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United Nations Development Programme

Project Document

Project title: Enhancing financial sustainability of the Protected Areas system in Georgia		
Country: Georgia	Implementing Partner: Ministry of Environment Protection and Agriculture (MEPA)/ Agency of Protected Areas (APA)	Management Arrangements: National Implementation Modality (NIM)
UNPSD/Country Programme Outcome: By 2020, communities enjoy greater resilience through enhanced institutional and legislative systems for environment protection, sustainable management of natural resources and disaster risk reduction ¹ .		
UNDP Strategic Plan Output: Output 2.4.1 Gender-responsive legal and regulatory frameworks, policies and institutions strengthened, and solutions adopted, to address conservation, sustainable use and equitable benefit sharing of natural resources , in line with international conventions and national legislation		
UNDP Social and Environmental Screening Category: Low	UNDP Gender Marker: GEN2	
Atlas Project ID (formerly Award ID): 00089759	Atlas Output ID (formerly Project ID): 00095873	
UNDP-GEF PIMS ID number: 6138	GEF ID number: 9879	
Planned start date: December 1, 2018	Planned end date: November 30, 2023	
PAC meeting date: 22 November 2018		
<p>Brief project description:</p> <p>Georgia’s recent socio-economic transition was accompanied by unsustainable economic activities and over-use of biological resources, driven by poverty, lack of alternative livelihoods, irresponsible exploitation, ignorance on nature’s values, and ineffective legislation. Today, Georgia is one of the few countries globally where protected areas are a genuine high level national priority. Significant progress is made with the expansion of the PA network in the past decades, supported by legislative-institutional reforms, and the country is committed to increase the area under formal protection to 20% protection (from current 8%) in the next 8 years. Despite progress made, threats to globally significant biodiversity in Georgia from socio-economic development as well as climate change are exacerbated by ineffective implementation and enforcement of legislation and policies on PAs.</p> <p>Remaining barriers to an effective and efficient PA system are addressed under three components: (i) sufficient, secure and predictable revenue sources ensure sustainable PA operations; (ii) improved management effectiveness of PAs; and (iii) improved awareness of Protected Area values.</p> <p>With GEF incremental support, CNF’s 2030 Sinking Fund will until 2030 annually provide \$950,000 to 12 Target PAs, supporting operating costs, site-level TA and capacity building, on financial-administrative planning, budgeting and accounting, tourism development, management effectiveness assessment, and operational management. Awareness raising improves societal acceptance and support of PAs. The project will close the annual funding gap by \$1.15 mln; increase CNF’s co-financing to Target PAs until 2030 by \$4.35 mln over the baseline, matched by government funding; increase CAS, METT and Financial Scorecards; and expand support to</p>		

¹ United Nations Office in Georgia, 2016. United Nations Partnership for Sustainable Development (framework document) – Georgia 2016-2020. UN House, Tbilisi, Georgia, 56 pp.

12 Target Key Biodiversity Areas, covering 431,872 ha. Project costs are estimated at \$9,958,516, including \$1,826,484 from GEF and \$7,958,516 co-financing from MoEPA (\$4,750,000), CNF (\$3,008,516) and Bank of Georgia (\$200,000).

FINANCING PLAN

GEF Trust Fund	USD 1,826,484
UNDP TRAC resources	USD 0
Cash co-financing to be administered by UNDP	USD 0
(1) Total Budget administered by UNDP	USD 1,826,484

PARALLEL CO-FINANCING

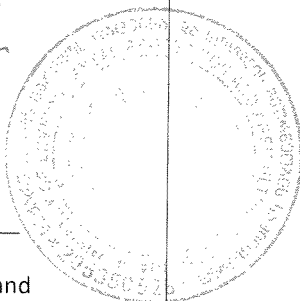
Government	US\$ 4,750,000
Caucasus Nature Fund	US\$ 3,008,516
Bank of Georgia	US\$ 200,000
(2) Total co-financing	US\$ 7,958,516
(3) Grand-Total Project Financing (1)+(2)	US\$ 9,785,000

SIGNATURES

Signature:



Levan Davitashvili
Minister of Environmental Protection and
Agriculture of Georgia



Agreed by Government

Date/Month/Year:

12.12.2018

Signature:



Munkhtuya Altangerel
Resident Representative a.i



Agreed by UNDP

Date/Month/Year:

12.12.2018

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I. ACRONYMS AND ABBREVIATIONS

APA	Agency of Protected Areas
AWP	Annual Work Plans
BMZ	German Federal Ministry for Economic Cooperation and Development
CAS	Capacity Assessment Scorecard
CBD	Convention on Biological Diversity
CI	Conservation International
CO	Country Office
CNF	Caucasus Nature Fund
CzDA	Czech Development Agency
ECP	Eco-region Conservation Plan for the Caucasus
EOP	End-of-project
ERC	Evaluation Resource Center
ESMP	Environmental and Social Management Plan
ESV	Ecosystem Services Valuation
EU	European Union
FFI	Fauna and Flora International
FIF	Financial Investment Funds
GDI	Gender Development Index
GEF	Global Environment Facility
GGI	Gender Gap Index
GII	Gender Inequality Index
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit / German Society for International Cooperation
GRM	Grievance Redress Mechanism
GTNA	Georgian National Tourism Administration
Ha	Hectare
IBA	Important Bird and Biodiversity Area
IEO	Independent Evaluation Office
<u>INDC</u>	Intended Nationally Determined Contributions
<u>IP</u>	Implementing Partner
IUCN	International Union for the Conservation of Nature
KBA	Key Biodiversity Area
KfW	German Development Bank
LEPL	Legal Entity of Public Law
M&E	Monitoring and Evaluation
METT	Management Effectiveness Tracking Tool
MIn.	Million
MoENRP	Ministry of Environment and Natural Resources Protection
MoEPA	Ministry of Environmental Protection and Agriculture
MSG	Management Support Group
MSP	Medium Sized Project
NBSAP	National Biodiversity Strategy and Action Plan
NEAP	National Environmental Action Plan
NGO	Non-Governmental Organization
NIM	National Implementation Modality
NP	National Park
NPD	National Project Director
NSFP	Network Sustainable Finance Plan
NTFP	Non-Timber Forest Product
OAI	Office of Audit and Investigations
OFP	Operational Focal Point
PA	Protected Area
PB	Project Board
PCA	Priority Conservation Area
PIR	GEF Project Implementation Report
PM	Project Manager
POPP	Program and Operations Policies and Procedures
ROAR	Results Oriented Annual Report
RTA	Regional technical Advisor

SBEAA	Standard Basic Executing Entity Agreement
SDG	Sustainable Development Goal
SEP	Stakeholder Engagement Plan
SES	Social and Environmental Standards
SESP	Social and Environmental Standards, Policies and Procedures
STDFS	Sustainable Tourism Development and Financing Strategy
TA	Technical Assistance
TAC	Technical Advisory Committee
TDS	Tourism Development Strategy
TE	Terminal Evaluation
TJS	Transboundary Joint Secretariat for the South Caucasus
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
WB	World Bank
WWF	World Wide Fund for Nature

II. DEVELOPMENT CHALLENGE

1. Georgia covers 69,700 sq. km. in the Caucasus Ecoregion, one of 36 global biodiversity “hotspots”² and a recognized Global 200 Ecoregion³. The country is rich in biological diversity, due to the large variety in topography and climate, and related biomes - broadleaf, coniferous, mixed and floodplain forests; sub-alpine and alpine grasslands; bare rocks, subnival and nival biomes; steppe and semi-deserts. Flora diversity in Georgia includes about 4,100 vascular species, 300 of which are endemic to the country and another 600 are endemic to the Caucasus Ecoregion, including 800 mosses, 800 lichens, 7,000 mushrooms, and 2,600 algae. About 2,000 species have direct economic value: timber, firewood, food, forage, or medicine. The national Red List includes 56 vascular species, including globally threatened ones like Kozlovskiy Salsify (*Scorzonera kozlovskiyi*, IUCN Cr), Grigorashvili's Salsify (*Podospermum grigorashvili*, IUCN En), Kakhetian Bellflower (*Campanula kachethica*, IUCN En).

2. Fauna diversity in Georgia includes 100 mammals, 12 amphibians, 50 reptiles, over 300 birds and 80 freshwater fish, making the country an important biodiversity reservoir. The Red List of Georgia includes 137 fauna species, of which at least 50 are of global importance, including Bezoar Goat (*Capra aegagrus*, IUCN Vu), Caucasus Leopard (*Panthera pardus saxicolor*, IUCN En), Goitered Gazelle (*Gazella subgutturosa*, IUCN Vu), Egyptian Vulture (*Neophron percnopterus*, IUCN En), Caucasian Salamander (*Mertensiella caucasica*, IUCN Vu), Mehely's Horseshoe Bat (*Rhinolophus mehelyi*, IUCN Vu), Apollo Butterfly (*Parnassius Apollo*, IUCN Vu) and others. Endemic fauna includes 19 mammals, 3 birds, 15 reptiles, 3 amphibians and 3 birds. Georgia is also part of the “Caucasus” Endemic Bird Area⁴.

3. **Protected Area system:** In recent decades, the robust work of the Government has resulted in a significant expansion of its Protected Area (PA) network, establishing new PAs and enlarging existing ones. From 181,000 ha (2.6%) in 1991, in 2017 the PA system covered 596,156 ha, or 8.6% of the country including occupied territories, assigned to 25 complex PAs. Of these, 18 PAs are “Priority PAs”⁵, because: (i) they are located in identified Priority Conservation Areas (PCAs) under the Ecoregion Conservation Plan for the Caucasus (ECP)⁶, a conservation plan agreed among South Caucasus and neighboring countries; (ii) they meet the GEF adopted criteria of Key Biodiversity Area (KBA)⁷; and (iii) they are located in territory controlled by Georgia⁸. Priority PAs cover 498,989 ha, or 84%, of Georgia’s PA system⁹ (Annex M).

4. Georgia is one of the few countries globally where protected areas (PAs) are a genuine high level national priority, embedded in national policies and strategies, including the 2nd National Environmental Action Plan (NEAP-2) for the period 2012-2016 and the 2nd National Biodiversity Strategy and Action Plan (NBSAP)¹⁰ for the period 2014-2020. Under these, the country specifically strives to ensure the protection and rehabilitation of unique ecosystems, species diversity and genetic resources of biota, through a PA system that covers at least 12% (836,400 ha) of the country, effectively managed through capable administrations and financial sustainability mechanisms in place. In its obligations under the Paris Agreement, the country also recognizes its PA system as being key to combating climate change, while in its Intended Nationally Determined Contributions (INDC)¹¹, Georgia committed to expand the PA network to 1,394,000 ha (20% of the country), exceeding the target stated in its NBSAP. At the national level, the 1996 Law on Protected Areas System (the “PA Law”) provides legal footing for the country’s Protected Area (PA) network, a law that is currently being revised and should be ready in draft form by 2019.

CNF’s proposed Target PAs

#	Name	Size (ha)	National PA classification	IUCN category	Total 2018 Budget (in USD)
1	Borjomi Kharagauli NP	104,994	SNR, NP, NM, MNR	Ia, II, III, IV	442,950

² <http://www.cepf.net/resources/hotspots/Pages/default.aspx> retrieved 23 December 2017

³ http://www.iucn.org/news_homepage/news_by_date/?11613/Georgia--a-haven-for-biodiversity

⁴ <http://datazone.birdlife.org/eba/factsheet/87>

⁵ According to criteria agreed between the Agency for Protected Areas (APA) and the Caucasus Nature Fund (CNF)

⁶ <http://wwf.panda.org/?205437/ecoregion-conservation-plan-for-the-caucasus-revised>

⁷ IUCN, 2016. A global standard for the identification of Key Biodiversity Areas.

⁸ Following a conflict in 2008, 1,256,000 ha (18%) of Georgia is occupied by a foreign power, leaving 5,714,000 ha under the control of the Georgian government. The occupied territories include 4 PAs (67,141 ha) that remain effectively unmanaged.

⁹ PAs that are not recognized as Priority PA either are located in occupied territories, are not located in PCAs under the ECP, do not meet KBA criteria, or are particularly small and therefore inefficient for CNF to work with.

¹⁰ <https://www.cbd.int/doc/world/ge/ge-nbsap-v2-en.pdf>

¹¹ http://www4.unfccc.int/ndcregistry/PublishedDocuments/Georgia%20First/INDC_of_Georgia.pdf

#	Name	Size (ha)	National PA classification	IUCN category	Total 2018 Budget (in USD)
2	Lagodekhi PAs	24,451	SNR, MNR	Ia, IV	199,606
3	Vashlovani PAs	35,068	SNR, NP, NM	Ia, II, III	278,553
4	Tusheti PAs	82,142	SNR, NP	Ia, II	184,181
5	Tusheti Protected Landscape	31,518	PL	V	39,011
6	Mtirala NP	15,699	NP	II	146,867
7	Javakheti National Park	19,309	NP, MNR	II, IV	98,817
8	Kazbegi National Park*	9,030	NP, NM	II, III	665,016
9	Algeti National Park*	8,527	NP, NM	II, III	263,673
10	Kintrishi PAs*	13,893	NP, PL	II, V	269,073
11	Machakhela National Park	7,333	NP	II	
12	Pshav-Khevsureti PAs*	79,909	NP, NM, MNR	II, III, IV	330,449

* PAs with * next to their names are supported primarily by the “Support Program for Protected Areas”, a KfW initiative to establish Protected Areas, including investments in infrastructure and demarcation. The capital investments into infrastructure is the reason for the large/inflated budget number, especially compared to their size. Demarcation is scheduled to be completed in 2019.

Current CNF Supported PAs



5. The Ministry of Environmental Protection and Agriculture (MoEPA) is the central executive agency in charge of environmental protection and support to sustainable development in the field of environment. Within the MoENRP the Legal Entity of Public Law (LEPL) “Agency of Protected Areas” (APA) was established in 2008 to become responsible for the overall management of Georgia’s PAs. Key roles of APA include ensuring functionality of the PA system, policy making and strategic planning, managing legal-regulatory changes, budgeting and financial management, supervision of activities at the level of individual PAs, cooperation with donors and partners including fund raising, and facilitation with other state and non-state actors. On-the-ground operational management of PAs is undertaken by 20 PA Administrations, the roles of which include general administration of their designated territory, maintenance of infrastructure and facilities, revenue collection, implementation of patrolling and law enforcement, educational activities and communication with local communities, tourism-related activities. By end 2017 total staffing of the PA system counted 470 people (Annex N).

6. **Threats:** In recent decades, Georgia has undergone a dramatic socio-economic transition, a transition which continues. Unsustainable economic activities and the substantial over-use of biological resources increased nationwide, driven by poverty, lack of alternative livelihoods, unregulated and irresponsible exploitation, as well as limited

knowledge, awareness, and understanding of nature's values. As a result, Georgia's globally significant biodiversity, including in PAs, became increasingly threatened from (i) habitat loss, degradation and fragmentation, caused by the overexploitation of natural resources, including illegal logging, timber trade, fuel wood collection, grazing and infrastructure development; (ii) poaching and illegal wildlife trade; (iii) overfishing; (iv) pollution; and (v) invasive species. The cumulative impact from threats has reduced the ecological functioning of natural areas, including capacities to provide key ecosystem services, and an overall loss of economic benefits accruing from biodiversity.

7. Also climate change increasingly has a notable impact on biological resources and biodiversity, both within PAs and beyond. Georgia's 2nd Communication to the UNFCCC (2009)¹² notes anticipated regionally divergent increases in temperature, increases and reductions in precipitation and the increased occurrences of extreme weather events, while the 3rd National Communication to the UNFCCC (2015) reported on observed impacts from climate change, including diseases and pests in forests and vertical shifts in ecosystems and related species, typified by the recent devastation of the hazelnut crops by the brown marmorated stink bug. Uncertainty remains as to the magnitude of change in various regions of the country, including from complex interaction of natural and manmade factors in human-influenced landscapes.

8. **Barriers:** The threats to globally significant biodiversity from socio-economic development as well as climate change are exacerbated by ineffective implementation and enforcement of legislation and policies on environmental protection and PA management. While in recent years significant progress was made on a broad specter of institutional and legislative reforms, including on environmental protection and nature conservation, and the area under formal protection was significantly expanded, three key barriers remain to establishing an effective and efficient PA system in Georgia:

9. **Barrier 1: Insufficient and insecure financing to sustainably address recurrent costs of maintaining the PA system.** In 2017, the Government of Georgia allocated US\$2.43 mln to established PAs, of which 50% for salaries. Also US\$1.95 mln in revenues were collected, to a total of US\$4.38 mln available as state funding. Extra-budgetary funding in 2017 equaled US\$4.90 mln, provided by various donors, channeled through national government authorities (US\$2.41 mln, 49%) as well as through direct donor arrangement with individual PAs (US\$2.49 mln; 51%). The total financial resources available to the PA network in 2017 amount to US\$9.28 mln, with significant dependence on donor funding (53%). The 2017 financial needs assessment for the PA system (Annex B) shows an estimated US\$11.08 mln needed for basic management, or US\$16.62 mln for optimal management, for human resources, operations and capital investment. Thus, the central government budget covered only 40% of financial needs for basic management, or 26% of needs for optimal management. While annually the government budget support to PAs has increased in recent years, the funding gap has further increased, due the fact that the PA system has been expanded substantially and continues to be expanded in line with national priorities and international commitments, as well owing to continuing annual inflation (about 6.4% in 2017), increased operational costs for staffing, equipment, consumables, maintenance.

10. Efforts to close the funding gap are led by the Caucasus Nature Fund (CNF), an NGO founded in 2007 with the support of the German Federal Ministry for Economic Cooperation and Development (BMZ), through the German Development Bank (KfW), Conservation International (CI) and WWF. In addition, a multitude of relative short-term donor projects were and are being implemented. While funding through CNF is secured and sufficiently stable to 2030, other donor-funded projects individually provide important capacity building support, notably on strategic planning and capital investments, but jointly are insufficiently systematic in addressing the TA needs of the PA system or other capacity gaps. Also they are not designed to materially assist PAs in Georgia in closing their funding gap, while some may increase the funding gap, as infrastructure investment and expansion of PAs require additional financial resources needed to cover operation and maintenance costs. Overall, available funding from the various sources is insufficient to close the funding gap even for basic financing needs for PA system management.

11. GEF support has been instrumental in strengthening Georgia's PA system. The UNDP/GEF project "Expansion and improved management effectiveness of the Adjara Region's PAs" (GEF-ID 4835; 2014-2018), targeting the PAs of Mtirala, Kintrishi and Machakhela, increased the PA estate by over 100,000 ha but did not cover issues of financial sustainability as it was focused on expansion and management effectiveness. The GEF project "Catalyzing financial sustainability of Georgia's PA system" (GEF-ID 3557; 2009-2012) resulted in (i) a PA Network Sustainable Financing Plan (NSFP) adopted at national level, (ii) amendment of legislation to remove legal restrictions for better financing of PAs, (iii) a training module on PA management and (iv) improved financial and business skills of one PA – Tusheti National Park. The GEF project "Ensuring sufficiency and predictability of revenues for Georgia's PA system" (GEF-ID

¹² Add citation

3949; 2010-2016) targeted selected PAs for piloting innovative financing approaches and strengthening their operational capacity. Implemented by the CNF, the project focused on key PAs of lower protected status (IUCN cat. I-IV), smaller sized PAs without complicated zoning, often without management units. The whole package of assistance of the GEF so far has been key in raising the profile of PAs in Georgia, removing legal barriers and testing selected approaches at lower conservation status PAs.

12. Meanwhile, Georgia's globally important PAs (that meet KBA criteria) remain under-funded. While tourism revenue generation models have been effectively realized in smaller PAs (e.g. for caves, boat excursions and dinosaur footprints), contributing important direct domestic revenues to the PA system (US\$1,735,144 / 93% in 2017)¹³, revenues from other PAs, including 12 target PAs envisioned under the current project, generated only US\$126,208 / 7% in 2017, mainly from tourism services like equipment rent, camp sites and shelters. Of direct revenues generated in 2017, US\$1,320,310 (68%) was generated from tourism entry fees collected in 4 PAs only, the remaining US\$630,554 (32%) from other direct income services, including US\$377,310 (60%) from tourism and recreational services (tents, camp sites, hotel/accommodation, sleeping bags, tourist shelters, snow shoes, bicycles). Revenues from concessions (US\$163,733) do not exceed 8.4% of direct revenue streams in 2017, of which US\$139,659 (85%) was generated through the recently established boating service at Martvili Canyon, one of the 4 visitors' hotspots, the remaining from hotel-concessions. Other income-generating practices are even less significant in contributing to site-based revenues, including lease fees for pasture use (US\$23,091; 1.2%), and compensation payments for infrastructure development and forest use (US\$66,421; 3.4%). Engaging in concessions remains of limited interest to the private sector, as products and services offered by PAs are considered insufficient to attract enough visitors to warrant relatively high investment and maintenance costs. Key causes for less than anticipated PA revenues also include uncertainty in formulated revenue targets; limited practice of business planning for PAs; limited financial resources committed to TA in tourism development, specifically products and services; insufficient time given to market tourism services; and inability to expand entry fees to the full PA system. Accordingly, there remains a need to further develop sustainable and long-term domestic revenue sources for PAs in Georgia.

13. **Barrier 2: Weak capacity in efficient financial-administrative planning and effective operational management of the PA system.** Efforts in recent years to strengthen Georgia's PA system show that in addition to insufficient funding for facilities, equipment and staff, also ineffective financial-administrative planning, including business-oriented budgeting tools, and a lack of awareness on cost-effectiveness act as systemic barrier to effective PAs management. In 2010 a PA Management Support Group (MSG), consisting of CNF staff, technical and financial auditors, was established to provide real-time guidance to PA staff on requesting funding, based on proper planning of operational costs, improved accounting and reporting, and reliable assessment of returns on investments. This capacity building work was supported by the Transboundary Joint Secretariat for the Southern Caucasus (TJS), an implementation component of KfW's green sector program in the South Caucasus, specifically targeting strengthening planning for cost effectiveness. In recent years also management plans, and linked operational plans, have been or are being developed for an increasing number of individual PAs, albeit largely donor driven. As a result, METT scores assessments in recent years demonstrate improvements in capacities on financial and operational planning. Progress, however, is slow, as the capacity of PA staff remains limited. Especially in individual PAs the capacity for proper budgeting and financial-administrative management remains low, as financial planning, budgeting and funding is administered by APA's central management authority, while recently introduced evaluation tools on cost- and implementation effectiveness remain insufficiently used. Capacity challenges are further compounded by high turnover at a central and PA levels.

14. **Barrier 3: Lack of awareness and action amongst key sector institutions, communities, media and the public, including tourists, of risks from biodiversity and ecosystem losses.** Despite widespread knowledge on the existence of PAs among both rural and urban citizens in Georgia, there is limited knowledge, information and awareness on the important role PAs play, through their intact biodiversity in maintaining ecosystem services important for local livelihoods and national socio-economic developments. This is highlighted by attitudes toward traditional land use for pasturing and conflicts which arise between communities and PA administrations due to legal and historical disagreements. As a result, there is little understanding and capacity on how to incorporate appropriate considerations for biodiversity and environmental factors that underpin sustainable natural resources management into targeted effective actions, as well as how to plan, implement and evaluate effective awareness raising campaigns, and how to effectively distribute information on biodiversity and PAs through traditional and new media channels. While some progress was made in recent years, with respect to better education, training and workshops for communities near PAs, encouragement of local NGOs and PA Friends Associations, as well as national awareness

¹³ Data provided by APA, 2018

raising campaigns of the MoEPA and APA, groups in society still are poorly informed and aware about biodiversity issues, leading to low importance and acceptance among the public, and low priority among decision makers in government agencies and the private sector. Further, those efforts that are implemented are aimed typically at school children and not at community members. Activities also are planned only on an annual basis, without proper monitoring for knowledge or behavior change, and commonly lack a strategic purpose and framework, though recent developments in Parliament in terms of introducing municipal environmental budgeting requirements could become a stimulation for actions towards better awareness, including of the value of biodiversity.

15. In summary, while with technical and financial support from CNF and other donors, as well as the Government of Georgia, the PA financial management and absorption capacities slowly improve, prioritized short-term operational planning and related budgeting for individual PAs remains insufficiently based on objective, up-to-date and complete information. Due to limited financing, PAs remain understaffed, and funding is sufficient only for basic conservation activities. Staff salaries are among the lowest in Georgia, causing a high staff turn-over and related loss of institutional memory and hands-on experience, including from trainings received. While in January 2018, salaries at PA levels were effectively doubled, the potentially positive impact of addressing the issue of turnover is negatively influenced by the more recent merging of the (former) Ministry of Environment and Natural Resources Protection with the Ministry of Agriculture into the MoEPA, which has resulted in many changes already at a central level, including APA (Annex N). On-the-job training and capacity building is ad hoc available, largely depending on donor support, and PA staff lacks the knowledge on best-practice methods and approaches successfully applied elsewhere. PAs also commonly are not provided with sufficient resources to cover operational expenditures. As a result, many core tasks, specifically in non-financial fields, are completed in a less-than-optimal way, including (i) patrolling and law enforcement; (ii) communication, awareness raising and conflict resolutions with local communities; (iii) provision of visitor services; and (iv) field-based monitoring to strengthen conservation outcomes, including biodiversity (values; pressures, threats and impacts; management responses), while knowledge gained from capacity building cannot be properly applied. Accordingly, practical activities implemented by PAs are largely based on budgetary considerations instead on balanced prioritization processes using comprehensive and actual information. At the same time, in part as a result of limited staffing and capacities in PAs as well as poor knowledge, understanding and acceptance in society, interactions between PAs and the general public, sector agencies and especially the private sector remain limited.

16. **Baseline scenario:** Under the baseline scenario, the Government of Georgia will continue to finance its PA system. However, considering the socio-economic situation and outlook, financial resources will remain insufficient for effective management of an expanding PA system under conditions of annual inflation and increasing operational costs. The government budget for management of the national PA system is estimated to remain at the 2017 level of US\$2.4 mln per year, excluding ad hoc expenditures for capital investments and direct PA-generated revenues reinvested. Of this, an estimated US\$0.8 mln per year will be directly allocated to the 12 target PAs covered by the project.

17. The funding gap for PA financing is anticipated to further increase in line with Georgia's conditional commitments - depending on the availability of financial and technical support from international sources - to expand the PA network to 1,394,000 ha, about 20% of Georgia's territory, announced in the 2015 INDC report.

18. Under the baseline, until 2030 CNF will sustain stable long-term supplemental funding and management assistance to Georgia's PA system, while supporting the government of Georgia to increasingly cover the full costs of the PA system by itself. CNF's funding is directed towards meeting the core needs of individual PAs, by supplementing operational and personnel expenses as well as strengthening capacities towards improved operational and financial management. Since 2010, the German government has significantly expanded CNF's financial capacity, by contributing euro-equivalent US\$13 mln to a Sinking Fund expiring in 2030 as well as US\$22 mln to CNF's endowment. Since 2010, CNF also leveraged over US\$4.4 mln from private sources - individuals, corporations and foundations. In 2017, CNF contributed US\$650,000 to selected globally important PAs covering 281,662 ha, with US\$500,000 in supplemental funding for operational expenditures and US\$150,000 allocated for consultancy and technical assistance (TA). In 2018, CNF will invest US\$750,000 for supplemental PA funding and US\$215,000 for consultancy and TA. CNF's support to selected PAs is subject to (i) approval by APA; and (ii) the PAs demonstrating compliance to meeting CNF's rigorous financial and operations planning and management standards.

19. Without the proposed GEF-6 project, CNF's capacity to provide supplemental funding to target PAs is anticipated as US\$800,000 annually from 2018 to 2022 inclusive, to reduce to US\$500,000 annually between 2023 and 2030. This is equivalent to an estimated total of US\$4.0 mln to end-of-project (EOP) in 2022, and US\$8.0 mln to 2030. Currently available financial resources will allow CNF to continue providing full supplemental support to 6

target PAs already funded in 2018 and to expand its full support to 2 target PAs currently on “light” support¹⁴; these target PAs also will be covered under the project. The current practice of providing co-financing support will be maintained, usable for salary top-ups and PA specific operational costs agreed upon in PA operational plans, while resources will be sufficient to address around 50% of the basic needs for TA. The total of 8 target PAs fully supported by CNF under the baseline scenario will leave 4 of the 12 globally important target PAs planned to be supported under the project with no supplement to the insufficient government funding. Accordingly, these 4 target PAs continue to be significantly underfunded and almost completely lacking in the necessary capacity building and TA.

III. STRATEGY

20. The proposed project will reach its objective of “To secure long-term financial sustainability and effective management to conserve globally significant biodiversity of target protected areas in Georgia” by improving the financial baseline of target PAs, their financial and non-financial management capacities and management effectiveness. Specifically, through its three components: (i) **Financial sustainability of sub-system of PAs representing Key Biodiversity Areas (KBAs)**; (ii) **Improved management and financial effectiveness demonstrated for targeted large-scale PAs**; and (iii) **Knowledge Management and monitoring and evaluation**; GEF incremental support will significantly contribute to enhancing the financial sustainability, and with it the management effectiveness, of Georgia’s PA system, improving the Government’s ability to improve the status of biodiversity and ecosystem services through managing an effective system of PAs, as agreed to under national plans and international commitments. Through increased financial resources, especially from domestic revenues, and improved management effectiveness of target PAs, the project will particularly contribute to reducing threats to, and improving the *in situ* conservation status of identified globally threatened biodiversity in target PAs that meet established criteria for Biodiversity Areas (Annex O), including (i) recognized Important Bird and Biodiversity Areas (IBAs); (ii) Candidate Emerald Sites; (iii) the Caucasus Endemic Bird Area; and (iv) tentative World Heritage Sites, covering 431,872 ha of the ecologically representative PA network in Georgia. Dedicated Management Effectiveness Assessment plans will allow to better plan and implement targeted, on-the-ground conservation and threat reduction measures assuring maintaining populations of globally threatened species at least at their 2017 level, e.g. Bezoar Goat, Goitered Gazelle, Egyptian Vulture, Dalmatian Pelican and others, as well as valuable species endemic to Georgia and the Caucasus Ecoregion.

21. The project will strive to increase domestic revenue streams through analyzing, designing and piloting a set of suitable sustainable financing mechanisms in appropriate target PAs. Income generated through such financing mechanisms, preliminary including from entry fees, concessions, and revenue sharing mechanisms from natural resources use (annex Q), will support target PAs in strengthening their management effectiveness, through implementation of priority species and habitat conservation activities, patrolling, management and financial plan updates, boundary and zoning rearrangements, and targeted research as appropriate. At the same time, GEF incremental support to revenue generation and improved management effectiveness will contribute to upscale CNF’s co-financing to target PAs to annually US\$950,000 for the duration of the project and until 2030, in support of operating costs, site-level TA and capacity building, financial-administrative planning, budgeting and accounting, tourism development, management effectiveness assessment, and operational management. As a result, during the project and until 2030, or 8 years beyond EOP¹⁵, the capacity of funding for 12 globally important target PAs through CNF will amount to US\$12.4 mln, compared to US\$8.0 mln under the baseline scenario to 8 target PAs, based on an assumed growth in endowment capital to more than US\$45 mln and annual return on investments no less than 5%.

22. Considering the extended area of land under formal protection, effectively managed PAs significantly contribute to maintaining ecosystem services to the society of Georgia at large, including to local communities living in and around PAs. Specifically, for local communities, however, PAs also may limit people’s access to and capability to make use of natural resources. To reduce or eliminate possible conflicts, and strengthen socio-economic and ecological benefits from PAs, the project will adopt a participatory approach for activities related to resource use, conflict management, monitoring, and tourism, to ensure that local communities, land and natural resources users as well as community leaders can voice their opinion and consensus can be negotiated, with specific focus on

¹⁴ CNF “light” indicates support funding for salaries and minor operating expenses to PAs in the process of being gazetted. It ranges from US\$20,000-US\$35,000 per annum per PA.

¹⁵ Upon completion of the project, CNF will, in line with the agreement between and control of the government of Germany and the government of Georgia as key donor and recipient of CNF financial support, continue to provide supplemental co-financing resources to 12 target PAs, towards sustainable reducing the funding gap until 2030, or at least 8 years after EOP.

promoting income-generating alternative livelihood initiatives with due consideration for biodiversity conservation in or around target PAs.

23. By investing in the preparation of sustainable tourism development and financing strategies (STDFS) and related operational investment plans, the project will establish a supportive environment for alternative revenue generation, for target PAs and nearby communities, from providing services related to sales of (organic) small-scale local agricultural products (including from beekeeping), handicrafts, guesthouses, guide services, transportation, etc. The project envisions that increased revenues from tourism in target PAs, estimated at US\$200,000 per annum by EOP, will at least be matched by an equal value from services-generated income in surrounding communities, as inferred from an increase in tax revenues for local municipalities. Quantitative estimates on actual community income from tourism, number of visitors to PAs, number of (seasonal) jobs created, etc. remain speculative, as much depends on, among others, the type of financial instruments and the mode of operation selected - concession agreements, direct services provision, fee systems introduced, etc.

24. Overall, in strengthening the long-term efficient and effective functioning of target PAs in Georgia, the project will have a stabilizing and multiplier effect on the local economy. Ensuring a sustainable and increased income enables PA staff to ensure more sustainable livelihood conditions for their families in rural communities that are still suffering economically following independence. This in turn contributes to strengthening the local economy, as local purchasing power is improved, and the need for outmigration to urban areas in search of jobs accordingly will reduce. This effect is envisioned to be further strengthened in the near future, as increased opportunities for community members to become involved in providing PA-related tourism services evolve from targeted project support based on STDFS. As such, the proposed project will also contribute to reaching established national poverty reduction targets.

25. By pro-actively supporting the local communities to develop local revenue-generating activities, making use of the natural features of local landscapes and biodiversity, the project can significantly strengthen community support to the existence and sustainable functioning of the nearby PA. As such, the socio-economic benefits generated by the project contribute to reaching the global environmental targets of maintaining habitats for and populations of globally important species.

26. Ensuring the long-term sustainable existence of PAs as a significant area of land in (near) natural state in Georgia also contributes to mitigating the anticipated impacts of climate change in the country, as the carbon sequestering capacity of the natural vegetation is at least maintained and likely increased, and locally the impacts from changes in temperature and precipitation as drivers of extreme events are reduced.

27. In addition to providing direct financial and TA support to Target PAs, the project will develop a multitude of knowledge products. Formally documented outputs, among others, include PA management plans and prioritized operational plans, STDFSs and related prioritized operational investment plans, standardized Management Effectiveness Assessment plans, conflict resolution schemes, target PA infrastructure and assets maintenance plans. Also a variety of informal products will be delivered, resulting from trainings and workshops, e.g. on financial-operational planning, budgeting and accounting, operational PA indicator monitoring using rangers and volunteers, effective communication and outreach, patrolling and law enforcement, etc. In addition, a multitude of awareness raising products will be prepared for a variety of target audience groups, including local business leaders and entrepreneurs, municipality members, religious leaders, Parliamentary officials, and community members. All relevant documents and reports will be delivered to beneficiary organizations and experts, as well as made available to the wider public through the UNDP and CNF web sites.

