22 desktops + software for CNPA Parks + web servers, plotter, laptops management unit, UPS.)
19	The GEF co-financing to the salary of the administrative assistant (125 per week * 208 person/weeks)

20 The fees for the international evaluation experts. (3,000 per week \* 10 person/weeks).  
 21 The estimated cost of the travel of the management unit to regular project monitoring. Car rent and gasoline app. 23,200 for 4 years. The DSA is 150 for app.71 person\*days in the field by project manager or administrator in across 4 years.

**Summary of Funds: <sup>11</sup>**

	Year 1	Year 2	Year 3	Year 4	TOTAL
<b>GEF</b>	255,000	387,350	171,500	136,150	950,000
NFA / Ministry of Natural Resources and Environment	1,161,685	1,161,685	1,161,685	1,161,686	4,646,741
WWF MAVA Foundation	20,000	20,000	7,000	3,300	50,300
UNDP	5,000	5,000	5,000	5,000	20,000
<b>TOTAL</b>	<b>1,441,685</b>	<b>1,574,035</b>	<b>1,345,185</b>	<b>1,306,136</b>	<b>5,667,041</b>

<sup>11</sup> All co-financing (cash and in-kind) that is not passing through UNDP.

## PART IV: MANAGEMENT ARRANGEMENTS

44. The project fully complies with the comparative advantages matrix approved by the GEF Council. The project is strongly linked with the portfolio of environmental projects currently being implemented by UNDP Romania and will benefit from their experience. The proposed project is consistent with the UNDP Country Cooperation Framework (CCF) in promoting the conservation of natural resources, while recognizing the need to sustainably manage those resources through capacity building and encouraging broader multi sector participation of all stakeholders. Given UNDP's recognized role in capacity development to enable countries to access investments for environmental management and based on the fact that UNDP is the implementing agency for a large portfolio of GEF – funded protected area projects covering 22 countries in Europe and CIS and working on 60 protected areas covering over 15 million hectares, the Government of Romania has requested UNDP's assistance in the design and implementation of this project.
45. The project will be implemented over a period of four years and in full compliance with the UNDP national execution (NEX) with cash advances project requirements.
46. Designated Institution: The Ministry of Foreign Affairs is the focal point for coordinating UNDP's technical cooperation in Romania. The Ministry of Agriculture and Rural Development (National Forestry Administration) will serve as the Designated Institution (DI) responsible for project implementation. The DI is accountable to the focal point and UNDP for the government's participation in the project. The DI will ensure that internal monitoring and review systems are in place. The DI will prepare the Project Oversight Committee (POC) meetings, and with input from POC members, will provide overall guidance and support to implementation of all project activities. The DI staff and/or experts will be utilized when needed in accordance with UNDP guidelines, and will facilitate interaction among relevant public organizations, research institutions and private organizations. The DI will nominate the National Project Director who bears the overall responsibilities for the project.
47. Implementing Agency: Under UNDP's NEX guidelines, an Implementing Agency (IA) may be a government institution, another UN agency, an NGO, or a private professional services firm. The IA will be designated to deliver specific inputs (services, expertise, procurement of equipment) to the project and produce specific outputs through an agreement with the DI and UNDP CO. The IA is accountable to the POC and UNDP for the proper use of funds provided to it and for the quality, timeliness and effectiveness of the services it provides and the activities it carries out. **The National Forest Administration will be designated as the Implementing Agency (IA) for this project.** The IA will be responsible for day-to-day project implementation and timely and verifiable attainment of project objectives.
48. UNDP: Working closely with the IA, the UNDP Country Office (CO) will be responsible for: overseeing project budgets and expenditures, support in recruiting and contracting project consultancy services, procuring equipment (when not done by the Implementing Agency), and project evaluation and reporting, result-based project monitoring, and organizing independent audits to ensure the proper use of UNDP/GEF funds. Financial transactions, auditing and reporting will be carried out in compliance with national regulations and UNDP procedures for national execution.
49. Day-to-day Project Management and Implementation. The IA will establish a small Project Management Unit (PMU) in consultation with UNDP. The PMU will be located at the NFA in Bucharest. The PMU will consist of national staff members comprising the project manager and a project financial and administrative assistant. PMU staff salaries will be paid by the NFA from their own budget and will represent part of the NFA co-financing to this project. The PMU will be strengthened with national and international short-term experts and office equipment. GEF funds will pay the costs associated with international and national expert input to the project. Recruitment of expert input for the project will be done in consultation with UNDP and through an open and fair competition following UNDP standard hiring procedures under NEX guidelines. The PMU will assume day-to-day management responsibility for MSP implementation and coordination among partner organizations. The PM will be responsible for facilitating UNDP's project monitoring duties, preparing technical and financial reports to UNDP and GEF, and confirming the quality of the project's outputs. One of the most important responsibilities of the PM will be to work effectively with members of the POC to ensure that project

activities implemented by partners proceed on schedule. The PMU will follow the UNDP procurement rules when goods and services are provided through UNDP.

50. A Project Oversight Committee (POC). The NFA will establish and chair the POC. First, the POC will serve as a forum for stakeholder input and discussion. Second, the POC will oversee project implementation, meeting on a semi-annual basis to review project progress and approve annual project workplans. Any major changes in project plans or programs will require approval from the POC to take effect. Thirdly, POC members will facilitate the implementation of project activities in their respective organizations, ensure that cooperative activities are implemented in a timely manner, and facilitate the integration of project-inspired activities into existing programs and practices. The Implementing Agency will report to the POC at each meeting. Representatives of partner and co-funding organizations not represented on the POC will be invited to attend POC meetings as needed. For ATLAS terminology purposes: The Executive Role within the POC will be played by the National Forestry Administration. The Senior Supplier Role will be with UNDP Resident Representative. The Senior Beneficiary Role will be with most other institutions represented at the POC, who are stakeholders in the matters of financial sustainability of the Carpathian PA system. The Project Assurance role rests with UNDP Romania Environmental Focal Point.

