



## Global Environment Facility

Monique Barbut  
Chief Executive Officer  
and Chairperson

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July 9, 2009

Mr. Yannick Glemarec  
GEF Executive Coordinator  
United Nations Development Programme  
One United Nations Plaza  
304 East 45th St.  
FF Bldg., 10th floor  
New York, NY 10017

Dear Mr. Glemarec:

I am pleased to inform you that I am endorsing the project proposal entitled *Venezuela: Strengthening the Financial Sustainability and Operational Effectiveness of the Venezuelan National Parks System*, for \$7,175,866 in financing from the GEF Trust Fund (GEFTF). I take note that the amount I am endorsing differs from the original amount of \$7,179,327 approved by Council at the time of work program inclusion. I understand that this project proposal will be submitted for approval in accordance with the UNDP procedures. I note that a project preparation grant (PPG) of \$93,400 was previously approved for preparation of this project and that a report on the use of those funds has been submitted to the Secretariat. Taking into account the PPG, the entire GEF grant for the project is \$7,269,266.

I am also endorsing the fee of \$726,927 representing 10% of the total GEF grant for implementation services.

I am endorsing this project on the understanding that the project will meet the following milestones:

- (i) The GEF Agency approval will be signed no later than July 2009;
- (ii) A report on the status of the project at mid-term will be submitted to the Secretariat no later than February 2012; and
- (iii) The closing date of the project grant will be no later than June 2014 and a terminal evaluation/project completion report will be submitted to the Secretariat within 6 months of such closing date.

You are requested to ensure that the GEF Secretariat is informed when each of these milestones has been met. If any milestone is not or will not be achieved, you are requested to inform me as early as possible. After consultations with your Agency, I may agree to revised milestones or recommend to your Agency the cancellation or suspension of the project, and I will communicate to the beneficiary country and your Agency the basis for such a recommendation.

Please ensure that your grant agreements continue to fully reflect this understanding.

I am attaching a copy of the project tracking sheet and review sheet for your records.

Sincerely,

A handwritten signature in black ink, appearing to read 'Barbut', enclosed within a hand-drawn rectangular box. The signature is stylized and cursive.

Monique Barbut  
Chief Executive Officer and Chairperson  
Global Environment Facility

Attachments: GEF Tracking Sheet, GEFSEC Review Sheet

cc: Country Operational Focal Point, GEF Agencies, STAP, Trustee

**Venezuela: Strengthening the Financial Sustainability and Operational Effectiveness of the Venezuelan National Parks System**

Activity	Start Date	End Date	Project Title	Location	Date
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██████████ \$7.179 \$23.819 ██████████

Program Manager

Recommendation

*Mark Zimsky* 02/14/08

Team leader

Clearance

*Gustavo Fonseca* 02/14/08

CEO

Approval

Monique Barbut

*Sustainable*

██████████ \$0.093 \$0.233 ██████████

Program Manager

Recommendation

*Mark Zimsky* 02/14/08

Team leader

Clearance

*Gustavo Fonseca* 02/14/08

CEO

Approval

Monique Barbut

Program Manager

Recommendation

Mark Zimsky

Team leader

Clearance

Gustavo Fonseca

CEO

Approval

Monique Barbut

Need to circulate to Council for

>second review prior to CEO endorsement (4 weeks review period)

Yes

>CEO endorsement (second review waived)

Yes

Program Manager

Recommendation

*Mark Zimsky* 6/11/09

Team leader

Clearance

*Gustavo Fonseca* 6/11/09

*GM  
GI*

██████████ \$7.176 \$30.29 ██████████

Program Manager

Recommendation

*Mark Zimsky* 6/30/09

Team leader

Clearance

*Gustavo Fonseca* 6/30/09

CEO

Approval

*Monique Barbut* e-signed on letter 7/9/2009

*7/9*

██████████  
Implementing Agency Approval

Cummulative GEF Contribution \_\_\_\_\_

## GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS<sup>1</sup>

**Country/Region:** Venezuela  
**Project Title:** Venezuela: Strengthening the Financial Sustainability and Operational Effectiveness of the Venezuelan National Parks System  
**GEFSEC Project ID:** 3609  
**GEF Agency Project ID:** 4151 (UNDP)      **GEF Agency:** UNDP  
**GEF Focal Area (s):** Biodiversity  
**GEF-4 Strategic Program (s):**  
**Anticipated Project Financing (\$):** PPG:\$93,400GEF Project Allocation:\$7,175,866      **Co-financing:**\$23,115,000      **Total Project Cost:**\$30,384,266  
**PIF Approval Date:** February 14, 2008      **Anticipated Work Program Inclusion:** April 24, 2008  
**Program Manager:** Mark Zimsky      **GEF Agency Contact Person:**

