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**Ensuring Sufficiency and Predictability of Revenues for Georgia’s Protected Areas System**

PIMS 4285, Atlas project number 00074318

**Terminal Evaluation**

**Volume I**

Georgia

GEF BD SO-1, SP-3 (GEF-4), Outcome 1.1 (GEF-5)

**Georgia**

**Ministry of Environment and Natural Resources Protection**

**United National Development Program (UNDP)**

Stuart Williams



# Acknowledgements

The mission associated with this evaluation was relatively short and straightforward. It did not include a field mission and therefore there were not the large number of people that are usually involved in such evaluations. It was brief and elegant.

I would, however, like to thank all the people that gave their time to talk to me over the course of the mission. I would like to thank the Energy and Environment Portfolio Team in the UNDP-CO, and particularly Nino Antadze and Nestan Khuntsaria, for the support that they provided before, during and after the mission.

Most especially, I would like to thank Keti Skhireli for all the effort she made to make the mission a success. It was a pleasure to work with her again.

The evaluation is intended to give a summary of what has been achieved in the project to date as well a glean some of the lessons that can be learned from it in what was a relatively short period. In the report, I have tried to offer constructive criticism where I think it is warranted and I hope that those involved in the project take it as such.

Finally, it was a pleasure to be welcomed back to Georgia and to see so many familiar faces after so short a period. I saw the results of the dedication and enthusiasm that people had put into the work of conserving important places in the world. I would like to offer them my thanks and wish them every success in their continuing endeavours.

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|  |  |  | Stuart Williams  Kampala, Uganda |

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# Acronyms, Abbreviations and Glossary

|  |  |
| --- | --- |
| APA | Agency for Protected Areas |
| BD | Biodiversity (as a Focal Area for the GEF) |
| CC | Climate Change (as a Focal Area for the GEF) |
| CEO | Chief Executive Officer (referring to GEF) |
| CNF | Caucasus Nature Fund |
| CPAF | Caucasus Protected Area Fund, later renamed as CNF (see above); for clarity, the report uses CNF throughout. |
| ECP | Ecoregion Conservation Plan – a WWF initiative here carried out in the Caucasus Ecoregion |
| EOP | End of Project (usually in the context of targets for indicators) |
| FSSC | Financial Sustainability Scorecard (referring to the tracking tool for financial sustainability projects) |
| GEF | Global Environment Facility |
| GEL | Georgian lari (and the official UNDP rate on 01 September 2016 was USD 1 = 2.286 GEL) |
| GIS | Geographical Information System(s) |
| ha | Hectares |
| KfW | Formerly KfW Bankengruppe, KfW is a German government-owned development bank, based in Frankfurt. Its name originally comes from Kreditanstalt für Wiederaufbau |
| KPMG | An international and independent audit company |
| M&E | Monitoring and Evaluation |
| METT | Monitoring Effectiveness Tracking Tool (for protected areas) |
| MTR | Midterm Review |
| NACRES | Noah’s Ark centre for the Recovery of Endangered Species, an NGO operating in Georgia |
| NGO | Non-governmental Organisation |
| NIM | Nationally Implemented (referring to a project implementation modality) |
| NPC | National Project Coordinator |
| NPM | National Project Manager |
| PA | Protected Area |
| PEB | Project Executive Board |
| PIF | Project Identification Form |
| PIR | Project Implementation Review |
| PMU | Project Management Unit |
| PPG | Project Preparation Grant |
| PRF | Project Results Framework |
| PRODOC | Project Document (referring to the UNDP operational project document) |
| SPPA | Support Programme for Protected Areas; the first “pillar” of KfW’s support to biodiversity. |
| TE | Terminal Evaluation |
| TJS | Transboundary Joint Secretariat – a KfW funded initiative |
| TOR | Terms of Reference |
| UNDP | United Nations Development Program |
| UNDP-CO | UNDP Country Office |
| UNDP-DRR | UNDP Deputy Resident Representative |
| UNDP-CO E&E | UNDP Georgia’s Energy & Environment Unit |
| UNDP-GEF RTC | UNDP-GEF Regional Technical Centre (based in Istanbul) |
| USD | United States dollars |
| WWF | World Wide Fund for Nature (formerly World Wildlife Fund) |