### **Audit Clause**

51. The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by the legally recognized auditor of the Government, or by a commercial auditor engaged by the Government.

### **Use of intellectual property rights**

52. In order to accord proper acknowledgement to GEF for providing funding, a GEF logo should appear on all relevant GEF project publications, including among others, project hardware and vehicles purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgment to GEF.

## **PART V: MONITORING FRAMEWORK AND EVALUATION**

53. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from UNDP/GEF. The Project logframe (Project Results Framework) in Annex A provides *performance* and *impact* indicators for project implementation along with their corresponding *means of verification*. These will form the basis on which the project's Monitoring and Evaluation system will be built. The following sections outline the principle components of the Monitoring and Evaluation Plan and indicative cost estimates related to M&E activities. The project's Monitoring and Evaluation Plan will be presented and finalized at the Project's Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

### ***Project Inception Phase***

54. A Project Inception Workshop will be conducted with the full project team, government counterparts, co-financing partners, the UNDP-CO, and representatives from the UNDP-GEF Regional Coordinating Unit (Bratislava). A fundamental objective of the Inception Workshop will be to help the project team to understand and take ownership of the project's goal and objective, and to prepare the project's first annual work plan based on the logframe matrix. Work will include reviewing the logframe (indicators, means of verification, assumptions and expected outcomes), providing additional detail as needed, and then finalizing the Annual Work Plan (AWP) with measurable performance indicators. The Inception Workshop (IW) will also: (i) introduce project staff to the UNDP-GEF team (the CO and responsible Regional Coordinating Unit staff) that will support project implementation; (ii) detail the responsibilities of UNDP-CO and RCU staff vis-à-vis the project team; (iii) detail the UNDP-GEF reporting and monitoring and evaluation (M&E)

requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs), and mid-term and final evaluations. The IW will also inform the project team regarding UNDP project related budgetary planning, budget reviews, and mandatory budget re-phasing. An overall objective of the IW is that all parties understand their roles, functions, and responsibilities within the project's decision-making structures; and that reporting and communication lines and conflict resolution mechanisms are clear to all. Terms of Reference for project staff and decision-making structures will be again discussed to clarify each party's responsibilities during project implementation.

### ***Monitoring responsibilities and events***

55. Project management, project partners and stakeholder representatives will collaborate on the development of a detailed schedule of project review meetings to be incorporated in the Project Inception Report. The schedule will include: (i) tentative time frames for Project Board Meetings and (ii) project related Monitoring and Evaluation activities. The Project Manager will be responsible for day-to-day monitoring of implementation progress based on the Annual Work Plan and indicators. The Project Manager will inform the UNDP-CO of any delays or difficulties so that appropriate and timely corrective measures can be implemented. At the IW, the Project Manager, project team, UNDP-CO, and UNDP-GEF Regional Coordinating Unit will fine-tune the project's progress and performance/impact indicators and will develop specific targets and their means of verification for the first year's progress indicators. Every year the project team will define targets and indicators as part of the internal evaluation and planning processes.

56. The Project Board Meetings (PBM) will be responsible for twice a year project monitoring. The PBM will be the highest policy-level meeting of the partners involved in project implementation. The first such meeting will be held within the first six months of the start of full implementation.

57. The Project Manager in consultation with UNDP-CO and UNDP-GEF RCU will prepare a UNDP/GEF PIR/APR for submission to PBM members and the Project Board for review and comments and for discussion at the PB meeting. The Project Manager will highlight policy issues and recommendations and will inform participants of agreements reached by stakeholders during the PIR/ARR preparation on how to resolve operational issues. Separate reviews of each project component will be conducted as necessary. Benchmarks will be developed at the Inception Workshop, based on delivery rates and on qualitative assessments of achievements of outputs. A terminal PBM will be held in the last month of project operations. The Project Manager will prepare a Terminal Report for submission to UNDP-CO and UNDP-GEF RCU at least two months in advance of the terminal PBM to allow for review and to serve as the basis for discussions in the PBM. The terminal meeting will consider project implementation, achievement of project objectives, contribution to broader environmental objectives, actions needed to sustain project results, and ways that lessons learnt can feed into other projects being developed or implemented.

58. UNDP Country Office, UNDP-GEF RCU, and any other members of the Project Board will annually assess (with detailed scheduling agreed upon at the project Inception Report/Annual Work Plan) progress at the project sites. No less than one month after the visit, the CO and UNDP-GEF RCU will prepare a Field Visit Report/BTOR to be circulated to the project team, all Project Board members, and UNDP-GEF.

### ***Project Reporting***

59. The Project Manager in conjunction with the UNDP-GEF extended team will prepare and submit reports that form part of the monitoring process. The first six reports are mandatory and strictly related to monitoring; while the last two have broader functions such that their frequency and nature are project specific to be defined throughout implementation.

60. A Project Inception Report will be prepared immediately after the Inception Workshop. It will include a detailed First Year / Annual Work Plan divided in quarterly timeframes detailing activities and progress indicators guiding first year project implementation. This Work Plan will include dates of specific field visits, support missions from the UNDP-CO, the Regional Coordinating Unit (RCU), or consultants, and scheduling of the project's decision-making structures.