Review Criteria	Questions	Secretariat Comment at PIF/Work Program Inclusion <sup>2</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	January 24, 2008 Yes.	
	2. Has the operational focal point endorsed the project?	January 24, 2008 Yes in a letter dated January 18, 2008. Please correct the amount that follows the final paragraph that notes the OFP consent to the usage of the US\$16.7 million. It should read US\$8 Million to be consistent with the amount of the grant and the figure in paragraph three.	
	3. Which GEF Strategic Objective/Program does the project fit into?	January 24, 2008 SO1, SP 1 and SP 3.	
	4. Does the Agency have a comparative advantage for the project?	January 24, 2008 UNDP has the comparative advantage for this project and is the Agency of choice by the	

<sup>1</sup> Some questions here are to be answered only at PIF or CEO endorsement. Please do not answer if the field is blocked with gray.  
<sup>2</sup> Work Program Inclusion (WPI) applies to FSPs only. Submission of PIF of FSPs will simultaneously be considered for WPI. For MSPs, once the PIF is approved by CEO, next step will be to continue project preparation until the project is ready for CEO approval.

		Government. Project intervention is consistent with UNDP's technical assistance and capacity development expertise, particularly in the execution of protected area projects that address financial sustainability.	
Resource Availability	5. Is the proposed GEF Grant (including the Agency fee) within the resources available for (if appropriate):		
	<ul style="list-style-type: none"> <li>The RAF allocation?</li> </ul>	January 24, 2008	
	<ul style="list-style-type: none"> <li>The focal areas?</li> </ul>	Yes, this will use of slightly less than 50% of the country's allocation.	
	<ul style="list-style-type: none"> <li>Strategic objectives?</li> </ul>	January 24, 2008	
	<ul style="list-style-type: none"> <li>Strategic program?</li> </ul>	Yes.	
Project Design	6. Will the project deliver tangible global environmental benefits?	<p>January 24, 2008</p> <p>The project will improve management of the National Parks, which cover 17% of the country by strengthening overall operations of the protected area system and improving financial sustainability. The global benefits from this achievement will be substantial given the globally significant ecosystems that are protected by the park system.</p>	
	7. Is the global environmental benefit measurable?		

<p>8. Is the project design sound, its framework consistent &amp; sufficiently clear (in particular for the outputs)?</p>	<p>January 24, 2008  The project design takes a very rigorous approach to ensuring financial sustainability of the system through improving resource flows from Government and business operations including tourism, payments for ecosystem services, and user fees; increasing staff capacity, and promoting comanagement approaches.</p> <p>Please, however, rewrite the project objective which is remarkably unambitious for an investment of this size and given the ambitious nature of each supporting component. Clearly after a US\$23 million investment, by 2014 the project has to achieve more than the design and initial implementation of an efficient and operational framework.</p> <p>February 14, 2008</p>	
<p>9. Is the project consistent with the recipient country's national priorities and policies?</p>	<p>Revised PIF addresses all issues above.  January 24, 2008</p> <p>Yes, the project is in line with the Constitution and the National Social Development Plan.</p> <p>Please specify how the project is aligned with the NBSAP.  February 14, 2008</p> <p>Revised PIF addresses this issue and demonstrates links with NBSAP.</p>	

	<p>10. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>January 24, 2008</p> <p>The PIF notes the projects that are being executed in Venezuela and identifies complementarity. Please clarify the coordination mechanism that will be used to ensure complementarity with all ongoing projects. In particular, we would like to know how UNDP will coordinate with the WB project--currently on hold---which is focused on comanagement and financial sustainability at the site level. Please note that it does not matter if all other investments are site specific and the proposed PIF is taking a systems approach--this is all the more reason that there should be structured coordination mechanisms described in the PIF.</p> <p>February 14, 2008</p> <p>Revised PIF explains coordination mechanisms clearly.</p>	
	<p>11. Is the proposed project likely to be cost-effective?</p>	<p>January 24, 2008</p> <p>Yes, the PIF presents a justification for the investment's cost-effectiveness, however, we find the cost/hectare analysis to be misleading, unless the project will assess the improved management of each hectare of the system. Please clarify.</p> <p>The approach of the project on its own is a</p>	