# Executive Summary

## Project Information Table

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Project Title | **Ensuring sufficiency and predictability of revenues for Georgia’s protected areas system** | | | |
| UNDP Project ID |  | PIF Approval Date | | 03 April 2009 |
| GEF Project ID | 4285 | CEO Endorsement Date | | 19 May 2010 |
| ATLAS Business Unit Award No. |  | Project document Signature Date | | July 2010 |
| Country | Georgia | Date PM hired | | June 2012 |
| Region: | Eastern Europe and Central Asia | Inception W/shop date | | Unknown |
| GEF Focal Area/Strategic Objective | GEF BD SO-1, SP-3 (GEF-4), Outcome 1.1 (GEF-5) | MTR completion date | | August 2014 |
| Trust Fund | GEF | If revised, proposed op. closing date: | | December 2016 |
| Executing Agency/Implementing partner | Agency for Protected Areas under the Ministry of Environment and Natural Resources Protection of Georgia | | | |
| Other executing partners | Caucasus Nature Fund (CNF); UNDP-CO | | | |
| Project Financing | at CEO endorsement (USD) | | At TE (USD) | |
| [1] GEF Financing | 1,000,000 | | 1,102,995\* | |
| [2] UNDP Contribution | - | | - | |
| [3] Government | 2,435,000 | | 4,513,494 | |
| [4] Other partners | 2,299,000 (CNF, Bank of Georgia, KfW) | | 2,603,259 | |
| [5] Total cofinancing | 4,734,000 | | 7,116,753 | |
| PROJECT TOTAL COSTS | 5,734,000 | | 8,219,748 | |

\* The amount expended is greater than the original because of interest accrued off the investment of the GEF grant that was allocated to the CNF

The project was designed as a seven-year project and, in closing it in December 2016, the project is being closed six months early. The project’s MTR mission took place in November 2013 (although the MTR Report was only finalised in August 2014.

The project document presents a good exploration of the threats to the biodiversity of the Caucasus Ecoregion, an area of high endemism and diversity, and which supports numerous critical ecological processes and ecosystem services. The project document lists the following threats: i) habitat degradation and fragmentation caused by illegal logging timber trade, overgrazing and water pollution; ii) overexploitation of natural resources through poaching, overfishing and illegal wildlife trade; iii) unregulated tourism activities and iv) infrastructure development. One of the principal mechanisms used by Georgia to counter the threats to biodiversity is a network of protected areas across the country. However, as is common with many protected area systems across the globe, the protected areas of Georgia have been under-funded and, as a consequence, less effective than they could be. Further analysis in the project document, revealed the following barriers to achieving financial sustainability for the protected area system: i) enabling legislative and institutional environment, ii) sufficiency and predictability of revenue sources, and iii) capacities and cost-effectiveness of site management.

Given that the first of these barriers was addressed in a previous UNDP-GEF project in Georgia, this project focused on the final two of the above-mentioned barriers. As such, the overall objective of the project, therefore, was: “*to secure long-term financial sustainability of the Georgian PA system*”. The objective was to be achieved through the implementation of two components: i) ensuring sufficiency and predictability of revenue sources for the PA system and ii) raising cost-effectiveness and capacities of PAs. In summary, then, the project was to assist with the process to establish a conservation trust fund with the aim of protecting and strengthening the network of national parks and nature reserves in Georgia.

The project was managed under nationally implemented modality (NIM) with the Agency for Protected Areas (APA) under the Ministry of Environment and Natural Resources Protection as the Implementing Partner. The implementation was overseen by a Project Executive Board (PEB). However, as the Responsible Party, the CNF was responsible for making grants to the protected areas, contracting project personnel, experts and subcontractors, and making procurements. The CNF operated under a framework agreement – the “*Sinking Fund and Project Management Agreement*” – between themselves and APA.

The project had a stated overall budget of USD 5.734 million of which USD 1.00 million come in the form of a grant from the GEF Trust Fund. The remaining finance for the project comes in the form of co-finance.

In terms of expenditure, all parties (with the exception of UNDP) over-delivered on their pledges of funding and co-finance. In addition, at the end of the project, the CNF had assets of approximately € 34 million – approximately € 22 million of which has been accumulated into an endowment trust fund and € 12 million of which is in a sinking fund.