The Report will also include a detailed project budget for the first full year of implementation based on the Annual Work Plan and the monitoring and evaluation requirements for the first year. The Inception Report will also detail the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project partners. The IR will also discuss progress to date on project establishment, start-up activities, and an update of changed external conditions that may effect project implementation. The finalized report will be circulated to project counterparts who will be given one calendar month in which to respond with comments or queries. The UNDP Country Office and UNDP-GEF Regional Coordinating Unit will review the document prior to circulation of the IR.

61. An Annual Review Report will be prepared by the Project Manager and shared with the Project Board prior to each annual Project Board meeting and will consist of the following sections: (i) project risks and issues; (ii) project progress against pre-defined indicators and targets and (iii) outcome performance. As a self-assessment by project management, the report does not entail a cumbersome preparatory process. At a minimum the ARR will follow the Atlas standard format for the Project Progress Report (PPR, although the country office may modify the format, as necessary) and will include a summary of results achieved relative to pre-defined annual targets, progress in meeting the Annual Work Plan, and achievement of intended outcomes via project partnerships. The ARR can also be used to spur dialogue among Project Board and partners.
62. The Project Implementation Review (PIR) is an annual management and monitoring tool mandated by the GEF that has become the main vehicle for extracting lessons learned from ongoing projects. The CO and project team must provide the PIR generated using a participatory approach after one year of project implementation, with submission in July followed by discussion with the CO and the UNDP/GEF Regional Coordination Unit in August and final submission to the UNDP/GEF Headquarters in the first week of September.
63. Quarterly progress reports: The project team will provide short reports each quarter outlining main updates in project progress. Reports will be submitted to the local UNDP Country Office and the UNDP-GEF RCU.
64. UNDP ATLAS Monitoring Reports: A quarterly Combined Delivery Report (CDR) summarizing all project expenditures is mandatory and will be certified by the Implementing Partner. The following logs are to be maintained and updated throughout the project by the Project Manager: (i) The Issues Log captures and tracks the status of all project issues throughout project implementation; (ii) the Risk Log (using Atlas) captures potential risks to the project and associated measures to manage risks; and (iii) the Lessons Learned Log captures insights and lessons based on good and bad experiences.
65. Project Terminal Report: The project team will prepare the Project Terminal Report in the last three months of the project. This comprehensive report will summarize all activities, achievements, and outputs of the Project, lessons learnt, objectives met or not achieved, and structures and systems implemented. The PTR will be the definitive statement of the Project's activities over its lifetime, recommending any further steps needed to ensure sustainability and replicability of the Project's activities.
66. Periodic Thematic Reports: The project team will prepare Specific Thematic Reports when called for by UNDP, UNDP-GEF, or the Implementing Partner. The written request by UNDP for a Thematic Report provided to the project team will clearly state the issue or activities that need to be reported on. These reports can deal with lessons learnt, specific oversight in key areas, or troubleshooting to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.
67. Technical Reports are detailed documents covering specific areas of analysis or scientific issues in the project. As part of the Inception Report, the project team will prepare a draft Reports List that details which technical reports need to be prepared over the course of the Project and their tentative due dates. This Reports List will be revised and updated as necessary, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly defined research areas within the project framework. These technical

reports will represent the project's substantive subject-matter contributions to be included in dissemination of results at local, national and international levels; and as such will be produced in a consistent and recognizable format.

68. Project Publications will crystallize and disseminate project results and achievements; can include scientific journal articles, informational texts, or multimedia publications; and can be based on selected Technical Reports or syntheses of a series of Technical Reports. The project team in consultation with UNDP, government partners and other stakeholders will determine if any of the Technical Reports merit formal publication and appropriate financial support.

### ***Independent evaluations***

69. The project will require at least two independent evaluations. A Mid-Term Evaluation will assess outcome achievements; will identify needed course corrections; will examine the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; will present initial lessons learned about project design, implementation and management; and will provide recommendations to improve implementation of the second and final half of the project. The UNDP CO in collaboration with the UNDP-GEF Regional Coordinating Unit will develop the organization, terms of reference, and timing of the mid-term evaluation

70. An independent external Final Evaluation will take place three months prior to the terminal Project Board meeting and will focus on the same issues as the mid-term evaluation as well as on the impact and sustainability of results, capacity building, achievement of global environmental goals, and recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the UNDP-GEF Regional Coordinating Unit.

### **Learning and Knowledge Sharing**

71. Project results will be disseminated within and beyond the project intervention zone via information sharing networks and forums including the UNDP/GEF networks that involve Senior Personnel from similar and related projects. UNDP/GEF Regional Unit has established an electronic platform for sharing lessons learned among project coordinators. The project will participate in relevant scientific, policy-based and other networks that can benefit project implementation via lessons learned; and will share its own lessons learned with other similar projects. Identification and analyses of lessons learned will be provided and communicated annually. UNDP/GEF will provide a format and assist the project team in categorizing, documenting and reporting on lessons learned.

**Table 1. Project Monitoring and Evaluation Plan and Budget**

<b>Type of M&amp;E activity</b>	<b>Responsible Parties</b>	<b>Budget US\$</b>	<b>Time frame</b>
Inception Workshop (IW)	Project Manager Ministry of Environment, UNDP, UNDP GEF	5,000	Within first two months of project start up
Inception Report	Project Team PSC, UNDP CO	None	Immediately following IW
Measurement of Means of Verification for Project Purpose Indicators	Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members	To be finalized in Inception Phase and Workshop. Cost to be covered by targeted survey funds.	Start, mid and end of project
Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis)	Oversight by Project GEF Technical Advisor and Project Manager Measurements by regional field officers and local IAs	TBD as part of the Annual Work Plan's preparation. Cost to be covered by field survey budget.	Annually prior to APR/PIR and to the definition of annual work plans
PIR	Project Team	None	Annually