28. Results from the project will be disseminated within and beyond the project through existing information sharing networks and forums. In addition, the project will participate, as relevant and appropriate, in regional and national UNDP sponsored networks, organized for senior personnel working on projects that share a common implementation mode or address related thematic priorities. The project will identify and participate in relevant scientific, policy-based and/or any other networks and meetings of beneficiaries, donors, partners or other organizations, which may be of benefit in strengthening project implementation and the mutual sharing of lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identification and analysis of lessons learned is an on-going process, and communicating such lessons is one requirement to be delivered annually through GEF's APR/PIR reporting process.

29. Overall, capacity building and TA shall be delivered to at least 12 target PAs as well as the overarching PA management authorities as appropriate. Accordingly, the project will build and expand upon the efforts of multiple actors towards achieving financial sustainability of individual PAs and the PA system at large. The effective implementation of activities under component 2 shall ensure that, compared to the 2017 baseline values, the

standardized Capacity Scorecard values for systemic, institutional and individual capacities in Georgia's PA system on average increase from 30% to at least 50%, while the METT scores for the individual target PAs on average increase by at least 10 points.

30. The project is aligned with the Government of Georgia's policy for PAs and biodiversity conservation, as stated in the 2nd NBSAP for 2016-2020, specifically goals on (i) improved management effectiveness and financial sustainability of PAs for improvement in the status of biodiversity; (ii) increased societal awareness on values of and threats to biodiversity; (iii) strengthened knowledge on biodiversity based on effective monitoring. The project is also tightly aligned with the Government of Georgia's agreed targets of "development of a unified and effective PA network" and "improvement of the effectiveness of PA management through capacity building of its administrations and introduction of financial sustainability mechanisms" as formulated in Georgia's 2nd National Environmental Action Plan (NEAP) for 2012-2016. The project also supports Georgia in meeting 2 Strategic Goals of the Aichi Targets: (i) Strategic Goal C - To improve the status of biodiversity by safeguarding ecosystems, species and genetic diversity, particularly Target 11 on "PAs increased and improved"; and (ii) Strategic Goal E - Enhance implementation through participatory planning, knowledge management and capacity building, particularly Target 20 on "Financial resources from all sources increased". Through actions in the field of improved financial sustainability for improved PA management benefiting biodiversity, the project also contributes to achieving the SDGs, in particular targets under SDG 15 related to halting biodiversity loss, protecting threatened species, and increasing financial resources to conserve biodiversity.

31. The project is an integral part of this overall programmatic approach and all key contributors to the program have been consulted in developing this project. The project will support exclusively selected target PAs that possess demonstrated globally significant biodiversity values (Annex O) and have been proposed for inclusion in the project by the MoEPA, in line with the established priorities formulated in the endorsed ECP. The proposed project to strengthen the long-term financial sustainability and effective operational management of Georgia's PA system is strongly supported by the MoEPA of Georgia, as demonstrated in the Letters on project support and co-financing attached.

IV. RESULTS AND PARTNERSHIPS

Expected Results:

32. The project objective is "To secure long-term financial sustainability and effective management to conserve globally significant biodiversity of target protected areas in Georgia". Project implementation for sustainable impact will be built upon the established and acknowledged best practice of the CNF. The project will support 12 target PAs, selected from the government list of 18 Priority PAs, in accordance with priorities agreed in the ECP, including size, location and global significance for threatened biodiversity values (Annex M; Annex O). Target PAs include 6 target PAs already supported by CNF as well as target PAs supported by parallel projects under the baseline scenario. The 12 target PAs will cover at least 431,872 ha, or 82% of the territory of the country's 18 Priority PAs, equal to 82% of the area of all the PAs in territory controlled by Georgia.

33. The project seeks to support the Government of Georgia in addressing the identified barriers by sustainably increasing available financing to an increasing number of Priority PAs, by improving capacities for effective financial-operational and efficient budgeting based on improved information, and strengthening knowledge and awareness on the importance of biodiversity and PAs in maintaining important ecosystem services. The project will fulfill its objective by delivering project activities in 3 inter-related and mutually complementary components, focusing on (i) financial sustainability of sub-system of PAs representing KBAs; (ii) Improved management and financial effectiveness demonstrated for targeted large-scale PAs; and (iii) Knowledge Management and monitoring and evaluation, as per Theory of Change (Annex L).

Component 1 *Financial sustainability of sub-system of PAs representing Key Biodiversity Areas (KBAs)*

Total Cost: US\$7,667,707; GEF project grant requested: US\$569,191; Co-financing: US\$7,098,516

Outcome 1 *Twelve PAs covering 431,872 ha with globally important biodiversity are effectively and sustainably financed*

Output 1.1: A range of sustainable financing mechanisms designed and piloted for target PAs through a pool of financial resources from government and non-governmental sectors under the Caucasus Nature Fund (CNF). Income generated through suitable financing mechanisms, including from entry fees,

concessions, and revenue sharing mechanisms from natural resources use, will support target PAs in strengthening management effectiveness through implementation of priority species and habitat conservation activities, patrolling, management and financial plan updates, boundary and zoning rearrangements, and research at PAs as appropriate.

Output 1.2 Dedicated PA accounts (allowing to retain revenue at the PA) in full piloted at 3 PAs. Amendment to legislation prepared to allow for establishment of such accounts for the whole PA system, and submitted for Government's approval.

Output 1.3: Sustainable tourism development and financing strategies, including operational revenue generation schemes, are prepared and implemented for at least 9 target PAs, with additional income from tourism in target PAs delivered through (as illustrative examples) improved products and services for tourists such as better trails, zip lines, more qualified/multi-lingual staff, etc.

34. The project will design and pilot a range of sustainable financing mechanisms for strengthening and diversifying financial resources generated from domestic revenue streams in support of the long-term sustainable management and effective conservation of biodiversity in at least 12 globally important target PAs in Georgia. Building upon the established practice of the CNF, providing long-term sustainable supplemental co-financing to the PA system in Georgia, the project will pilot and introduce innovative approaches to generate additional funding from domestic revenue streams (**output 1.1**). In selecting the most suitable domestic financial revenue mechanisms, detailed attention will be paid to any initiative being a clear financial investment case, having beneficial social outcomes as well as having distinctive conservation outcomes, specifically avoiding or minimizing possible impact from the investment for generating revenue. Expanding on an initial analysis of financial instruments (annex Q) - already practiced ones and potential innovative global best practice – suitable for strengthening domestic PA revenue streams, the project will:

- (i) Policy brief on Ecosystems Services Valuation (ESV) to highlight the economic importance of the target PAs' biodiversity and ecosystems for society.
- (ii) Analysis of current financing, and financing needs for basic and optimal management, for at least 6 target PAs to identify finance gaps and realistic funding needs in support of PA financing strategy to 2030.
- (iii) Opportunity Analysis of suitable already piloted and/or innovative revenue generating instruments, describing legal, institutional and political barriers and opportunities, as well as potential financial gains.
- (iv) Identification, in close consultation with government and community stakeholders, of priority financial instruments for piloting in selected target PAs; and
- (v) For selected prioritized financial instruments, preparation of detailed feasibility studies for subsequent pilot implementation and adoption.

35. In order to strengthen incentive for generating additional income at the target PA level, the project will also investigate alternatives for the current practice of PA income into one PA estate pool (managed by the PA Agency and re-investing this back into PAs based on 'needs assessment'). Even though, under the current practice 90% of revenues are reinvested back into PAs, the fact that individual PAs may not necessarily receive back the income they raised, means de facto decoupling linkages between staff and PA efforts to collect additional income and actual state financial support received, in other words, does not provide an incentive. Specifically, the project will assess opportunities for earmarking site-based income generated and retaining such financial revenues by the individual target PAs in full, through dedicated accounts, CNF-level PA accounts, dedicated PA-based Financial Investment Funds (FIF). These dedicated accounts will be tested on at least 3 PAs during the life of the project, whereupon the refinement to the current revenue-reinvestment mechanism legislation will be prepared (as amendment) and submitted to Government for approval.

36. Preliminary identified suitable financial mechanisms include (i) unified system of entry fees for Georgia's PA system, (ii) concession and lease fees, e.g. for pasture use, sustainable logging fuel wood and timber in support of community livelihood; (iii) benefit or revenue sharing mechanism for community based natural resources use, including PA-certified products; (iv) Payments for Ecosystem Services, e.g. for hydropower and hydrological (i.e. flood retention) services, water supply; (v) biodiversity offsets; and (vi) tourism taxes on overnight stays in target PA buffer zones. Where relevant, the project will upscale piloted or established practices that successfully demonstrated their capacity to generate financial revenues in PAs, e.g. auctioning of pasture use rights and hotel services, entry fees, and concession agreements on tourism products in PAs, like trails, zip lines, cafeteria, etc.

37. The Terminal Evaluation of the GEF/UNDP project ‘Ensuring Sufficiency and Predictability of Revenues for Georgia’s Protected Areas System’ raised the issue of “imbalanced salary top ups” (that CNF provided to staff at PAs), which had the potential to create tension between those who received differentiated (more) top-ups and those who received less (regardless, for the 6 PAs which receive full CNF support, all employees receive some amount of top-ups). Considering the salary raises for Georgian PA staff from January 2018, CNF has instituted a flat fee for all staff, though is working with APA to develop a system of rewarding higher performing staff, and instituting this system throughout the PAs.

38. The piloting of financial instruments in target PAs will support an increase in domestic revenue streams, mobilized financial resources which will contribute to strengthening species and habitat conservation, financial and operational management planning, monitoring, patrolling, targeted research, and other priority elements identified in management plans of the globally important target PAs, as such contributing to improved overall management effectiveness of the target PAs. As a result, during the project and until 2030, or 8 years beyond EOP the capacity of funding for 12 globally important target PAs through CNF will amount to US\$12.4 mln, compared to US\$8.0 mln under the baseline scenario to 8 target PAs.

39. In line with CNF Statutes approved by CNF Board, including representatives of the Government of Germany as key donor to CNF, and agreed with the Government of Georgia, the co-financing rules comply that any CNF contribution to a target PA’s annual operational costs to be released, this contribution at least needs to be matched by government financing to the target PA. Accordingly, the Government of Georgia shall provide financial support specifically to the target PAs in the matched annual amount of US\$950,000, or US\$4.8 million by EOP.

40. To increase the capacity of target PAs to expand domestic revenue streams, sustainable tourism development and financing strategies (STDFS) will be prepared and implemented in at least 6 target PAs, based on in-depth assessments of target PA carrying capacity for tourism - current facilities, potential products and services, capacities and financial needs, and visitor attractiveness. STDFSs will elaborate in detail a packaged approach for “jumpstarting investments” in step-wise strengthening of target PA tourism facilities and services to such appropriate level that warrants the introduction of entry fees in the eyes of PA authorities, government and visitors.

41. The development of STDFSs will build upon CNF’s established practice of developing detailed Tourism Development Strategies (TDS) for target PAs, including Borgomi-Kharagauli NP, Javakheti PAs and Vashlovani PAs, since 2015. TDSs build on an in-depth on-the-ground analysis of tourism infrastructure and services, to provide practical recommendations for improving and expanding such services, including a generalized budget estimate. Based on TDSs, CNF ensures community involvement and participation to create touristic products ((a tourist shelter, horse riding trails, visitor center refurbishment, etc.) which can be offered at the PAs themselves, as well as products (guides, accommodations, cafes and restaurants) supporting development in the surrounding communities. Based on a comprehensive assessment of natural features and attractiveness for ecotourism, ecosystem carrying capacity for selected tourism, PA management capacities, financial resources envisioned, as well as current and likely medium- and longer-term tourist flows, any TDS also formulates agreed relevant targeted actions to sustainably increase the number of tourists to the PA, the acceptable type of ecotourism activities and their level of intensity, taking the key conservation and sustainability targets into account.

42. To strengthen and expand the preparatory work conducted on TDS in recent years, specifically, the project will:

- (i) Prepare sustainable tourism development and financing strategies for at least 6 target PAs for which no prior TDS was developed, and expand already developed TDS for 3 target PAs, to ensure harmonized approach in packaged investment planning, including detailed finance strategy for site-based revenue generation.
- (ii) Prepare an Entry Fees Feasibility study that, building on the Opportunity Analysis on revenue generating instruments and in-country consensus on appropriateness of expanding the current site-based entry fee payment system, will (i) present a founded assessment of incomes and expenditures in target PAs which collect entry fees; (ii) propose a harmonized development plan for the step-wise rolling out entry fee collection systems to at least 6 other target PAs.
- (iii) Elaborate and conduct a capacity building campaign on local tourism products investment opportunities for local civil society – municipal agencies, households, individuals and the private sector – to share knowledge and promote the development of services and products for tourism inside and outside target PAs, in close consultation and cooperation with parallel regional development programs planned or ongoing.

- (iv) Design and pilot a tourism services payment system, diversified for target PAs' offer and variable pricing, in modes of payments, including traditional site-based and digital, robust in practical use, as well as cost-effective, simple and manageable. The payment system shall be linked, as appropriate, with state domestic revenue collection systems as well as FIF and/or CNF dedicated accounts for individual target PAs.

43. Target PA STDFSs as consolidated business-model operational plans will balance investment needs against capacities and resources required for implementation, based in part on the introduction of a balanced domestic revenue generation system, all within the framework of ensuring the target PAs' key functional role of conserving natural ecosystems and biodiversity. Project support under outcome 2, including implementation of the STDFSs, will provide domestic revenue streams from sustainable tourism initiatives, delivered through improved attractive and high-quality products and services (e.g. trails, camping and guest house facilities, souvenir products, target PA certification of non-timber forest products and community tourism facilities, etc., as appropriate) offered through improved and broadened marketing as well as cost-effective, transparent and easy-to-use fee collection systems, including using modern digital technologies, including for legally adopted entry fees. The implementation of PA-specific STDFS in at least 6 target PAs is envisioned to provide annually at least US\$200,000 in additional revenues to the PA system from year 5 of the project (**output 1.2**), with an increasing trend during project implementation.

44. Project activities under component 1 by EOP will (i) increase PA financing as per the financial sustainability scorecard from 43% in 2017 to at least 55%; (ii) reduce the annual funding gap for basic management in Georgia's PA system from US\$1.8/3.7 mln in 2017/2019 to US\$0.6/2.5 mln; (iii) increase in the number of target PAs regularly receiving full financing support from CNF from 6 in 2017 to at least 12; and (iv) increase annual revenues generated through sustainable tourism activities in target PAs from US\$100,000 in 2017 to at least US\$200,000.

Component 2 Improved management and financial effectiveness demonstrated for targeted large-scale PAs

Total Cost: US\$1,688,793; GEF project grant requested: US\$1,063,793; Co-financing: US\$625,000

Outcome 2 *Institutional capacity for financial and operational management, and for monitoring in target PAs is improved*

Output 2.1: CNF's PA Management Support Group established providing technical assistance to all target PAs on financial-administrative & operational planning, budgeting and accounting, including regular financial and technical audits completed for all target PAs at least every 3rd year.

Output 2.2: Standardized Management Effectiveness Assessment plans developed for and implemented in at least 9 target PAs, improving management interventions in response to key biodiversity values and threats identified.

Output 2.3: A suite of capacity building activities and technical assistance on operational management is designed, institutionalized, and implemented for all target PAs on the following themes (as relevant per target PA): PA management planning, patrolling & law enforcement, pasture management, infrastructure & assets maintenance, conflict resolution, waste management, communication & outreach, climate change impact assessment & mitigation.

Output 2.4: Community, stakeholder and societal acceptance on values and importance of target PAs is strengthened through consolidated awareness raising activities, contributing to improved PA management effectiveness. This will involve (illustratively) systematic involvement of communities in development of tourism and protection projects, as well as pilot initiatives to increase local household income in order to reduce pressures on PAs.

45. The project will deliver hands-on capacity building and related TA to target PAs and the PA system on suitable approaches and techniques to strengthen financial-administrative planning and accountancy, cost-effectiveness and revenue generation, as well as programmatic operational planning, towards an improved effectiveness of overall PA management. Using available in-house and long-term engaged external capacity, the CNF will upscale its dedicated support to target PAs towards transparent and sound financial planning, budgeting and accounting, procurement and reporting, supported by comprehensive long-term PA management plans and linked detailed short-term operational plans (**output 2.1**). Relevant activities relate to strengthening systemic, institutional and individual capacities in (i) financial and business planning and budgeting; (ii) accounting and financial control practices; (iii) tendering and procurement processes; and (iv) reporting and auditing procedures. As a result, project support will improve abilities of target PAs to timely request and spend allocated funding, including the absorption of additional funds from piloted and innovative revenue generating mechanisms under output 1.1. The effectiveness of capacity

building efforts will be monitored by means of Technical and Financial Audits completed for each target PA at least every 3rd year.

46. Stakeholder consultations confirm that the assessment of core values (e.g. globally important species, ecosystems) as well as the perceived threats to these values, from natural (e.g. climate change, successional changes) and social (e.g. poaching, grazing, logging) pressures is limited in all target PAs, and does not contribute to decision making on PA management interventions. To strengthen target PA capacities in effective management towards improved conservation outcomes, the project will formulate and implement standardized target PA-specific Management Effectiveness Assessment plans (**output 2.2**). Specifically, the project will:

- (i) Design studies on biodiversity values, pressures and threats, and related management interventions that will guide the selection of suitable quantitative site and/or management level indicators.
- (ii) Promote field-based assessments of selected indicators using innovative techniques, in support of obtaining reliable and actual information on the effectiveness of alternative management interventions to reduce threats and improve the status of globally important species and their habitats.

47. Implementation will use a participatory approach, integrating efforts of PA scientific and ranger staff with community interest groups: volunteers, local NGOs and citizen groups, scientific institutes, students, hunters, forestry staff, women, etc., with targeted capacity building and TA provided as appropriate. Participation of community and stakeholder groups in development of tourism and protection projects, as well as pilot initiatives to increase local household income in order to reduce pressures on PAs will be ensured. Extensive and systematic awareness raising activities will be carried out to contribute to the improved PA management effectiveness and acceptance on values and importance of target PAs (Output 2.4);

48. This activity work will build on the successfully demonstrated outcomes and lessons learned of CNF's pilot activities, in part co-financed by GIZ and the GEF's Small Grants Program in Georgia, on establishing the baseline values for key biodiversity indicators, pressures and threats, and PA management activities in 2 target PAs - Borjomi-Kharagauli NP and Lagodekhi PAs, where in 2015, CNF supported Desk Studies of threats to and values of biodiversity. Following a logical, analytic and stakeholder-based approach, the Desk Studies identified the priority monitoring indicators most suitable to influence and demonstrate management effectiveness' impact on biodiversity. In consultation with local and international specialists, CNF selected the Eastern Tur (*Capra cylindricornis*) for LPA and pastures in BKNP as the biodiversity value indicators for on-the-ground monitoring. Detailed methodologies were developed and a long-term commitment from CNF and APA was agreed to ensure that information would be gathered and analyzed over time. This approach involved working directly with PA staff and developing their capacities as well as defining methodologies which could be exported to other PAs with the same biodiversity values. The GEF-6 project will contribute to the expansion of both the number of species/values monitored but the number of Protected Areas.

49. The assessment of biodiversity values and threats in target PAs will incorporate the cross-cutting issue of the impacts on biological resources and biodiversity from anticipated climate change, including measures for mitigation and adaptation. In PAs, impacts of human activities is recognized to be largely insignificant; as such assessing climate-related parameters within PAs can provide important insights into local and regional changes independently from climate-related changes influenced by socio-economic factors. Based on a comprehensive inventory of observed and anticipated impacts of climate change on biodiversity in target PAs, conducted as part of developing target PA-specific Management Effectiveness Assessment plans, the project will provide support to target PA administration on strengthening monitoring of climate related parameters, through improving stationary weather monitoring. To strengthen preparedness for climate induced increased occurrence of extreme events, specifically droughts and fire, the project will support selected target PAs in obtaining firefighting equipment.

50. The sustainability of the field-based assessment of biodiversity values, pressures and threats reduction and related improvement of PA management effectiveness towards strengthening conservation outcomes is secured through a 2-staged financing approach. For the duration of the project, activities under output 2.2 are financed from the project, after which for a period of another 5 years CNF commits to a US\$650,000 follow-up investment to maintain the Management Effectiveness Assessment system. As such a full 10-year monitoring cycle is completed, needed to reliably assess biodiversity trends, ecosystem health and PA management effectiveness, to support developing informed and effective targeted threat reduction or conservation action plans.

51. In response to recommendations to improve PA management effectiveness as identified by CNF's MSG, specifically through technical and financial audits conducted, as well as in Management Effectiveness Assessment

plans, the project will design and implement a suite of targeted capacity building and related TA initiatives to strengthen target PAs' operational management (**output 2.3**). Using proven effective instruments, including short training courses, professional mentoring, exchange programs and learning visits as well as targeted TA as appropriate, the capacity of target PAs in relevant thematic fields will be strengthened. Depending on priorities identified for individual target PAs, relevant themes include the development of management plans, patrolling and law enforcement, pasture management, infrastructure and asset maintenance, conflict resolution, waste management, and effective communication and outreach, climate change impact assessment and mitigation.

52. Overall, under component 2 capacity building and TA shall be delivered to at least 12 target PAs as well as the overarching PA system and its management authorities as appropriate. The project will build and expand upon the efforts of multiple actors towards achieving financial sustainability of individual PAs and the PA system at large. The effective implementation of activities under component 2 shall ensure that, compared to the 2017 baseline values, by EOP (i) the standardized Capacity Scorecard values for systemic, institutional and individual capacities in Georgia's PA system on average increase from 30% to at least 50%; (ii) METT scores for individual target PAs on average shall increase by at least 10 points; and (iii) populations of globally important species, such as East Caucasian Tur (*Capra cylindricornis*), Bezoar goat (*Capra aegagrus*) and Caucasus Red deer (*Cervus elaphus maral*) increase or are stable.

Component 3 Knowledge Management and monitoring and evaluation

Total Cost: US\$110,000; GEF project grant requested: US\$25,000; Co-financing: US\$85,000

Outcome 3 Knowledge management, and monitoring and evaluation contributes to increased awareness of biodiversity values

Output 3.1: Knowledge management, and monitoring and evaluation contributes to increased awareness of biodiversity values. This will be achieved through the development and implementation of awareness raising plan.

Output 3.2: Implementation of independent technical and financial monitoring program of 3-4 target PAs per year

53. The ability to successfully strengthening of financial sustainability and management effectiveness of the PA system also depends on better community, stakeholder and societal awareness on the values of globally, nationally and locally important biodiversity and natural ecosystems in the country's PAs, the beneficial services natural ecosystems and biodiversity in PAs provide to people, and the threats human activities may cause to these values. To effectively raise the awareness among relevant stakeholder groups, the project envisions using a set of dedicated awareness raising tools which may include (i) publications reaching readers throughout Georgia; (ii) dedicated TV shows; (iii) social media campaigns; (iv) exhibitions and/or conferences dedicated to biodiversity issues; and (v) local public events related to biodiversity in target PAs, streamlining information supply to and involvement of the local communities, including authorities, NGOs, hunters, schools, women, volunteers, etc. The detailed project awareness raising plan will be developed during the inception phase of the project (Output 3.1).

54. The project will support CNF's established successful technical and financial monitoring program of 3-4 target PAs per year, such that by EOP for each target PA there will be at least 2 financial and technical monitoring reports available, suitable for ensuring compliance as well as providing a feedback mechanism on management effectiveness. These reports, and their recommendations, as advised in the Terminal Evaluation of the GEF/UNDP project 'Ensuring Sufficiency and Predictability of Revenues for Georgia's Protected Areas System' will be shared with PA partners, as well as PEB, and UNDP, as necessary. Towards end of the project implementation, the project will conduct a Terminal Evaluation as per the standard practice and guidance for GEF-financed and UNDP implemented project. The findings and recommendations of this TE will represent valuable knowledge management product that would be used not only by UNDP and GEF but also other stakeholders.

Partnerships:

55. Since independence, the Government of Georgia, in partnership with national and international organizations, has invested in setting up a comprehensive program to expand the PA network and strengthen PA management. During this period, the GEF has provided crucial support to the Government of Georgia, including the WB/GEF "Georgia: Protected Areas Development Project", the UNDP/GEF "Catalyzing Financial Sustainability of Georgia's Protected Areas System" project, the UNDP/GEF "Ensuring Sufficiency and Predictability of Revenues for Georgia's Protected Areas System" project, the UNDP/GEF project "Expansion and improved management effectiveness of the Adjara Region's PAs", working with the target PAs Mtirala, Kintrishi and Machakhela (2014 – 2018).

56. Other international donors also have been or are instrumental in contributing to improved PA management in Georgia, including (i) the US-DOI /ITAP "Georgia Protected Areas Support Project"; (ii) the WWF coordinated

“Ecoregion Conservation Plan for the Caucasus”, including the list of Priority PAs; (iii) the “Regional Council for Biodiversity Conservation and Sustainable Use in the Caucasus”; (iv) the EU funded project to support the development of management plans for 2 Target PAs - Lagodekhi and Mtirala; (v) the Czech Development Cooperation projects “Implementation of Tusheti Protected Landscape management Plan - Tourism in Tusheti” (2014 -2017) and “Forest Inventory and Sustainable forest management in Tusheti PA”; (vi) the EU-WB-WWF-IUCN “European Neighborhood and Partnership Instrument (ENPI) East Countries Forest Law Enforcement and Governance (FLEG) II Program” (2013 – 2017); (vii) BMZ/KfW project, implemented by WWF, to support biodiversity conservation and sustainable development in eco-corridors between PAs (2015 – 2020); (viii) the SOCAR financed Offset Fund for 2 PAs non-target PAs - Kolkheti and Kobuleti (2010 – 2024); (ix) the BMZ/KfW “SPPA - Support Program for Protected Areas” working with 4 target PAs - Kazbegi, Algheti, Kintrishi and Pshav-Khevsureti (2014 – 2019); (x) the Transboundary Joint Secretariat for the South Caucasus (TJS), created to facilitate cooperation in the field of biodiversity conservation between the three Southern Caucasus countries, including the establishment of new PAs and adoption of common approaches to regional problems in support of the vision of the ECP; and (xi) various independent activities of locally active NGOs, including WWF, NACRES, Fauna and Flora International (FFI) and others. Additional support to strengthening Georgia’s PA system by ongoing parallel projects will continue during the project implementation, their annual contribution currently estimated at US\$0.6 mln (excluding one-time investments in big infrastructure), or US\$3.0 mln to 2022.

57. In close consultation with the Government of Georgia as well as relevant national and international stakeholders, including representatives of parallel projects, the MSP has been designed to take lessons learned from past and ongoing relevant GEF and other donor-supported initiatives into account. Specifically, this relates to the GEF projects listed above that established the enabling framework for strengthening financial sustainability of Georgia’s PA system, including prior support to CNF’s Trust Fund capacity.

58. Close coordination and cooperation linkages with parallel projects also was considered in the selection of the project’s target PAs, to ensure an optimal and mutually beneficial approach for involving the most appropriate target PAs in strengthening the financial and operational capacities as targeted by the individual projects. In this, selecting target PAs in accordance with the ECP serves to ensure a harmonized conservation approach among organizations and projects, both within Georgia as well as in the Ecoregion. Planning for capacity building initiatives will make use of international best practice guidance available from IUCN, WWF and others, as well as of guidance developed by projects specifically for the South Caucasus region, e.g. Guidelines for Tourism Development Planning in PAs (by TJS), as well as financial planning instruments made available to PA authorities, while expanding on training initiatives completed. Close coordination and cooperation linkages with parallel projects will be maintained to assure widespread knowledge on the project’s target PAs being focused upon.

59. Coordination between donor projects and national initiatives to strengthen PA management is a key role of MoEPA and specifically APA, as the designated national authorities for PA-related matters and direct beneficiaries and recipients of all donor initiatives. To successfully provide timely and efficient co-financing support to selected PAs in Georgia, in recent years CNF has established and maintained close working relations with senior management of MoEPA and APA as well as respective departments and implementation authorities at the national and local levels, a practice that will be continued under the project, to be strengthened as needed. Representatives of MoEPA and APA will be directly involved in the Project Executive Board and in any stakeholder coordination activities organized by the project.

Risks and Assumptions:

60. As per standard UNDP requirements, the Project Manager (PM) will monitor risks quarterly and report on the status of risks to the UNDP Country Office. The UNDP Country Office will record progress in the UNDP ATLAS risk log. Risks will be reported as critical when the impact and probability are high (i.e. when impact is rated as 5, and when impact is rated as 4 and probability is rated at 3 or higher). Management responses to critical risks will also be reported to the GEF in the annual PIR. The detailed risk log is included in Annex H.

Description	Type	Impact, Probability and Risk Level	Mitigation Measures	Owner
Risk 1: Reduced Government commitment to addressing	Political	P: 3; I:2	The project will maintain close working relations with all relevant Government authorities, including their involvement in public awareness raising activities planned, which will widely promote the	CNF

Description	Type	Impact, Probability and Risk Level	Mitigation Measures	Owner
environmental issues and sustainability results in reduced funding – for staff operating costs, etc. - committed to the country's PA system.			importance of target PAs for national and local development, and the efficiency of public/private partnerships in support of their management. In addition, the project aims to reduce target PA vulnerability to financial fluctuations by strengthening domestic revenue generating services.	
Risk 2: The centralized governance system in place for PAs in Georgia and the limited capacities at PA level to implement planning tools reduce the sustainability of project results.	Institutional	P: 2; I:2	During the past 7 years, the Government of Georgia in close cooperation with CNF and other partners/donors has invested in strengthening the governance capacity of selected target PAs at the national and levels, specifically on financial-administrative planning, budgeting and accounting, procurement and operational planning. The project is designed to build upon the gained experiences and expand them to more target PAs, by means of increased financial support and TA as well as capacity building on non-financial issues, towards ensuring improved management effectiveness, especially at the level of individual PAs. Capacity needs assessments of government and community stakeholders will steer project training and capacity building initiatives under outcome 2, tailored to meet specific requirements of the different stakeholders to ensure that they have the skills to participate in relevant aspects of the project.	CNF
Risk 3: Climate change will alter or shift natural habitats in/beyond PAs, and as such affects the suitability of PAs to conserve globally important species.	Environmental	P: 1; I:2	The project focuses on at least 12 target PAs, representing a broad variety of ecosystems and habitats and covering at least 80% of land under formal protection as Priority PAs in Georgia. Adaptation mechanisms to climate change will specifically be addressed in the development phases of PA Management Plans and other planning documents developed with support of the project. The project will maintain close working relations with government and donor initiatives on strengthening conservation both in PAs and in production landscapes of the country, notably the Eco-corridor project - financed by the German government through KfW - targeting better biodiversity conservation through sustainable land use management along corridors connecting PAs included in the ECP.	CNF
Risk 4: Financial sustainability for Georgia's PA system beyond the duration of the project is not ensured.	Financial	P: 1; I:2	The project builds upon the successfully introduced public-private partnership in strengthening the government of Georgia's financial support to maintaining its PA network, using funds provided by public and private donors, including the GEF. Specifically, the project will strengthen financial sustainability by designing and piloting selected financial mechanisms to increase domestic revenue streams for target PAs, including from entry fees, concessions, revenue sharing mechanisms from natural resources use, as well as sustainable tourism products and services. As such, the project gives CNF an additional five years to strengthen its Endowment and Sinking Funds and related income from the investment portfolio. CNF's proven track	CNF

Description	Type	Impact, Probability and Risk Level	Mitigation Measures	Owner
			record of generating additional donor income will continue. Overall, fund raising and management is intended to ensure operationality of CNF's financial support to target PAs at least until 2030, i.e. 8 years beyond EOP.	

Green: Low Risk; Yellow: Moderate Risk.

61. The Social and Environmental Screening Procedure (SESP) was followed during project preparation, as required by the SESP Guidance Note of the UNDP. The SESP identified low social and environmental risks for this project that would have potential negative impacts in the absence of safeguards (Annex E). The SESP identified social and environmental risks for this project, such as increased inflation and unemployment, pressures on biodiversity and natural resource exploitation, etc. To avoid any potential for any likely impacts, the project will ensure conducting a SESP of proposed initiatives to determine any possible anticipated impacts. If impacts are considered significant or cannot be managed by mitigation measures, these activities will be avoided. When impacts are considered minimal and manageable, responsibilities for ensuring oversight for proposed initiatives and monitoring of their implementation will be assigned. Annually supervision will assess the extent to which the risks have been identified and managed. Overall, the project is expected to result in positive impacts for biodiversity conservation in target PAs and socio-economic benefits in their surroundings, through better participation of local communities in PA management processes, conservation of natural resources and improved natural resources based livelihood activities.

62. Further, besides the risk of low capacity and regulatory obstacles to introducing new financing/income generation mechanisms (entry fees, PES, etc.) at selected PAs, the Terminal Evaluation of the GEF/UNDP project 'Ensuring Sufficiency and Predictability of Revenues for Georgia's Protected Areas System' noted that the funds which CNF invests are at-risk of the volatility extant in markets. To address this, CNF has not only a professional investment advisor, but a pro-bono Investment Committee made up of four highly skilled investors (the average rate of return for the past 5 years has been above 5% annually). This committee lead the revision of CNF's Investment guidelines in 2017 as well as introduced a Sustainability Policy so that investments are socially responsible as well as profitable. While no investment is risk free, CNF's diverse portfolio as well as hedging again currency losses puts it in an advantageous position in relation to investment return versus risk appetite. More information on the Investment Guidelines can be found on CNF's website.

63. The project does not involve large-scale infrastructure development, nor will the project support employment or livelihoods interventions that may pose a potential risk to health and safety of communities and/or individuals or to biodiversity and ecosystem functions. While the project will not propose any temporary or permanent physical displacement, nor any land acquisition, restrictions to access or the use of natural resources (e.g. timber, fuel wood, NTFPs) in target PAs may arise. In cases where such is unavoidable, the project will prepare and implement appropriate Livelihood Action Plans for affected communities/households, to ensure that this risk is effectively managed and affected communities/households maintain sufficient and appropriate livelihood options, or are adequately compensate for any loss of income or resources.

Stakeholder engagement plan:

64. The project detailed design following the PIF stage has been conceived based on a fully participatory process, involving key national and local authorities and administrations with responsibilities for PA management, as well as consultations with other relevant stakeholders, including donors and civil society organizations. During project implementation, mechanisms and strategies for stakeholder involvement will ensure that the relevant shareholders share and receive information, in support of their providing of inputs to design, planning, implementation, monitoring and evaluation of project activities, promoting sustaining the initiatives after EOP. The Stakeholder Engagement Plan (SEP) was prepared for identified stakeholders that will be involved as partners in the project, including relevant government agencies at the national, province, district and local levels, CSOs, local communities and others. The envisioned engagement of specific stakeholders is summarized in the table below, while more detail is provided in Annex F, including on initiatives to be implemented in support of ensuring the participation of stakeholders in project activities.