Of the GEF grant, a total of USD 825,500 was allocated to be expended over the project’s life in the protected areas; however, the interest accrued on this amount (USD 115,337) was added to this and also expended in the selected protected areas. The issue of investing the grant – while successful in this instance – does beg a number of questions: i) what would GEF’s response be had the investment failed and there was *less* than the actual grant amount (e.g., if there was another financial crisis) to expend in the protected areas? And ii) what do all implementation agencies do with the funds once they have received them from the GEF? Do they, like the CNF, invest the funds in investment funds such that interest is accrued on the monies? If so, what happens to those monies - in the TE’s experience, all GEF projects account *only* for the originally pledged amounts and *not* for the original amounts plus the interest that might be accrued on the funds, if invested. If the funds are invested, then the TE strongly recommends that they should be spent on the project for which the funds were raised and not squirrelled away by the agencies.

In terms of co-finance, the project reported only on government and CNF funds – although the CNF funds were not disaggregated by the numerous donors and contributors. One thing was clear: having the GEF funding allowed the CNF to direct their energies to raise funding for their sinking and endowment funds and, in principle, all funds that were raised in this way should also be acknowledged as co-finance. Further, there are other aspects of co-finance that were not monetised and incorporated into the project’s accountability.

In terms of M&E, the CNF carried out annual technical and financial audits. However, with the exception of the main findings and the recommendations, the audit reports were not shared with any of the stakeholders – including the government agency and the UNDP-CO. However, because UNDP-CO, as Implementation Agency, has ultimate responsibility for accountability and delivery of the project (or at least for the GEF portion of CNF funding), they would have a justifiable claim to receiving the audit reports. Similarly, the GEF grants are, in principle, made to recipient countries and, therefore, the GEF funding that has contributed to the CNF – through the “GEF Sinking Fund” – is, in effect, the countries’ contribution to the CNF. As such, they, too, have a case to make for receiving the CNF technical and financial audits.

The project also carried out a MTR as part of the project M&E processes; the MTR resulted in changes to the project’s implementation and indicators.

**Overall Results**

Broadly, the expected results of the project were i) the delivery of “sufficient” and predictable funds to the protected areas, and ii) whether the protected areas have become more cost effective with better capacities. At the broadest level, the project delivered the following results:

* Over the past six-and-a-half years, the CNF delivered a total of USD 3,090,542 to protected areas in Georgia, including USD 943,144 of GEF funds
* The CNF has built up their support to 10 protected areas in the country
* Salary top-ups amounting to USD 1,041,227 have been provided to 264 personnel working for APA
* There has been a concomitant increase in the funding provided by the government
* Once the CNF started to fund a particular protected area, it has continued to fund that protected area
* The project sought mechanisms for the protected areas to accrue revenues from other sources – although there was a predominant emphasis on tourism.

In contrast to measuring the delivery of funds, the project did little (beyond the mechanisms within the Financial Sustainability Scorecard, FSSC) to determine whether the protected areas had become more cost effective (although the TE does note that the CNF is using the METT – as one measure – although this was not included in the GEF project’s PRF). Overall, the PRF was a relatively good tool for measuring the success of the project (but see recommendations for additional parameters that should be measured in the GEF-6 project; in addition, a number of the indicators in the PRF were derived from the FSSC – these did not need to be disaggregated in the way that they were – thus, filling the PRF – but could be reported more concisely as they are with other projects).

The TE had a number of comments, questions and reservations regarding the project, made in the main body of the report, including:

* There were issues of consistency of application of criteria to select protected areas that the CNF supports and issues of understanding of the criteria among stakeholders
* The emphasis placed on revenue generation may lead to inadvertent impacts
* The accounting system was not put into place – and APA has now requested CNF support to put it into place in the future
* The turnover of staff - which, in principle, should have been reduced through the provision of salary top-ups – was not being monitored by the project.
* The salary top-ups have created an imbalance across the protected area estate; this should be resolved; at present, APA’s policy on this is that “*until there is a possibility for having the same top ups for everyone, the size, the amount of work, function of the protected areas should be taken into consideration*.” APA should take the initiative and responsibility to communicate this policy to all it staff to ensure that there is transparency and clarity.
* There are issues of ownership of the CNF funding in Georgia, and the TE recommends that a national level “board” or “steering committee” is established with a clear mandate and Terms of Reference that describe its roles and responsibilities. Such a body could grow out of the GEF-6 project PEB.

In terms of impact, the project was monitoring no parameters that could lead one to the conclusion that the CNF was having impacts (although the CNF is collecting METT scores for the PAs it supports, these were not reported as part of the PRF). The TE makes recommendations regarding some of the parameters it should be monitoring.