Type of M&E activity	Responsible Parties	Budget US\$	Time frame
	PSC UNDP-GEF		
Project Board meetings	Project Manager	None	Following IW and annually thereafter.
Technical and periodic status reports	Project team Hired consultants as needed	6,000	TBD by Project team and UNDP-CO
Mid-term External Evaluation	Project team PSC UNDP-GEF RCU External Consultants (evaluation team)	35,000	At the mid-point of project implementation.
Final External Evaluation	Project team, PSC, UNDP-GEF RCU External Consultants (evaluation team)	40,000	At the end of project implementation
Terminal Report	Project team PSC External Consultant	None	At least one month before the end of the project
NEX Audit	UNDP-CO Project team	10,000	Yearly
Visits to field sites (UNDP staff travel costs to be charged to IA fees)	UNDP-CO, UNDP-GEF RCU Government representatives	None	Yearly average one visit per year
<b>TOTAL indicative COST</b> Excluding project and UNDP staff time costs		<b>96,000</b>	

## **PART VI: LEGAL CONTEXT**

72. This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement between the Government of Romania and the United Nations Development Programme, signed by the parties. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement. The UNDP Resident Representative in Romania is authorized to effect in writing the following types of revision to this Project Document, provided that he/she has verified the agreement thereto by the UNDP-GEF Unit and is assured that the other signatories to the Project Document have no objection to the proposed changes:

- a) Revision of, or addition to, any of the annexes to the Project Document;
- b) Revisions which do not involve significant changes in the immediate objective, outcomes, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- c) Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
- d) Inclusion of additional annexes and attachments only as set out here in this Project Document

## PART VII: ANNEXES

### Annex I: Risk Analysis

<b>Risk</b>	<b>Rating</b>	<b>Mitigation Strategy</b>
PA financing –low on the political agenda; suggested PA financing strategy, financial management plans and suggested fiscal mechanisms not approved during the lifespan of the project.	High	A strong communication strategy that will build political ownership from the beginning. Continuous dialogue and involvement of the political decision makers in order to prioritize the approval of the new legislative framework for sustainable PA financing.
Significant increases in external development pressure on the protected areas result in continued de facto open access to resources within them and in buffer zones	Medium-low	Promote the political commitment to establish a strong and effective network of protected areas in the Carpathian Region under the Carpathian Convention and its ratification by member states, including Romania. Further, the process of developing the sustainable financing strategy and prioritizing financing mechanisms will be a highly consultative and supported by technical studies.
There is a low risk that some key stakeholders (public and private) have limited success in participating in co-management and sponsorship.	Low	Consultations, a strategic communication campaign, presentations on PA's socio-economic benefits and PA benefits to public and corporate image will be conducted in order to involve institutions and private sector.
Governments of other range states are slow in using project results to further develop and implement activities to strengthen the financial sustainability of national PA systems in the Carpathians	Low	As signatories to the Carpathian Convention other range states are fully committed to addressing the issue of financial sustainability. To ensure that technical-level representatives from other range states can benefit from the lessons and approaches piloted in Romania, the project (under Outcome 2) will include them in capacity development activities.  An initial survey of PA stakeholders carry out during project preparation corroborates that there is initial political will amongst high-level government officials and civil society organizations to support the formulation and implementation of the sustainable finance strategy based on diversified revenue streams for the Romanian part of the CNPAs (See Annex K).
Climate change (CC) undermines efforts to conserve the globally significant biodiversity within the Romanian Carpathians.	Low	Strengthening the financial situation of protected areas in the Carpathians so that PA management authorities can effectively carry-out conservation activities mandated in conservation management plans, to increase the resilience and adaptability of PAs to CC impacts.

## Annex II: Terms of Reference for Key Project Positions

Position Titles	\$/ person week	Est. person weeks	Tasks to be performed
<b>For Project Management (only local/no international consultants)</b>			
<i>Local</i>			
National Project Manager (PM) <u>Note: the position is fully covered from cofinancing.</u>			<p>Supervise and coordinate the project to ensure its results are in accordance with the Project Document and the rules and procedures established in the UNDP Programming Manual;</p> <p>Assume primary responsibility for daily project management - both organizational and substantive matters – budgeting, planning and general monitoring of the project;</p> <p>Ensure adequate information flow, discussions and feedback among the various stakeholders of the project;</p> <p>Ensure adherence to the project's work plan, prepare revisions of the work plan, if required;</p> <p>Assume overall responsibility for the proper handling of logistics related to project workshops and events;</p> <p>Prepare, and agree with UNDP on, terms of reference for national and international consultants and subcontractors;</p> <p>Guide the work of consultants and subcontractors and oversee compliance with the agreed work plan;</p> <p>Maintain regular contact with UNDP Country Office and the National Project Director on project implementation issues of their respective competence;</p> <p>Monitor the expenditures, commitments and balance of funds under the project budget lines, and draft project budget revisions;</p> <p>Assume overall responsibility for the meeting financial delivery targets set out in the agreed annual work plans, reporting on project funds and related record keeping;</p> <p>Liaise with project partners to ensure their co-financing contributions are provided within the agreed terms;</p> <p>Assume overall responsibility for reporting on project progress vis-à-vis indicators in the logframe;</p> <p>Undertake any other actions related to the project as requested by UNDP or the National Project Director.</p>
Administrative assistant <u>Note: the position is partially covered from co-financing.)</u>	480	54	<p>Assist the PM in managing the project staff;</p> <p>Coordinate the project experts and ensure programs compliance;</p> <p>Prepare GEF quarterly project progress reports and other reports requested by the Executing Agency and UNDP;</p> <p>Ensure collection of data for the Management Effectiveness Tracking Tool;</p> <p>Assist the PM in managing the administrative and finance staff and ensure information accuracy;</p> <p>Act as PM in case of his/her absence;</p> <p>Overall, provide all needed support to the PM in project implementation.</p> <p>Oversee the smooth running of the project management unit;</p> <p>Project logistical support to the Project Coordinator and project consultants in conducting different project activities (trainings, workshops, stakeholder consultations, arrangements of study tour, etc.);</p> <p>During the visits of foreign experts, bear the responsibility for their visas, transportation, accommodation etc;</p> <p>Organize control of budget expenditures by preparing payment documents, and compiling financial reports;</p> <p>Maintain the project's disbursement ledger and journal;</p> <p>Control the usage non expendable equipment (record keeping, drawing up regular inventories);</p> <p>Arrange duty travel;</p> <p>Perform any other administrative/financial duties requested by the PM;</p> <p>Organize and coordinate the procurement of services and goods;</p> <p>Under supervision of PM, responsible for financial management.</p>
<b>International consultants</b>			
Evaluation expert	3,000	10	The international evaluation consultant will lead the mid-term and the final