Summary of Stakeholder Engagement Plan

Stakeholder	Role and responsibilities / mandate	Proposed role in the project
CNF	CNF is an independent regional NGO, established with the encouragement of the German Federal Ministry for Economic Cooperation and Development (BMZ), through the German Development Bank (KfW), Conservation International (CI) and WWF. CNF has a long-term cooperation agreement with the government of Georgia on providing supplemental co-financing support to selected target PAs. CNF has an established long-term institutional involvement with MoEPA, specifically its subsidiary APA.	For project implementation, CNF will be a Responsible Partner of the government, responsible for day-to-day management of project implementation, including financial and operational management, monitoring and evaluation, reporting. CNF will also provide co-financing to the project, valued at least at US\$ 3.0 mln for the duration of the project.
MoEPA and its subsidiary APA	The MoEPA is the central executive agency in charge of environmental protection and support to sustainable development of the country in the field of environment. Within the MoEPA the APA is responsible for the overall administration of Georgia's PAs, including annual governmental financing of operational costs to target PAs. The MoEPA and APA have a formally agreed long-term institutional arrangement with CNF on balance co-financing support to target PAs.	As the Implementing Partners as well as project beneficiaries, the MoEPA (and APA) participates in planning and supervision of project implementation progress and quality assessment of results. The MoEPA agreed annual governmental financing to target PAs serves as co-financing to the project, valued at least at US\$ 4.8 mln for the duration of the project. APA coordinates the submission of individual target PA annual requests for budget support. Staff of MoEPA and APA will provide in-kind support to the project. They also will be recipients of targeted capacity building project activities, including on strengthening coordinated financial-administrative and operational planning, budgeting and accounting, procurement and reporting, etc.
Local PA administrations	Target PAs are the key organizations responsible for implementation of state policy on target PA management on the ground. Target PA administrations are the key beneficiaries of government budget allocations in support of implementation of agreed management activities on-the-ground, as well as CNF's co-financial support to maintain and strengthen practical PA management in accordance with agreed priorities and budget.	Target PA administrations are participants in and recipients of most project activities. Target PA staff will participate in improved financial and operational management planning as well as capacity building activities on non-financial themes including maintenance planning, conflict resolution, law enforcement, etc. Target PAs are instrumental in implementing Management Effectiveness Assessment plans on biodiversity values and threats, and related management responses. They serve as key partners in conducting local awareness raising and outreach activities. Staff of target PAs will provide local in-kind support to implement project activities.
NACRES Centre for Biodiversity Conservation and Research	A nationally registered NGO, cooperating with CNF in implementing a pilot study for testing a biodiversity monitoring approach in the Borjomi-Kharagauli NP, Lagodekhi PAs using key fauna species as indicators of ecosystem health and target PA management effectiveness.	In cooperation with other relevant NGOs, scientific centers as well as national and international experts, NACRES will support the design and implementation of Management Effectiveness Assessment plans, which are envisioned to include training of target PA staff, community members and organizations, and guidance on conducting field-based indicator monitoring and the formulation of recommendations on improvements to target PA management effectiveness.
Local authorities	Local authorities of municipalities in or near target PAs are responsible for local management and use of land and natural resources, including environmental protection as stipulated by relevant national legislation.	Project implementation will increase the presence and visibility of target PAs and their management authorities at the local level. Local authorities will be involved in planning activities so that management approaches to activities with overlapping impact can be harmonized, thereby reducing possible conflicts between target PAs and local communities. Local authorities are expected to benefit from increased tax income generated by expanding business initiatives resulting from improved target PA operations, specifically tourism.

Stakeholder	Role and responsibilities / mandate	Proposed role in the project
Private sector	Private sector companies at the national, regional or local level may constitute sources of negative impacts on target PAs and the valuable biodiversity linked to them. Through targeted investments as well as sponsor contributions, the private sector also may provide opportunities to further strengthen target PA financial sustainability and management effectiveness, as well as improve the livelihood of local communities.	The implementation of sustainable tourism development and financing strategies prepared by the project, while targeting to strengthen the leading role of target PA administrations, will also create opportunities to the private sector to expand their providing of products and services related to the target PAs. Improvements of tourism infrastructure, products and services offered by target PAs, as well as better marketing, will increase demand from society at large to become acquainted with target PAs. Hence, the baseline for a profitable return on investments from providing services in or near target PAs will be strengthened, in turn providing benefits to local authorities (taxes) and communities (income from jobs).
Local communities	Communities near target PAs are both sources for environmental pressures on PAs as well as beneficiaries from ecosystem services provided by PAs.	Project implementation will involve local communities in formulating target PA planning documents, including participatory management plans, conflict resolution schemes, sustainable tourism development and financing strategies, and others. Project activities to strengthen target PA management effectiveness and revenue generation will address the possible negative impacts of target PAs on local communities and their livelihoods, as well as provide opportunities to improve their livelihood conditions, specifically through tourism activities planned.
General public in Georgia	The general public incorporates all citizens of Georgia, as well as short- and long-term visitors to the country.	Awareness, understanding and support from the general public on values of and threats to biodiversity in Georgia's target PAs will be strengthened by means of implementation of awareness raising and outreach. A variety of media - printed, TV, social media, etc. - will be employed to increase overall knowledge of biodiversity's benefits to society, acceptance of the need to protect it, as well as on improved opportunities offered by target PAs for tourism and recreation, including viable business opportunities, to further strengthen target PA financial sustainability.
Donor organizations - non-governmental, governmental, multilateral	A broad selection of national and/or international non-governmental and multilateral organizations, including KfW, EU, TJS, GIZ, WWF, IUCN, FFI, CzDA and others have an established streamlined coordination and cooperation with the government of Georgia.	The project will maintain a strong coordination of its activities with relevant external organizations, their coordination offices and/or project units, to avoid overlap or divergence in project activities and ensure their effective and efficient implementation. Jointly, third party donor organizations are estimated to invest at least \$10 million to related activities in target PAs, e.g. in management plans, ecotourism infrastructure, etc.

65. As recommended by UNDP (2014)¹⁶, the project will set up and manage a grievance redress mechanism (GRM) that would address grievances, complaints, and suggestions from affected stakeholders to the project. Specifically, the intent of the GRM is to (i) receive and address concerns, complaints, emerging situations or conflicts, grievances and any harm arising from the project; (ii) assist in resolution of grievances between and among stakeholders, including project implementing agencies; and (iii) ensure flexibility, transparency and collaboration with the aim of problem solving and consensus building. The GRM will be managed and regularly monitored by the PM.

66. The GRM will facilitate the resolution of any conflict related to resource use in and access to target PAs. Vulnerable groups in the landscape would be fully involved in decision-making in terms of resource use, livelihood and income generation investments and conservation action through specific institutional and administrative arrangements that encourages active participation of all communities and households.

¹⁶ Step-by-step guidance on designing and operating a stakeholder response mechanism is described in UNDP (2014) "Stakeholder response mechanism: overview and guidance".

Gender equality and empowering women:

67. Having been part of the Soviet Union, Georgia maintains a socio-economic tradition that provides for a better gender balance than in many parts of the world. Women represent about half of the labor force, female literacy rates are high and have been for the past decades, and women increasingly enroll in tertiary education. However, literacy rates, employment rates and higher education enrollment rates do not necessarily lead to gender equity in the decision making hierarchy. Also gender-disaggregated average incomes show distinctive lower earnings for women than men across all sectors. While in urban areas many women strive for employment, and frequently also occupy higher management positions, in rural areas women continue to bear responsibilities for domestic as well as educational activities, while men dominate in positions as decision makers at all levels in communities.

68. In the environment conservation sector, women are represented (about 50%) among the staff employed at the MoEPA, but the disparity between decision makers (almost exclusively men at a Deputy level at both APA and MoEPA) is stark, with women being most significantly represented at middle and lower levels at APA. Senior management staff of individual PAs in Georgia consists exclusively of men, while also lower level staff positions in PAs, especially those related to patrolling, predominantly are occupied by men.

69. While traditionally men are more occupied in commercial and subsistence natural resources use, including possible infringements of PA regimes related to hunting, fishing, logging, grazing, etc., the role of women in local communities remains extremely important, including responsibilities in education and upbringing of children as also in participating in the collection of non-timber natural resources (fruits, nuts, herbs, mushrooms, etc.). Throughout its duration the project therefore will strive to maintain a gender balance by ensuring the full participation of women in meetings and workshops as well as integrating their participation in decision making processes, individually or through local women groups. Specifically women shall be engaged in stakeholder consultations on mitigating possible conflicts between PAs and local communities, including the assessment of inequalities pertaining to gender that affect biodiversity, both positive and negative, taking stock of the linkages, use, access to and benefit-sharing of natural resources by men and women in local communities, as well as development of sustainable tourism products and strategies. This will help understanding gender issues and their context, which will be valuable inputs for PA administrations for decision making on potential initiatives to strengthen management effectiveness.

70. Gender issues also will be a focal direction as part of (i) activities to strengthen general community awareness on threats to and benefits from biodiversity and PAs; (ii) planned project activities to involve community members in Management Effectiveness Assessment plans, specifically field-based monitoring, targeted local awareness, communication and educational activities; and (iii) sustainable tourism development and financing strategies and their operational implementation, specifically involvement in souvenir trade, the management of guesthouses and other local business.

71. The gender mainstreaming plan for the project (Annex G) builds upon this gender context in Georgia and specifically in the environmental management and conservation sector, as summarized in the following table:

Summary of gender mainstreaming actions

Gender Mainstreaming Objective	Gender Mainstreaming Activity	Gender mainstreaming Target
To strengthen women's capacities in policy/decision making, management, planning and implementation of PA system policies, planning and financing at the central level.	Actively engage women in building capacity for central level PA system managers and officials, within APA, the MoEPA, and other sector agencies as relevant.	Capacity building activities on PA system-related management, including financial-administrative planning and financing mechanisms include 50% of total female staff at relevant PAs
To enhance capacity, skills and competence of women target PA staff in technical aspects related PA management planning and implementation, including monitoring, enforcement and community outreach.	Capacity building, training and mentoring programs are conducted for skills development activities for women staff of target PAs, in support of strengthening target PA management effectiveness.	At least 35 women (50% of total female PA-level staff) on staff of target PAs will be engaged in capacity building initiatives, on management and operational planning, monitoring, conflict resolution and community outreach.
To promote communities' women's participation in target PA management planning and implementation towards effective conservation of biodiversity and the sustainable use of natural resources.	Support capacity building, engagement and advocacy of women - individuals and from relevant organizations - in communities in/near target PAs on management planning processes and practices, for effective conservation and sustainable use of natural resources based on equity and engagement.	At the target PA level, planning initiatives, on management and operational planning, tourism development, financial instruments, conflict resolution and promotion of alternative livelihoods, shall engage at least 50% community women.

Gender Mainstreaming Objective	Gender Mainstreaming Activity	Gender mainstreaming Target
To promote women’s engagement in tourism-related livelihood activities in target PAs.	Capacity building and training programs and other skills development activities for relevant target groups of rural women from communities in/near target PAs on opportunities to generate additional income from tourism-related services, e.g. guest houses, organic farming, certification, etc.	At least 100 women from communities in/near target PAs shall be engaged in training on tourism-related income generation activities in support of improved livelihood, target PA financing and conservation impact.
To enhance women’s knowledge and understanding on values, threats and importance of target PAs, biodiversity and beneficial ecosystem services provided, through innovative communication strategy and awareness raising activities provided.	Develop gender-focused awareness raising products – i.e. social media, exhibitions, public events, as appropriate - focusing on women’s role, responsibilities and opportunities in strengthening attention to, and management effectiveness of target PAs as part of Georgia’s focus on sustainable development.	At least 50% of the communication and awareness raising products delivered by the project will be focused towards women.

South-South and Triangular Cooperation:

72. The centralized corporate management approach of CNF in both Georgia and Armenia, with negotiations ongoing to support the PA network in Azerbaijan, allows project beneficiaries and partners in the South Caucasus countries to benefit from knowledge and experiences gained from conservation activities in any of the countries. Through CNF, elaborated best practices can be shared to the benefit of all, in e.g. PA management planning, tourism development strategies for PAs, the centralized financial-operational management of the PA systems, biodiversity monitoring, and other initiatives, for harmonization and quicker adoption of new techniques and approaches, avoiding the need to reinvent the wheel.

73. In addition to the GEF’s support, CNF’s work on strengthening the PA system in Georgia is made possible with financial support from the Government of Germany through BMZ and KfW, by an array of overseas donors and increasing financial contributions from within the region. The continuously increasing volume of co-financial support provided to PAs in Georgia is both a confirmation of increasing budget support by the Government, and an indicator of CNF’s successful fund-raising among corporate and private donors to aid CNF and the Government of Georgia in their crucial work to maintain and strengthen its PA system.

Sustainability and Scaling Up:

74. Since its establishment in 2007, CNF has successfully introduced its innovative and sustainable Conservation Trust Fund approach by providing long-term supplemental funding of operating costs to priority PAs, a new instrument for the Caucasus Ecoregion. Building on stakeholder confidence and positive impacts from ongoing investments, the project will continue CNF’s established practice of providing co-financing support to target PAs and expand it in ways that will be innovative in the Caucasus Ecoregion. In response to stakeholder opinions and formal assessments, the project will expand its support for targeted capacity building and related TA in non-financial disciplines, including Management Effectiveness Assessment plans of biodiversity values, pressures and threats, and management responses. Specific attention will be paid to introducing revenue generation schemes from domestic sources – income-generating products and services linked to improved and broadened marketing; cost-effective, transparent and easy-to-use fee collection systems, including using modern digital technologies; alternative concession arrangements and fees; etc. all of which will be new for the country and the region.

75. The project will ensure strengthened and sustainable financing of Georgia’s PA system through increased domestic revenue streams and better financial-administrative and operational planning and management in target PAs, contributing to CNF’s financial capacity, allowing (i) to co-finance an increasing number of target PAs, covering at least 84% of the area under formal protection in Priority PAs in Georgia; (ii) to increase the volume of target PA co-financing from CNF to target PAs to at least US\$950,000 annually; (iii) to expand the period of sustainably increased annual co-financing for priority conservation management activities in targeted globally important PAs for at least 8 years after EOP, in line with agreed commitments of the CNF and the government of Georgia.

76. The piloting of project activities on strengthened long-term financial sustainability and improved capacity for effective operational management of target PAs will create the enabling framework for scaling up across the entire PA system in Georgia. In this, the improved awareness of and support from stakeholders, community and society - on the values of biodiversity and ecosystems, and the beneficial services they provide - will create the baseline from which to scale up introduced approaches to sustainable land and water management practices country-wide. Given CNF’s regional focus, lessons learned in Georgia also can be applied in target PAs in Armenia and Azerbaijan.

Project Management

Cost efficiency and effectiveness:

77. CNF, an institution and partner having the full trust from the Government of Georgia (as evidenced by the government's commitment of USD 4,750,000 in co-financing), a focused mandate, and reputation for implementing Protected Area financing projects, has been active in Georgia since 2008. The CNF has a presence in Tbilisi, Georgia as well as one staff member assigned to support the implementation of the project. Additionally, with nearly a decade of experience in Georgia, the tools, templates and approaches which CNF possesses are field tested, and have already experienced piloting, therefore adaptation and refinement for effectiveness. CNF conducts rigorous annual reviews of funding for impact and focuses on learning at every stage of program delivery, thus ensuring a constant cycle of improvement. As a financial instrument, CNF strives for efficiency in operations in order to maximize funding for target PAs, an example being the voluntary membership nature of CNF's Investment Committee as well as Board of Directors. CNF's co-financing of the project does not include any and all administrative and funding support from its shared services organization and the CNF already possesses the relationships with existing partners as well as potential local and international consultants to ensure that the project begins with maximum efficiency and impact. Additionally, since CNF's mandate is for long-term and sustainable financing to PAs in Georgia (South Caucasus), the likelihood of raising more funds for Protected Areas' conservation is high. It is also remarkable that Technical Evaluation of the previous phase project's (under GEF IV) noted that 'GEF funding was timely and valuable in that it allowed CNF to contribute internal resources on fundraising in 2010 and 2011 (which resulted in a €12 million Sinking Fund), providing funds to the PAs, which otherwise would have received even less direct financial support'

78. Considering the above, the CNF is best positioned to support implementation of this project. Regular monitoring and coordination support will be provided to CNF assuring quality of delivered works and accomplishment of the development objective.

Project management:

79. UNDP will hire a part-time Project Coordinator to provide general coordination, liaison and oversight functions as well as assist with monitoring of works and reporting/PIRs; the substantial part of the project will be implemented by the CNF, being the Responsible Party on behalf of the MEPA/APA, through the standard Responsible Party Agreement (RPA). Implementation of the RPA work plan will be assured by a full time staff member with a background in project management and conservation. Specifically, since this project will focus on technical assistance, this staff member will be skilled in the development of Terms of References, remote relationship building and program development. This position will be supported by outside technical assistance from existing partners for issues on conservation, biodiversity, budgeting and planning. CNF already has an office in Tbilisi, Georgia for which the project will contribute no funding as well as a shared services office which provides financial and communication guidance and support. CNF already has existing relationship with ongoing UNDP-implemented projects (such as BioFin) as well as various European-funded projects which focus on communities' economic development and improved conservation practices within and around Protected Areas.

80. With existing procedures for procurement as well as templates and ToRs for many of the planned consultancies, this position will have overall responsibility for the daily operations of the program.

81. CNF will also provide overall leadership to the project in terms of its Executive Director who will be available and responsible for ensuring communications with partners on a strategic level as well as problem solving.

82. Reporting on project activities will be done on a regular (quarterly) basis as per the standard UNDP procedures, while CNF will provide reports as per the agreed terms of the RPA. The CNF will also provide bi-annual progress reports for the Project Board

Agreement on intellectual property rights and use of logo on the project's deliverables and disclosure of information:

To accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy¹⁷ and the GEF policy on public involvement¹⁸.

¹⁷ See http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/

¹⁸ See https://www.thegef.org/gef/policies_guidelines

V. PROJECT RESULTS FRAMEWORK

Intended Outcome as stated in: **UN Partnership Strategic Document (UNPSD) 2016-2020: Outcome 8:** By 2020 communities enjoy greater resilience through enhanced institutional and legislative systems for environment protection, sustainable management of natural resources and disaster risk reduction;

Country Programme Document (CPD) 2016-2020 OUTCOME 4 Communities enjoy greater resilience through enhanced institutional and legislative systems for environment protection, sustainable management of natural resources and disaster risk reduction/**Output 4.1.** By 2020, policy formulation enabled and institutional and legal systems enhanced for environmental governance, including DRR, climate change, ecosystem services, chemicals, and energy efficiency

This project will contribute to the **Sustainable Development Goal 15:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Outcome indicators/baseline/targets as stated in the **UN Partnership Strategic Document (UNPSD) 2016-2020** Programme Results and Resource Framework:

Indicator 8.5. Progress and challenges vis-à-vis implementation of national commitments to major international agreements on climate change, biodiversity, land degradation, ozone layer and chemicals (UNFCCC, Montreal Protocol, Stockholm and Minamata Conventions) is regularly documented and reported by GoG Baseline (2014): No Target (2020): Yes

Country Programme Document (CPD) 2016-2020 output indicators/baseline/targets:

4.1.1. *Number of policy and legal documents addressing environmental sustainability and resilience, including DRR and adaptation strategies (IRRF indicators 5.2.1, and 5.2.2)*

4.1.2. *Degree of compliance of national legislation with EU and other international directives Baseline: Not in line with EU and other international standards Target: Legislative and procedural amendments developed and adopted in line with EU and other international directives MoV: National Plan of Action for implementation of AA between EU and Georgia*

Applicable Output(s) from the UNDP Strategic Plan 2018-2021: Outcome 2. Accelerate structural transformations for sustainable development/ **Output 2.4.1** Gender-responsive legal and regulatory frameworks, policies and institutions strengthened, and solutions adopted, to address conservation, sustainable use and equitable benefit sharing of natural resources , in line with international conventions and national legislation

	Objective and Outcome Indicators	Baseline (2017)	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
Project Objective: To secure long-term financial sustainability and effective management to conserve globally significant biodiversity of target protected areas in Georgia	Mandatory Indicator 1 (Output 1.4.1 of UNDP SP): Natural resources that are managed under a sustainable use, conservation, access and benefit-sharing regime: a) Area of existing protected area under improved management (hectares) (i.e. the total area of 12 KBAs targeted by the project)	0	0	431,872	Method: Review of Database on PAs of the Government (information on hectares + METT). Risks: Funding decreases or is not increased to meet expanded PAs system's needs Assumptions: Government continues to increase funding for target PAs therefore meeting global commitments - Increased revenue allows hiring and maintaining staff
	<u>Indicator 2:</u> # of direct project beneficiaries, sex disaggregated. (# of workers at targeted PAs with improved socio-economic conditions)	0	310	500	Method: Review of Database on PAs of the Government (information on hectares + METT). Risks: Government instability and/or low salaries leads to increased staff turnover -Funding for APA/PAs decreased Assumptions: Increased revenue allows hiring and maintaining staff - Political and environmental situation remains stable - Government continues to increase funding for target PAs therefore meeting global commitments
	<u>Indicator 3:</u> Increased PA system financing as measured by the Financial Sustainability Scorecard	43%	50%	Increase to at least 55%	Method: Annual, transparent review of PAs conducted by objective professionals and reviewed by Project Board and ultimately documented by the FSC. And verified by Terminal Evaluation

	Objective and Outcome Indicators	Baseline (2017)	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
					<p>Risks: Revenue generation schemes fail -Government de-prioritizes conservation and funding for PAs</p> <p>Assumptions: Government, at least on an inflation-adjusted basis, maintains funding for PAs -Revenue generation schemes are piloted</p>
Component/ Outcome 1 Financial sustainability of sub-system of PAs representing Key Biodiversity Areas (KBAs)	<i>Indicator 4:</i> Increase in long-term annual funding to target 12 PAs	US\$650,000	US\$800,000	US\$950,000	<p>Method: Review of Government and CNF budgets; financial statements.</p> <p>Risks: Government decreases funding -Financial market collapse</p> <p>Assumptions: CNFs ROI is 5% -Government commits to annual increases at PA level</p>
	<i>Indicator 5:</i> Number of target PAs regularly receiving full financing support	6	9	12	<p>Method: Review of Operational Plans with budgets; APA records.</p> <p>Risks: Financial crisis, in which nature conservation is further de-prioritized -Inability of government to meet 50% contribution thus rendering CNF's contribution less</p> <p>Assumptions: Government maintains, at least on inflation-adjusted basis, support for existing target PAs -Government increases budget for target PAs receiving current CNF "light" support -CNF's endowment is increased to at least €40 million</p>
	<i>Indicator 6:</i> Increase in revenues generated from tourism activities in target PAs	US\$102,500	US\$130,000	US\$200,000	<p>Method: Review of PA records; bank account details; APA reports.</p> <p>Risks: Government relies on old approaches of offering services/products only for payment, and does not embrace innovative measures -Funds which are generated by PAs are appropriated by MoF</p> <p>Assumptions: Government and community support for piloting new revenue generation schemes -Communities/businesses actively involved in offering services and tourism products</p>
Component/ Outcome 2 Improved management and	<i>Indicator 7:</i> Level of institutional capacities for financial-administrative planning and operational management planning	Average: 30%, including Systemic 33% Institutional 31%	Average: 37%, including Systemic 40% Institutional 35%	Average: 50%, including Systemic 50% Institutional 42%	<p>Method: Review of Annual, transparent review using CAS conducted by objective professionals and reviewed by Project Board.</p> <p>Risks: Staff turnover remains high</p>

	Objective and Outcome Indicators	Baseline (2017)	Mid-term Target	End of Project Target	Data Collection Methods and Risks/Assumptions
financial effectiveness demonstrated for targeted large-scale PAs	as measured by Capacity Assessment Scorecard (CAS) values for target PAs	Individual 21%	Individual 30%	Individual 44%	-APA does not develop systems of staff Assumptions: Low turnover allows capacity to be developed, and staff retained
	<i>Indicator 8:</i> Level of management effectiveness of target PAs as measured by METT score values	BKNP - 48; LPA - 48; VPA - 56; TPA/TPL - 56/41; MNP - 48; JNP - 47; KNP - 33; ANP - 43; KPA - 45; PsKPA - 24; MachNP - 47	METT scores for the 12 target PAs have increased by on average 4 points over the baseline	METT scores for the 12 target PAs have increased by on average 10 points over the baseline	Method: Annual, transparent review of PAs using METT scorecard conducted by objective professionals and reviewed by Project Board. Risks: Staff turnover continues -Changes in leadership at APA and PAs Assumptions: APA committed to using METT -Training program introduced on improving management effectiveness
	<i>Indicator 9:</i> Key biodiversity values are conserved and threats reduced by implementing harmonized Management Effectiveness Assessment plans (Species and ecosystem state indicators (baseline) have been included in the METT scorecards of each of the 12 targeted KBAs and are not repeated here to avoid redundancy. The project will aim to achieve non-deterioration/improvement in the population figures of those species, monitoring and reporting their state at final stage of project life.)	Current status of populations and ecosystems as per individual METT.	Current status of populations and ecosystems as per individual baseline METT scorecards	Non-deterioration of populations of key species mentioned in the individual METT scorecards	Method: Review of MEAs; APA/PA records; biodiversity monitoring team reports; Terminal Evaluation. Risks: Low level of capacity in country supports only small-scale monitoring -PA and APA capacity does not support more complex monitoring and reporting Assumptions: Capacity sufficient enough to engage in long term monitoring -PA staff engage in biodiversity monitoring process -Government dedicates resources for long term biodiversity monitoring program
Component/ Outcome 3 Knowledge management, and monitoring and evaluation contributes to increased awareness of biodiversity values	<i>Indicator 10:</i> Community, stakeholder and societal knowledge of and acceptance on biodiversity values of, threats to, and approval for target PAs	Public awareness and outreach is ad hoc, knowledge of and support for target PAs is limited, their importance and benefits are poorly communicated in society	At least 4,000 people have taken notice of, or participate in, at least 4 targeted awareness raising activities and/or materials	At least 10,000 people have been given opportunity to take notice of, or participate in, a variety of targeted awareness raising activities and materials on biodiversity values and benefits from Target PAs	Method: Review of PA records; community/stakeholder interviews; event records; social media hits. Risks: Public attitude toward conservation remains unchanged. -Business and political support for knowledge and behavior change is limited. Assumptions: PAs develop compelling outreach campaigns -Communities engage with PAs, especially youth

VI. MONITORING AND EVALUATION (M&E) PLAN

83. The project results as outlined in the project results framework will be monitored annually and evaluated periodically during project implementation to ensure the project effectively achieves these results.

84. Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the UNDP POPP and UNDP Evaluation Policy. The UNDP Country Office (CO) will work with the relevant project stakeholders to ensure UNDP M&E requirements are met in a timely fashion and to high quality standards. Additional mandatory GEF-specific M&E requirements (as outlined below) will be undertaken in accordance with the GEF M&E policy and other relevant GEF policies¹⁹.

85. In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report. This will include the exact role of project target groups and other stakeholders in project M&E activities including the GEF Operational Focal Point (OFP) and national/regional institutes assigned to undertake project monitoring. The GEF OFP will strive to ensure consistency in the approach taken to the GEF-specific M&E requirements (notably the GEF Tracking Tools) across all GEF-financed projects in the country. This could be achieved for example by using one national institute to complete the GEF Tracking Tools for all GEF-financed projects in the country, including projects supported by other GEF Agencies.²⁰

M&E Oversight and monitoring responsibilities:

86. Project Coordinator: The Project Coordinator (PC) will provide day-to-day coordination and general oversight for the project implementation, including regular monitoring of project results and risks, including social and environmental risks. The Project Manager (PM), hired by RP, will ensure that all project staff maintain a high level of transparency, responsibility and accountability in M&E and reporting of project results. The PC and PM will inform the Project Board (PB), UNDP CO and the UNDP-GEF Regional Technical Advisor (RTA) of any delays or difficulties as they arise during implementation so that appropriate support and corrective measures can be adopted.

87. The PM will develop annual work plans (AWP) based on the multi-year work plan included in Annex, including annual output targets to support the efficient implementation of the project. The PM will ensure that the standard UNDP and GEF M&E requirements are fulfilled to the highest quality. This includes, but is not limited to, ensuring the results framework indicators are monitored annually in time for evidence-based reporting in the GEF PIR, and that the monitoring of risks and the various plans/strategies developed to support project implementation (e.g. Environmental and Social Management Plan (ESMP), gender action plan, stakeholder engagement plan etc.) occur on a regular basis.

88. Project Board: The PB will take corrective action as needed to ensure the project achieves the desired results. The PB will hold project reviews to assess the performance of the project and appraise the AWP for the following year. In the project's final year, the PB will hold an EOP review to capture lessons learned and discuss opportunities for scaling up and to highlight project results and lessons learned with relevant audiences. This final review meeting will also discuss the findings outlined in the project terminal evaluation (TE) report and the management response.

89. Project Implementing Partner: The Implementing Partner (IP) is responsible for providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The IP will strive to ensure project-level M&E is undertaken by national institutes, and is aligned with national systems so that the data used and generated by the project supports national systems.

90. UNDP Country Office: The UNDP CO will support the PC and PM, as needed, including through annual supervision missions. The annual supervision missions will take place according to the schedule outlined in the AWP. Supervision mission reports will be circulated to the project team and PB within one month of the mission. The UNDP

¹⁹ See https://www.thegef.org/gef/policies_guidelines

²⁰ See https://www.thegef.org/gef/gef_agencies

CO will initiate and organize key GEF M&E activities including the annual GEF PIR, the independent TE. The UNDP CO will also ensure that the standard UNDP and GEF M&E requirements are fulfilled to the highest quality.

91. The UNDP CO is responsible for complying with all UNDP project-level M&E requirements as outlined in the UNDP POPP. This includes ensuring the UNDP Quality Assurance Assessment during implementation is undertaken annually; that annual targets at the output level are developed, and monitored and reported using UNDP corporate systems; the regular updating of the ATLAS risk log; and, the updating of the UNDP gender marker on an annual basis based on gender mainstreaming progress reported in the GEF PIR and the UNDP ROAR. Any quality concerns flagged during these M&E activities (e.g. annual GEF PIR quality assessment ratings) must be addressed by the UNDP CO and the PM.

92. The UNDP CO will retain all M&E records for this project for up to seven years after project financial closure to support ex-post evaluations undertaken by the UNDP Independent Evaluation Office (IEO) and/or the GEF Independent Evaluation Office (IEO).

93. UNDP-GEF Unit: Additional M&E and implementation quality assurance and troubleshooting support will be provided by the UNDP-GEF RTA and the UNDP-GEF Directorate as needed.

94. **Audit**: The project will be audited as per UNDP Financial Regulations and Rules and applicable audit policies on NIM implemented projects.²¹

Additional GEF monitoring and reporting requirements:

95. Inception Workshop and Report: A project inception workshop will be held within two months after the project document has been signed by all relevant parties to, amongst others:

- a) Re-orient project stakeholders to the project strategy and discuss any changes in the overall context that influence project strategy and implementation;
- b) Discuss the roles and responsibilities of the project team, including reporting and communication lines and conflict resolution mechanisms;
- c) Review the results framework and finalize the indicators, means of verification and monitoring plan;
- d) Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP in M&E;
- e) Update and review responsibilities for monitoring the various project plans and strategies, including the risk log; SESP, ESMP and other safeguard requirements; project grievance mechanisms; the gender strategy; the knowledge management strategy, and other relevant strategies;
- f) Review financial reporting procedures and mandatory requirements, and agree on the arrangements for the annual audit; and
- g) Plan and schedule PB meetings and finalize the first year annual work plan.

96. The PM will prepare the inception report no later than one month after the inception workshop. The inception report will be cleared by the UNDP CO and the UNDP-GEF RTA, and will be approved by the PB.

97. GEF Project Implementation Report (PIR): Based on the inputs from PM, the PC, the UNDP CO, and the UNDP-GEF RTA will provide objective input to the annual GEF PIR covering the reporting period July (previous year) to June (current year) for each year of project implementation. The PM will ensure that the indicators included in the project results framework are monitored annually in advance of the PIR submission deadline so that progress can be reported in the PIR. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR.

²¹ See guidance here: <https://info.undp.org/global/popp/frm/pages/financial-management-and-execution-modalities.aspx>

98. The PIR submitted to the GEF will be shared with the PB. The UNDP CO will coordinate the input of the GEF OFP and other stakeholders to the PIR as appropriate. The quality rating of the previous year's PIR will be used to inform the preparation of the subsequent PIR.

99. Lessons learned and knowledge generation: Results from the project will be disseminated within and beyond the project intervention area through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to the project. The project will identify, analyze and share lessons learned that might be beneficial to the design and implementation of similar projects and disseminate these lessons widely. There will be continuous information exchange between this project and other projects of similar focus in the same country, region and globally.

100. GEF Focal Area Tracking Tools: The following GEF Tracking Tool(s) will be used to monitor global environmental benefits: GEF:6 Objective 1: Catalyzing Sustainability of Protected Area Systems, Programs 1 and 2, SECTION I, SECTION II: Management Effectiveness Tracking Tool for Protected Areas and SECTION III: Financial Sustainability Scorecard, *as agreed with the UNDP-GEF Regional Technical Advisor*. The baseline/CEO Endorsement GEF Focal Area Tracking Tool(s) – submitted as Annex to this project document – will be updated by the PM/Team (not the evaluation consultants hired to undertake the TE) and shared with the TE consultants before the required evaluation missions take place. The updated GEF Tracking Tool(s) will be submitted to the GEF along with the completed TE report.

101. Terminal Evaluation (TE): An independent TE will take place upon completion of all major project outputs and activities. The TE process will begin three months before operational closure of the project allowing the evaluation mission to proceed while the project team is still in place, yet ensuring the project is close enough to completion for the evaluation team to reach conclusions on key aspects such as project sustainability. The PM will remain on contract until the TE report and management response have been finalized. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance prepared by the UNDP IEO for GEF-financed projects available on the UNDP Evaluation Resource Center (ERC). As noted in this guidance, the evaluation will be 'independent, impartial and rigorous'. The consultants that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. The GEF OFP and other stakeholders will be involved and consulted during the TE process. Additional quality assurance support is available from the UNDP-GEF Directorate. The final TE report will be cleared by the UNDP CO and the UNDP-GEF RTA, and will be approved by the PB. The TE report will be publicly available in English on the UNDP ERC.