<p>Justification for GEF Grant</p>		<p>cost-effective investment towards improving management of the system, and perhaps a better analysis would have been to demonstrate how the investment will reduce the funding gap over time in a cost-effective way, as opposed to using a cost/hectare for PA management to demonstrate cost-effectiveness.</p> <p>Please clarify and improve this section and discuss the approach that the project will take during preparation to demonstrate and analyze cost-effectiveness.</p> <p>February 14, 2008</p> <p>Revised PIF adequately responds to these issues.</p>	
	<p>12. Has the cost-effectiveness sufficiently been demonstrated in project design?</p>		
	<p>13. Is the project structure sufficiently close to what was presented at PIF?</p>		
	<p>14. Does the project take into account potential major risks, including the consequences of climate change and includes sufficient risk mitigation measures?</p>	<p>January 24, 2008</p> <p>Risks are identified and appropriate mitigation strategies developed. At the time of CEO endorsement these should be developed more fully and take into account the complexity of the intervention strategy.</p> <p>January 24, 2008</p> <p>Yes, GEF support to increase long-term financial sustainability of the PA system will result in conservation gains in the medium and long-term. Without</p>	
	<p>15. Is the value-added of GEF involvement in the project clearly demonstrated through incremental reasoning?</p>		



	<p>GEF support, PA system will continue to be understaffed and poorly managed, and protected area system will not realize its conservation function.</p>	
<p>16. How would the proposed project outcomes and global environmental benefits be affected if GEF does not invest?</p>		
<p>17. Is the GEF funding level of project management budget appropriate?</p>	<p>January 24, 2008 Yes, and fully consistent with GEF norms.</p>	
<p>18. Is the GEF funding level of other cost items (consultants, travel, etc.) appropriate?</p>		
<p>19. Is the indicative co-financing adequate for the project?</p>	<p>January 24, 2008 Please clarify all UNDP co-financing to the project, including in-kind contributions. February 14, 2008 In addition to the \$50,000 cash co-financing to be provided by the Country Office, UNDP will provide \$760,000 in kind co-financing, as follows:</p> <ul style="list-style-type: none"> <li>1) TOTAL Project (private sector gas and oil company), which supports sustainability and social development in the Mariusa National Park in the Orinoco Delta. UNDP contribution over the period of overlap with the GEF project will be \$300,000.</li> <li>2) BANMUJER Bank Project, which aims to incorporate women in productive processes, including in the Macanao and Paria National Parks. UNDP contribution: \$100,000.</li> </ul>	

Recommendation at CEO Endorsement	23. Items worth noting at CEO Endorsement. <b>24. Is CEO Endorsement being recommended?</b>	The revised PIF satisfactorily addresses all issues raised above.	May 19, 2009 Project document has addressed all issues adequately and meets GEF criteria and is therefore recommended for CEO endorsement.
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No. Please clarify and revise items identified above, and resubmit along with the revised PIF.

### REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	<p>1. Are the proposed activities for project preparation appropriate?</p> <p>2. Is itemized budget justified?</p> <p>3. Is the consultant cost reasonable?</p>	<p>January 24, 2008 The activities are appropriate, except for the project scoping and definition, see below.</p> <p>January 24, 2008 The "project scoping and definition" budget line seems very high and at times duplicatory to other project preparation activities as well as the role of UNDP GEF staff. For example, why should the GEF pay for the negotiation with Government on the agreed incremental costs? This budget line appears to be 80,000 to write the brief. Please clarify and revise accordingly.</p> <p>February 14, 2008 This budget line has been substantially reduced.</p> <p>Project scoping and definition will be supported by GEF with \$42,400 and cofinancing will provide \$43,200. Reference to GEF funding of co-financing negotiations has been removed. This budget line covers the provision of methodological and technical support on GEF project design.</p> <p>January 24, 2008 Local consultants are being paid 3400/week which is about 700/day. This is high for local</p>