Position Titles	S/ person week	Est. person weeks	Tasks to be performed
			evaluations. He/she will work with the local evaluation consultant in order to assess the project progress, achievement of results and impacts. The project evaluation specialists will develop draft evaluation report, discuss it with the project team, government and UNDP, and as necessary participate in discussions to extract lessons for UNDP and GEF. The standard UNDP/GEF project evaluation TOR will be used.

Position Titles	S/ person week	Est. person weeks	Output <sup>12</sup> and Key Tasks to be performed
<b>For Technical Assistance</b>			
<b>Local</b>			
<b>Component 1</b>			
Finance Law and Regulation specialist	1,000	14	Output 1 and 3. Legal and regulatory analysis, including inter-institutional coordination aspects. Key tasks: Work closely with other team consultants, map target financial and administrative laws and regulations, assess reform needs based on tentative lists of revenue options, determine steps-by-step reform process, prepare a package of reform proposal and draft implementation program.
PA financial analysis and costing specialist	1,000	10	Output 2. Carry out detailed financial analyses on PAs. Key tasks include: Assess PA income and expenses, assess financial needs and gaps, identify cost-savings options, assess the effectiveness of the existing financial management system, design PA cost accounting tool (to be incorporated in the FMS), lead implementation and provide trainings.
PA Financial and business planning specialist	1,000	10	Output 2, 4 and 5. Identification of business opportunities: Assess opportunities to develop public-private business partnerships, feasibility assessments of financial mechanisms, formulation of financial plans and business plans, guide implementation, and provide training.
Nature-based tourism user fees specialist	1,000	10	Output 2, 4 and 5. Development of tourism-based revenue streams: Feasibility assessment of entry fees and passes, admission fees, user fees; feasibility assessment of royalties and sales revenue, licenses and permits, concessions fees, leases and rent fees; formulation of the business plan for tourism activities and trainings.
PA valuation specialist	1,000	10	Output 3. Assess value and contribution of protected areas to productivity and equity: Analyze all relevant existing data and information to build the economic arguments focusing on BAU and improved PA management in the Romanian CNPAs; identify research institutes in the Region relevant to the CNPAs; formulate a programme for consultations; assess links of PAs with other sectors; assess PAs and climate change issues; formulate policy recommendations; identify research needs and additional experts needed; identify and select case studies and provide input for training component.
Communications and marketing specialist	1,000	10	Output 3 and 4. Develop communications strategy: Assess communication needs, define sector targets and key individuals Package information according to targets, design strategy and implementation plan, guide implementation and specific trainings.
Financial management systems specialist	1,000	10	Output 2 (also Component 2, Output 2). Key tasks include: Work directly with the PA financial analysis specialist, assess the current financial management system, design improvement plan, training and oversee implementation.
<b>Component 2</b>			
Capacity building and partnerships specialist	1,000	20	Output 1 to 5. Assess strategic partnerships, facilitate leaning community, implement the capacity building strategy.
Instructional designer	1,000	12	Output 1 and 5. Define instructional method and structure for on-line modules, time table, #of hours, level of complexity, testing and scoring system.
Web-based training	1,000	12	Output 1 and 5. Based on recommendations from the instructional designer,

<sup>12</sup> It is expected that local and international consultants will support more than one component at the time. For example, by providing targeted technical advice and training support to both of the project's components