102. The UNDP CO will include the planned project TE in the UNDP CO evaluation plan, and will upload the final TE report in English and the corresponding management response to the UNDP ERC. Once uploaded, the UNDP IEO will undertake a quality assessment and validate the findings and ratings in the TE report, and rate the quality of the TE report. The UNDP IEO assessment report will be sent to the GEF IEO along with the project TE report.

103. Final Report: The project's terminal PIR along with the TE report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the PB during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

Mandatory GEF M&E Requirements and M&E Budget:

GEF M&E requirements	Primary responsibility	Indicative costs charged to the Project ²² (US\$)		Time frame
		GEF grant	Co-financing	
Inception Workshop	UNDP CO	US\$ 1,000		Within two months of project document signature
Inception Report	PM	None	None	Within two weeks of inception workshop
Standard UNDP M&E reporting requirements as per UNDP POPP	UNDP CO	None	None	Quarterly, annually
Risk management	PM; UNDP CO	None	None	Quarterly, annually
Monitoring of indicators in project results framework	PM	None		Annually before PIR
Bi-annual Project Quality Assurance	PM; UNDP CO	None	none	Bi-annual
GEF PIR	PM; UNDP CO; UNDP-GEF team	None	None	Annually
NIM Audit/spot checks as per UNDP audit/HACT policies	UNDP CO	Per year: US\$ 3,000		Annually/ other frequency as per UNDP Audit policies
Lessons learned and knowledge generation	PM	None		Annually
Monitoring of environmental and social risks, and corresponding management plans as relevant	PM; UNDP CO	<i>None</i>		On-going
Stakeholder Engagement Plan	PM; UNDP CO	<i>None</i>		On-going
Gender Action Plan	PM; UNDP CO; UNDP GEF team	<i>None</i>		On-going
Addressing environmental and social grievances	PM; UNDP CO	<i>None</i>		On-going
Project Board meetings	PB; UNDP CO; PM	<i>None</i>		At minimum annually
Supervision missions	UNDP CO	None ²³		Annually
Oversight missions	UNDP-GEF team	None ²³		Troubleshooting as needed
GEF Secretariat learning missions/site visits	UNDP CO; PM; UNDP-GEF team	None		To be determined.
Terminal GEF Tracking Tool to be updated	PM	None		Before TE mission
Independent TE included in UNDP evaluation plan, and management response	UNDP CO; Project team; UNDP-GEF team	US\$ 25,000		At least three months before operational closure
Translation of TE report into Georgian	UNDP CO	None		As required. GEF only accepts reports in English.
TOTAL indicative COST Excluding project team staff time, and UNDP staff and travel expenses		<i>US\$ 41,000</i>		

²² Excluding project team staff time and UNDP staff time and travel expenses.

²³ The costs of UNDP Country Office and UNDP-GEF Unit's participation and time are charged to the GEF Agency Fee.

VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

104. Roles and responsibilities of the project's governance mechanism: The project will be implemented following UNDP's national implementation modality, according to the Standard Basic Assistance Agreement between UNDP and the Government of Georgia signed on 1 July 1994, and the Country Program.

105. The Ministry of Environment Protection and Agriculture (MEPA), represented by Agency of Protected Areas-APA will be Implementing Partner, The Implementing Partner is responsible and accountable for managing this project, including the monitoring and evaluation of project interventions, achieving project outcomes, and for the effective use of GEF/UNDP resources. However, considering 10-year experience, technical and financial resources management capacities, as well as successful implementation of the GEF IV previous project, the MEPA/APA and UNDP agreed to assign the Caucasus Nature Fund (CNF) as Responsible Party for the execution of the project activities.

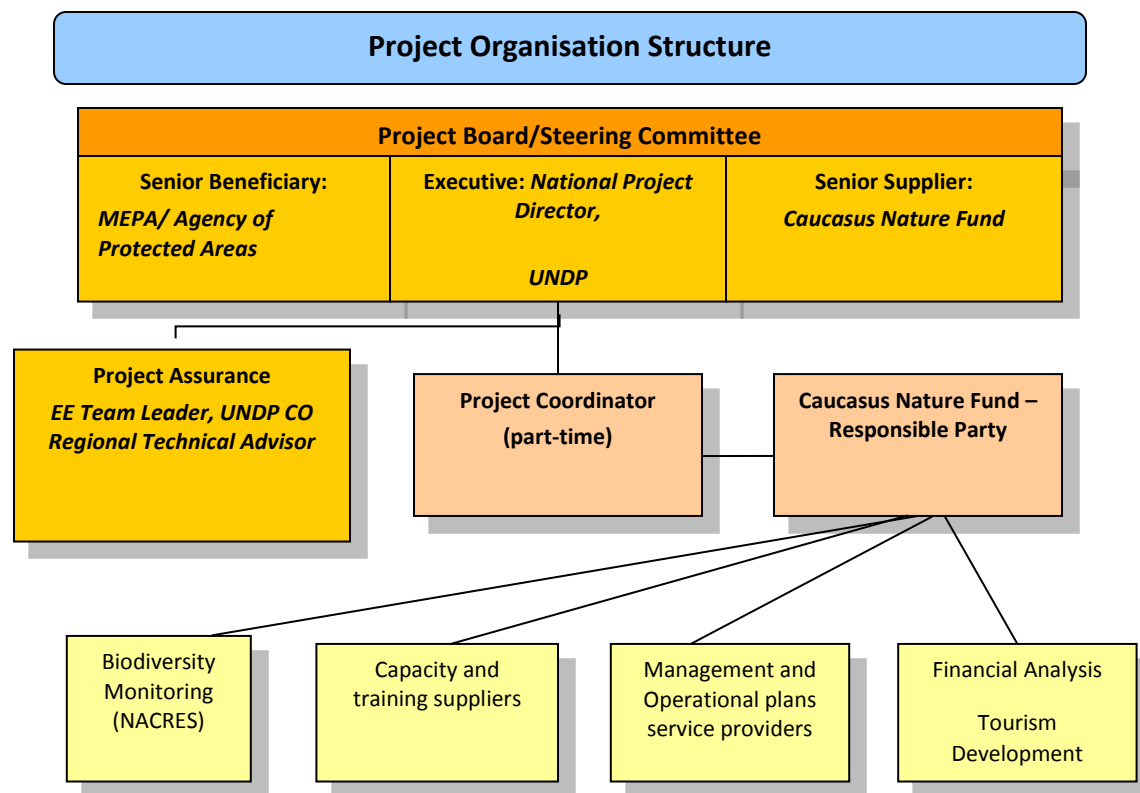
106. The Caucasus Nature Fund is a Conservation Trust Fund, established with funding and technical support from BMZ (through KfW), Conservation International, WWF Germany and the Critical Ecosystems Partnership Alliance in 2007. Programmatically operating in Georgia since 2009, CNF is governed by an independent board of directors who direct an Executive Director based in Tbilisi, Georgia. The board is fully supportive of the decision to pursue GEF-6 funds and will contribute its time from conservation, legal, financial and investment backgrounds, and is ready to hold the Executive Director accountable for achieving agreed upon annual milestones. As a trust fund, established in Germany, growing the capital endowment is key to ensuring funding to support PAs. As a result, a professional Investment Committee reports to the Chairman of the board who ultimately decides strategic direction for sustainable investments. The overall rate of return in 2017 was 6.3%. A description of CNF's Investment Guidelines as well as board members can be found at following website: <http://caucasus-naturefund.org/>

107. As per the UNDP procedures, CNF's HACT assessment was carried out that would be the basis for signing standard Responsible Party Agreement between UNDP and CNF. Terms and conditions of such an Agreement are standard and schedule of financial transfers to CNF as well as reporting back to UNDP will be finalized during the inception phase. The HACT assessment confirmed CNF's capacity to meet UNDP's requirements for fiduciary standards and indicates a well-developed financial management system and functioning control framework with a low likelihood of potential negative impact on the RP's ability to execute the programme in accordance with the WP. The HACT report is attached in Annex R.

108. The Implementing Partner – the Ministry of Environmental Protection and Agriculture (and the Agency of Protected Areas) - will appoint National Project Director, a senior level representative of MEPA/APA that is responsible and accountable for managing this project, including the monitoring and evaluation of project interventions, achieving project outcomes, and for the effective use of GEF/UNDP resources. In fulfilling these tasks, the NPD will be supported by UNDP Project Coordinator and CNF, as Responsible Party for the project implementation. The NPD is responsible for:

- Approving and signing the multiyear workplan;
- Approving and signing the combined delivery report at the end of each quarter; and,
- Signing the financial report or the funding authorization and certificate of expenditures.

109. The project organisation structure is as follows:



110. **Project Board:** The PB (also called Project Steering Committee) is responsible for making by consensus, management decisions when guidance is required by the PM, including recommendations for UNDP/Implementing Partner approval of project plans and revisions, and addressing any project level grievances. In order to ensure UNDP's ultimate accountability, PB decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the PB, final decision shall rest with the UNDP PM.

111. Specific responsibilities of the PB include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the PM;
- Provide guidance on new project risks, and agree on possible countermeasures and management actions to address specific risks;
- Agree on PM's tolerances as required;
- Review the project progress, and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Appraise the annual project implementation report, including the quality assessment rating report; make recommendations for the workplan;
- Provide ad hoc direction and advice for exceptional situations when the PM's tolerances are exceeded; and
- Assess and decide to proceed on project changes through appropriate revisions.

112. The composition of the PB must include the following roles:

113. Executive: The Executive is an individual who represents ownership of the project who will chair the PB. This role will be held by the NPD, appointed by MEPA/APA and supported by UNDP. The standard Letter for support services is signed, see annex S.

114. The Executive is ultimately responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The Executive has to ensure that the project gives value for money, ensuring cost-conscious approach to the project, balancing the demands of beneficiary and supplier.

115. Specific Responsibilities: (as part of the above responsibilities for the PB)

- Ensure that there is a coherent project organization structure and logical set of plans;
- Set tolerances in the AWP and other plans as required for the PM;
- Monitor and control the progress of the project at a strategic level;
- Ensure that risks are being tracked and mitigated as effectively as possible;
- Brief relevant stakeholders about project progress;
- Organize and chair PB meetings.

116. Senior Supplier: The Senior Supplier is an individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing). The Senior Supplier's primary function within the Board is to provide guidance regarding the technical feasibility of the project. The Senior Supplier role must have the authority to commit or acquire supplier resources required. The Senior Supplier for the project is Caucasus Nature Fund.

117. Specific Responsibilities (as part of the above responsibilities for the PB):

- Make sure that progress towards the outputs remains consistent from the supplier perspective;
- Promote and maintain focus on the expected project output(s) from the point of view of supplier management;
- Ensure that the supplier resources required for the project are made available;
- Contribute supplier opinions on PB decisions on whether to implement recommendations on proposed changes;
- Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts.

118. Senior Beneficiary: The Senior Beneficiary is an individual or group of individuals representing the interests of those who will ultimately benefit from the project. The Senior Beneficiary's primary function within the PB is to ensure the realization of project results from the perspective of project beneficiaries. The Senior Beneficiary role is held by a representative of the government or civil society. The Senior Beneficiary is the Agency for Protected Areas under the Ministry of Environmental Protection and Agriculture.

119. The Senior Beneficiary is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. The Senior Beneficiary role monitors progress against targets and quality criteria. This role may require more than one person to cover all the beneficiary interests. For the sake of effectiveness, the role should not be split between too many people.

120. Specific Responsibilities (as part of the above responsibilities for the PB)

- Prioritize and contribute beneficiaries' opinions on PB decisions on whether to implement recommendations on proposed changes;
- Specification of the Beneficiary's needs is accurate, complete and unambiguous;

- Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards that target;
- Impact of potential changes is evaluated from the beneficiary point of view;
- Risks to the beneficiaries are frequently monitored.

Project Coordinator (PC): will be hired through open tendering process, as per UNDP guidelines. S/he will provide general coordination, liaison and oversight functions as well as assist with monitoring of works and reporting/PIRs; the PC will:

- provide direction and guidance to the Responsible Party;
- Liaise with the PB to assure the overall direction and integrity of the project;
- Identify and obtain any support and advice required for the management, planning and control of the project;
- Monitor events as determined in the project monitoring schedule plan/timetable, and update the plan as required;
- Manage requests for the provision of financial resources by UNDP, through advance of funds, direct payments or reimbursement using the fund authorization and certificate of expenditures;
- Monitor financial resources and accounting to ensure the accuracy and reliability of financial reports;
- Coordinate preparation the GEF PIR and submit the final report to the PB;
- Based on the GEF PIR and the PB review, and in consultation with the RP, prepare the AWP for the following year.
- Ensure the TE process is undertaken as per the UNDP guidance, and submit the final TE report to the PB

121. The RP (CNF) appoints full-time staff member (Project Manager), who will be the RP's representative in the PB and having authority to manage activities, as per the project work plan and accordingly the RPA. The Manager will be a position at the CNF responsible for day-to-day management and decision-making for the substantial parts of the Project and as described in the Responsible Party Agreement. The Manager will have background in project management and conservation.

122. The PC and CNF Project Manager will have primary responsibility to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

123. Specific responsibilities of the CNF Project Manager include:

Responsible for project administration;

- Plan the activities of the project and monitor progress against the project results framework and the approved annual work plan;
- Mobilize personnel, goods and services, training and micro-capital grants to initiative activities, including drafting terms of reference and work specifications, and overseeing all contractors' work;
- Monitor events as determined in the project monitoring schedule plan/timetable, and update the plan as required;
- Monitor financial resources and accounting to ensure the accuracy and reliability of financial reports;
- Be responsible for preparing and submitting financial reports to UNDP on a quarterly basis;
- Manage and monitor the project risks initially identified and submit new risks to the project board for consideration and decision on possible actions if required; update the status of these risks by maintaining the project risks log;
- Capture lessons learned during project implementation;

- Prepare the annual workplan for the following year;
- Provide inputs for the GEF PIR and the final report to the PB;

124. **Project Assurance:** UNDP provides a three – tier supervision, oversight and quality assurance role – funded by the GEF agency fee – involving UNDP staff in Country Offices and at regional and headquarters levels. Project Assurance must be totally independent of the project management function. The quality assurance role supports the PB and Project Coordinator by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. The PB cannot delegate any of its quality assurance responsibilities to the PM. This project oversight and quality assurance role is covered by the Environment and Energy Portfolio team Leader at the UNDP Country Office and Regional Technical Adviser at UNDP’s Istanbul Regional Hub.

Governance role for project target groups:

As the Implementing Partner is also the main beneficiary (APA through the Ministry of Environmental Protection and Agriculture), regular, monthly meetings, in addition to the PB meetings will be held to review progress, propose solutions to delays, and to ensure that there is real buy-in for not only the financial component of the project (governments co-financing commitment) but the important elements of capacity building and the introduction of novel financial instruments to support the increase in revenue of selected PAs. Strategic decisions and guidance will be provided by the PB but the IPs representative (the NPD) will be involved in regular visits to PA sites as well as have their capacity built by the PM throughout the life of the project.

In addition to permanent PB members, the Project will invite other key stakeholders to the PB to ensure adequate level of consultation with key partners and apply transparency principles for the quality implementation of the agreed project work plan. Invited members will be identified at the project’s inception phase. Also, representatives of individual PAs as well as project contractors or experts might be invited on selected Board meetings, as necessary.

VIII. FINANCIAL PLANNING AND MANAGEMENT

125. The total cost of the project is US\$ 9,785,000. This is financed through a GEF grant of US\$ 1,826,484, and US\$ 7,958,516 in parallel co-financing. UNDP, as the GEF Implementing Agency, is responsible for the execution of the GEF resources and the cash co-financing transferred to UNDP bank account only.

126. Parallel co-financing: The actual realization of project co-financing will be monitored during the Terminal Evaluation process and will be reported to the GEF. The planned parallel co-financing will be used as follows:

Co-financing source	Co-financing type	Co-financing amount	Planned Activities/Outputs	Risks	Risk Mitigation Measures
Government of Georgia	Cash	\$4,750,000	Salary support at PA level, operational costs, large scale infrastructure development	De-prioritization of nature protection; economic collapse	Continued advocacy for increased spending; raising public awareness;
Caucasus Nature Fund	Cash	\$3,008,516	Salary support, operational costs, small scale infrastructure investments, capacity building, biodiversity monitoring	Insufficient interest generated;	Professional Investment Advisor;
Bank of Georgia	Cash	\$200,000	Infrastructure development, communications, planning documents	Change in leadership; profit loss leading to reduction in CSR budget	Signing binding long term agreement;

127. UNDP Direct Project Services as requested by Government: The project will have direct project costs (DPCs) to provide support services to the Implementing Partner. The Letter for Support Services is attached.

128. Budget Revision and Tolerance: As per UNDP requirements outlined in the UNDP POPP, the PB will agree on a budget tolerance level for each plan under the overall annual work plan allowing the PM to expend up to the tolerance level beyond the approved project budget amount for the year without requiring a revision from the PB. Should the following deviations occur, the PM and UNDP CO will seek the approval of the UNDP-GEF team to ensure accurate reporting to the GEF: a) Budget re-allocations among components in the project with amounts involving 10% of the total project grant or more; b) Introduction of new budget items/or components that exceed 5% of original GEF allocation.

129. Any over-expenditure incurred beyond the available GEF grant amount will be absorbed by non-GEF resources (e.g. UNDP TRAC or cash co-financing).

130. Refund to GEF: Should a refund of unspent funds to the GEF be necessary, this will be managed directly by the UNDP-GEF Unit in New York.

131. Project Closure: Project closure will be conducted as per UNDP requirements outlined in the UNDP POPP.²⁴ On an exceptional basis only, a no-cost extension beyond the initial duration of the project will be sought from in-country UNDP colleagues and then the UNDP-GEF Executive Coordinator.

132. Operational completion: The project will be operationally completed when the last UNDP-financed inputs have been provided and the related activities have been completed. This includes the final clearance of the TE report

²⁴ see <https://info.undp.org/global/popp/ppm/Pages/Closing-a-Project.aspx>

(that will be available in English) and the corresponding management response, and the EOP review PB meeting. The IP through a PB decision will notify the UNDP CO when operational closure has been completed. At this time, the relevant parties will have already agreed and confirmed in writing on the arrangements for the disposal of any equipment that is still the property of UNDP.

133. Transfer or disposal of assets: In consultation with the NIM IP and other parties of the project, UNDP program manager (UNDP Resident Representative) is responsible for deciding on the transfer or other disposal of assets. Transfer or disposal of assets is recommended to be reviewed and endorsed by the PB following UNDP rules and regulations. Assets may be transferred to the government for project activities managed by a national institution at any time during the life of a project. In all cases of transfer, a transfer document must be prepared and kept on file²⁵.

134. Financial completion: The project will be financially closed when the following conditions have been met: a) The project is operationally completed or has been cancelled; b) The IP has reported all financial transactions to UNDP; c) UNDP has closed the accounts for the project; d) UNDP and the IP have certified a final Combined Delivery Report (which serves as final budget revision).

135. The project will be financially completed within 12 months of operational closure or after the date of cancellation. Between operational and financial closure, the implementing partner will identify and settle all financial obligations and prepare a final expenditure report. The UNDP CO will send the final signed closure documents including confirmation of final cumulative expenditure and unspent balance to the UNDP-GEF Unit for confirmation before the project will be financially closed in Atlas by the UNDP CO.

²⁵ See

https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PPM_Project%20Management_Closing.docx&action=default.

IX. TOTAL BUDGET AND WORK PLAN

Atlas Proposal or Award ID:	00089759	Atlas Primary Output Project ID:	00095873
Atlas Proposal or Award Title:	Enhancing financial sustainability off the Protected Area system in Georgia		
Atlas Business Unit	GEO10		
Atlas Primary Output Project Title	Enhancing financial sustainability off the Protected Area system in Georgia		
UNDP-GEF PIMS No.	6138		
Implementing Partner	Ministry of Environment Protection and Agriculture (MEPA)/ Agency of Protected Areas (APA)		
Responsible party	Caucasus Nature Fund (CNF)		

GEF Component/Atlas Activity	Responsible Party (Atlas Implementing Agent)	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Amount Year 5 (USD)	Total (USD)
Component/Activity 1: Financial sustainability of sub-system of PAs representing Key Biodiversity Areas (KBAs)	UNDP	62000	GEF	71200	International Consultants	40,000	25,000	55,000	45,000		165,000
				71300	Local Consultants	55,000	60,000	35,000	35,000	15,000	200,000
				75700	Training, Workshops and Confer	1,000					1,000
				72100	Contractual Services-Companies		27,730	27,730	27,730		83,190
				72300	Materials & Goods		20,000	20,000	20,000		60,000
				72800	Inform. Technology Equipment		20,000	20,000	20,000		60,000
					Total Outcome 1	96,000	152,730	157,730	147,730	15,000	569,190
Component/Activity 2: Improved management and financial effectiveness demonstrated for targeted large-scale PAs	UNDP	62000	GEF	71200	International Consultants	40,000	40,000				80,000
				72100	Contractual Services-Companies		145,949	145,948	145,948	145,949	583,794
				75700	Training, Workshops and Confer		40,000	35,000	35,000	25,000	135,000
				71300	Local Consultants	118,500	109,000	18,500	19,000	18,500	283,500
					Total Outcome 2	158,500	334,949	199,448	199,948	189,449	1,082,294

GEF Component/Atlas Activity	Responsible Party (Atlas Implementing Agent)	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Amount Year 5 (USD)	Total (USD)
Component/Activity 3: Knowledge management and monitoring and evaluation contributes to increased awareness of biodiversity's value	UNDP	62000	GEF	71200	International Consultants					20,000	20,000
				71300	National Consultants					5,000	5,000
						Total Outcome 3	0	0	0	0	25,000
Activity 4: Project Management	UNDP	62000	GEF	71400	Contractual Services-Individuals	20,000	20,000	20,000	20,000	20,000	100,000
				71600	Travel	1,500	1,000	1,500	1,000	1,500	6,500
				74100	Professional Services	3,000	3,000	3,000	3,000	3,000	15,000
				74500	Miscellaneous	1,000	1,000	1,000	1,000	1,000	5,000
				74596	Direct Project Cost	4,700	4,700	4,700	4,700	4,700	23,500
				Total Project Management	30,200	29,700	30,200	29,700	30,200	150,000	
GEF PROJECT TOTAL						284,700	517,379	387,378	377,378	259,649	1,826,484

Summary of Funds:

Summary of Funds	Amount Year1	Amount Year 2	Amount Year 3	Amount Year 4	Amount Year 5	Total - USD
GEF	284,700	517,379	387,378	377,378	259,649	1,826,484
Government of Georgia (MoENRP; APA)	950,000	950,000	950,000	950,000	950,000	4,750,000
Caucasus Nature Fund	601,703	601,703	601,703	601,703	601,704	3,008,516
Bank of Georgia	40,000	40,000	40,000	40,000	40,000	200,000
TOTAL	1,876,403	2,109,082	1,979,081	1,969,081	1,851,353	9,785,000

Budget note number	Comments
1	Costs for international consultants to provide support for Component 1: (i) Template and Action Plans for financial planning analysis; (ii) Report on projected PA funding needs and gaps; (iii) Recommendations on financial instruments used to address gaps (i-iii: \$20,000); (iv) Management Plan development/revision; (v) Operational Plans development (iv-v: \$40,000); (vi) Development of STDFSs (\$105,000). Total = \$165,000
2	Costs for local consultant under Component 1: (i) Template and Action Plans for financial planning analysis; (ii) Report on projected PA funding needs and gaps; (iii) Recommendations on financial instruments used to address gaps (i-iii: \$30,000); (iv) Management Plan development/revision; (v) Operational Plans development (iv-v: \$60,000); (vi) Develop study of barriers to PA self-generated revenue (15,000); (vi) Technical support to implement initiatives (\$20,000); (vii) Management support: \$75,000. Total = \$200,000
3	Cost for workshop under Component 1: (i) Kickoff/inception event. Total = \$1,000
4	Costs for partnership contracts with local NGOs (NACRES, etc) under Component 1 aiming at technical monitoring tasks. Total = \$83,191
5	Costs for Materials and Goods under Component 1: (i) Investment in select eco-tourism products and services (\$20,000/annum for 3 years). Total = \$60,000
6	Costs for Information Technology Equipment under Component 1: (i) Introduction of new technologies for patrolling such as SMART (\$20,000/annum for 3 years). Total = \$60,000
7	Costs for International Consultants under Component 2: (i) Comprehensive review of existing capacities at PAs and APA (\$20,000); (ii) Development of training materials (\$60,000). Total = \$80,000
8	Costs for Contractual Services - Company under Component 2: (i) 4 year biodiversity monitoring program at \$145,948.5/annum. Total = \$583,794
9	Costs for Training, Workshop and Conferences under Component 2: (i) PA and APA level trainings on finance, accounting, patrolling, etc.; Total = \$135,000. Specific objectives and outputs for the menu of trainings will be developed once capacity needs are identified at the particular Protected Areas. Trainings will be tailor designed, based on the assessment and development of an appropriate curricula.
10	Costs for Local Consultants un Component 2: (i) Comprehensive review of existing capacities at PAs and APA (\$40,000); (ii) Identify key species (\$40,000); (iii) Develop monitoring protocols (\$20,000); (iv) Establish biodiversity monitoring unit (\$60,000); (v) Technical support to ensure implementation (\$48,000); (vi) Management support: 75,000. Total = \$283,500
11	Costs for International and National Consultants under Component 3: Terminal Evaluation of program. Total = \$25,000
12	Cost for local consultants under Project Management Unit for Project Coordinator part-time for 60 months = \$100,000
13	Costs for travel under Project Management Unit for 5 years. Total: \$6,500
14	Costs for Professional Services under Project Management Unit: Annual audit of program at \$3,000/annum for 5 years. Total = \$15,000
15	Costs for Miscellaneous expenses under Project Management Unit for 5 years. Total: \$5000
16	Direct Project Costs under Project Management Unit. Total: \$23,500 (1,2% of the total budget). Estimated UNDP Direct Project Cost recovery charges as indicated in the Agreement in Annex S of the Project Document. The project is to be managed on the 100% Country Office Cost Recovery basis,

Budget note number	Comments
	<p>upon request of the government, the implementing partner. The estimated maximum cost (total \$23,500) includes: a) Identification and/or recruitment of project and programme personnel; (b) Identification and facilitation of training activities; (c) Procurement of goods and services; In accordance with GEF Council requirements, the costs of these services will be part of the executing entity's Project Management Cost allocation identified in the project budget. DPC costs would be charged at the end of each year based on the UNDP Universal Pricelist (UPL) or the actual corresponding service cost. The amounts here are estimations based on the services preliminarily indicated, however as part of annual project operational planning the DPC to be requested during the calendar year would be defined and the amount included in the yearly project management budgets and would be charged based on actual services provided at the end of that year (total \$23,500).</p>

X. LEGAL CONTEXT

136. This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Georgia and UNDP, signed on July 1, 1994. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

137. This project will be implemented by Ministry of Environment Protection and Agriculture (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

138. Any designations on maps or other references employed in this project document do not imply the expression of any opinion whatsoever on the part of UNDP concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries.

XI. RISK MANAGEMENT

139. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the IP and its personnel and property, and of UNDP's property in the IP's custody, rests with the IP. To this end, the IP shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the IP's security, and the full implementation of the security plan.

140. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the IP's obligations under this Project Document (PD) and the Project Cooperation Agreement between UNDP and the IP²⁶.

141. The IP agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the PD are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.

142. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (SES; <http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).

143. The IP shall: (a) conduct project and program-related activities in a manner consistent with the UNDP SES, (b) implement any management or mitigation plan prepared for the project or program to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the GRM. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the GRM.

144. All signatories to the PD shall cooperate in good faith with any exercise to evaluate any program or project-related commitments or compliance with the UNDP SES. This includes providing access to project sites, relevant personnel, information, and documentation.

145. The IP will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using the UNDP funds. The IP will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

146. The requirements of the following documents, then in force at the time of signature of the PD, apply to the IP: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The IP agrees to the requirements of the above documents, which are an integral part of this PD and are available online at www.undp.org.

147. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP programs and projects. The IP shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the IP's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the IP to find a solution.

148. The IP will promptly inform UNDP in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

149. Where the IP becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the IP will inform the UNDP Resident Representative/Head of Office, who will promptly

²⁶ Use bracketed text only when IP is an NGO/IGO

inform UNDP's Office of Audit and Investigations (OAI). The IP shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

150. UNDP shall be entitled to a refund from the IP of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the PD. Such amount may be deducted by UNDP from any payment due to the IP under this or other agreement.

151. Where such funds have not been refunded to UNDP, the IP agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for activities under this PD, may seek recourse to the IP for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the PD.

152. Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the PD, including those with the IP, responsible parties, subcontractors and sub-recipients.

153. Each contract issued by the IP in connection with this PD shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the IP shall cooperate with any and all investigations and post-payment audits.

154. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

155. The IP shall ensure that all of its obligations set forth under this section entitled "Risk Management Standard Clauses" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this PD.

XII. ANNEXES

- A. [Multiyear Work-plan](#)
- B. [GEF Tracking Tool \(s\) at baseline](#)
- C. [Overview of technical consultancies/subcontracts](#)
- D. [Terms of Reference for Project Management Staff](#)
- E. [UNDP Social and Environmental and Social Screening Template](#)
- F. [Stakeholder Engagement Plan](#)
- G. [Gender Analysis and Action Plan](#)
- H. [UNDP Risk Log](#)
- I. [Project Theory of Change](#)
- J. [System of Protected Areas in Georgia](#)
- K. [Institutional arrangements of the PA system in Georgia](#)
- L. [Summary of KBA criteria applicable to target Protected Areas in Georgia](#)
- M. [Biodiversity profile of Target Protected Areas in Georgia](#)
- N. [Approach towards strengthening domestic revenue streams for target PAs in Georgia](#)
- O. Monitoring Plan
- P. Evaluation Plan
- Q. Project Quality Assurance Report
- R. [HACT micro assessment report](#)
- S. [LOA with the government](#)

Annex A: Multi Year Work Plan

Task	Responsible Party	Year 1				Year 2				Year 3				Year 4				Year 5			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Implementation																					
OUTCOME 1: Financial sustainability of sub-system of PAs representing Key Biodiversity Areas (KBAs)																					
Detailed project planning with stakeholders/Kick off events	CNF		■																		
Template and Action Plans for financial planning analysis	CNF		■	■																	
Report/Analysis on projected PA funding needs and gaps	CNF		■	■	■																
Recommendation on financial instruments used to address gaps	CNF				■																
Community involvement in PA revenue generation initiatives	APA, PAs				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Technical support to implement initiatives	CNF				■	■	■	■													
Study on barriers to PA self-generated revenue	CNF			■																	
Promote PAs publically on a national level	CNF, APA				■	■	■		■	■		■	■		■	■		■	■		
Management Plan development/revision	CNF, PA				■	■	■		■	■		■	■		■	■					
Operational Plans with 3 year budgets created	CNF, PA					■	■		■	■		■	■		■	■		■	■		
Introduction of new technology for patrolling	CNF, PA					■	■		■	■		■	■		■	■					
Piloting new PA governance models	PAs, APA					■	■	■	■	■	■	■	■								
Investment of select eco-tourism products and services	CNF					■	■		■	■		■	■		■	■					
Development of STDFSS	CNF				■	■			■	■		■	■		■	■		■	■		
Support to conservation activities at PA level	CNF, APA		■				■				■			■			■			■	
Outcome 2: Improved management and financial effectiveness demonstrated for targeted large-scale PAs																					
Comprehensive review of existing capacities and needs at PAs and APA	CNF, PAs		■	■	■																
Development of capacity building plans	CNF				■	■															
Development of training materials for PAs and APA on relevant capacities	CNF				■	■	■														
Technical support at APA to ensure implementation of capacity building	CNF					■	■	■	■												

Task	Responsible Party	Year 1				Year 2				Year 3				Year 4				Year 5			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Trainings for staff at APA and PAs	CNF																				
Establish biodiversity monitoring unit	CNF, APA																				
Identification of key species at national and PA level	CNF, APA																				
Development of protocols for monitoring key species	CNF, APA																				
Monitoring of key species	CNF																				
Outcome 3: Knowledge management, monitoring and evaluation contributes to increased awareness of biodiversity values																					
Creation of community engagement and awareness raising plans	CNF, APA																				
Development of outreach materials	CNF, APA																				
Implementation of awareness raising/PA promotion plans	APA, PAs																				
Technical Monitoring	CNF																				
Supervision and coordination																					
Supervision/PB Meetings	UNDP																				
Reporting	CNF																				
Financial Audits	UNDP																				
Final Project Review/Terminal Evaluation	UNDP																				

Annex B: GEF Tracking Tool at baseline

B.1 METT scorecards and financial sustainability scorecard are submitted separately.