## TE Rating Table

| **Item** | **Rating** | **Comment** |
| --- | --- | --- |
| Overall project results | **S** | Overall, the project has mostly delivered what it set out to deliver. The objective of the project – “*to secure long-term financial sustainability of the Georgian PA system*” has only been partially achieved (indeed, a further GEF-6 project is currently being designed among the same lines as this project) but the project has significantly contributed to this objective and many lessons have been learned. In addition, there are complexities, mostly unforeseen, that mean that delivering funds to protected areas is not as straightforward as it seems at first. As a result, there are caveats to each step that the project has taken.  However, the GEF grant is partly responsible for the success that the CNF currently enjoys – primarily because the GEF grant came at a time when the CNF was being built and the GEF grant facilitated this process. Thus, the GEF grants most significant role in this bigger picture was as a catalyst or building block for CNF’s success. |
| **IA & EA Execution** |  |  |
| Overall quality of implementation and execution | **HS** | The CNF office in Georgia has done an outstanding job of implementing the project with good reporting, accounting and organisation. The CNF might have done a little more to distinguish the role of the GEF in the eyes of stakeholders as, in reality, the CNF and the GEF grant became synonymous. |
| Implementation Agency Execution | **HS** | The UNDP-CO in Georgia has done whatever it can in slightly uncomfortable circumstances – those being that the project was far from being a standard UNDP-GEF project and the UNDP-CO’s roles and responsibilities were not well defined.  As an office and a group of people, the UNDP-CO E&E Portfolio is exceptional. |
| Executing Agency Execution (APA) | **S** | The Ministry of Environment and APA appear to be slightly passive in the project (and the TE makes recommendations for improving this in the GEF-6 project) although at a broader level, APA was active. Mostly, APA seems content with the structure and systems put in place by CNF, and grateful for the monies being provided to the PA system in the country through CNF. |
| **M&E** |  |  |
| M&E design at project start-up | **S** | In principle, the M&E design was relatively standard and satisfactory. |
| Overall quality of M&E | **S** | Despite the fact that the MTR was slightly undermined by the fact that the projects in both Armenia and Georgia were coupled together, the MTR made some timely recommendations. That being said, the UNDP-CO found it a little troubling to find its role within the project and the most that it could do was to ensure that the reporting done by the CNF was as good as it was. |
| M&E plan implementation | **S** |
| **Outcomes** |  |  |
| Overall quality of project outcomes | **S** | The project/CNF targeted two outcomes – the first mostly associated with delivery of funds to protected areas and the second to increase cost effectiveness of the protected areas. The CNF successfully delivered on the first outcome (albeit in a complex framework that might not have been quite as clearly thought out as it might have been). The second outcome, with a focus on technical assistance, was less well designed and within the framework of the project, it was difficult to quantify if and how there was any impact on the cost effectiveness of the targeted PAs. |
| Relevance (R or NR) | **R** | The CNF was and remains relevant – particularly in the operational environment in Georgia – in which, not unlike many other countries, the environment sector is relatively marginalised. |
| Effectiveness | **S** | See comments on “overall quality of project outcomes”. |
| Efficiency | **S** | The cost effectiveness – as far as the GEF was concerned – is satisfactory because the project management costs were fixed at very slightly below the upper ceiling for GEF project management budgets. As such, any additional management costs over and above those of provided by the GEF grant would have been absorbed by the CNF itself (which may have been the case as the CNF’s overall administrative budget is approximately 15% of the total annual turnover). |
| **Sustainability** |  |  |
| Overall likelihood of risks to sustainability | **L** | The only risk to sustainability are those associated with the risks to the investments that CNF has made: with all due respect to the investment prowess of the CNF’s financial advisors and the members of the CNF Board, there *are* risks to investments. These should be acknowledged and, as the protected area system of the country becomes increasingly dependent on the CNF, the Government of Georgia should i) recognise those risks and ii) pledge to underwrite all costs if and when the CNF runs into difficulties (however unlikely that may be)[[1]](#footnote-1).  In contrast, the institutions are relatively robust and resilient.  Finally, there is potential for CNF to lead of unforeseen, inadvertent negative impacts. The partners will need to be cognisant and vigilant of these (see Section 3.3.6.4 for details). |
| Financial sustainability | **L** |
| Socio-economic sustainability | **L** |
| Institutional/governance sustainability | **HL** |
| Environmental sustainability | **L** |
| **Catalytic Role** |  |  |
| Production of a public good, Demonstration, Replication and Scaling up | **HS** | The CNF is being replicated in the Balkans using the lessons that have been learned in the Caucasus region. This is notable and is to be applauded. Other protected area trusts could also learn from the lessons that have been (and to be) learned. |
| **Impact (S, M, N)** |  |  |
| Environmental Status Improvement | **U/A** | The TE has opted to rate the impact as “Unable to Assess” (U/A) because of two key reasons: i) the CNF is a funding mechanism and, as such, is at least one step removed (via improved management) from the environmental impacts that it intends to have, and ii) the targeted environmental impacts have not been well defined or measured. This should be carefully thought as the CNF moves into the future (and see Sections 3.3.7 and 4.3 for further discussion on this) |
| Environmental Stress Reduction | **U/A** |
| Progress towards stress/status change | **U/A** |