Position Titles	\$/ person week	Est. person weeks	Output <sup>12</sup> and Key Tasks to be performed
platform specialist			design on-line training platform and virtual community website, oversee production and carry out usability test
Web training administrator	1,000	21	Output 1 and 5. Coordinate training delivery with service provider, prepare reports, oversee participants performance, grading, tutorials and graduation.
<b>International</b>			
<b>Component 1</b>			
PA financial planning and revenue mechanisms expert	2,750	12	Output 2 to 5. Key tasks include the supervision of: PA Financial analyses; formulation of the system-level sustainable finance strategy; design of revenue mechanisms; produce content for training modules; provide strategic training and oversee institutional strengthening process.
Payments for ecosystem services / environmental compensation expert	2,750	4	Output 2, 4 and 5. Assess feasibility for PES and environmental compensation (EC) mechanisms, design a proposal for PES and EC, and provide input for the formulation of financial and business plans. Provide strategic training.
Business development specialist	2,750	8	Output 1, 3 and 5. Key supportive tasks include: Assess opportunities to develop public-private business partnerships; feasibility assessments of financial mechanisms; formulation of financial plans and business plans; guide implementation and provide strategic training.
Tourism user fees specialist	2,750	4	Output 2, 4 and 5. Oversee the design of: Feasibility assessment of entry fees and passes, tourism packages, admission fees, user fees; feasibility assessment of royalties and sales revenue, licenses and permits, concessions fees, leases and rent fees; formulation of the business plan for tourism activities; related trainings and reporting.
PA valuation expert	2,750	8	Output 2 and 3. Key overseeing task include: Analyze data and information to build the economic arguments focusing on BAU and improved PA management in the Romanian CNPAs; participate in strategic consultations; assess links of PAs with other sectors; assess PAs and climate change issues; formulate policy recommendations; identify research needs and additional experts needed; identify and select case studies; provide input for training component and reporting.
<b>Component 2</b>			
PA finance capacity building expert	2,750	4	Output 1 to 5. Key responsibility include: Design and oversee the implementation of the capacity building strategy under Component 2 and provide strategic training.
Short-term consultants on technology-based training systems, ecological monitoring, agrobiodiversity, market analysis.	2,750	30	For Component 2, the international expertise will be utilized, as needed, to provide appropriate technical advice on issues that might arise as the project evolves. The international consultants will be involved in order to provide the ad hoc assistance on the narrow topics (e.g. training systems, agrobiodiversity, market analysis, etc.), when required. The ToRs will be developed by the project personnel in consultation with the CTA and other international consultants working for the project.

\*\*“Other short-term” consultants, under international consultants will also include national consultants. This will balance the current ratio of national to international consultants. However, given the specialized services required by the project, it is not expected that much of these services will be available at national level.

### Annex III: Stakeholder Involvement Plan

During the project preparation stage, a stakeholder analysis was undertaken in order to identify key stakeholders, assess their interests in the project and define their roles and responsibilities in project implementation. The table below describes the major categories of stakeholders identified, and the level of involvement envisaged in the project.

#### Key stakeholders and roles and responsibilities

Stakeholder	Roles and Responsibilities
Ministry of Environment (ME)	Main institution responsible for the protected areas will have the most prominent role, together with the project consultants, in assessing the possible changing of the legislative and regulatory framework including specific water legislation and regulatory framework, and also to provide the necessary support for the legislative and institutional reform. The ME will chair the Project Steering Committee (PSC)
National Agency for Protected Areas	NAPA will work in close cooperation with the ME. It will contribute to the project through: (i) collaborate to create the sustainable financing strategy for the CNPA, as a part and initial model of the future sustainable financing strategy of the Romanian Network of Protected Areas. It will also provide, together with ME, the necessary lobby to support the reform of the PA finance regulatory framework. The NAPA will be a member of the PSC if it will function as a separate institution from ME.
National Forest Administration "Romsilva"	NFA "Romsilva" will provide inside the Protected Areas Unit the Project Implementation Team that will carry out the project's administrative and financial management. Also it will provide as a co financing partner all the necessary support in developing the project. It will coordinate the 18 park administrations belonging to NFA that are part of CNPA. The NFA "Romsilva" will be a member of the PSC.
Ministry of Agriculture, Forestry and Rural Development	MAFRD is also an important partner in the project. The main role will be the optimization of the payments for compensation to land owners in the protected areas. The MAFRD will also help in elaborating and promoting PES and the specific necessary regulatory framework. MAFRD will be a member of the PSC.
Other relevant agencies	National Water Agency, National Agency for Mineral Resources, other agencies administrating natural resources will be involved in developing mechanisms for financing the protected areas.
Ministry of Tourism MT	Ministry of Tourism will asses, together with the project team, the tourism-business opportunities, and tourism based income options that can be generated to support PA's tourism infrastructure and promotion. The MT will support the development of the necessary regulatory framework. It will be part of the PSC.
Ministry of Public Finances	MPF is an important partner. It will support the assessment of the financial legal and regulatory framework, and will support the reform of financial legislation. It will cooperate in the effort to ensure the transparency of the new PA accounting system and the financial training of the PA's managers. The MPF will be a member of the PSC.
Protected Areas Administrations members of CNPA (18 NFA)	All 18 park administrations of the NFA "Romsilva" will provide direct support in the implementing the project: direct personnel involvement and also logistical support, including the public awareness campaign, sustainable financial strategy, business plans, trainings, project outcomes.
Protected Areas Administrations members of CNPA (2 County Councils)	The 2 park administrations administrated by county councils will provide direct support during project implementation including direct personnel involvement and logistical support to the public awareness campaign, sustainable financial strategy, business plans, trainings and project