Annex C: Overview of Technical Consultancies

Consultancy assignment	Main tasks	Required Qualification	Input (months)	Total Costs (USD)
<i>International Consultants</i>				
Outcome 1				
Financial Analysis of PA funding gaps and recommendations for introduction of financial instruments to address gaps	<ul style="list-style-type: none"> • Develop template for analyzing budgets and funding gaps at selected PAs – include sections on relevant infrastructure, staff capacity, legislative and community attitudes towards PA entrance fees. • Analyze the budgets of select PAs at existing, medium and optimal level projections, considering staffing, infrastructure and existing funding sources. • Propose relevant financial instruments with corresponding budget implications. • Share relevant proposed instruments with concerned stakeholders and prepare analysis on barriers to implementation along with mitigation measures. • Finalize report on introduction – with prioritized PAs and selected financial instruments. • Prepare and deliver powerpoint for decision makers. 	<ul style="list-style-type: none"> • Relevant professional experience including financial needs analysis, project management and evaluation and organizational development; • Recent successful completion of a comparable assignment; • Budget forecasting for PA management, national institutional framework; • Stakeholder engagement and rural development practices; • Previous role as a Team Leader; • Fluency in written and spoken English; • Excellent analytical, writing and communication skills; • Previous experience working in Georgia an advantage. 	9	\$20,000
Management and Operational Plan Development/revision	<ul style="list-style-type: none"> • Analyze the current management plan of the selected PA, specifically addressing the efficiency and effectiveness of programmatic activities related to administration, finance and budgeting, protection and conservation, monitoring, tourism and education and outreach. • Evaluate the PAs current staffing, infrastructure and equipment levels. Identify gaps and/or needs. • Organize participatory stakeholder meetings, workshops and consultations. • Draft a 5-year PA management plan, including operational plan for all relevant programs (e.g. 	<ul style="list-style-type: none"> • Demonstrated experience in developing and revising Management Plans and Operational Plans for Protected Areas; • Experience conducting field surveys, legal arrangements for PA management; • Recent successful completion of a comparable assignment; • Up-to-date knowledge on global, regional and national best 	27	\$50,000

Consultancy assignment	Main tasks	Required Qualification	Input (months)	Total Costs (USD)
	<p>“Administration Program”, “Visitors Program”, and “Education & Outreach Program”, etc.).</p> <ul style="list-style-type: none"> • Present the draft MP and OP to the relevant stakeholders for comments. • Revise draft to incorporate comments. • Submit final MP to CNF. 	<p>practices relevant to the assignment specifically assessment of PA management effectiveness;</p> <ul style="list-style-type: none"> • Previous role as a Team Leader; • Fluency in written and spoken English; • Excellent analytical, writing and communication skills; • Previous experience working in Georgia an advantage. 		
STDFS development	<ul style="list-style-type: none"> • Conduct a thorough review of the PA’s current tourism scheme including planning, approval procedures for establishment and management of business infrastructure and services, protocols for monitoring ecological impact of tourism, etc. • Based on the review, identify key gaps in tourism business planning that precludes implementation of tourism best practices. • Develop user-friendly best practice guidelines and instructions for use that include tools and templates to guide business planning for small businesses and local/small-scale sustainable tourism ventures. Guidelines should highlight biodiversity and sustainable tourism. 	<ul style="list-style-type: none"> • Relevant professional experience in developing STDFS for Protected Areas; • Experience conducting field surveys, legal arrangements for PA management; • Recent successful completion of a comparable assignment; • Up-to-date knowledge on global, regional and national best practices relevant to the assignment specifically assessment of PA management effectiveness; • Previous role as a Team Leader; • Fluency in written and spoken English; • Excellent analytical, writing and communication skills; • Previous experience working in Georgia an advantage; • Experience with GEF/UNDP financed projects is an advantage. 	24	105,000
Outcome 2				

Consultancy assignment	Main tasks	Required Qualification	Input (months)	Total Costs (USD)
Analysis of existing capacities and needs at PA and APA level & Development of training materials	<ul style="list-style-type: none"> • Conduct thorough analysis on current roles and responsibilities of national and regional government agencies and other stakeholder partners with assigned responsibilities for, or interest in, integrated PA planning and practice. Include conservation skills, and appropriate and relevant capacities needed for the role. • Based on the analysis, determine the target groups for involvement in “Conservation Skills Training Program”. • Assess current capacity of the target groups against identified capacity needs for conservation in relation to PA management. • Review existing training courses – structure, content, effectiveness, impact, etc. - on strengthening conservation skills previously used in Georgia or globally, and asses the suitability for effective use to the selected stakeholder group, and any needs for adaptation and/or translation. • Based on the above, produce a training needs assessment report, which includes at least (i) stakeholder mapping and review of competency requirements; (ii) situation analysis actual capacities and competency gap; (iii) recommendations for priority training topics in relevant target groups. • Based on the training needs assessment report, prepare a comprehensive conservation training program, including proposed topical modules and outlined content, duration and agenda, delivery method and location, identified available key training resources and trainers, pre- and post-capacity assessment evaluations for impact assessment. • Present the comprehensive “Conservation Skills Training Program” to the relevant stakeholders for approval. 	<ul style="list-style-type: none"> • Demonstrated experience in assessing capacity and organizational competencies and for Protected Areas; • Experience developing training materials/curricula for administration, patrolling, financing, tourism and management for PAs; • Up-to-date knowledge on global, regional and national best practices relevant to the assignment, specifically assessment of PA management effectiveness; • Previous role as a Team Leader; • Fluency in written and spoken English; • Excellent analytical, writing and communication skills; • Previous experience working in Georgia preferable. 	9	20,000 (+60,000 for material development)

Consultancy assignment	Main tasks	Required Qualification	Input (months)	Total Costs (USD)
	<ul style="list-style-type: none"> • Develop the approved comprehensive “Conservation Skills Training Program”, including detailed presentation, lecture notes, field visit program, etc. as appropriate. 			
Outcome 3 (M&E)				
Terminal evaluation	<ul style="list-style-type: none"> • Produce formal Terminal Evaluation according to UNDP and GEF templates and requirements. The objectives of the evaluation are to assess: <ul style="list-style-type: none"> ○ (i) the achievement of project results, against expectations set out in the Project Logical Framework/Results Framework; ○ (ii) the key financial aspects of the project, including the extent of co-financing planned and realized; ○ (iii) to draw lessons that can both improve the sustainability of benefits from this project, and aid in the overall enhancement of UNDP programming. <p>The evaluation must provide evidence-based information that is credible, reliable and useful. Following a participatory and consultative approach ensuring close engagement with government counterparts, in particular the GEF operational focal point, UNDP Country Office, project team, UNDP GEF Technical Adviser and other key stakeholders, the evaluator will review all relevant sources of information, such as the project document, project reports – including Annual APR/PIR, project budget revisions, midterm review, progress reports, GEF focal area tracking tools, project files, national strategic and legal documents, and any other materials that the evaluator considers useful for this evidence-based assessment. The TE IC will be supported by a national TE consultant.</p>	<ul style="list-style-type: none"> • Master’s degree or higher in ecology, biodiversity conservation, forest management, integrated natural resources management or other field with close relevance to the assignment; • At least 10 years of demonstrated professional experience in technical areas relevant to the project; • Recent experience with result-based management evaluations and methodologies, specifically related to donor project evaluations; • Profound competency in working with international, national and site-level state agencies and other relevant stakeholders during evaluations; • Excellent analytical, writing and communication skills; • Fluency in written and spoken English; • Previous evaluation/review experience with the UN, UNDP, and/or GEF is a requirement. 	3	25,000

Consultancy assignment	Main tasks	Required Qualification	Input (months)	Total Costs (USD)
National Consultants				
Outcome 1				
Financial Analysis of PA funding gaps and recommendations for introduction of financial instruments to address gaps	<ul style="list-style-type: none"> • Develop template for analyzing budgets and funding gaps at selected PAs – including sections on relevant infrastructure, capacity, legislative and community attitudes towards entrance fees. • Analyze the budgets of select PAs at existing, medium and optimal level projections, considering staffing, infrastructure and existing funding sources. • Propose relevant financial instruments with corresponding budget implications. • Share relevant proposed instruments with concerned stakeholders and prepare analysis on barriers to implementation along with mitigation measures. • Finalize report on introduction – with prioritized PAs and selected financial instruments. • Prepare and deliver powerpoint for decision makers. 	<ul style="list-style-type: none"> • Relevant professional experience including financial needs analysis, project management and evaluation and organizational development; • Recent successful completion of a comparable assignment; • Budget forecasting for PA management, national institutional framework; • Stakeholder engagement and rural development practices; • Previous role as a Team Leader; • Fluency in written and spoken Georgian and English; • Excellent analytical, writing and communication skills; • Previous experience in Georgia an advantage. 	9	30,000
Management and Operational Plan Development/revision	<ul style="list-style-type: none"> • Analyze the current management plan of the selected PA, specifically addressing the efficiency and effectiveness of programmatic activities related to administration, finance and budgeting, protection and conservation, monitoring, tourism and education and outreach. • Evaluate the PAs current staffing, infrastructure and equipment levels. Identify gaps and/or needs. • Organize participatory stakeholder meetings, workshops and consultations. • Draft a 5-year PA management plan, including operational plan for all relevant programs (e.g. 	<ul style="list-style-type: none"> • Demonstrated experience in developing and revising Management Plans and Operational Plans for Protected Areas; • Experience conducting field surveys, legal arrangements for PA management; • Recent successful completion of a comparable assignment; • Up-to-date knowledge on global, regional and national best practices relevant to the assignment specifically assessment of PA management effectiveness; • Fluency in written and spoken English and Georgian; 	27	60,000

Consultancy assignment	Main tasks	Required Qualification	Input (months)	Total Costs (USD)
	<p>“Administration Program”, “Visitors Program”, and “Education & Outreach Program”, etc.).</p> <ul style="list-style-type: none"> • Present the draft MP and OP to the relevant stakeholders for comments;. Revise draft to incorporate comments; • Submit final MP to CNF 	<ul style="list-style-type: none"> • Excellent analytical, writing and communication skills; • Previous experience working in Georgia necessary. 		
Study to barriers on PA self-generated income	<ul style="list-style-type: none"> • Develop questionnaire and simple reporting template for analysis of selected PAs on the barriers to self-generated income. • Conduct stakeholder analysis on barriers to self-generated income, including consultations with PA staff, Municipality leaders, APA, and local businesses. • Review examples and success from other comparable countries for economic argumentation to enacting either tax or legislative changes at a PA and national level. • Produce report on barriers to self-generated income for stakeholders, including a public presentation as well as high level powerpoint for decision makers. 	<ul style="list-style-type: none"> • Experience conducting field surveys, legal arrangements for PA management; • Recent successful completion of a comparable assignment; • Up-to-date knowledge on global, regional and national best practices relevant to the assignment specifically assessment of PA management effectiveness; • Fluency in written and spoken English and Georgian; • Excellent analytical, writing and communication skills. 	3	15,000
Technical support for implementation	<ul style="list-style-type: none"> • Develop workplan based on agreement with stakeholders, including PAs and APA. • Provide on the ground support to identified and prioritized areas for implementation support. • Monitoring implementation and provide real-time feedback on challenges and adaptive management recommendations. 	<ul style="list-style-type: none"> • MSc or higher with experience in field based support to improving effectiveness of implementation; • Demonstrated success in translating plans into practice; • Excellent Georgian and English language skills; • Excellent analytical, writing and communication skills. 	12	20,000
Outcome 2				

Consultancy assignment	Main tasks	Required Qualification	Input (months)	Total Costs (USD)
Analysis of existing capacities and needs at PA and APA level & Development of training materials	<ul style="list-style-type: none"> • Carry out analysis on roles and responsibilities of national and provincial government agencies and other stakeholder partners with assigned responsibilities for, or interest in, integrated PA planning and practice, specifically conservation skills, and appropriate and relevant capacities needed. • Determine the target groups for involvement in training program on conservation skills. • Assess current capacity of the target groups against identified capacity needs for conservation in relation to PA management. • Review existing training courses – structure, content, effectiveness, impact, etc. - on strengthening conservation skills previously used in Georgia, or globally, and asses the suitability for effective use to the selected stakeholder group, and any needs for adaptation and/or translation. • Based on the above, produce a training needs assessment report, which includes at least (i) stakeholder mapping and review of competency requirements; (ii) situation analysis actual capacities and competency gap; (iii) recommendations for priority training topics in relevant target groups. • Based on the training needs assessment report, prepare a comprehensive conservation training program, including proposed topical modules and outlined content, duration and agenda, delivery method and location, identified available key training resources and trainers, pre- and post-capacity assessment evaluations for impact assessment. • Present the comprehensive “Conservation Skills Training Program” to the relevant stakeholder for approval. 	<ul style="list-style-type: none"> • Relevant professional experience including financial needs analysis, project management and evaluation and organizational development; • Recent successful completion of a comparable assignment; • Budget forecasting for PA management, national institutional framework, • Stakeholder engagement and rural development practices; • Previous role as a Team Leader; • Fluency in written and spoken Georgian and English; • Excellent analytical, writing and communication skills; • Previous experience in Georgia necessary. 	9	40,000

Consultancy assignment	Main tasks	Required Qualification	Input (months)	Total Costs (USD)
	<ul style="list-style-type: none"> Develop the approved comprehensive “Conservation Skills Training Program”, including detailed presentation, lecture notes, field visit program, etc. as appropriate. 			
Identify key species and develop monitoring protocols	<ul style="list-style-type: none"> Review mapping results on the status of globally endangered species, and confirm the selection of indicator species and/or habitats. Assess current monitoring protocols and practices in PAs within PAs of key indicator species and/or habitats and conduct a SWOT assessment. Review relevant global best practices on monitoring selected indicator species, formulate opportunities for adoption. Design, as relevant, revised monitoring protocols for key indicator species and/or habitats, including detailed recommendations on implementation, capacity needs, equipment, etc. 	<ul style="list-style-type: none"> MSc or higher in biodiversity monitoring or other relevant studies; Minimum 7 years’ experience in field; Up-to-date knowledge on global, regional and national best practices relevant to the assignment specifically theory and practice of biodiversity monitoring and approaches, including latest technologies; Excellent Georgian and English language skills; Excellent analytical, writing and communication skills. 	9	60,000
Establish Biodiversity Monitoring Unit	<ul style="list-style-type: none"> Conduct stakeholder interviews in terms of on-going biodiversity monitoring initiatives, relevant capacity and financial sustainability of actions. Review biodiversity monitoring institutional establishment in selected countries for background for decision makers. Conduct SWOT analysis on benefits and challenges of various modalities and potential iterations of biodiversity monitoring unit, including analysis of necessary financial preconditions for success and sustainability. Prepare detailed report on options for establishing biodiversity monitoring unit, including various financial, legislative, institutional and capacity (including IT infrastructure) requirements for a 	<ul style="list-style-type: none"> MSc or higher in biodiversity monitoring or other relevant studies; Minimum 7 years’ experience in field; Up-to-date knowledge on global, regional and national best practices relevant to the assignment specifically theory and practice of biodiversity monitoring and approaches, including latest technologies; Excellent Georgian and English language skills; Excellent analytical, writing and communication skills, including budgeting and financial planning. 	18	60,000

Consultancy assignment	Main tasks	Required Qualification	Input (months)	Total Costs (USD)
	<p>modern and fit-for-purpose biodiversity monitoring unit.</p> <ul style="list-style-type: none"> • Prepare high level powerpoint summarizing recommendations for decision makers. 			
Technical support for implementation	<ul style="list-style-type: none"> • Develop workplan based on agreement with stakeholders, including PAs and APA. • Provide on the ground support to identified and prioritized areas for implementation support. • Monitoring implementation and provide real-time feedback on challenges and adaptive management recommendations. 	<ul style="list-style-type: none"> • MSc or higher with experience in field based support to improving effectiveness of implementation; • Demonstrated success in translating plans into practice; • Excellent Georgian and English language skills; • Excellent analytical, writing and communication skills. 	12	30,000

CONTRACTUAL SERVICES

Consultancy assignment	Main tasks	Required Qualification	Input (months)	Total Costs (USD)
<i>Contractual Services</i>				
Capacity building on identified priority areas in APA and PAs	<ul style="list-style-type: none"> • Undertake training of PA staff and evaluate results of training. • Revise and modify training programs based on feedback from training. 	<ul style="list-style-type: none"> • Successful completion of comparable assignments in recent years; demonstrated availability of staff/consultants with core expertise relevant to the assignment; • Up-to-date knowledge on best practices globally, regionally and nationally relevant to the assignment specifically training program implementation, evaluation of training effectiveness; • Excellent Georgian and English language skills, • Superb analytical, writing and communication skills; 	21	135,000

		<ul style="list-style-type: none"> • Previous corporate work experience in Georgia is an advantage. 		
Biodiversity Monitoring	<ul style="list-style-type: none"> • Based on monitoring protocols identified for each PA, undertake annual monitoring to assess status and population of key species and status of habitats. • Based on monitoring assess any continuing threats and pressures on species and habitats. • Based on monitoring results, make appropriate recommendations for improved management and protection of species and habitats. 	<ul style="list-style-type: none"> • MSc or higher in biodiversity monitoring or other relevant studies; • Minimum 7 years' experience in field; • Up-to-date knowledge on global, regional and national best practices relevant to the assignment specifically theory and practice of biodiversity monitoring and approaches, including latest technologies; • Excellent Georgian and English language skills; • Excellent analytical, writing and communication skills; • Experience with GEF/UNDP financed projects is an advantage. 	45	583,794

Annex D: Terms of Reference of Project Management Staff

Terms of Reference for the Project Board

The Project Board (PB) will serve as the project's decision-making body. It will meet according to necessity, at least annually, to review project progress, approve project work plans and approve major project deliverables. The PB is responsible for providing the strategic guidance and oversight to project implementation to ensure that it meets the requirements of the approved Project Document and achieves the stated outcomes. The PB's role will include:

- Provide strategic guidance to project implementation.
- Ensure coordination between various donor funded and government funded projects and programmes.
- Ensure coordination with various government agencies and their participation in project activities.
- Approve annual project work plans and budgets, at the proposal of the PM.
- Approve any major changes in project plans or programmes.
- Oversee monitoring, evaluation and reporting in line with GEF requirements.
- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project.
- Negotiate solutions between the project and any parties beyond the scope of the project.
- Ensure that UNDP SES Policy is applied throughout project implementation; and, address related grievances as necessary.

These terms of reference will be finalized during the Project Inception Workshop.

Terms of Reference for Key Project Staff

National Project Director

Background

The Project Director (NPD) will be appointed by the MoEPA/APA, who will be accountable to the MoEPA and UNDP for the achievement of objectives and results in the assigned Project. The NPD will be part of the Project Steering Committee and answer to it. The NPD will be financed through national government funds (co-financing).

Duties and Responsibilities

- Serve as a member of the PB.
- Supervise compliance with objectives, activities, results, and all fundamental aspects of project execution as specified in the project document.
- Supervise compliance of project implementation with MoEFA policies, procedures and ensure consistency with national plans and strategies.
- Facilitate coordination with other organizations and institutions that will conduct related conservation activities for the PA system.
- Participate in project evaluation, testing, and monitoring missions.
- Coordinate with national governmental representatives on legal and financial aspects of project activities.
- Coordinate and supervise government staff inputs to project implementation.
- Coordinate, oversee and report on government cofinancing inputs to project implementation.

Project Coordinator:

The PC will be recruited locally through the open tendering process (following UNDP Guidelines), S/he will provide general coordination, liaison and oversight functions as well as assist with monitoring and reporting, and coordinate preparation of PIRs; the PC will:

- Provide direction and guidance to project team(s) / Responsible Party (ies);
- Liaise with the PB to assure the overall direction and integrity of the project;
- Identify and obtain any support and advice required for the management, planning and control of the project;
- Monitor events as determined in the project monitoring schedule plan/timetable, and update the plan as required;
- Manage requests for the provision of financial resources by UNDP, through advance of funds, direct payments or reimbursement using the fund authorization and certificate of expenditures;
- Monitor financial resources and accounting to ensure the accuracy and reliability of financial reports; Manage requests for the provision of financial resources by UNDP, through advance of funds, direct payments or reimbursement using the fund authorization and certificate of expenditures;
- Monitor financial resources and accounting to ensure the accuracy and reliability of financial reports;
- Coordinate preparation the GEF PIR and submit the final report to the PB;
- Based on the GEF PIR and the PB review, and in consultation with the RP, prepare the AWP for the following year.
- Ensure the TE process is undertaken as per the UNDP guidance, and submit the final TE report to the PB

CNF's Project Manager²⁷

Background

The Project Manager (PM), will be locally recruited in an open recruiting process. The PM will be responsible for the overall management of the Project, including the mobilisation of all project inputs, supervision over project staff, consultants and sub-contractors. The PM will be hired by CNF and will report directly to the CNF Executive Director. From the strategic point of view of the Project, the PM will report on a periodic basis to the PB, based on the PD's instruction. Generally, the PM will support the PD who will be responsible for meeting government obligations under the Project, under the NIM execution modality. The PM will perform a liaison role with the government, UNDP and other UN agencies, CSOs and project partners, and maintain close collaboration with other donor agencies providing co-financing.

Duties and Responsibilities

- Plan the activities of the project and monitor progress against the approved work-plan.
- Supervise and coordinate the production of project outputs, as per the project document in a timely and high quality fashion.
- Coordinate all project inputs and ensure that they adhere to UNDP procedures for nationally executed projects.
- Supervise and coordinate the work of all project staff, consultants and sub-contractors ensuring timing and quality of outputs.
- Coordinate the recruitment and selection of project personnel, consultants and sub-contracts, including drafting terms of reference and work specifications and overseeing all contractors' work.
- Manage requests for the provision of financial resources from UNDP, through advance of funds, direct payments, or reimbursement using the UNDP provided format.
- Prepare, revise and submit project work and financial plans, as required by PB and UNDP.
- Monitor financial resources and accounting to ensure accuracy and reliability of financial reports, submitted on a quarterly basis.
- Manage and monitor the project risks initially identified and submit new risks to the PB for consideration and decision on possible actions if required; update the status of these risks by maintaining the project risks log.

²⁷ S/he will be hired by CNF, as Responsible Party to manage project activities as per the standard RP Agreement signed between UNDP and CNF

- Liaise with UNDP, PB, relevant government agencies, and all project partners, including donor organisations and CSOs for effective coordination of all project activities.
- Facilitate administrative support to subcontractors and training activities supported by the Project.
- Oversee and ensure timely submission of the Inception Report, PIR, Technical reports, quarterly financial reports, and other reports as may be required by UNDP, GEF and other oversight agencies.
- Disseminate project reports and respond to queries from concerned stakeholders.
- Report progress of project to the steering committees, and ensure the fulfilment of PSC directives.
- Oversee the exchange and sharing of experiences and lessons learned with relevant community based integrated conservation and development projects nationally and internationally.
- Assist community groups, municipalities, CSOs, staff, students and others with development of essential skills through training workshops and on the job training thereby increasing their institutional capabilities.
- Encourage staff, partners and consultants such that strategic, intentional and demonstrable efforts are made to actively include women in the project, including activity design and planning, budgeting, staff and consultant hiring, subcontracting, purchasing, formal community governance and advocacy, outreach to social organizations, training, participation in meetings; and access to program benefits.
- Assists and advises the Project Implementation Units responsible for activity implementation in the target sites.
- Carry regular, announced and unannounced inspections of all sites and the activities of the Project Implementation Units.

Required skills and expertise

- A university degree (preferably MSc or PhD) in a subject related to natural resource management or environmental sciences.
- At least 10 years of experience in PA management planning and financing.
- At least 5 years of demonstrable project/programme management experience.
- At least 5 years of experience working with ministries, national or provincial institutions that are concerned with PA management, natural resource and/or environmental management.

Competencies

- Strong leadership, managerial and coordination skills, with a demonstrated ability to effectively coordinate the implementation of large multi-stakeholder projects, including financial and technical aspects.
- Ability to effectively manage technical and administrative teams, work with a wide range of stakeholders across various sectors and at all levels, to develop durable partnerships with collaborating agencies.
- Ability to administer budgets, train and work effectively with counterpart staff at all levels and with all groups involved in the project.
- Ability to coordinate and supervise multiple Project Implementation Units in their implementation of technical activities in partnership with a variety of subnational stakeholder groups, including community and government.
- Strong drafting, presentation and reporting skills.
- Strong communication skills, especially in timely and accurate responses to emails.
- Strong computer skills.
- Strong knowledge about the political and socio-economic context related to the Georgian protected area system, biodiversity conservation and law enforcement at national and subnational levels.
- Excellent command of English and local languages.

Annex E: UNDP Social and Environmental Screening Template

The pre-screening of Social and Environmental risks was conducted during the PIF stage and the project was rated as Moderate Risk. However, the project preparation team, together with Government, and Country office, undertook thorough analysis of each of the issues that were rated as moderate at the time of pre-screening. This analysis concluded that by the project development time, the plausibility of those risks becoming moderate is low. In relation to the main risk regarding the potential economic displacement due to restricted access to land, the project developers, in partnership with local NGO, conducted series of discussions and a socio-economic assessment of traditional land use in the Borjomi-Kharagauli National Park. This study explores community attitudes toward the lands within the National Park and focus on economic impacts or potential concession agreements and other fee-based models which the Park Administration is considering. Focus group discussions and interviews with stakeholders (shepherds, livestock owners, community leaders, Municipality members, etc.) have been conducted and analyzed. While there is a firm belief amongst community members, and users of land inside the PA, that the land “belongs” to them, they are also aware that there is no legal basis for it, and to secure their rights, there have been discussions already (and ongoing) about land use concessions/long term leases between the PA administration and the community for a certain annual fee to be paid to the PA administration. Even though the results of the study are yet to be formally finalized, the above noted discussions suggest that the Moderate Risk can now be categorized as Low.

Additionally, while it was not possible to conduct full consultations with every PA which is projected to be involved in this project, CNF organized meetings for the Vashlovani PA administration and community members who also utilize lands inside the park for winter pasturing. Likewise, while no agreements have been signed, the majority of the land users agreed that the best way to legally secure their rights would be to sign long term leases. The detailed socio-economic study commissioned for Borjomi-Kharagauli National Park will highlight other mechanisms which will allow communities to maintain pasture lands and for the pasturing to be better regulated, monitored and managed so that both people and nature benefit. These suggestions and practices will be incorporated into the project. Stemming from above, no additional assessment was conducted before the project appraisal and the social and environmental risk level is rated as Low.

Project Information

Project Information

- | | |
|-------------------------------------|---|
| 1. Project Title | Enhancing financial sustainability of the Protected Area system in Georgia focusing on areas with globally important biodiversity |
| 2. Project Number | PIMS 6138 |
| 3. Location (Global/Region/Country) | Georgia |

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the Project mainstreams the human-rights based approach

The project upholds the following principles:

- **Accountability and the rule of law:** The project will not support activities that do not comply with national law and obligations under international law, whichever is the higher standard. The project will comply with established UNDP policies on monitoring, evaluation, audits, and transparency in project implementation. The legal context of the project is defined by the CPAP signed by the Government and UNDP, and all CPAP provisions apply to this document.
- **Participation and inclusion:** the project will engage multiple and diverse institutions, organizations and stakeholder groups at the national, regional and local levels as appropriate. Relevant responsibilities and expected roles of stakeholders in the project are summarized in the UNDP Project Document.
- **Strengthening of livelihood and existence:** The project envisions building upon conducted pilot activities on developing conflict resolution schemes as mechanism to elaborate consensus between PAs and communities related to possible consequences of strengthened protection on traditional natural resources use by communities. Based on elaborated Tourism Development Strategies, the project will enhance community opportunities for alternative livelihoods from improved tourism opportunities in PAs. The sustainable strengthening of financial resources available to PAs, for operations as well as salaries, will ensure staff members to provide in their livelihoods, improve effectiveness of PA management, which ensures the sustainable existence of the natural environment and biodiversity to the benefit of both Georgia's as well as the global community.
- **Equality and non-discrimination:** In designing and carrying out project activities, the project does not discriminate on the grounds of race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. UNDP has ensured the meaningful, effective and informed participation of stakeholders in the formulation of the project, and will continue to do so in implementation, monitoring and evaluation.

Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment

Throughout its duration, the project will strive to maintain a gender balance by aiming for the equal representation of men and women in the project's seminars, workshops, training-of-trainers and other capacity building events, as well as integrated decision making processes, individually or through local women groups. Specifically, women shall be engaged in stakeholder consultations on mitigating possible conflicts between PAs and local communities, including the assessment of inequalities pertaining to gender that affect biodiversity, both positive and negative, taking stock of the linkages, use, access to and benefit-sharing of natural resources by men and women in local communities. This will help understand gender issues and their context better, which will be valuable inputs for PA administrations in determining potential initiatives to strengthen management effectiveness. Maintaining a gender balance also will form a focal direction as part of the (i) assessment of threats to and benefits from biodiversity and PAs; (ii) planned project activities to involve communities in monitoring planning and implementation, specifically also in targeted training and capacity building; and (iii) Tourism Development Strategies and their operational implementation, specifically the involvement in souvenir trade, guesthouse and other local business management.

Briefly describe in the space below how the Project mainstreams environmental sustainability

The project specifically focuses on strengthening the financial sustainability of selected Target PAs within Georgia's PA network. By co-financing contributions to operational costs and by providing technical assistance, the project contributes to maintaining and enhancing Georgia's globally important natural capital, through promoting the sustainable management, protection, conservation, maintenance and rehabilitation of natural habitats and their associated biodiversity and ecosystem functions in PAs.

Component 1 provides for sufficient recurrent and sustainable financial resources available for improved and expanded PA management. Component 2 specifically works to strengthen the enabling programmatic framework of PAs in planning, budgeting, procuring, auditing and reporting, through providing hands-on guidance and capacity building. Component 3 involves community awareness raising, outreach and monitoring and evaluation of the project, to ensure continual improvement. This includes cooperation and joint planning based on stakeholder involvement, targeted investments in alternative livelihoods, specifically tourism in PAs, biodiversity values & threats based assessment to strengthen PA management effectiveness, and better understanding and acceptance of the importance of PAs, their natural ecosystems and biodiversity in contributing to human livelihoods and welfare.

Part B. Identifying and Managing Social and Environmental Risks

<p>QUESTION 2: What are the Potential Social and Environmental Risks?</p> <p><i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses).</i></p>	<p>QUESTION 3: What is the level of significance of the potential social and environmental risks?</p> <p><i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i></p>		<p>QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?</p>	
<p>Risk Description</p>	<p>Impact and Probability (1-5)</p>	<p>Significance (low, Moderate, High)</p>	<p>Comments</p>	<p>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</p>
<p>1.3 Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?</p>	<p>I = 2 P = 2</p>	<p>Low</p>	<p>By improving PA management effectiveness, illegal resources’ use activities by individuals may become restricted.</p>	<p>PAs already have the mandate to enforce the protection regime stipulated by law, but due to capacity and resources constraints this mandate is not yet fully operational. The project will enable additional resources to be made available for strengthening the designated tasks of PA staff, to enforce illegal access and/or natural resources use, which may affect the livelihood of individuals in communities surrounding the PA. At the same time, the project will proactively work with communities and PA authorities to strengthen capacities for mitigating conflicts and jointly develop alternative sources of income for the community members. For this, the project will primarily focus on strengthening involvement of community members in expanding ongoing and developing new tourism-related initiatives in the PAs, within the limits of ecological sustainability. Also the project will strengthen awareness and understanding on the needs to strengthen PA management, and on the benefits from improved PA management to the communities, including on maintaining important ecosystem services.</p>
<p>1.5 Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?</p>	<p>I = 3 P = 1</p>	<p>Low</p>	<p>The project allocates significant amounts of resources to capacity building (Component 2)</p>	<p>Capacity building has been a focal activity in past co-financial support provided through CNF to the Target PAs. Continuation of strengthening the capacity of all relevant stakeholders is a key component of the proposed project. The M&E framework includes regular assessment and evaluation of progress.</p>
<p>2.4 Would the Project potentially limit women’s ability to use, develop and protect natural resources, taking into account different roles and positions of women and</p>	<p>I = 3 P = 1</p>	<p>Low</p>	<p>By improving PA management effectiveness, illegal resources’ use activities by individuals, male and female alike, may become restricted.</p>	<p>The project will proactively engage women in all stakeholder consultations and decision making, including on matters related to natural resources use and planning in support of alternative livelihood strategies, gender-balanced as appropriate according to traditional culture, to compensate for</p>

men in accessing environmental goods and services?

3.1.2 Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?

I = 1
P = 1

Low

The objective of the project is to ensure the sustainable existence and functioning of Target PAs in Georgia, as such all activities aim to avoid or minimize negative impacts, to strengthen the enabling environment for improved long-term conservation.

possible negative impacts from strengthening PA management.

3.1.3 Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)

I = 2
P = 2

Low

By improving PA management effectiveness, illegal resources' use activities by individuals, male and female alike, may become restricted.

The project will proactively work with communities to build awareness and understanding on the need for, and benefits to the communities from, strengthening PA management. At the same time, the project will actively engage communities in planning and implementing alternative livelihood strategies that compensate for possible negative impacts from strengthening PA management, specifically tourism related initiatives, within the limits of ecological sustainability.

3.1.11 Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area?

I = 2
P = 2

Low

Increasing revenues from tourism development may serve as a perverse incentive to strengthen tourism in PAs beyond the level of ecological sustainability.

While this risk is assessed low, based on APA's established practice over the past years of increasing revenues from tourism in PAs while taking into account, and maintaining, their ecological integrity, through the project, specifically the planned Tourism Development Strategies, CNF will continue to closely engage with APA on developing such tourism initiatives that avoid negative impacts on ecosystems and biodiversity. Also the project will initiate piloting Payment for Ecosystem Services financial approaches to diversify income for PAs beyond tourism.

3.2.2 Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?

I = 2
P = 2

Low

The potential impacts from climate change may negatively affect the outcome of improved PA management effectiveness, especially for flora and fauna diversity.

By supporting the expansion of CNF co-financing support to at least 12 Target PAs, the project is designed to lower the potential impact from climate change on the globally important biodiversity in Georgia. The planned improved monitoring of biodiversity values and threats will allow a more timely assessment of any ongoing changes, including related to climate change, and decision making on mitigation actions, including, as appropriate, changes of external boundaries or internal zoning.

3.5.2 Would the Project possibly result in economic displacement (e.g. loss of assets or

I = 3

Low

By improving PA management effectiveness, illegal resources

PAs already have the mandate and take measures to enforce the protection regime stipulated by law, but due to capacity

access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	P = 1		use activities by individuals may become restricted.	and resource constraints this mandate is not yet fully operational. The project will enable additional resources to be made available for strengthening the designated tasks of PA staff, to enforce illegal access and/or natural resources use, which may affect the livelihood of individuals in communities surrounding the PA. At the same time, the project will proactively work to strengthen capacities among PAs and communities to mitigate conflicts and build upon alternative sources of income for the community members, specifically from tourism.
3.5.4 Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	I = 3 P = 1	Low	Changes to internal PA zoning may affect agreed customary rights to natural resources use by community members.	Planning for changes to the internal zoning of PAs is not an active focus of the project. Strengthened monitoring of biodiversity and threats may however trigger discussions on optimizing access to natural resources currently agreed with communities. If such situation arises, the project will actively engage with PAs and affected communities to minimize possible impacts through promoting alternative livelihood opportunities. At the same time, the project will work to strengthen recognition of natural resources sourced from PAs, through certification, promotion and other appropriate measures that will increase benefits from such natural resources for both the PA and communities.

QUESTION 4: What is the overall Project risk categorization?

Select one (see SESP for guidance)	Comments
<i>Low Risk</i> <input checked="" type="checkbox"/>	
<i>Moderate Risk</i> <input type="checkbox"/>	
<i>High Risk</i> <input type="checkbox"/>	

QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?

Check all that apply	Comments
<i>Principle 1: Human Rights</i> <input type="checkbox"/>	
<i>Principle 2: Gender Equality and Women's Empowerment</i> <input type="checkbox"/>	
1. Biodiversity Conservation and Natural Resource Management <input checked="" type="checkbox"/>	The project will ensure that SES requirements related to sustainable management of resources are ensured. Any impacts from strengthening PA management on people having legal or customary rights to natural resources will be mitigated through their involvement in piloting alternative livelihood options, including tourism and increase of product value, using

promotional sales, certification or other appropriate tools. The project recognizes its potential negative impact for people currently illegally using resources. Through awareness raising and involvement in alternative livelihood activities, specifically tourism, their sourcing of natural resources from PAs will be minimized.

- 2. *Climate Change Mitigation and Adaptation*
- 3. *Community Health, Safety and Working Conditions*
- 4. *Cultural Heritage*
- 5. *Displacement and Resettlement*
- 6. *Indigenous Peoples*

- 7. *Pollution Prevention and Resource Efficiency*

The project will mitigate potential adverse impacts on livelihoods from strengthened PA management through active involvement with communities to maintain or enhance their livelihoods. Strengthened monitoring of biodiversity values and threats will gain progressive insights on extent and impact, and will be the basis for mitigation. Alternative livelihood opportunities will primarily pursue tourism related services in PAs, maintaining the PAs' ecological integrity and sustainability.