	Roles and Responsibilities
	outcomes. The involvement of the 2 county councils will be critical to develop financial models for other county councils willing to administrate protected areas.
Protected Areas Administrations members of CNPA (University of Bucharest -UOB)	The UOB will provide direct support during project implementation including direct personnel involvement and research and implementation support (academicians and graduate students "volunteers") to the public awareness campaign, sustainable financial strategy, business plans and trainings. UOB will also provide academic endorsement to training content and an administrative platform to support PA practitioners involved in trainings.
WWF – Danube Carpathian programme	WWF will provide cofinancing and support the implementation of the project through additional in-kind contributions. WWF will particularly support the capacity building component and will contribute to the process of sharing of experiences between different projects. WWF may also provide support during the assessment of the legislation and regulatory framework, reform lobbying and will be member of the PSC.
NGOs	Relevant national environmental NGO's will be involved in achieving the project outcomes and will play important role in public campaigns, accountant system transparency and PA volunteers support programmes.
Academic and research Institutes	Relevant national and regional academic and research institutes will contribute to the project in, for example, the Tourism Research institute delegated to elaborate the National Ecotourism strategy, National Statistic Institute can help with valuable data, and the Academy for Economic Sciences will be involved in assessing the financial framework.
Representatives of local communities	Representatives of local communities of the PA's will be invited to participate for developing the PA's business plans and for lobbying the compensation to forest land owners in the protected areas, and to elaborate a financial best practices guidelines for communities involved in PA business plans.
National and local press and media	The project will cooperate with the national and local media (TV, press, Internet and radio) on public awareness and legal reform issues.
Land owners	Will be involved in all the actions designed to improve compensation payment, for economical losses, to landowners in the PA's and also in developing PES schemes.
Private sector	It is critical element. The project will promote the engagement of as many as possible private partners in PA financing. For instance, professional tourism national associations like ANTREC and NATA and other potential donors and/or PA co-management partners. At least one representative from the private sector will be member of the PSC.
UNDP-Romania	The roles and responsibilities of UNDP-Romania will include: Ensuring professional and timely implementation of the activities and delivery of the reports and other outputs identified in the project document; Coordination and supervision of the activities; Assisting and supporting NFA "Romsilva" in organizing coordinating and where necessary hosting all project meetings; Coordinate of all financial administration to realize the targets envisioned in consultation with NFA Romsilva; supporting the establishing of an effective network between project stakeholders, specialized international organizations and the donor community. The UNDP will also be a member of the PSC.

Throughout the project's development, very close contact was maintained with all stakeholders at the national and local levels. All affected national government institutions were directly involved in project development, as well as municipalities, research and academic institutions and NGOs. Numerous consultations occurred with all of the above

stakeholders to discuss different aspects of project design. These consultations included a PA management workshop in August at Vanatori Meant Nature Park in July 23-24 and a stakeholder meeting in Bucharest on July 30, 2009. It also included a survey on sustainable finance carried out in July and early August 2009. In addition, bilateral discussions; site visits to pilot sites and permanent electronic communications.

The projects approach to stakeholder involvement is illustrated in the next table.

#### Stakeholder participation principles

Principle	Stakeholder participation will:
Value Adding	be an essential means of adding value to the project
Inclusivity	include all relevant stakeholders
Accessibility and Access	be accessible and promote access to the process
Transparency	be based on transparency and fair access to information; main provisions of the project's plans and results will be published in local mass-media
Fairness	ensure that all stakeholders are treated in a fair and unbiased way
Accountability	be based on a commitment to accountability by all stakeholders
Constructive	seek to manage conflict and promote the public interest
Redressing	seek to redress inequity and injustice
Capacitating	seek to develop the capacity of all stakeholders
Needs Based	be based on the needs of all stakeholders
Flexible	be flexibly designed and implemented
Rational and Coordinated	be rationally planned and coordinated, and not be ad hoc
Excellence	be subject to ongoing reflection and improvement

The project's design incorporates several features to ensure effective stakeholder participation in the project's implementation:

#### 1. Project inception workshop

The project will be launched by a multi-stakeholder workshop. This workshop will provide an opportunity to provide all stakeholders with the most updated information on the project, the work plan, and will establish a basis for further consultation as the project's implementation commences.

#### 2. Constitution of Project Steering Committee

A Project Steering Committee's constituency will be constituted to ensure broad representation of all key interests throughout the project's implementation. The representation, and broad terms of reference, of the PSC are described in the Management Arrangements in Part III of the Project Document.

#### 3. Establishment of the Project Management Unit

The Project Management Unit will take direct operational responsibility for facilitating stakeholder involvement and ensuring increased local ownership of the project and its results. The PMU will be located in Bucharest to ensure coordination among key stakeholder organizations at the national level during the project period.

#### 4. Establishment of sustainable finance working group

A technical PA finance working group will be established during the first semester. The group will work closely with the PSC and PMT and will provide technical advice on Pa finance related matters.

#### 5. Project communications

The project will develop, implement and maintain a communications strategy to ensure that all stakeholders are informed on an ongoing basis about: the project's objectives; the projects activities; overall project progress; and the opportunities for involvement in various aspects of the project's implementation.

#### 6. Implementation arrangements

A number of project activities have specifically been designed to directly involve local stakeholders in the implementation of these activities. For example, validation of the financial analysis, legal analysis, institutional analysis, selection of financial mechanism, sustainable finance strategy, business plans and communication campaign.

#### 7. Formalising collaborative PA governance structures

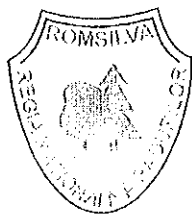
The project will actively seek to formalise collaborative PA governance at the level of the protected areas to ensure the ongoing participation of local stakeholders in the planning and management of individual PAs, with a string emphasis on financial management.

#### **Annex IV: METT, Capacity Development and Financial Scorecards**

*The scorecards are attached as separate files due to large space.*

#### **Annex V: Agreements**

The letters of co-financing are attached in a separate file.



MINISTERUL AGRICULTURII, PĂDURILOR ȘI  
DEZVOLTĂRII RURALE  
REGIA NAȚIONALĂ A PĂDURILOR ROMÂNIEI  
Bd. Magheru nr. 31, sector 1, București, cod poștal 010325  
telefon: 0040 21 317.10.05; fax: 0040 21 316.81.28  
E-mail: [rop@rosilva.ro](mailto:rop@rosilva.ro) Pagina web: [www.rosilva.ro](http://www.rosilva.ro)

Nr. 1111/10.09.2009

United Nations Development Programme (UNDP)  
Country Office Romania  
Mr. Jan SORENSEN  
Resident Representative

Bucharest, 02 September 2009

*Subject: Co-financing of National Forest Administration of the project „Improving the financial sustainability of the Carpathian sistem of the protected areas”*

Dear Mr. Sorensen,

The National Forest Administration (NFA) has the pleasure to confirm the co-financing of the above mentioned project in the amount of 4.646.741 USD.