Final Sign Off

<i>Signature</i>	<i>Date</i>	<i>Description</i>
QA Assessor		Nino Antadze, Team Leader, Energy and Environment Portfolio, UNDP Georgia
QA Approver		Munkhtuya Altangerel, Deputy RR, UNDP Georgia
PAC Chair		Munkhtuya Altangerel, Deputy RR, UNDP Georgia

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		Answer (Yes/No)
Principles 1: Human Rights		
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ²⁸	No
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	Yes
4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	Yes
6.	Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8.	Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Principle 2: Gender Equality and Women’s Empowerment		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3.	Have women’s groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4.	Would the Project potentially limit women’s ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?	Yes
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No

²⁸ Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to “women and men” or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	Yes
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	Yes
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	Yes
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ²⁹ greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	Yes
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No

²⁹ In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	Yes
5.3	Is there a risk that the Project would lead to forced evictions? ³⁰	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	Yes
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed Project potentially affect the rights, lands and territories of indigenous peoples (regardless of whether Indigenous Peoples possess the legal titles to such areas)?	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No

³⁰ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the traditional livelihoods, physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

Annex F: Stakeholder Engagement Plan

Initial stakeholder analysis during the PIF stage was followed up with consultation during the preparation of the Project Document and CEO Endorsement request. The stakeholder analysis was updated and elaborated following consultations at the national and target PA sites with the relevant national and local government agencies addressing both institutional stakeholders in the context of their statutory involvement in the project, and more broadly for non-governmental stakeholders including NGOs, CBOs and natural resource dependent communities living in/near target PAs. Stakeholder participation during project implementation is guided by the overall objective to facilitate the implementation of the project in a manner reflective of its formulated objective “To secure long-term financial sustainability and effective management to conserve globally significant biodiversity of target protected areas in Georgia”. Through stakeholder consultation the project will develop a commonly shared, integrated vision on addressing the identified barriers by sustainably increasing available financing to an increasing number of Priority PAs, by supporting improving capacities for effective financial-operational and efficient budgeting based on improved information, and strengthening knowledge and awareness on the importance of biodiversity and PAs in maintaining important ecosystem services. Stakeholder consultations, and a targeted campaign to raise awareness of the values of biodiversity (Component 3) will forge a common understanding on the values and benefits of target PAs and their effective management, as well as commitment on the role of and specific actions by sector organizations involved in land and natural resources use in contributing to reaching the common vision of biodiversity conservation in target PAs. The projects approach to stakeholder involvement and participation is premised on the principles outlined in the table below.

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

Stakeholder Engagement Plan

The purpose of Stakeholder Engagement Plan (SEP) for the project is to promote the engagement of key stakeholders towards timely and successful project implementation, achievements of outputs and outcomes towards ensuring the long-term sustainability of the project achievements, based on transparency and effective participation. The objectives include the following: (a) to identify the main stakeholders of the project and their basic roles and responsibilities in relation to the project; and (b) to take advantage of the experience and skills of the main stakeholders and safeguard their active participation in different activities of the project to reduce obstacles in its implementation and sustainability after completion of the project. The approach is based on the principles of fairness and transparency, ensuring consultation, engagement and empowerment of relevant stakeholders comprehensively for better coordination between them, from project planning to monitoring and assessment of project interventions; access of information and results to relevant persons; accountability of stakeholders; implementing grievances redress mechanism and ensuring sustainability of project interventions after its completion.

The specific involvement of stakeholder groups and individual will depend on their roles, responsibilities, strengths as well as experience at the national level and in relation to the target PAs. The SEP represents an integral part of the project document and will be update regularly during the annual review, in consultation with the stakeholders. The SEP reflects commitment for the effective participation by the relevant key stakeholders, to ensure good coordination and cooperation during the project planning, implementing, reporting, monitoring and evaluation. Roles and responsibilities of main stakeholders of the project are summarized in Table 4 below.

STAKEHOLDER GROUP	WHY INCLUDED	PARTICIPATION and INVOLVEMENT	TIMELINE
KEY STAKEHOLDERS			
Ministry of Environmental Protection and Agriculture (MoEPA)	The MoEPA is the central executive agency in charge of environmental protection and support to sustainable development of the country in the field of environment. Within the MoEPA the APA is responsible for the overall administration of Georgia's PAs, including annual governmental financing of operational costs to target PAs. The MoEPA and APA have a formally agreed long-term institutional arrangement with CNF on balance co-financing support to target PAs.	As project beneficiary, the MoEPA participates in planning and supervision of project implementation progress and quality assessment of results. The MoEPA agreed annual governmental financing to target PAs serves as co-financing to the project, valued at least at US\$ 4.8 mln for the duration of the project. APA coordinates the submission of individual target PA annual requests for budget support. Staff of MoEPA and APA will provide in-kind support to the project. They also will be recipients of targeted capacity building project activities, including on strengthening coordinated financial-administrative and operational planning, budgeting and accounting, procurement and reporting, etc. A representative from the Ministry will be on the steering committee.	Throughout the project implementation phase
Local Protected Areas Administrations	Target PAs are the key organizations responsible for implementation of state policy on PA management on the ground. Target PA administrations are the key beneficiaries of government budget allocations in support of implementation of agreed management activities on-the-ground, as well as CNF's co-financial support to maintain and strengthen practical PA management in accordance with agreed priorities and budget.	Target PA administrations are participants in and recipients of most project activities. Target PA staff will participate in improved financial and operational management planning as well as capacity building activities on non-financial themes including maintenance planning, conflict resolution, law enforcement, etc. Target PAs are instrumental in implementing Management Effectiveness Assessment plans on biodiversity values and threats, and related management responses. They serve as key partners in conducting local awareness raising and outreach activities. Staff of target PAs will provide local in-kind support to implement project activities. PAs will particularly benefit from capacity building measures in Component 2 and financial sustainability pilots in Component 1.	Throughout the project implementation phase
NACRES Centre for Biodiversity Conservation and Research	Local authorities of municipalities in or near target PAs are responsible for local management and use of land and natural resources, including environmental protection as stipulated by relevant national legislation.	In cooperation with other relevant NGOs, scientific centers as well as national and international experts, NACRES will support the design and implementation of Management Effectiveness Assessment plans, which are envisioned to include training of target PA staff, community members and organizations, and guidance on conducting field-based indicator monitoring and the formulation of recommendations on improvements to PA management effectiveness. Nacres will be key for implementation of the biodiversity monitoring unit,	Throughout the project implementation phase

		and all studies as well as capacity building for PA staff, supporting especially results on Component 2.	
Local authorities	Local authorities of municipalities in or near target PAs are responsible for local management and use of land and natural resources, including environmental protection as stipulated by relevant national legislation.	Project implementation will increase the presence and visibility of PAs and their management authorities at the local level. Local authorities will be involved in planning activities so that management approaches to activities with overlapping impact can be harmonized, thereby reducing possible conflicts between PAs and local communities. Local authorities are expected to benefit from increased tax income generated by expanding business initiatives resulting from improved PA operations, specifically tourism. Local authorities are key stakeholders for Components 1 and 3.	Throughout project implementation phase, though targeted around revenue generation and awareness raising.
Private sector	Private sector companies at the national, regional or local level may constitute sources of negative impacts on target PAs and the valuable biodiversity linked to them. Through targeted investments as well as sponsor contributions, the private sector also may provide opportunities to further strengthen PA financial sustainability and management effectiveness, as well as improve the livelihood of local communities.	The implementation of sustainable tourism development and financing strategies prepared by the project, while targeting to strengthen the leading role of PA administrations, will also create opportunities to the private sector to expand their providing of products and services related to the target PAs. Improvements of tourism infrastructure, products & services offered by target PAs, as well as better marketing, will increase demand from society at large to become acquainted with target PAs. Hence, the baseline for a profitable return on investments from providing services in or near target PAs will be strengthened, in turn providing benefits to local authorities (taxes) and communities (income from jobs). Key will be their involvement in income generation by providing products and services to tourists.	Intermittently, as required
Local communities	Communities near target PAs are both sources for environmental pressures on PAs as well as beneficiaries from ecosystem services provided by PAs.	Collaboration is especially likely around income generation and awareness raising.	Intermittently, as required
General public	The general public incorporates all citizens of Georgia, as well as short- and long-term visitors to the country.	Awareness, understanding and support from the general public on values of and threats to biodiversity in Georgia's PAs will be strengthened by means of implementation of awareness raising and outreach. A variety of media - printed, TV, social media, etc. - will be employed to increase overall knowledge of biodiversity's benefits to society, acceptance of the need to protect it, as well as on improved opportunities offered by PAs for tourism and recreation, including viable business opportunities, to further strengthen PAs' financial sustainability. This is especially relevant to Component 3.	Intermittently, throughout the project implementation phase
Donor organizations - non-governmental, governmental, multilateral	A broad selection of national and/or international non-governmental and multilateral organizations, including KfW, EU, TJS, GIZ, WWF, IUCN, FFI, CzDA and others have an established streamlined coordination and cooperation with the government of Georgia.	The project will maintain a strong coordination of its activities with relevant external organizations, their coordination offices and/or project units, to avoid overlap or divergence in project activities and ensure their effective and efficient implementation. Jointly, third party donor organizations are estimated to invest at least \$10 million to related activities in Target PAs, e.g. in management plans, ecotourism infrastructure, etc.	Throughout the project implementation phase

Mechanisms and strategies for stakeholder involvement will ensure that the relevant shareholders receive and share information and provide their inputs in the planning, design, implementation, monitoring and evaluation of project initiatives and play a role in sustaining the initiatives during and after the closure of the project.

The following initiatives are implemented to support ensuring the participation of stakeholders in project activities:

- (i) Project inception workshop
All relevant project stakeholders will participate in the multi-stakeholder inception workshop after formal start of the project. The purpose of the workshop is to create awareness amongst stakeholders on project objectives and agree on individual roles and responsibilities in project planning, implementation and monitoring. Stakeholders will be informed on objectives, components, activities, financial information, timing of activities and expected outcomes, and the detailed project work plan. The workshop starts the process of building partnership among project stakeholders and ensuring that they have ownership of the project.
- (ii) Project Board: A Project Board (PB) will be constituted to ensure broad representation of all key stakeholder interests throughout the project's implementation period. The representation, and broad terms of reference, of the PB are described in Section VII (Monitoring and Evaluation Plan), Section VIII (Governance and Management Arrangements) and Annex D (Terms of Reference of Project Management Staff) of the Project Document.
- (iii) Project communication to stakeholders: At least on a quarterly basis, the project team will inform stakeholders, including national and local authorities, target PA administrations and groups of local communities (CBOs, interest groups, etc.) on achievements, challenges, corrective steps taken and future corrective actions needed for the implementation of planned activities. Specific attention will be paid to ensure representative participation of women from all relevant stakeholders. Result based management and reporting would consider inputs taken from stakeholders during such meetings.
- (iv) Progress reports and work-plans: Copies of the annual and quarterly progress reports and work plans, as relevant, will be circulated to key stakeholders to inform them about project implementation and planning and outcomes.
- (v) Participatory approach for involving local communities: Through target PAs, a participatory approach will be adopted to facilitate the involvement and participation of local communities, either through interest groups or through CBOs or NGOs, including both men and women as appropriate, in the planning and implementation of the project and target PA activities.
- (vi) Agreements with private organizations: As relevant and appropriate, for the development of local tourism-based initiatives in relation to target PAs, contractual agreements will be elaborated between target PAs and any individual, household, or private tourism company ready to support to project implementation.
- (vii) Capacity building: All project activities will be strategically focused on building the capacity – at systemic, institutional and individual level – of the institutional and community stakeholder groups to ensure sustainability of initial project investments.

The project will work closely with the MoEPA and APA to ensure complementarity of its activities in support of the governance, institutional and legislative reform processes with relevance to the PA system currently underway in Georgia. The project is embedded in CNF's broader donor assistance program to the Georgian PA system. Accordingly, the project will work in close partnership with relevant donor agencies, NGOs and government (provincial and national) institutions already actively involved in providing support to the PA system at large, individual target PAs or related rural communities, including KfW, WWF, EU, Czech Development Agency, others as relevant.

Annex G: Gender Analysis and Action Plan

Background

While the Constitution of Georgia guarantees equal rights to women and men, factors determining the country's gender profile include the country's cultural stereotypes and patriarchal norms that diminishes the participation of women in public life and pursuing professional careers, intermixed with the legacy of Soviet policy focused on gender equality and labor force participation, as well as the social and economic uncertainties of the transition period. In recent years, Georgia made significant progress in strengthening the legislative and policy framework for enhancing gender equality and equal rights and opportunities to women and men. The Gender Equality Council was established at the Parliament of Georgia in 2004, transformed into a permanent body following the adoption of the Gender Equality Law in 2010. The Women Councilors' Forum was established in 2013 to increase women's role in local governance. The Gender Equality National Action Plans are biennially adopted since 2007, setting milestones for addressing gender equality issues in the fields of economy, health and social protection, for promoting women's engagement in environmental protection and law enforcement, and envisaging improvements of the legislative and institutional frameworks on gender equality. Other important policy documents and legislative acts include the Domestic Violence Action Plans (since 2007), the National Action Plan on Women, Peace and Security (2012-2015), and the Law on the Elimination of All Forms of Discrimination (2014), bringing Georgia's framework closer to international standards.

According to the 2017 Global Gender Gap Report released by the World Economic Forum, Georgia ranks 94th out of 144 countries on the Gender Gap Index (GGI). With this ranking, Georgia falls in the lower half of the rankings in the Europe and Central Asia region. While 2017 showed a slight decrease compared to 2016 (0.681), overall Georgia's GGI scores show a slow but constant increase since 2006 (0.6700) when the GGI was first published. According to the United Nations Gender Development Index (GDI), which reflects gender-based inequalities in three dimensions—reproductive health, empowerment, and labor market participation, in 2015 Georgia ranked 70th of 188 countries, in the group of countries classified with high human development. On the 2015 United Nations Gender Inequality Index (GII), Georgia ranked 76th.

Despite the progress, gender inequality remains high, and is considered one of the constraints to more sustainable and inclusive development. Studies about public perceptions on gender equality show that the Georgian society considers a woman's main function to raise children and take care of the household, while the role of the man is to support the household financially. Persistent gender inequality is manifested in the underrepresentation of women in decision making positions, women's participation in political and social life, a large gender wage gap, occupational segregation, skewed sex ratio-at-birth with son preferences, prevalence of sexual harassment, early marriage, and violence against women and girls.

The statistics underlying the gender-related scoring show that female literacy is as high as that of men, that enrollment in secondary education is close to 100% for both women and men, that the average number of years of education received is equal (12 years), that more women enroll in tertiary education than men, but that with about 30% in general enrollment is low for both sexes. At the same time, high participation rate in education has not translated in an increase in overall employment and economic participation. The labor force participation rate for men remains significantly higher than for women (78.4% versus 57.3%), indicating that only about half of economically active women are employed, largely related to childcare responsibilities. Occupational segregation also occurs, with women workers concentrated in education, health and social services, as well as the informal sector, unpaid work and self-employed agriculture, while men dominate in construction, transport, skilled agricultural work, and manufacturing. Typically, the services and sales sectors as well as judges in common law courts represent equal numbers of women and men, while legislators, senior officials and managers are mostly women, although the government and parliament remains dominated by men, with respectively 19% of seats in parliament held by women, 11% women Ministers, 19% Deputy Ministers and 12% women ambassadors. Meanwhile, the estimated per capita income for women is significantly lower compared to men (US\$ 6,105 versus 11,871 in 2015), in many

employment sectors. While overall unemployment was 15% in 2016 and youth unemployment 30%, Georgian women experience lower levels of unemployment than men (5% vs. 11%), but at the same time more women remain outside the labor force than men (42% vs. 22%). Notable, of unemployed women, almost 50% has higher education.

More in general, while in urban areas many women strive for employment, and may occupy higher management positions, in rural areas women continue to carry responsibilities for domestic as well as educational activities, while men dominate on positions as decision makers at all levels in communities. Also, rural women remain at a severe disadvantage with respect to property rights and control of assets, including contractual rights to land, water and other resources. The majority of agricultural holdings are held by men (69%), while male holdings were typically close to double the size in hectares than those held by women, for arable lands, permanent crops and pastures. Lack of former ownership also limits rural women participation in business-oriented organizations, like cooperatives or credit unions. Traditionally men are more occupied in commercial and subsistence natural resources use, including possible infringements of PA regimes related to hunting, fishing, logging, grazing, etc. At the same time, the role of women in rural communities remains extremely important, including responsibilities in education and upbringing of children as also their dominant engagement in subsistence agriculture and in participating in the collection of non-timber natural resources (fire wood, water, fruits, nuts, herbs, mushrooms, etc.).

In the environment conservation sector, women are represented (about 50%) among the staff employed at the MoEPA, but the disparity between decision makers (almost exclusively men at a Deputy level and both APA and MoEPA) is stark, with women being most significantly represented at middle and lower levels at APA. Senior management staff of individual PAs in Georgia consists exclusively of men, while also lower level staff positions in PAs, especially those related to patrolling, predominantly are occupied by men.

Strategy and Action Plan for Gender Mainstreaming in Project Implementation

The UNDP Gender Marker for all UNDP projects is assessed at the Output level. It is a UNDP goal that all projects be assessed as “GEN2” for their gender marker. The GEN2 marker coder states that gender equality is not the main objective of the project, but the project promotes gender equality in a significant and consistent way”.

Accordingly, throughout its duration the project therefore will strive to maintain a gender balance by ensuring the full participation of women in meetings and workshops as well as integrating their participation in decision making processes, individually or through local women groups. Specifically, women – staff of target PAs or in rural communities - shall be engaged in consultations on mitigating possible conflicts between target PAs and local communities, including the assessment of inequalities pertaining to gender that affect biodiversity, both positive and negative, taking stock of the linkages, use, access to and benefit-sharing of natural resources by men and women in local communities. This will help understanding gender issues and their context, which will be valuable inputs for PA administrations for decision making on potential initiatives to strengthen management effectiveness. Gender issues also will be a focal direction as part of (i) activities to strengthen general community awareness on threats to and benefits from biodiversity and PAs; (ii) planned project activities to involve community members in Management Effectiveness Assessment plans, specifically field-based monitoring, targeted local awareness, communication and educational activities; and (iii) sustainable tourism development and financing strategies and their operational implementation, specifically involvement in souvenir trade, the management of guesthouses and other local business.

More specifically, the gender mainstreaming strategy for the project builds upon the gender context in Georgia and specifically in the environmental management and conservation sector, with targeted directional actions, as summarized below.

Gender Mainstreaming Objective	Gender Mainstreaming Activity	Gender mainstreaming Target
To strengthen women’s capacities in policy/decision	Actively engage women in building capacity for central level PA system	Capacity building activities on PA system-related management, including financial-

Gender Mainstreaming Objective	Gender Mainstreaming Activity	Gender mainstreaming Target
making, management, planning and implementation of PA system policies, planning and financing at the central level.	managers and officials, within APA, the Ministry of Environmental Protection and Agriculture, and other sector agencies as relevant.	administrative planning and financing mechanisms include at least 50% of total female staff at relevant PAs.
To enhance capacity, skills and competence of women target PA staff in technical aspects related PA management planning and implementation, including monitoring, enforcement and community outreach.	Capacity building, training and mentoring programs are conducted for skills development activities for women staff of target PAs, in support of strengthening target PA management effectiveness.	At least 35 women (50% of total female staff in PA system) on staff of target PAs will be engaged in capacity building initiatives, on management and operational planning, monitoring, conflict resolution and community outreach.
To promote communities' women's participation in target PA management planning and implementation towards effective conservation of biodiversity and the sustainable use of natural resources.	Support capacity building, engagement and advocacy of women - individuals and from relevant organizations - in communities in/near target PAs on management planning processes and practices, for effective conservation and sustainable use of natural resources based on equity and engagement.	At the target PA level, planning initiatives, on management and operational planning, tourism development, financial instruments, conflict resolution and promotion of alternative livelihoods, shall engage at least 50% of community women.
To promote women's engagement in tourism-related livelihood activities in target PAs.	Capacity building and training programs and other skills development activities for relevant target groups of rural women from communities in/near target PAs on opportunities to generate additional income from tourism-related services, e.g. guest houses, organic farming, certification, etc.	At least 100 women from communities in/near target PAs shall be engaged in training on tourism-related income generation activities in support of improved livelihood, target PA financing and conservation impact.
To enhance women's knowledge and understanding on values, threats and importance of target PAs, biodiversity and beneficial ecosystem services provided, through innovative communication strategy and awareness raising activities provided.	Develop gender-focused awareness raising products – i.e. social media, exhibitions, public events, as appropriate - focusing on women's role, responsibilities and opportunities in strengthening attention to, and management effectiveness of target PAs as part of Georgia's focus on sustainable development.	At least 50% of the communication and awareness raising products delivered by the project will be focused towards women.

As such, the project will ensure gender mainstreaming will be considered as part of interventions at both national and local levels. At the PA system level, the project will engage both male and female policy makers, decision makers, and managers of central institutions on PA system-related management, including financial-administrative planning, operational effectiveness and sustainable financing mechanisms. At the target PA level, the project will proactively involve (i) women on staff of target PAS, building their technical capacities and engagement in relevant operational planning and management of target PAs; and (ii) rural women, in awareness raising, education and training activities, including on engagement with target PA management planning, income generation and monitoring. Also, a gender-balanced involvement of local participants will be ensured in target PA management planning, including participatory planning advocacy, capacity building, decision making, and implementation, as relevant linked to livelihood planning and implementation within or near target PAs based on more ecosystem-friendly practices.

The above recommendations for project outputs and activities will be further developed into a more detailed Gender Mainstreaming Action Plan at the beginning of project implementation. Outputs not included in the table above have been assessed as having low gender relevance. To ensure a proper mainstreaming of gender in project implementation, the following generic actions require attention:

- During the project inception phase the project team should review the project results framework indicators and targets, to ensure adequate gender-disaggregation of any relevant indicators, and a detailed action plan for mainstreaming gender should be elaborated in all project outputs.
- The project team and staff of target PAs should include appropriate gender balance, to the extent feasible, taking into consideration necessary technical qualifications.
- Appropriate gender-related baseline data should be ensured, and monitored for the duration of the project.
- Project capacity development activities should endeavor to have gender balance among participants to the extent feasible and relevant.

The project will make sure that its activities will actively promote gender equality, involvement and employment of women, both at the central level and especially in the rural environment of the target PAs. The project will seek to secure stronger and balanced representation of women in local and regional stakeholder discussions and decision making on sustainable development and mainstreaming of ecosystem and biodiversity conservation and target PA interests into municipal and district socio-economic planning. In promoting strengthening (alternative) income generation activities, specifically including tourism-related services in and near PAs, the project will carefully consider gender-sensitive benefits related to its specific initiatives, to advance rural women to represent their interests, including, as appropriate, in providing (co-)financing support to pilot income-generating initiatives, to ensure at least equal benefits to women and support women to become better empowered economically.

In all, the project will align its work closely with the activities and outcomes of relevant past and ongoing parallel initiatives, including the UNDP Gender Equality Project, the UN Joint Program for Gender Equality, and initiatives of other partner organizations active in supporting gender equality locally and nation-wide, addressing gender inequality in a coherent and comprehensive way. For this, the project will work with partners to engage in focal surveys in/near target PAs to better identify the roles and status of women in rural communities, including of relevant vulnerable and marginalized groups (IDPs, persons with disabilities), and collect information on specific needs. The results of such surveys will be adequately considered and reflected in targeted actions balancing conservation, economic, and social interests, including gender, in rural areas surrounding the target PAs.

The project will also pay careful attention to and encourage the participation of female staff members of Ministries, regional and local administrations in training and other activities. During any trainings organized, trainers will be encouraged to include gender equality-related topics into the curriculum. Gender disaggregated data will be collected and codified as part of all project activities.

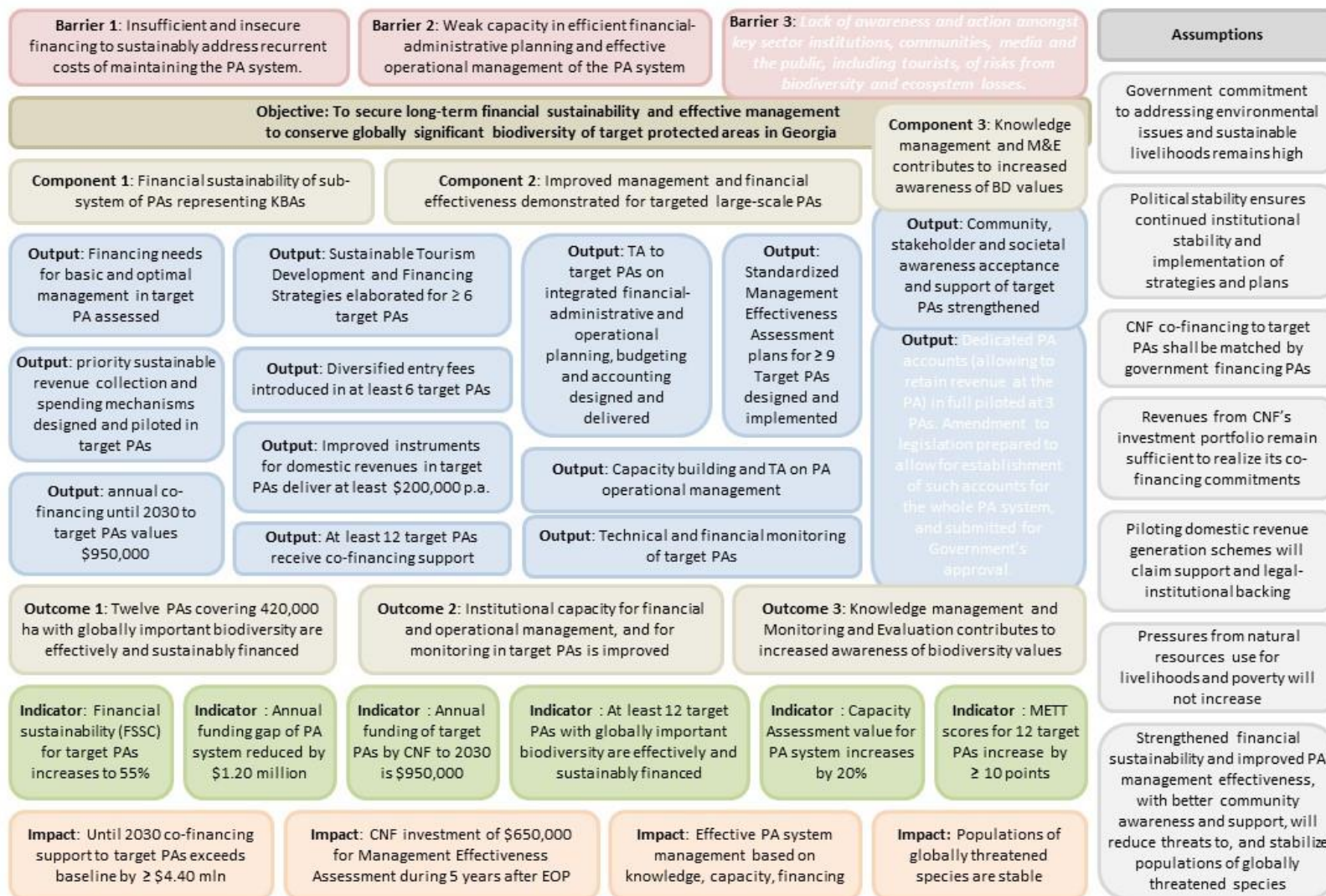
Annex H: UNDP Risk Log

#	Description	Date Identified	Type	Impact and Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Reduced Government commitment to addressing environmental issues and sustainability results in reduced funding to the country's PA system.	Project formulation	Political	Reduced funding will affect the extent and/or quality of PA management activities, specifically capacity building and investment, adversely impacting on PA conservation effectiveness P = L I = H	The project will maintain close working relations with all relevant Government authorities, including their involvement in public awareness raising activities, which will promote the importance of target PAs for national and local development, and the efficiency of public/private partnerships in support of their management. In addition, the project aims to reduce target PA vulnerability to financial fluctuations by strengthening revenue generating services.	CNF	Project formulation		
2	The centralized governance system in place for PAs in Georgia and the limited capacities at PA level to implement planning tools reduce the sustainability of project results.	Project formulation	Institutional	Project results cannot be taken up effectively, and available financing can (i) not be used in full; or (ii) not be used to the best impact towards improved PA management effectiveness. P = L I = M	During the past 7 years, the Government of Georgia in close cooperation with CNF and other partners/donors has invested in strengthening the governance capacity of selected target PAs at the national and levels, specifically on financial-administrative planning, budgeting and accounting, procurement and operational planning. The project is designed to build upon the gained experiences and expand them to more target PAs, by means of increased financial support and TA as well as capacity building on non-financial issues, towards ensuring improved management effectiveness, especially at the level of individual PAs. Capacity needs assessments of government and community stakeholders will steer project training and capacity building initiatives under outcome 2, tailored to meet specific requirements of the different stakeholders to ensure that they have the	CNF	Project formulation		

#	Description	Date Identified	Type	Impact and Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
					skills to participate in relevant aspects of the project.				
3	Climate change will alter or shift natural habitats in/beyond PAs, and as such affects the suitability of PAs to conserve globally important species.	Project formulation	Environmental	Climate change is a long-term, slow process, and as such will not have a direct impact on the project. Over time, it may affect ecosystems, habitats and species, including threatened ones that the PAs targeted by the project intend to protect. P = L I = M	The project focuses on 12 target PAs, representing the variety of ecosystems and habitats and covering 80% of land under formal protection as Priority PAs in Georgia. Adaptation mechanisms to climate change will be addressed in the development phases of PA Management Plans and other relevant planning documents developed. The project will maintain close working relations with Government and donor initiatives on strengthening conservation both in PAs and in production landscapes of the country, notably the Eco-corridor project - financed by Germany through KfW - targeting better biodiversity conservation through sustainable land use management along corridors connecting PAs included in the ECP.	CNF	Project formulation		
4	Financial sustainability for Georgia's PA system beyond the duration of the project is not ensured.	Project formulation	Financial	Target PAs will not be able to implement in full the management activities agreed in the various planning documents, including those developed under the project. Improved management	The project builds upon the successfully introduced public-private partnership in strengthening the government of Georgia's financial support to maintaining its PA network, using funds provided by public and private donors, including the GEF. Specifically, the project will strengthen financial sustainability by designing and piloting selected financial mechanisms to increase domestic revenue streams for target PAs, including from entry fees, concessions, revenue sharing mechanisms from natural resources use, as well as sustainable tourism products and services. As such, the project gives CNF an additional	MoEPA	Project formulation		

#	Description	Date Identified	Type	Impact and Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
				<p>effectiveness as such is not ensured.</p> <p>P = L</p> <p>I = M</p>	<p>five years to strengthen its Endowment and Sinking Funds and related income from the investment portfolio. CNF's proven track record of generating additional donor income will continue. Overall, fund raising and management is intended to ensure operationality of CNF's financial support to target PAs at least until 2030, i.e. 8 years beyond EOP.</p>				

Annex I: Project Theory of Change



Annex J: System of Protected Areas in Georgia (2017)

№	Network	№ of PAs	IUCN PA types	in ECP		PA administration	Gov. designated size (ha)			CNF Focal PAS in Georgia		Target PAs for project		
				Y/N	Size (ha)		Terrestrial	Marine	Total	№	size (ha)	№	size (ha)	
1	Borjomi-Kharagauli PAs	5	II; IV	Y	104,958	Y	104,994	0	104,994	1	104,994	1	104,994	
2	Lagodekhi PAs	2	I;II	Y	24,451	Y	24,451	0	24,451	2	24,451	2	24,451	
3	Vashlovani PAs	5	I,II,III	Y	35,068	Y	35,068	0	35,068	3	35,068	3	35,068	
4	Tusheti PAs	2	I,II	Y	82,142	Y	82,142	0	82,142	4	82,142	4	82,142	
5	Tusheti PL	1	V	Y	31,518	Y	31,518	0	31,518	5	31,518	5	31,518	
6	Mtirala NP	1	II	Y	15,699	Y	15,699	0	15,699	6	15,699	6	15,699	
7	Javakheti PAs	7	II, IV	Y	19,309	Y	19,309	0	19,309	7	19,309	7	19,309	
8	Algeti National Park	4	II; III	Y	6,822	Y	8,527	0	8,527	8	8,527	8	8,527	
9	Kazbegi National Park	6	II; III	Y	8,687	Y	9,030	0	9,030	9	9,030	9	9,030	
10	Kintrishi PAs	2	I,V	Y	13,893	Y	13,893	0	13,893	10	13,893	10	13,893	
11	Pshav-Khevsureti PAs	3	II,IV	Y	75,843	Y	79,909	0	79,909	11	79,909	11	79,909	
12	Machakhela National Park	1	II	Y	7,333	Y	7,333	0	7,333	12	7,333	12	7,333	
13	Kolkheti National Park	2	II	Y	44,309	Y	29,303	15,276	44,579	13	44,579		N	
14	Batsara- Babaneuri PAs	3	I	Y	10,819	Y	10,819	0	10,819	14	10,819		N	
15	Kobuleti PAs	2	I,IV	Y	783	Y	783	0	783		N		N	
16	Ajarneti Managed Reserve	1	IV	N	n/a	Y	4,991	0	4,991		N		N	
17	Chachuna Managed Reserve	1	IV	Y	5,200	Y	5,200	0	5,200		N		N	
18	Tbilisi National Park	3	II,III, IV	N	n/a	Y	24,787	0	24,787		N		N	
19	Mariamjvari Strict Reserve	3	I,IV	Y	1,023	Y	5,217	0	5,217		N		N	
20	Imereti PAs	21	I,III; IV	Y	0	Y	518	0	518		N		N	
21	Martvili and Okatse Natural Monuments	9	III	N	0	Y	248	0	248		N		N	
Subtotal		84			18	487,856	21	513,739	15,276	529,015	14	487,271	12	431,872
22	Bichvinta-Miusera State Reserve	1	Ia	Y	3,645	?	3,645	0	3,645		N		N	
23	Liakhvi State Reserve	1	Ia	N	n/a	?	6,388	0	6,388		N		N	
24	Pskhu-Gumista State Reserve	1	Ia	Y	40,819	?	40,819	0	40,819		N		N	
25	Ritsa State Reserve	1	Ia	Y	16,289	?	16,289	0	16,289		N		N	
Subtotal		4			3	60,753	0	67,141	0	67,141				
TOTAL		88				548,609		580,880	15,276	596,156		487,271		431,872

Note 1: PAs are identified as “Priority PAs” when (i) they are located in PCAs under the ECP; (ii) they meet the GEF adopted criteria of KBA; and (iii) they are located in the territory controlled by Georgia. Together Priority PAs cover 498,989 ha, or 84%, of Georgia’s PA system.