This amount with wich NFA is co-financing the project, refer to the following items:

(i) salaries of the Carpathian protected areas administrations managed by NFA; (ii) ecological activities and promotion of sustainable tourism; (iii) environmental awareness activities; (iv) part of operational costs; (v) transport costs and training workshops organizations; (vi) other costs related to Parks' Scientific councils and other work meetings (vii) other costs related to project's supervision and implementation.

This amount will be managed by the NFA and will contribute to the following objectives of the project:

- support to development of the financing strategy of the protected areas;
- strengthening the institutional and individual capacities of management authorities and other local stakeholders to realize the sustainable financing of protected areas.

Sincerely,

General Director,

Florin MUNTEANU





Romania

17 June 2009

**Letter of Commitment**

UNDP Romania hereby confirms its commitment of a contribution in the amount of 20,000 USD (twenty thousand US dollars only) in the implementation of the Medium Size Project (MSP) "Improving the Financial Sustainability of the Carpathian System of Protected Areas". The amount of 20,000 USD will be contributed to the future MSP as in-cash contribution from TRAC during three years of implementation 2010-2012.

Please do not hesitate to contact us, should you have any questions in this regard.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Yesim Oruc', written over a light blue horizontal line.

Yesim Oruc

UNDP Deputy Resident Representative

To: Monique Barbut, CEO  
Global Environment Facility



for a living planet®

WWF International  
Danube-Carpathian  
Programme

Tel: +43 1 524 54 70  
Fax +43 1 524 54 70-70  
www.panda.org

Mariahilfer Str. 88a/3/9  
A-1070 Vienna, Austria

Mr. Jan Sorensen  
UNDP Resident Representative  
Romania Country Office

Primaverii Blvd. 48 A, sector 1  
Bucharest  
Romania

Subject: Confirmation of co-financing for the project **Improving the Financial Sustainability of the Carpathian System of Protected Areas**

Dear Mr. Jan Sorensen,

The WWF Danube-Carpathian Programme has the pleasure to confirm co-financing for the above-mentioned project in the amount of USD 50,300. The resources will be managed through the 2012 Protected Areas for a Living Planet – The Carpathian Mountains project for the following activities being implemented from January 2010 until December 2011:

1. Analysis of existing legislation in Romania to prepare amendments, lobby and campaign
2. Development of a financing strategy for one protected area in Romania
3. Review of 5 existing protected area management plans, development of 5 business plans
4. Support for the Carpathian Network on Protected Areas for information exchange including workshops
5. Platform to secure a transparent financial system – development of a section dedicated to financing issues within the Carpathian Protected Area Clearing House Mechanism (CPA CHM) to secure dissemination of the elaborated knowledge

Sincerely,

Andreas Beckmann, Director



President: HE Chief Emeka Anyaoku  
Director General: James P. Leape  
President Emeritus:  
HRH The Duke of Edinburgh  
Founder President:  
HRH Prince Bernhard of the Netherlands

Registered as:  
WWF-World Wide Fund For Nature  
WWF-Fondo Mondiale per la Natura  
WWF-Fondo Mundial para la Naturaleza  
WWF-Fonds Mondial pour la Nature  
WWF-Welt Natur Fonds  
Also known as World Wildlife Fund



## SIGNATURE PAGE

**Country: Romania**

UNDAF Outcome(s)/Indicator(s):  
*(Link to UNDAF outcome.. If no UNDAF, leave blank)*  
 Expected Outcome(s)/Indicator (s):  
*(CP outcomes linked to the SRF/MYFF goal and service line)*  
 Expected Output(s)/Indicator(s):  
*(CP outputs)*  
 Implementing partner:  
*(designated institution/Executing agency)*

-  
 Environmental governance strengthened at central and local levels and greater compliance with EU environmental standards and international conventions.  
 Policies and strategies effectively integrating environmental concerns.  
 National Forestry Administration

**Programme Period:** 2010-2014

**Project Title:** Improving the Financial Sustainability of the Carpathian System of Protected Areas

**Atlas Award ID:** 00058266  
**Atlas Project ID:** 00072323  
**PIMS:** 3458  
**Start date:** January, 2010  
**End Date:** January, 2014  
**LPAC Meeting Date:** July 2009  
**Management Arrangements:** NEX

**Total budget:** US\$ 5,667,041

**Allocated resources:**

- GEF US\$ 950,000
- UNDP US\$ 20,000
- WWF US\$ 50,300

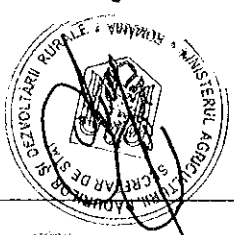
**In kind contributions:**

- NFA US\$ 4,646,741

*Agreed by Ministry of Agriculture, Forest and Rural Development:*

Nicolae Giugea, Minister, Secretary of State

NAME \_\_\_\_\_ SIGNATURE \_\_\_\_\_ Date/Month/Year \_\_\_\_\_



21.11.2009

*Agreed by Implementing partner "Regia Nationala a Padurilor ROMSILVA":*

Valerian Solovastru, General Director

NAME \_\_\_\_\_ SIGNATURE \_\_\_\_\_ Date/Month/Year \_\_\_\_\_



16.11.09.

*Agreed by UNDP:*

Jan Sorensen, UNDP Resident Representative

NAME \_\_\_\_\_ SIGNATURE \_\_\_\_\_ Date/Month/Year \_\_\_\_\_

16/11/2009