Note 2: Priority PAs not covered by the proposed project include (i) Kolkheti and Kobuleti, benefitting from parallel funding during the project implementation period; and (ii) PAs smaller in size that, given their limited means, are less effective for the project to focus on.

Annex K: Institutional arrangements of the PA system in Georgia

The Ministry of Environmental Protection and Agriculture (MoEPA) is the central executive agency in charge of environmental protection and support to sustainable development of the country in the field of environment. Strategic fields of responsibility include (i) to organize the environmental planning system; (ii) to elaborate and implement state policy, target programs, strategy of environmental protection for sustainable development, national environmental action programs and management plans in the field of environmental protection and natural resources; (iii) to protect and preserve unique landscapes and ecosystems, rare and endangered species of flora and fauna that are characteristic and endemic to the country, biodiversity, atmospheric air, water, land and mineral resources; (iv) to implement public administration on waste management and chemicals; (v) to follow the Georgian legislation in the field of environmental protection and to implement the international commitments within its competence. Within the (now) MoEPA, a Legal Entity of Public Law (LEPL) “Agency of Protected Areas (APA)” was established in 2008 to become responsible for the overall administration of Georgia’s PAs. The roles and responsibilities of the Agency are stipulated in its Charter and the “Standard Provision on Territorial Administrations of the Agency of Protected Areas”. Key roles of APA’s central management authority include overall management to ensure functionality of the PA system, policy making & strategic planning, manage legal-regulatory changes, budgeting & financial management, supervision of activities at the level of individual PAs, cooperation with donors and partners including fund raising, and facilitation with other state and non-state actors. The operational management of PAs is currently undertaken by 20 PA Administrations throughout the country. Key roles of local PA Administrations include the general administration of their designated territory, maintenance of infrastructure and facilities, revenue collection, implementation of day-to-day actions including patrolling & law enforcement, educational activities and communication with local communities, tourism-related activities. By end 2017, total staffing of the national- and local-based PA Administrations is 470 people. The organizational structure of the MoEPA and APA is presented in figure M.1 and Figure M.2, respectively.

FIGURE M.1: Organogram of the Ministry of Environmental Protection and Agriculture of Georgia

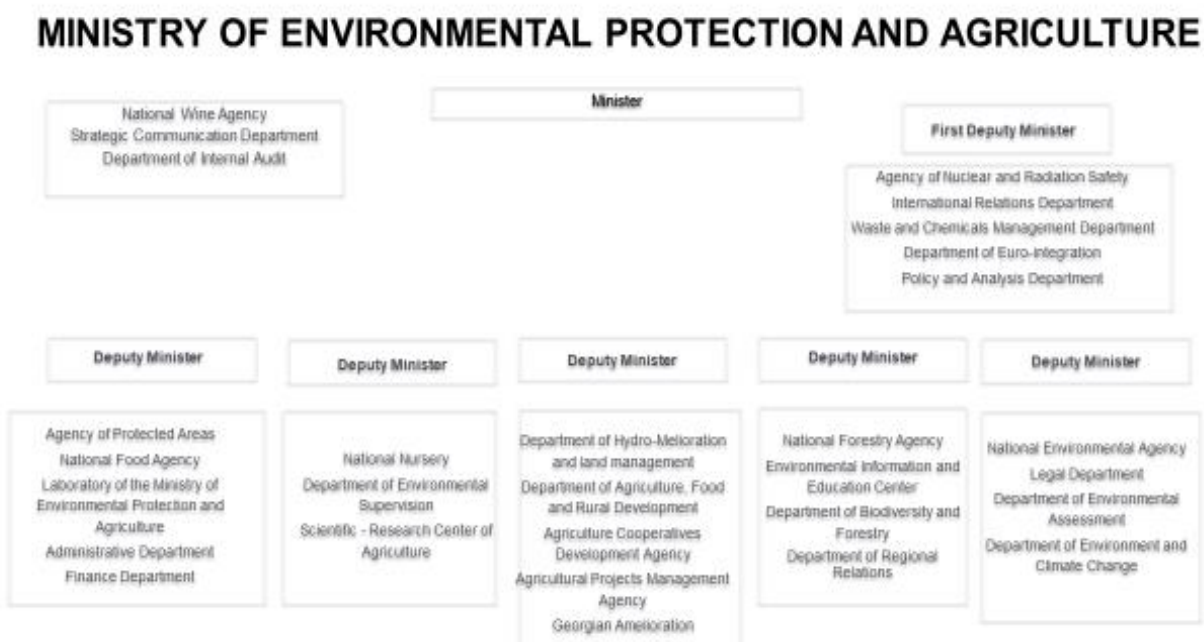


FIGURE M.2: Organogram of the Agency of Protected Areas under the Ministry of Environmental Protection and Agriculture of Georgia



Annex L: Summary of KBA criteria applicable to target Protected Areas in Georgia

#	Name	Size (ha)	National PA classification ³¹	IUCN category	Emerald Network Site	IBA (criteria)	WHS (tentative list)	KBA Criteria ³²	EBA
1	Borjomi Kharagauli NP ³³	104,994	SNR, NP, NM, MNR	Ia, II, III, IV	GE0000010	GE015 (A1, A2)		A1	122
2	Lagodekhi PAs ³⁴	24,451	SNR, MNR	Ia, IV	GE0000001	GE024 (A1, A2)		A1	122
3	Vashlovani PAs ³⁵	35,068	SNR, NP, NM	Ia, II, III	GE0000007	GE011 (A1, B2, B3)		A1	
4	Tusheti PAs ³⁶	82,142	SNR, NP	Ia, II	GE0000008	GE023 (A1, A2)	Mta Tusheti	A1	122
5	Tusheti Protected Landscape	31,518	PL	V	GE0000008	GE023 (A1, A2)		A1	122
6	Mtirala NP	15,699	NP	II	GE0000016	GE014 (A4iv, B1iv)	Colchis wetlands and forests	A1 B1 D1	122
7	Javakheti National Park ³⁷	19,309	NP, MNR	II, IV	GE0000004 GE0000005 GE0000017	GE009 (A1, A4i, B1i); GE017 (A4i, B1i); GE030 (A1, A4i, B1i); GE031 (A1, A4i, B1i)		A1 D1	122
8	Kazbegi National Park ³⁸	9,030	NP, NM	II, III	GE0000009	GE021 (A1, A2)		A1 B1 D1	122
9	Algeti National Park ³⁹	8,527	NP, NM	II, III	GE0000013	GE010 (A1)		A1	122
10	Kintrishi PAs ⁴⁰	13,893	NP, PL	II, V	GE0000014	GE005 (A2)	Colchis wetlands and forests	A1 B1 D1	122
11	Machakhela National Park	7,333	NP	II	--		Colchis wetlands and forests	A1 B1 D1	122
12	Pshav-Khevsureti PAs ⁴¹	79,909	NP, NM, MNR	II, III, IV	GE0000002	GE022 (A1, A2)		A1 B1 D1	122

³¹ Abbreviations: SR – Strict Reserve (IUCN cat. I); NP – National Park (IUCN cat. II); NM – Natural Monument (IUCN cat. III); MNR – Managed Nature Reserves (IUCN cat. IV); PL – Protected Landscape (IUCN cat. V).

³² Refer to <http://www.kbaconsultation.org/#!kba-criteria/ccw0>.

³³ Includes Borjomi Strict Nature Reserve, Borjomi-Kharagauli National Park, Nedzvi Managed Nature Reserve, Ktsia-Tabatskuri Managed Nature Reserve, and Goderdzi Fossil Forest Natural Monument.

³⁴ Includes Lagodekhi State Nature Reserve. Lagodekhi Managed Nature Reserve.

³⁵ Includes Vashlovani State Nature Reserve; Vashlovani National Park; Alazani Floodplain Forest Natural Monument; Takhti-Tepha Natural Monument; Eagle Canyon Natural Monument.

³⁶ Includes Tusheti State Nature Reserve, Tusheti National Park, Tusheti Protected Landscape.

³⁷ Includes Javakheti National Park; Kartsakhi Managed Reserve; Sulda Managed Reserve; Khanchali Managed Reserve; Bughdasheni Managed Reserve; Madatafa Managed Reserve.

³⁸ Includes Kazbegi National Park, Sakhizari cliff Natural Monument, Abano Mineral Lake Natural Monument, Travertine of Truso Natural Monument, Jvary Pass Travertine Natural Monument, Keterisi Mineral Vocluse Natural Monument.

³⁹ Includes Algeti National Park, Dashbashi Canyon Natural Monument, Samshvilde Canyon Natural Monument.

⁴⁰ Includes Kintrishi State Nature Reserve; Kintrishi Protected Landscape.

⁴¹ Includes Pshav-Khevsureti National Park; Roshka Natural Monument; Asa/Arkhoti Managed Nature Reserve.

Annex M: Biodiversity profile of target Protected Areas in Georgia

Borjomi-Kharagauli National Park *

Borjomi-Kharagauli National Park (BKNP) is located in central Georgia, in the Alpine and Black Sea Biogeographical Regions. BKNP covers an area of 107,083 ha along the Adjara-Imereti ridge in central Georgia. Altitudes vary between 500 and 2,500 masl, with the highest peak being Sametskhvareo, 2642 m. The prevailing habitat type is coniferous forests, including large areas of spruce and pine stands. All forest-forming conifers are Caucasus endemics: Oriental spruce (*Picea orientalis*), Caucasian fir (*Abies nordmanniana*) and Caucasian pine (*Pinus kochiana*). Broadleaved forests on lower elevations are dominated by species like Georgian oak (*Quercus iberica*) and Hornbeam (*Carpinus caucasica*), and include also Oriental beech (*Fagus orientalis*), Chestnut (*Castanea sativa*) and Litvinov's birch (*Betula litwinowii*). Typical relict and endemic species include Pontic rhododendron (*Rhododendron ponticum*) and Caucasian rhododendron (*R. caucasicum*), Cherry laurel (*Laurocerasus officinalis*), Common holly (*Ilex aquifolium*), Colchis ivy (*Hedera colchica*), Imeretian buckthorn (*Rhamnus imeretina*) and others. About 25% of the BKNP is covered by subalpine and alpine meadows. The floristic composition of BKNP is especially rich, with over 1,200 species (27% of Georgia's vascular flora) registered. The habitats of the BKNP also support a rich variety of fauna, including 64 mammals (60% of Georgia's total mammal species), of which 11 are endemic to the Caucasus Eco-region. Overall 217 nesting and migratory birds have been observed (60% of Georgia's total) as well as 30 reptiles (57% of Georgia's total), of which 3 endemics. Also 20 species of bats have been identified.

BKNP hosts 10 species of global conservation interest⁴², including 1 bird (Egyptian vulture *Neophron percnopterus* EN); 2 reptiles (Caucasian Viper *Vipera kaznakovi* EN; Large-headed water snake *Natrix megalcephala* VU), 1 amphibian (Caucasian salamander *Mertensiella caucasica* VU), 5 insects (Apollo Butterfly *Parnassius apollo* VU; Caucasian Festoon *Zerynthia caucasica* VU; Cerambyx Longicorn *Cerambyx cerdo* VU; Rosalia longicorn *Rosalia alpina* VU; Waved pincertail *Onychogomphus flexuosus* VU) and 1 fish (Bulatmai barbell *Luciobarbus capito* VU).

BKNP is included in the List of Candidate Emerald Sites for Georgia⁴³ (GE000010) and is part of the Important Bird and Biodiversity Area "Adjara-Imereti Ridge" (GE015). BKNP is also part of the Endemic Bird Area "Caucasus" (122).

* Includes Borjomi Strict Nature Reserve, Borjomi-Kharagauli National Park, Nedzvi Managed Nature Reserve, Ktsia-Tabatskuri Managed Nature Reserve, and Goderdzi Fossil Forest Natural Monument.

Lagodekhi Protected Area *

Lagodekhi PA (LPA) is located in north-eastern Georgia, in the Alpine Biogeographical Region, covering 24,451 ha on the southern slopes of the Great Caucasus mountain ridge. Altitudes vary between 400 and 3,500 masl. About 60% of LPA's habitats consist of forests, mainly Oriental beech (*Fagus orientalis*), Hornbeam (*Carpinus caucasica*) and various maple species. Other habitats include humid mesophile grasslands, alpine and subalpine grasslands (25%), and rocks. Relict and endemic species include Pontic rhododendron (*Rhododendron ponticum*) and Caucasian rhododendron (*R. caucasicum*), Cherry laurel (*Laurocerasus officinalis*), Common holly (*Ilex aquifolium*), Colchis ivy (*Hedera colchica*), Imeretian buckthorn (*Rhamnus imeretina*) and others. The floristic composition is especially rich, with 1,100 species (24% of Georgia's vascular flora) registered. Of 121 Caucasian endemic species, 9 are endemic only to Georgia, e.g. *Gymnospermium smirnowii*, European bladdernut (*Staphylea pinnata*), Lagodekhi crested gentian (*Gentiana lagodechiana*), Caucasian peony (*Paeonia mlokosewitschii*), Snowdrop (*Galanthus lagodekhanus*) and others. LPA also supports a rich animal variety, including 53 mammals (50% of Georgia's total mammal species), 150 nesting and migratory birds (42% of Georgia's total), 5 amphibians (38% of Georgia's total), 12 reptiles (23% of Georgia's total).

LPA hosts 14 species of global conservation interest, including 3 birds (Egyptian vulture *Neophron percnopterus* EN; Eastern Imperial Eagle *Aquila heliaca* VU; Saker Falcon *Falco cherrug* EN;); 3 reptiles (Large-headed Water Snake *Natrix megalcephala* VU; Spur-thighed Tortoise *Testudo graeca* ssp. *Nikolskii* CR; Caucasus Subalpine Viper *Vipera dinniki* VU), 1 amphibian (Caucasian salamander *Mertensiella caucasica* VU), 6 insects (Apollo Butterfly *Parnassius apollo* VU; Caucasian Festoon *Zerynthia caucasica* VU; Cerambyx Longicorn *Cerambyx cerdo* VU; Dark Pincertail *Onychogomphus assimilis* VU; Rosalia longicorn *Rosalia alpina* VU; Waved pincertail *Onychogomphus flexuosus* VU) and 1 fish (Bulatmai barbell *Luciobarbus capito* VU).

⁴² As per IUCN Red List categories "Critically Endangered", "Endangered" or "Vulnerable", in line with GEF recommendations on applying draft KBA guidelines criterion A (IUCN 2014)

⁴³ As approved by the Standing Committee of the Bern Convention in December 2014

LPA is included in the List of Candidate Emerald Sites for Georgia (GE0000001) and forms part of the Important Bird and Biodiversity Area “Lagodekhi” (GE024). LPA is also part of the Endemic Bird Area “Caucasus” (122).

* Includes Lagodekhi State Nature Reserve, Lagodekhi Managed Nature Reserve.

Vashlovani Protected Area *

Vashlovani PA (VPA) covers an area of 35,068 ha in the far eastern, driest part of Georgia, part of the Steppic Biogeographical Region. The area is a mosaic of rugged ridges with naturally eroded slopes, valleys and dry gorges interchanging with relatively flat plains; altitudes vary between 90 and 845 masl. The dominant habitat is perennial grasslands, often nutrient-poor and species-rich, on calcareous and other basic soils, including relict *Bothriochloa* and typical *Stipa* spp. On slopes, shrublands with dominant low spiny shrubs occur, as well as arid woodlands including relict and rare species of *Juniperus* spp., Celtic and wild pear. Semi-deserts are characterized by halophytic and ephemeral species, including *Salsola* spp. and *Artemisia* spp. Patches of tugai-type riparian forests remain along rivers. About 700 plant species are registered (16% of Georgia’s vascular flora), including at least 28 endemic species (including 5 Georgia endemics). Vertebrate fauna of the VPA includes 46 mammals (43% of Georgia’s total), 135 birds (38% of Georgia’s total), 16 fish species (20% of Georgia’s total), 25 reptile species (47% of Georgia’s total), 4 amphibians (30% of Georgia’s total) and 700 insect species, including 109 butterflies.

VPA hosts 11 species of global conservation interest, including 2 mammals (Goitered Gazelle *Gazella subgutturosa* VU; Leopard *Panthera pardus* ssp. *Saxicolor* VU), 5 birds (Egyptian Vulture *Neophron percnopterus* EN; Saker Falcon *Falco cherrug* EN; Eastern Imperial Eagle *Aquila heliaca* VU; Great Bustard *Otis tarda* VU; Greater Spotted Eagle *Clanga clanga* VU); 1 reptile (Spur-thighed Tortoise *Testudo graeca* ssp. *Nikolskii* CR), 1 bat (Mehely's Horseshoe Bat *Rhinolophus mehelyi* VU), and 2 plant species (Kakhetian bellflower *Campanula kachethica* EN; Robust chalk plant *Gypsophila robusta* VU).

VPA is included in the List of Candidate Emerald Sites for Georgia (GE0000007) and forms part of the Important Bird and Biodiversity Area “Iori basin” (GE011). VPA is also part of the Endemic Bird Area “Caucasus” (122).

* Includes Vashlovani State Nature Reserve; Vashlovani National Park; Alazani Floodplain Forest Natural Monument; Takhti-Tepha Natural Monument; Eagle Canyon Natural Monument.

Tusheti Protected Area * (Information below covers the Tusheti Protected Landscape Administration as well as Tusheti PA)

Tusheti PA (TPA) is located in central north-eastern Georgia, in the Alpine Biogeographical Region. TPA covers an area of 113,660 ha in the upper Alazani river basin, on the forested and alpine southern slopes of the Great Caucasus ridge in the Kakheti District. Altitudes vary between 1,000 and 4,000 masl. The most widespread habitats are alpine, subalpine and humid grasslands. Wooded habitats are mainly represented by Caucasian pine (*Pinus kochiana*), at higher altitudes replaced by birch forests including Litvinov’s birch (*Betula litvinowii*) and Radde’s birch (*Betula raddeana*). Other important habitat types include streams and lakes, bare rocks and ice. The flora of Tusheti is characterized by a high level of endemism - of a total of about 1,050 species (23% of Georgia’s vascular flora), 230 species are endemic to the Caucasus (more than 20% of all Caucasus endemic species) while 11 species are endemic only to Georgia, including Tushetian monkshood (*Aconitum tuscheticum*), Iberian barberry (*Berberis iberica*), Bear nut-tree (*Corylus iberica*), Tushetian dog-rose (*Rosa tuschetica*), and Tebulo’s buttercup (*Ranunculus tebulosus*). Typical Caucasus endemics include Radde’s birch (*Betula raddeana*), Caucasian fritillaries (*Fritillaria caucasica*), Yellow Caucasian fritillaries (*Fritillaria lutea*), Juliana primrose (*Primula juliae*), Caucasian rhododendron (*Rhododendron caucasicum*), and squill (*Scilla arborea*). Vertebrate fauna of TPA is represented by about 180 species, including 60 mammals, 120 birds, 4 reptiles, 6 amphibians and 1 fish, in addition to numerous insects and other invertebrates. Typical Caucasus endemics mammals include East Caucasian Tur (*Capra cylindricornis*), Radde's shrew (*Sorex raddei*), Caucasian Pygmy Shrew (*Sorex volnuchini*), Daubenton's Myotis (*Myotis daubentonii*), Caucasian Snow Vole (*Chionomys gud*), Robert's Snow Vole (*Chionomys roberti*), *Terricola majori* and Daghestan Pine Vole (*Microtus daghestanicus*), while endemic birds include Caucasian Snowcock (*Tetraogallus caucasicus*) and Caucasian Black Grouse (*Lyrurus mlokosiewiczi*).

TPA hosts 7 species of global conservation interest, including 2 mammals (Wild Goat *Capra aegagrus* VU; Leopard *Panthera pardus* ssp. *Saxicolor* EN); 1 bird (Egyptian vulture *Neophron percnopterus* EN), 1 insect (Apollo Butterfly *Parnassius apollo* VU), and 3 plant species (Grigorashvili's Salsify *Podospermum grigorashvili* EN; Komarov's Mandenovia *Mandenovia komarovii* VU; Shatilian Anise *Pimpinella schatiliensis* VU).

TPA is included in the List of Candidate Emerald Sites for Georgia (GE000008) and forms part of the Important Bird and Biodiversity Area “Tusheti” (GE023). TPA is also part of the Endemic Bird Area “Caucasus” (122), as well as included in the WHS “Mta Tusheti” (tentative list).

* Includes Tusheti State Nature Reserve, Tusheti National Park, Tusheti Protected Landscape.

Mtiral National Park

Mtiral National Park (MtNP) is located in western Georgia, in the Black Sea and Alpine Biogeographical Regions. MtNP covers 15,699 ha in the Adjara Autonomous Region, in the westernmost part of the Achara-Imereti range, on the Kobuleti-Chakvi ridge. Altitudes vary between 200 and 1,400 masl. The key feature of MtNP is its Colchic forest habitat, rich in endemic and relic species, conditioned by high humidity, frequent rain and fog. The predominantly deciduous forest includes species like Black alder (*Alnus glutinosa*), Hornbeam spp. (*Carpinus betulus* and *C. orientalis*), Oriental beech (*Fagus orientalis*), and Sweet chestnut (*Castanea sativa*). At higher elevations also Caucasian fir (*Abies nordmanniana*), Caucasian Spruce (*Picea orientalis*) and Scots pine (*Pinus sylvestris*) occur. The Colchic forest has a well-developed evergreen undergrowth including Pontic rhododendron (*Rhododendron ponticum*), Cherry laurel (*Laurocerasus officinalis*), Black Sea holly (*Ilex colchica*), Colchic box tree (*Buxus colchica*) and abundant lianas. Endemics include e.g. Colchian hazel (*Corylus colchica*), Colchis box-tree (*Buxus colchica*), Colchis bladdernut (*Staphylea colchica*), Epigea (*Epigaea gaultherioides*), Mayflower (*Epigaea gaultheroides*), Pontic oak (*Quercus pontica*), Primula (*Primula megasaefolia*), *Rhododendron ungerii* and Transcaucasian birch (*Betula medwedewii*). Overall the MtNP includes 284 plant species - 18 woody species, 21 bushes and 245 herbaceous species. Fauna in MtNP includes 95 species, including endemics like Caucasian Salamander (*Mertensiella caucasica*), Caucasian Parsley Frog (*Pelodytes causicus*), Brusa (Caucasus) Frog (*Rana macrocnemis*), Caucasian Toad (*Bufo verrucosissimus*).

MtNP hosts 9 species of global conservation interest, including 2 birds (Greater Spotted Eagle *Clanga clanga* VU; Saker Falcon *Falco cherrug* EN), 4 reptiles (Caucasian salamander *Mertensiella caucasica* VU; Caucasian Viper *Vipera kaznakovi* EN; Clark's Lizard *Darevskia clarkorum* EN; Large-headed water snake *Natrix megalcephala* VU), and 3 insects (Caucasian Festoon *Zerynthia caucasica* VU; Cerambyx Longicorn *Cerambyx cerdo* VU; Rosalia Longicorn *Rosalia alpina* VU).

MtNP is included in the List of Candidate Emerald Sites for Georgia (GE000016) and forms part of the Important Bird and Biodiversity Area “Batumi” (GE014). MtNP is also part of the Endemic Bird Area “Caucasus” (122), as well as included in the WHS “Colchis wetlands and forests” (tentative list).

Javakheti National Park *

Javakheti National Park (JNP) is located in southern central Georgia, in the Alpine Biogeographical Region. JNP covers 16,209 ha in the Samtshe-Javakheti region, located on the Javakheti upland plateau; altitudes varying between 1,500 and 3,300 masl. Key habitats of JNP are mountain steppe, alpine and subalpine grasslands. The steppe flora includes Fescue (*Festuca valesiaca*) and feather grass species (*Stipa* spp.); grasslands include many species of meadow grasses, legumes (*Vicia* spp., *Trifolium* spp.) and dwarf sedge (*Carex* spp.). The alpine zone is abundant with Caucasus rhododendron (*Rhododendron caucasicum*). Only fragments of natural subalpine forests occur, including Litvinov's birch (*Betula litwinowii*), European aspen (*Populus tremula*), Mountain ash (*Sorbus aucuparia*), Cotoneaster (*Cotoneaster integerrimus*), Dog rose (*Rosa spinosissima*) and Raspberry (*Rubus idaeus*). Another typical feature of JNP are freshwater and brackish lakes as well as wetlands. Overall, the flora of JNP includes 474 species (11% of Georgia's vascular flora), including 55 Caucasus endemics (e.g. Vavilov's milk vetch *Astragalus vavilovii*, Rock jasmine *Androsace raddeana* and Ruprecht's primula *Primula ruprechtii*) and 14 Georgia endemics (e.g. Javakhetian viper grass *Scorzonera dzavakhetica*; Javakhetian sword-lily *Gladiolus dzavakheticus*; Ketskhoveli salsify *Scorzonera Ketzkhoveli* and Kozlovskiy salsify *Scorzonera kozlovskiyi*). About 40 mammals have been registered, including common species like Red Fox (*Vulpes vulpes*), Grey Wolf (*Canis lupus*), Brown Bear (*Ursus arctos*), European Hare (*Lepus europaeus*), European Otter (*Lutra lutra*) and Marbled Polecat (*Vormela peregusna*). Six mammal species are Caucasus endemics: Nehring's Blind Mole Rate (*Nannospalax nehringii*), Brandt's Hamster (*Mesocricetus brandtii*), Dagestan Pine Vole (*Terricola daghestanicus*), Nazarov's Vole (*Terricola nasarovi*), Transcaucasian Water Shrew (*Neomys teres*), and Caucasian Shrew (*Sorex satunini*). In total, 260 birds (72% of Georgia's birds) have been observed, 76 of which are (seasonal) residents, the remaining occurring during migration. Breeding populations of cranes, herons, storks and pelicans occur, including Dalmatian Pelican (*Pelecanus crispus*) and Velvet Scoter (*Melanitta fusca*). Many more water- and shorebirds use the lakes, shores and wetlands of JNP, while also a broad variety of raptors reside in the area.

JNP hosts 9 species of global conservation interest, including 1 mammal (Marbled Polecat *Vormela peregusna* VU); 7 birds (Dalmatian Pelican *Pelecanus crispus* VU; Eastern Imperial Eagle *Aquila heliaca* VU; Egyptian vulture *Neophron*

percnopterus EN; Greater Spotted Eagle *Clanga clanga* VU; Marbled Teal *Marmaronetta angustirostris* VU; Velvet Scoter *Melanitta fusca* EN; White-headed Duck *Oxyura leucocephala* EN), and 1 plant species (Kozlovskiy Salsify *Scorzonera kozlovskiyi* CR).

JNP includes several Candidate Emerald Sites for Georgia (GE0000004, GE0000005 and GE0000017) and relates to several Important Bird and Biodiversity Areas: “Khanchali Lake” (GE009), Kartsakhi Lake (GE017), Bogdasheni Lake (G030) and Madatapha Lake (GE031). TPA is also part of the Endemic Bird Area “Caucasus” (122).

* Includes Javakheti National Park; Kartsakhi Managed Reserve; Sulda Managed Reserve; Khanchali Managed Reserve; Bogdasheni Managed Reserve; Madatapha Managed Reserve.

Kazbegi National Park *

Kazbegi National Park (KazNP) is located in northern central Georgia, in the Alpine Biogeographical Regions. KazNP covers an area of 9,030 ha in the Mtskheta-Mtianeti region, on the northern slopes of Main Caucasus range, in the basin of the Tergi River. Topography of KazNP is complex, mountainous and very rugged; altitudes vary between 1,500 and 4,000 masl. The main habitats include high mountain ecosystems – ice, bare rock, alpine and subalpine grasslands, and coniferous forests. The flora of KazNP distinguishes about 1,350 species (30% of Georgia’s vascular flora), 350 of which are endemic to the Caucasus (e.g. *Delphinium flexuosum*, *Campanula hypopolia*, *Fritillaria latifolia*, *Primula darialica*, *Sobolewska caucasica*) or Georgia (e.g. *Arabis kazbekensis*, *Galanthus platyphillus*, *Heracleumos sethicum*, *Lilium georgicum*, *Muscari pallens*, *Heracleum roseum*). Forests on steep slopes include about 100 woody species, although a few species dominate: Litvinov's birch (*Betula litwinowii*), Caucasian pine (*Pinus kochiana*), junipers (*Juniperus* - 3 species), and Sea-buckthorn (*Hippophae rhamnoides*), while Caucasian rhododendron (*Rhododendron caucasicum*), Oriental beech (*Fagus orientalis*) and high-mountain oak (*Quercus macranthera*) also are widespread. The KazNP flora also is rich in herbs, many of which are important as resources for the communities. Prominent fauna of the region includes Caucasian Tur (*Capra cylindricornis*), Chamois (*Rubicapra rubicapra*), Brown Bear (*Ursus arctos*) and Grey Wolf (*Canis lupus*). Endemic mammals include Caucasian Shrew (*Sorex satunini*), Caucasian Pygmy Shrew (*Sorex volnuchini*), Lesser Shrew (*Crocidura suaveolens*), Kazbeg Birch Mouse (*Sicista kazbegica*) and Dagestan Pine Vole (*Terricola daghestanicus*). The avifauna is richly represented, including breeding populations of birds of prey like Golden Eagle (*Aquila chrysaetos*), Bearded Vulture (*Gypaetus barbatus*) and Griffon Vulture (*Gyps fulvus*). Endemic birds occurring in KazNP are, among others, Caucasian Grouse (*Lyrurus mlokosiewiczzi*), Caucasian Snowcock (*Tetraogallus caucasicus*), Ring Ouzel (*Turdus torquatus*), Red-billed Chough (*Pyrrhocorax pyrrhocorax*), and Yellow-billed Chough (*Pyrrhocorax graculus*).

KazNP hosts 4 species of global conservation interest, including 1 mammal (Kazbeg Birch Mouse *Sicista kazbegica* EN); 1 bird (Egyptian vulture *Neophron percnopterus* EN), 1 insect (Apollo Butterfly *Parnassius apollo* VU), and 1 plant (Kazbegian rock-cress *Arabis kazbegi* VU).

KazNP is included in the List of Candidate Emerald Sites for Georgia (GE0000009) and is part of the Important Bird and Biodiversity Areas: “Kazbegi” (GE021). KazNP is also part of the Endemic Bird Area “Caucasus” (122).

* Includes Kazbegi National Park, Sakhizari Cliff Natural Monument, Abano Mineral Lake Natural Monument, Travertine of Truso Natural Monument, Jvary Pass Travertine Natural Monument, Keterisi Mineral Voocluse Natural Monument.

Algeti National Park *

Algeti National Park (ANP) is located in central Georgia, in the Alpine Biogeographical Region. ANP covers an area of 7,966 ha in the upper Algeti river basin, on the wooded southern slopes of the eastern Trialeti range west of Tbilisi. Altitudes vary between 500 and 2,000 masl. The relief is rugged with cliffs and river gorges. The main habitat type is forests, largely broadleaved deciduous as well as native coniferous woodland, composed mainly of spruce (*Picea* spp.), fir (*Abies* spp.), oak (*Quercus* spp.), hornbeam (*Carpinus* spp.), ash (*Fraxinus* spp.) and birch (*Betula* spp.) species. Other habitat types include alpine, subalpine and boreal grassland, wetlands – rivers and streams, and inland cliffs. With over 1,600 species (37% of Georgia’s vascular flora), the floristic composition is especially rich, including representatives of Colchic, Hyrcanian, Iberian, Iranian-Caucasian and Asian floristic provinces. Vertebrate and invertebrate fauna of the ANP is also very rich, including many large and small mammals, birds, reptiles and amphibians, as well as worms and insects. A total of 27 endemic mammals occur, including several mole and mouse species.

ANP hosts 6 species of global conservation interest: 2 birds (Egyptian Vulture *Neophron percnopterus* EN; Eastern Imperial Eagle *Aquila heliaca* VU), 3 insects (Cerambyx Longicorn *Cerambyx cerdo* VU; Rosalia longicorn *Rosalia alpina* VU; Waved pincertail *Onychogomphus flexuosus* VU), and 1 fish (Bulatmai barbel *Luciobarbus capito* VU).

ANP is included in the List of Candidate Emerald Sites for Georgia (GE0000013) and forms part of the Important Bird and Biodiversity Area “Algeti” (GE010). ANP is also part of the Endemic Bird Area “Caucasus” (122).

* Includes Algeti National Park, Dashbashi Canyon Natural Monument, Samshvilde Canyon Natural Monument.

Kintrishi Protected Area *

Kintrishi PA (KinPA) is located in western Georgia, in the Black Sea and Alpine Biogeographical Regions. It covers an area of 13,893 ha on the western and north-western slopes of the Meskheta range, north of the densely-wooded gorge of the River Kintrishi. Altitudes vary between 450 and 2,600 masl. Habitats predominantly consist of forests - broadleaved deciduous woodland, broadleaved evergreen woodland, and native coniferous woodland. The main tree species are *Fagus*, *Castanea*, intermixed with *Carpinus*, *Alnus*, *Abies*, *Picea*. In the undergrowth evergreen shrubs are represented by *Laurus* and *Rhododendron*. Other habitats include grasslands (alpine, subalpine and boreal), wetlands (streams, rivers and standing freshwater - subalpine lakes), and inland cliffs.

KinPA hosts 8 species of global conservation interest, including 1 bird (Saker Falcon *Falco cherrug* EN), 2 reptiles (Caucasian Viper *Vipera kaznakovi* EN; Clarks' Lizard *Darevskia clarkorum* EN), 1 amphibian (Caucasian salamander *Mertensiella caucasica* VU) and 4 species of insects (Apollo Butterfly *Parnassius apollo* VU; Caucasian Festoon *Zerynthia caucasica* VU; Cerambyx Longicorn *Cerambyx cerdo* VU; Rosalia longicorn *Rosalia alpina* VU).

KinPA is included in the List of Candidate Emerald Sites for Georgia (GE0000014) and is part of the Important Bird and Biodiversity Area “Kintrishi” (GE005), the Endemic Bird Area “Caucasus” (122), and the WHS “Colchis wetlands and forests” (tentative list).

* Includes Kintrishi State Nature Reserve; Kintrishi Protected Landscape.

Machakhela National Park

Machakhela National Park (MachNP) is located in western Georgia, in the Black Sea and Alpine Biogeographical Regions. It covers 8,733 ha in the lower Machakhela river basin in the Adjara region, on the northwestern slopes of the Lesser Caucasus Mountains. Altitudes vary between 40 and 2,200 masl. Habitats mainly consist of Colchic-type mixed forests on steep to very steep slopes, with dominant species including Black alder (*Alnus glutinosa*), Hornbeam spp. (*Carpinus betulus* and *C. orientalis*), Oriental beech (*Fagus orientalis*), Sweet chestnut (*Castanea sativa*), European elm (*Ulmus minor*) and Maple (*Acer campestre*), as well as evergreen Caucasian fir (*Abies nordmanniana*), Caucasian spruce (*Picea orientalis*) and Scots pine (*Pinus sylvestris*). Undergrowth consists of evergreen species of Pontic rhododendron (*Rhododendron ponticum*). The flora also includes a unique variety of about 40 local and regionally relict and endemics, e.g. *Iris lazica*, *Hedera colchica*, *Ficaria popovii*, *Ranunculus ampelophyllus* var. *adzharia*, as well as Ground laurel (*Epigaea gaultherioides*), two species of Rhododendron (*Rhododendron ungerianum*, *R. smirnowii*) and other shrubs and trees (e.g. *Quercus dshorochensis*, *Ficus colchica*, *Buxus colchica*). A large variety of vertebrates is registered; birds include about 40 nesting, 30 wintering, 50 migratory and 30 occasionally migrating species, while rivers and streams in the MachNP provide habitat to 43 fishes, including 4 critically endangered sturgeon species, but insufficient data are available to assess their actual presence. As for its flora, MachNP also has a high endemism among fish, amphibians, lizards, snails and beetles.

MachNP hosts 10 species of global conservation interest, including 3 birds (Eastern Imperial Eagle *Aquila heliaca* VU; Saker Falcon *Falco cherrug* EN; Velvet Scoter *Melanitta fusca* EN), 2 reptiles (Caucasian Viper *Vipera kaznakovi* EN; Clarks' Lizard *Darevskia clarkorum* EN), 1 amphibian (Caucasian salamander *Mertensiella caucasica* VU), and 4 fish (Beluga *Huso huso* CR; Persian Sturgeon *Acipenser persicus* CR; Stellate Sturgeon *Acipenser stellatus* CR; Atlantic Sturgeon *Acipenser sturio* CR).

MachNP is part of the Endemic Bird Area “Caucasus” (122) and WHS “Colchis wetlands and forests” (tentative list).

Pshav-Khevsureti Protected Area *

Pshav-Khevsureti Protected Area (PKhPA) is located in north-eastern central Georgia, in the Alpine Biogeographical Region. PKhPA covers 79,904 ha in the Mtskheta-Mtianeti region, on the northern and southern slopes of Main Caucasus range. Altitudes vary between 1,000 and 4,000 masl, with a complex topography. Landscapes are dominated by glacial-nival bare mountains, alpine and sub-alpine grasslands. Some mountain forests occur: alders (*Alnus* spp.), Oriental beech (*Fagus orientalis*), hornbeam (*Carpinus* spp.) and oak (*Quercus* spp.). The flora of PKhPA includes about 600 vascular species (13% of Georgia's vascular flora), 35% of which are Caucasian endemics, including Caucasian birch (*Betula*

raddeana), Litvinov's birch (*Betula litwinowii*), Snow rose (*Rhododendron caucasicum*), Shatilian anise (*Pimpinella schatilensis*), Khevsurian onion (*Allium chevsuricum*) and others. PKhPA is characterized by a diversity in mammals, among which the ungulates are noteworthy, including Eastern Caucasian Tur (*Capra cylindricornis*), Bezoar goat (*Capra aegagrus*) and Chamois (*Rupicapra rupicapra caucasica*). Other mammals include Brown Bear (*Ursus artos*), Wild Boar (*Sus scrofa*), Grey Wolf (*Canis lupus*), European Lynx (*Lynx lynx*) and endemic small mammals – Caucasian Snow Vole (*Chionomys gud*) and the Caucasian Pygmy Shrew (*Sorex volnuchini*). About 80 bird species are registered, as well as several species of reptiles and butterflies, with each group including endemics.

PKhPA hosts 14 species of global conservation interest, including 3 mammal (Kazbeg Birch Mouse *Sicista kazbegica* EN; Leopard *Panthera pardus ssp. Saxicolor* EN; Wild Goat/Bezoar *Capra aegagrus* VU); 3 birds (Eastern Imperial Eagle *Aquila heliaca* VU; Egyptian vulture *Neophron percnopterus* EN; Greater Spotted Eagle *Clanga clanga* VU), 2 reptiles (Caucasus Subalpine Viper *Vipera dinniki* VU; Caucasian Viper *Vipera kaznakovi* EN), 1 insect (Apollo Butterfly *Parnassius Apollo* VU), 1 fish (Bulatmai barbell *Luciobarbus capito* VU), and 4 plants (Grigorashvili's salsify *Podospermum grigoraschvilii* EN; Komarov's mandenovia *Mandenovia komarovii* VU; Ochiauri's goat's beard *Tragopogon otschiaurii* CR; Shatilian anise *Pimpinella schatilensis* VU).

PKhPA is included in the List of Candidate Emerald Sites for Georgia (GE0000002) and is part of the Important Bird and Biodiversity Areas: "Khevsureti" (GE022). PKhPA is also part of the Endemic Bird Area "Caucasus" (122).

* Includes Pshav-Khevsureti National Park; Roshka Natural Monument; Asa/Arkhoti Managed Nature Reserve.

Annex N: Approach towards strengthening domestic revenue streams for target PAs in Georgia

Georgia's network of protected areas (PAs) includes some of the country's most outstanding natural landscapes, providing important beneficial ecosystem services to the community in support of economic development and livelihoods. While the main function of PAs is to ensure the effective protection of Georgia's natural heritage and the ecosystem services the PA landscape and biodiversity provide, one increasingly recognized function is the PAs' contribution to tourism development. At the same time, despite their importance, and the significant efforts made over the past decades to protect PAs and conserve their valuable biophysical resources, many challenges remain to managing PAs effectively, one particular of which is the limited amount of financial resources available.

Total financial resources available for PAs

At present, the funding base of PAs is rather narrow, with financing coming largely from two sources only: state sources as well as donor-provided grants. During 2017, funding allocations to the PA system in Georgia amounted to US\$ 9.28 million, of which US\$2.43 million was allocated from the state budget and US\$4.91 million provided by a variety of donor organizations. In addition, site-based revenues across all PAs from tourism-related activities – entry fees, equipment rent, overnight stays in guesthouses, fishing licenses, etc. - offered by PAs amounted to US\$1.95 million, including collected direct revenues from concessions, lease agreements for the use of natural resources and compensation payments for infrastructure developments.

While over the years budgets for PAs are steadily increasing (table 1), from state budget resources, externally funded projects and programs as well as from tourism- and other services offered by the PAs, the available funds remain insufficient. The 2017 assessment of annual financial needs (Annex B of the current Project Document) for the PA system confirms an estimated US\$11.08 million needed for basic management, increasing to US\$16.62 million for optimal management, for human resources, operations and capital investment. Currently, more than half of the allocations from the state budget are spent on covering salaries and recurrent operational needs, the remaining spent on infrastructure investments. The available financing to PAs in Georgia is summarized in table 1, indicating the continuously remaining gap.

Table 1 also shows that the direct earnings by individual PAs from tourism-related and other services delivery is relatively low compared to the total income from state budget and donor sources, in 2017 equal to 21% of the total financing available to the PA system which further depends on state budget income (26%) and donor-provided support (53%). While the Georgian legislation permits self-generated revenues to be earned by PAs from different sources, currently there is no system in place that would allow revenues and income generated by individual PAs to be retained and directly reinvested in biodiversity conservation or PA management; all earnings must be remitted to the state treasury.

At the same time, recognizing the needs to increase financing of the PA system, during the past decade several initiatives were started to collect direct revenues from services provided by individual PAs and the system at large. The various types of services piloted and introduced to generate direct income for PAs include (i) tourism-related services; (ii) concessions; (iii) license fees for pasture use; and (iv) compensation payments for infrastructure development and use of natural resources.

Income from tourism services in PAs

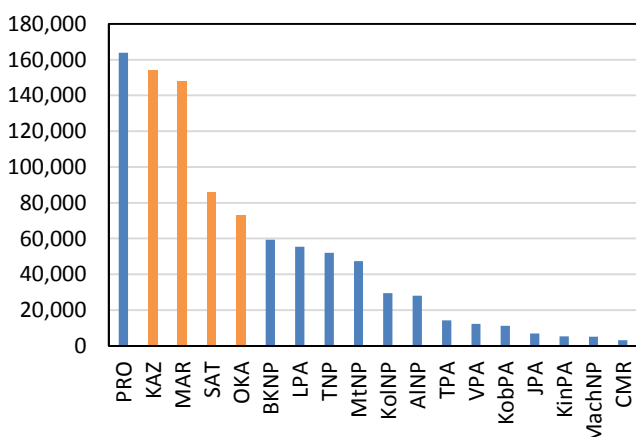
Income generated from tourism to a large extent is being realized from tourism-based products offered in smaller PAs with distinctive, easily recognizable and photogenic landscape and/or natural-historic values (e.g. Prometheus Cave, Okatse Canyon; Martvili Canyon). Other PAs, typically larger PAs, on more remote locations, or lacking modern tourism infrastructure and attractions, are located on less grand localities from a tourism perspective, or are less promoted, to date receive far lower numbers of visitors (figure 1).

In 2017, direct income from tourism services provided in PAs was 4,504,472 Gel (US\$ 861,352), an increase of 94% compared to 2016. Revenues were largely collected in 4 PAs: Prometheus Cave Natural Monument - GEL 1,881,064 (US\$779,778), followed by Martvili Canyon Natural Monument – GEL 1,274,463 (US\$526,637), Sataplia Natural Monument – GEL 499,019 (US\$206,206) and Okatse Canyon Natural Monument – GEL 538,506 (US\$222,523), with only GEL 305,420 (US\$126,206) collected in the remaining PAs (APA, 2018).

Table 1 Development of financial support to PAs in Georgia (US\$)

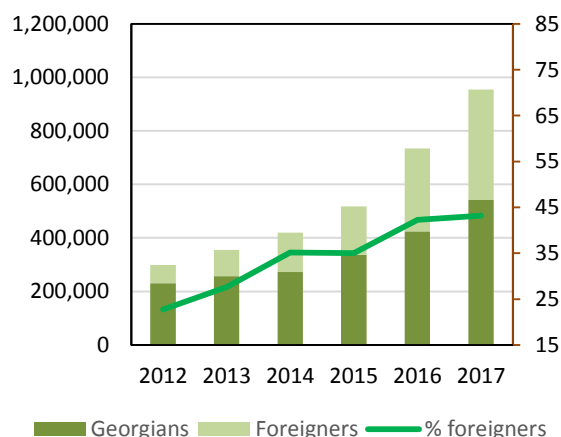
Source	Recipient	2008 ⁴⁴	2013	2014	2015	2016	2017
State budget ⁴⁵	Subtotal	2,596,000	2,329,908	2,406,845	2,552,274	2,718,467	2,429,183
	Central APA	140,000				1,069,434	2,409,712
Donor support	Indiv. PAs	131,000				2,380,353	2,494,291
	Subtotal	271,000	2,111,818	4,264,873	3,400,952	3,449,787	4,904,003
Direct revenues from tourism services ⁴⁶	4 topic PAs					866,853	
	Other PAs					103,657	
	Subtotal⁴⁷	50,000	637,339	765,843	703,148	970,510	1,697,620
Revenues from other services ⁴⁸	Subtotal	0	12,572			189,776	253,245
Total (US\$)	Total	2,917,000	5,091,637	7,437,561	6,656,374	7,328,540	9,284,051
Per hectare(US\$)		5.85				13.82 ⁴⁹	17,54 ⁵⁰
Management need: basic	Total	4,300,000	7,634,699			10,163,836	11,078,471
optimal		8,500,000	11,452,049			15,245,755	16,617,706
Management gap: basic	Total	1,383,000	2,543,062			2,835,296	1,794,420
optimal		5,583,000	6,360,412			7,917,215	7,333,655

Figure 1 Number of visitors to Protected Areas in Georgia in 2017



Source: APA (2018); orange highlighted – 4 PAs providing for 93% of tourism-related income.

Figure 2 Visitor statistics to PAs in Georgia between 2012-2017



Note: Secondary Y-axis indicates the percentage of foreign visitors to domestic visitors; Source: APA (2018).

⁴⁴ State budget financing and donor support for 2013-2016 obtained from UNDP (2017); data for 2017 provided by APA (annex 2 of Project Document).

⁴⁵ State budget financing and donor support for 2013-2017 obtained from UNDP (2017).

⁴⁶ Tourism services include entrance fees and fees for other tourism and recreation based services, including camping, fishing permits, equipment rent, etc.

⁴⁷ GTNA (2017) or Financial Scorecard calculations for past years (2013);

⁴⁸ Other direct services for generating site-level income include concessions, lease agreements and compensation payments for infrastructure developments.

⁴⁹ For 530,415 ha of the PA network in 2016, excluding PAs in currently occupied territories

⁵⁰ For 529,015 ha of the PA network in 2017, excluding PAs in currently occupied territories (Annex M of the Project Document)

In recent years the numbers of visitors to PAs increased rapidly (GNTA, 2017; APA, 2018). In 2017, a total of 954,692 visitors were registered in 18 PAs in Georgia (Figure 1), +29.9% compared to 2016, of which 412,529 (43%) foreign visitors, and 52.7% female. Especially the number of foreign visitors showed a steep increase in recent years (Figure 2). Most visitors were registered in Prometheus Cave and Kazbegi NP, both national and foreign visitors. The relative numbers of domestic-foreign visitors varied largely between individual PAs, from 40%-60% in Martvili Canyon and Tusheti PAs to 95%-5% in Kolkheti NP and Algeti NP (GNTA, 2017). Total income from tourism-related services in 2017 amounted to GEL 4,504,472 (US\$1,861,352)

While growth in, and related income from, tourism in PAs is significant, it is insignificant compared to revenues from international and domestic tourism, US\$ 2.17 billion and GEL 1.6 billion, respectively (GNTA, 2017), as is the total number of visitors in 2016 to PAs (954,692) compared to the total number of visitors to Georgia, 7.56 million in 2017. At the same time, the number of visitors to Georgia annually is increasing, on average 10% since 2012. Accordingly, there is a potential to increase the number of visitors to PAs and generate income, if adequate facilities, programs and activities are provided to ensure easy access, attractiveness etc., and targeted promotion campaigns are designed and realized.

Income from tourism in PAs is collected from various services provided: entry fees, overnight stays (bungalows, guesthouses, shelters, camping sites), equipment rent (tents, sleeping bags, backpacks, snow-shoes etc.), guide fees, site-based attractions (e.g. zip lines, caves, boat trips, picnic sites, dinosaur footprints, shops and restaurants). Some services are operated by PA staff, while others like shops, restaurants, guest houses are operated by third parties under concession agreements. Currently, 15 PAs in Georgia collect fees from tourism services offered⁵¹, but services are not identical. Also, while some prices are standardized among PAs, e.g. for tent, sleeping bag, camping mat, backpack, binoculars, bicycle, and camping site, prices for other services vary, e.g. for conference rooms and overnight stays.

To date, only 4 PAs charge entry fees (Box 1). Reluctance to expand entrance fees to other PAs is embedded in the opposition of state authorities, local citizens and tourism operators, considering that (i) entry fees are difficult to administer, differentiated price categories need to be applied - i.e. local citizens, local and foreign visitors; (ii) they are difficult to collect, due to multiple entry points, many not manned; (iii) visitors are unwilling to pay, citing the established tradition of free entrance; (iv) visitor numbers will decrease; (v) services offered are insufficiently attractive and of low quality to warrant entry fee charges; and (vi) absence of electronic or online payment system (Malver, 2011). In PAs with entry fees charged since 2011 (Sataplia Cave) and 2012 (Prometheus Cave), practice shows that (i) visitor numbers remain among the highest in Georgia's PAs and (ii) visitor numbers have only increased since the start of entry fee charges (HIDRIA Ciencia, 2015).

With entry fees increasingly becoming more accepted as potentially suitable instrument to generate additional income appropriate for direct application by target PAs, it is recognized that other tourism services - rooms, catering, guide services, etc. – remain suboptimal, both paid and unpaid services. In many PAs, staff and rangers are insufficiently trained to provide hospitality services to visitors' satisfaction. As a result, in recognition of these deficits, there is a reluctance among visitors and PA administrators alike to respectively pay or charge for tourism services, including entry fees. Also, engaging rangers in tourism-related services reduces time available for conducting core field duties.

Income from other site-based activities in PAs

Income generation from concessions in tourism services and lease agreements in natural resources use are being promoted as a suitable instrument in support of PA financing in Georgia. As with tourism management activities and services, including the collection of entry fees, also concessions and lease agreements can be initiated within existing legal regulations and the PA Management Plans.

However, there are only few successful examples. In 2017, only 4 PAs in Georgia - BKNP, Tusheti PAs, Lagodekhi PAs, and Martvili Canyon - have signed concessions with private sector entities. For 2017, APA reported income from concessions to amount \$ 163,733, only 8% of the total site-based revenue income generated across the PA system. Of this, the largest part was provided from the new boating services in Martvili Canyon, US\$ 139,659 (85%), the remaining US\$ 24,074 (15%) collected from concessions with hotels in the other 3 PAs. The recent experiences of

⁵¹ As presented on the APA webpages, retrieved 5 April 2018

Martvili Canyon confirm the accepted opinion that concessions are interesting for the private sector if the visitor number is very high and according turnover is big, as every year again also demonstrated by the income-generating success-stories in Sataplia Natural Monument and Prometheus Cave Natural Monument, as well as by archeological hotspots like Uplistsikhe Cave Town, nominated as World Heritage Site, and the Vardzia Cave Monastery.

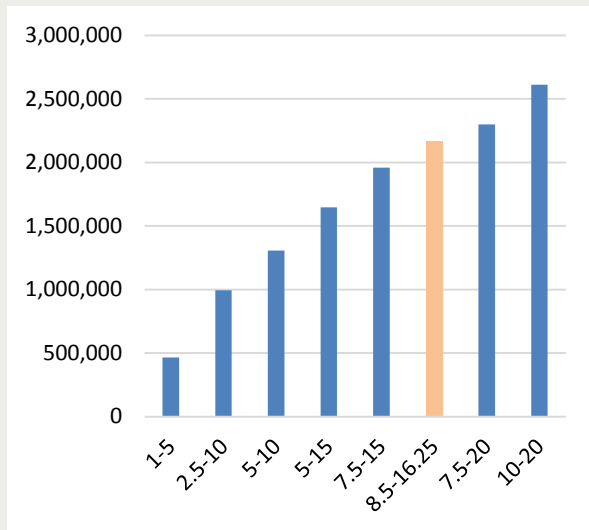
In Tourism Development Strategies commissioned by CNF in recent years, notable for Vashlovani PAs, BKNP and Javakheti PAs, recommendations were formulated to strengthen outsourcing of economically viable services from the PA authority to the private sector, for guest house operations, catering at visitor centres or tourism hotspots, sales of fuel wood and timber, licenses for NTFPs, etc. However, to benefit from concession opportunities, PA authorities (i) need to strengthen capacity for managing concession relationships with the private sector; (ii) strengthen business planning, specifically costs-benefit analysis to allow founded pricing and/or investment arrangements for the outsources services to private sector contractors; and (iii) improve facilities and enabling conditions in support of business operations for concession holders, including roads, signage, information support, promotional campaigns, etc.

BOX 1 - OPPORTUNITY INCOME FOR PROTECTED AREAS IN GEORGIA

In 2017, only 4 PAs in Georgia charge entry fees: Martvili Canyon, Okatse Canyon, Sataplia Cave and Prometheus Cave, together receiving 470,187 visitors. Visitors in other PAs only pay for using direct services offered, e.g. for equipment rent, horses, overnight stays, use of conference facilities etc.

Based on the 2017 number of visitors registered in 14 PAs without entry fees (table B1; APA, 2017), the opportunity income was quantified. Potential income from entry fees generated was based on assumptions made for a variety of paired entry fees combinations, using differentiated prices for Georgian nationals and foreigners, without considerations for possible discounts, e.g. for students, school children, etc. One specific paired entry fee combination uses the average entry fees currently charged in the 4 PAs with established entry fees, being GEL 8.5 (US\$ 3.5) for Georgians and GEL 16.5 (US\$ 6.7) for foreigners. Figure B1 shows the estimated additional income from entry fee charges in 14 PAs. Adopting current practiced entry fees can generate US\$2,168,082 extra income for the PAs.

Figure B1 Entry fee opportunity income (US\$) in 14 PAs without entry fees



Note: Pair combinations represent entry fee charge (in GEL) respectively per Georgian visitor and foreign visitor.

Table B1 Number of visitors registered in 14 PAs in 2017, differentiated.

PAs – no entry fees	% Georgians	Total visitors	Georgian visitors	Foreign visitors
KAZ	54	154,085	83,678	70,407
BKNP	64	59,458	38,288	21,170
LAG	77	55,519	43,005	12,514
TBS	85	52,015	44,027	7,988
MTI	33	47,460	15,881	31,579
KOL	90	29,523	26,655	2868
ALG	97	28,020	27,170	850
TUS	37	14,306	5,335	8,971
VASH	73	12,250	8,995	3,255
Other	69	31,869	21,915	9,954
Total		484,505	314,949	169,556

<http://apa.gov.ge/en/statistika/vizitorta-statistika/wlis-vizitorta-statistika-daculi-teritoriebis-mixedvit>

BOX 2 - OPPORTUNITY AND RISK OF BUNGALOW CONCESSION IN VASHLOVANI PAS

In 2016, the tourism development strategy Vashlovani PAs (CNF, 2016) assessed the costs-benefits for a possible concession on the bungalows at the Mijnskure fishing site in Vashlovani PAs. It showed that the 6 Mijnskure bungalows would need to have a full occupation rate for two nights during all weekends of the year to gain a turnover of GEL 24,000 (US\$ 10,067). With staff and transportation costs assessed at approximately GEL 12,000-15,000 per year (US\$ 5,034-6,292), and an assumed annual concession fee of GEL 5,000 per year (US\$ 2,100), profit would amount to GEL 4,000-7,000 (US\$ 1,678-2,936) per year. The concession would however include a considerable risk of filling all bungalows for 100 nights per year. With the present turnover of GEL 9,600 (US\$ 4,027) such concession is not viable.

In many PAs in Georgia, a traditional use zone is allocated for the local community to engage in the sustainable use of natural resources, including cattle and sheep grazing on alpine meadows, and the collection of fuel wood, wild plants, mushrooms in forests, etc. Typically, there is no practice of allocation user rights and payments through signing concessions or lease agreements with the farmers, households, rural citizens or the private sector, for the use of allocated natural resources, so no income for the PAs. Only recently, an experiment with issuing pasture lease arrangements was initiated in Javakheti PAs, which in 2017 contributed \$ 23,091 to the PA budget, as such positively demonstrating the income-generating opportunities of such approach.

In recent years, also increasing practical experience is gained with PA income support through compensation payments from development. In 2017, the BKNP received US\$ 66,421 in compensation payments, including €30,000 from the private sector company Energotrans as compensation for right-of-way high voltage lines crossing the PA, the remaining being payments for the use of forest resources.

Sector project initiatives with anticipated significant impact to the environment, including biodiversity, are obliged to conduct an EIA and pay for obtaining an Environmental Impact Permit (EIP). A preliminary assessment of the hydropower sector development in Georgia estimates the amount stipulated under EIPs issued to existing HPPs and HPPs under construction as exceeding US\$ 50 million, although 30-50% of agreed payments for mitigation and offsets remain unpaid (UNDP, 2017). An in-depth feasibility study of introducing sector-related PES schemes (e.g. hydropower, water supply, tourism, municipal DRR) in return for improved management of the water catchment, including in target PAs, has not yet been conducted.

Project strategic approach for strengthening domestic revenue streams in target PAs

The baseline analysis above shows that the PA system in Georgia to date still has significant gaps in financial resources available to ensure even the basic management in individual PAs, while the currently available resources to a significant extent continue to depend on donor contributions. Income from direct revenues provide only 10% of the financing needed, mainly generated from tourism related services in a limited number of, small, PAs.

At the same time, the indicative quantitative assessment of opportunity income from expanding the entry fee approach throughout the PA system shows the significant potential to increase financial resources for the PA system through domestic revenue streams, independent from international donor contributions. Also, recently piloted opportunities to generate income from lease agreements in natural resources use (pasture lease) and compensation payments hint at their suitability for upscales across the PA system

Accordingly, the strategic focus of the proposed project is to conduct an in-depth analysis of existing and potentially suitable financing instruments that are the most appropriate to improve the domestic revenue stream for, and financial sustainability of, individual target PAs. Based on prioritized recommendations on the most appropriate suitable financial resource generating initiatives, pilot studies will be designed and implemented in selected target PAs in Georgia. A cautious approach will be applied to ensure that for each target

PA the most appropriate income-generating options will be piloted, based on local environmental and social conditions, while ensuring harmonization of comparable initiatives across PAs.

Specifically, the project will conduct the following activities towards:

- (i) **Ecosystem Services Valuation (ESV):** The project will conduct a comprehensive ESV study to highlight the economic values of the target PA network, its biodiversity and ecosystems, in providing direct and indirect services beneficial to society in Georgia and globally. The results will be presented as a policy brief and information materials aiming to strengthen understanding and awareness for a broad audience of stakeholders. The work will build and expand upon already available studies that assessed the values PAs, notably for BKNP, MtNP and Tusheti PAs (ECFDC, 2012; WWF, 2012; UNDP/GEF, 2010; TEEB 2013 & 2016) and others.
- (ii) **Financing Gap Analysis:** The project will conduct detailed estimations for the financing costs related to assure basic and optimal management being implemented in at least 6 target PAs. For this, the project shall design and implement a detailed financial analysis of current financing in target PAs. Anticipated costs for target PA management for the period 2020-2025 will be assessed based on target PA management plans and as appropriate detailed operational plans. Based on the results of individual target PA studies, the project will formulate a comprehensive PA Finance Strategy to 2030.
- (iii) **Opportunity Analysis:** Expanding initial understanding, the project will conduct a comprehensive analysis of suitable - already piloted and/or innovative – finance revenue generating instruments appropriate to strengthen domestic revenue streams for target PAs. Subsequent to broad national and PA site-based stakeholder consultations, for prioritized finance instruments the project will elaborate in detail the legal, institutional and political barriers and opportunities, conduct a cost-benefit analysis, taking investment, maintenance and recurrent costs into account, and assess potential financial gains. The analysis will explore a range of innovative and creative alternative funding mechanisms which could be consistent with a positive evolving relationship between tourism and protected areas Preliminary identified potential finance instruments envisioned for inclusion in the Opportunity Analysis include (i) entry fees expanded to the all target PAs; (ii) Sector-related PES schemes (e.g. hydropower, water supply, tourism, municipal DRR); (iii) Tourism voluntary contribution payment schemes; (iv) branding and certification programmes for locally produced products; (v) others.
- (iv) **Sustainable Tourism Development and Financing Strategy (STDFS).** Building upon CNF’s established experiences in development of and investment in Tourism Development Strategies (TDS), the project will design comprehensive STDFSs for at least 6 target PAs currently without TDS. STDFSs specifically will advise on and plan for “jumpstarting investments” in step-wise strengthening of target PA tourism facilities and services to such appropriate level that warrants the introduction of entry fees in the eyes of visitors. STDFSs will include detailed plans for investment in acceptable campsites, trails and signage, etc., as well as justified and appropriate pricing levels, for entry fees as well as charges for services, including clear financial cost-benefit analysis and financing plan for investment and recurrent costs. STDFSs will also analyze opportunities and approaches to engage households and communities, as well as the private sector. Specific attention will be paid to elaborate approaches for soliciting bids for concessions for accommodation, cafeteria, services and retail outlets at the target PA headquarters or touristic highlights.
- (v) **Target PA income retention system.** The project will analyze the opportunities for a target PA-based Financial Investment Fund (FIF) mechanism designed and legally adopted to collect any payments for services provided by individual target PAs, including tourism services, entry fees, concession fees, etc., to be recirculated into targeted investments in support of strengthening tourism related services, improved PA management effectiveness and conservation impact on biodiversity and ecosystem services. Financial means accumulated in a FIF will be managed and disbursed in line with agreed conservation objectives, including in areas accessible to tourists as well as in permanent no-go areas within the PA. The operational management of a FIF, including decision making on chargeable services, fee amounts, fee collection and subsequent investment mechanisms would be assigned to a RFR Management Board that includes representatives of the target PA authorities, local government and community representatives, as well as APA.

- (vi) **Services payment system.** Building on both traditional and state-of-the-art digital technology, the project will elaborate a simple and manageable fee collection system, diversified for the variety of target PAs and tourism services provided, taking geographic spread of target PAs and tourists into account. For optimal functioning, effective finance collection and comfort to visitors, the payment system will offer a diversified and integrated payment approach, offering paper and electronic sales services through (i) established of PA ranger stations and visitor centers; (ii) tourism information centers across the country; (iii) electronic fee collection systems and machines, as well as existing digital platforms.

The project will contribute to strengthening stakeholder knowledge and understanding on of the benefits provided by target PAs to society, the monetized needs of target PAs to ensure at least basic management operations, as well as for optimal management in support of efficient, effective and impactful conservation of biodiversity and ecosystems in PAs. The assessment will build the foundation for the comprehensive justification to the Government of Georgia for budgeting and allocating increased funding to the country's PA estate to 2030, taking increased domestic revenues into account.

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Annex O: Monitoring Plan

Data for most indicators will be sought from existing and credible national sources. Frequency will be annual as in PIR.

Monitoring	Indicators	Data source/Collection Methods	Responsible party	Means of verification	Assumptions and Risks
	Mandatory Indicator 1 (<i>Output 1.4.1 of UNDP SP</i>): Natural resources that are managed under a sustainable use, conservation, access and benefit-sharing regime: a) Area of existing protected area under improved management (hectares)	APA records; municipality records; governmental decrees;	CNF and APA	Cadastral records; TE; annual technical monitoring report; annual report; Parliamentary meeting minutes.	It is assumed that the political and environmental situation remains stable in the country and that the Georgian government continues to increase funding for target PAs therefore meeting global commitments. A risk is that revenue generation schemes fail and that the government de-prioritizes conservation and funding for PAs, and focuses on economic development at the expense of conservation.
Project Objective indicators	Indicator 2: # direct project beneficiaries.	Training records; annual performance reviews	CNF and APA	Training feedback forms and participation lists; staff development plans; APA records	It is assumed that the political and environmental situation remains stable in the country and that the Georgian government continues to increase funding for target PAs therefore meeting global commitments. A risk is that revenue generation schemes fail and that the government de-prioritizes conservation and funding for PAs. For the project to succeed, it is assumed that increased revenue allows APA to hire and retain qualified staff. The risk to this is that governmental instability could result in a decrease in funding for PAs and a return to low salaries would lead to high staff turnover.
	Indicator 3: Increased PA system financing as measured by the Financial Sustainability Scorecard	Annual, transparent review of PAs conducted by objective professionals and reviewed by Project Board. Terminal Evaluation	CNF and APA	Annual FSS	
Outcome 1 indicators	Indicator 4: Increase in long-term annual funding to target 12 PAs	Government and CNF budgets; financial statements.	Project Staff and APA	PIRs/Annual reports	The following assumptions need to be maintained otherwise there is a risk to the long-term financial sustainability of Georgia's PA system. It is assumed that the government commits to an annual increase in funding to PAs and that CNFs Return on Investment is at least 5%/annum. Also, it is assumed that the government will increase funding for staff as a number of Protected Areas in the process of formation
	Indicator 5: Number of target PAs regularly receiving full financing support	Operational Plans with budgets; APA records.			

	Indicator 6: Increase in revenues generated from tourism activities in target PAs	PA records; bank account details; APA reports.	MoEPA (APA)	Annual Audits	will need staff from 2019/2020 to ensure basic functioning of PA. Additionally, it is assumed that CNF's endowment is increased to at least €40 million by 2022. Finally, it is assumed that communities/businesses are actively involved in offering services and tourism products, and that funds which are generated by PAs remain at the PAs. Risks, many outside of CNF or stakeholders' control are a financial market collapse, governmental change in which conservation is even further de-prioritized. Complicating this situation would result from the government relying on old approaches of offering services/products only for payment, and does not embrace innovative measures.
Outcome 2 indicators	Indicator 7: Level of institutional capacities for financial-administrative planning and operational management planning as measured by Capacity Assessment Scorecard (CAS) values for target PAs	Annual, transparent review using CAS conducted by objective professionals and reviewed by Project Board.	CNF/APA staff; technical monitoring teams	PIRs	Risks: Staff turnover remains high -APA does not develop systems of staff As Outcome 2 is primarily concerned with capacity development the assumptions and risks focus on human capital. Risks to this component, and the overall objective of the project are 1) changes in staff and leadership at PAs and APA continues, 2) institutional memory is lost and decision making delayed, 3) low level of capacity supports only incremental development. Assumptions though, many of which have been confirmed and supported by the Georgian government include: APA is committed to standardizing a training program and introducing performance based management practices, salaries are continued to be increased, resulting in low turnover which allows capacity to be developed, and staff retained. Finally, as an important indicator of management effectiveness, APA commits to a PA-level biodiversity monitoring program and commits the necessary resources to ensure that the system meets international commitments.
	Indicator 8: Level of management effectiveness of target PAs as measured by METT score values	Annual, transparent review of PAs using METT scorecard conducted by objective professionals and reviewed by Project Board.	CNF/APA	PIRs	
	Indicator 9: Key biodiversity values are conserved and threats reduced by implementing harmonized Management Effectiveness Assessment plans	MEAs; APA/PA records; biodiversity monitoring team reports; Terminal Evaluation.	Technical partners (Nacres) and APA	Annual reports	
Outcome 3 indicators	Indicator 10: Community, stakeholder and societal knowledge of and acceptance on biodiversity values of, threats to, and approval for target PAs	PA records; community/stakeholder interviews; event records; social media hits.	APA and CNF	PIR, TE	Outcome 3 assumes that community members will be engaged in information and awareness raising campaigns, especially in the potential areas for conflict about resource use (PA land for grazing). The risks are few in that campaigns will be public, at schools as well as within targeted towns near PAs.

Annex P: Evaluation Plan

	Data source / methodology	Timing	Responsible	Verification	Notes
Environmental and Social risks and management plans, as relevant	Updated SESP and management plans	Annually	Project Manager with UNDP CO	Updated SESP	Baseline SESP in Annex E.
Terminal GEF Tracking Tool	Standard GEF Tracking Tool available at www.thegef.org	After final PIR submitted to GEF	Consultant (not with MoEPA)	Completed GEF Tracking Tool	
GEF Terminal Evaluation	As per guidance provided by – http://web.undp.org/evaluation/documents/guidance/GEF/UNDP-GEF-TE-Guide.pdf	November 2023 or 3 months before project operational closure	Independent evaluator	Country Office Evaluation Plan; Completed TE	25 working days between 2 consultants – USD20,000; other budget USD5,000

Annex Q: Project Quality Assurance Report, completed in UNDP online corporate planning system

Annex R: HACT assessment of CNF

It is submitted separately.

Annex S: Letter of Agreement for Support Services

It is submitted separately.