## Summary of conclusions, recommendations & lessons learned

The overriding conclusion is that the CNF is an outstanding mechanism for providing sustainable financing for the protected areas of Georgia. In addition, the CNF represents a good example of a successful protected area trust fund – in a world in which there are not so many trust funds that are working very well.

Despite its relative modesty, the GEF grant was timely and valuable in that it allowed the CNF time to build its foundations and the GEF grant facilitated this by providing funds – through a sinking fund process – to the protected areas. However, there are questions about the *relevance* of a third GEF financial sustainability of the protected area system (i.e., the GEF-6 project): does it satisfy GEF’s requirements for additionality, innovation and incremental reasoning?

## Recommendations

The recommendation focus primarily on the forthcoming GEF-6 proposal.

***Recommendation 1: Technical assistance vs. provision of funding alone?*** There have been various suggestions that there should be a greater emphasis on technical assistance. The TE is less certain of this – provided that there are other mechanisms for delivering technical assistance.

***Recommendation 2: Beware the influence***. Donors – including external funding mechanisms such as the CNF – can be enormously influential on government policies. There has been a perceived shift towards a protected area estate that has a predominant focus on tourism (coupled with the revenue generation that is associated with tourism) – which may be as a result of such influences. This, in turn, has the potential to lead to inadvertent impacts.

***Recommendation 3: Establish a national level “board” or steering committee*.** There is a need for some national level management body, steering committee or advisory board for the CNF to enhance a feeling of ownership; as stated above, this could grow out of the GEF-6 PEB. The terms of reference and mandate of such a body should be clearly and carefully defined.

***Recommendation 4: Measuring impact*.** There is a need for all partners in the PA system of Georgia to come up with a meaningful biodiversity (or other ecological) indicators that i) operate on a scale (both spatially and temporally), ii) are minimally affected by external factors and, therefore, are appropriate to measure the successes (or otherwise) of the protected area system of the country. In addition to the environmental indicators, the partners could also agree on system-wide monitoring processes – such as the systematic use of the METT (adapted for Georgia if necessary) to measure the effectiveness of the management of the protected areas.

Further to this, in the future (GEF-6) project, there are a few parameters that should be monitored in the GEF-6’s results framework, including:

* The METT (which the CNF is monitoring – although it was not reported as part of the project’s Results Framework)
* The rate of staff turnover – with analyses to determine factors influencing staff turnover – e.g., using exit interviews of leaving staff (as the salary top-ups should reduce the rate of staff turnover)
* The annual spending per unit area. Thus, while CNF and APA have these data, they should be reported in the GEF-6 PRF. This surely is a key indicator not only for this project but also for the GEF-6 project. This should be calculated across the system as a whole (determining the overall catalytic effect of CNF) but also per unit area within each of the selected protected areas. This should be carried out to determine whether PA budgets are also increased in line with inflation.
* Not only the number of people being trained but the impact that the training has had and how it is being used.

***Recommendation 5: Replication*.** The CNF represents an excellent learning opportunity for successful establishment of a mechanism to contribute to the financial sustainability of a regional protected area system.

***Recommendation 6: Redress the imbalanced system of salary top*-*ups*.** There are imbalances with the system of provision of salary top-ups that should be addressed – through a process led by APA.

***Recommendation 7: Criteria for selecting participant PAs*.** The criteria for selecting participating PAs should be reviewed and made transparent and widely understood.

***Recommendation 8: Synergies between the government management planning and CNF operational plans*.** These two planning systems need to be fully integrated and synergised.

***Recommendation 9: CNF is Responsible Party for GEF*-6.** In the structure of GEF-6 projects, CNF should fill the role of Responsible Party.

***Recommendation 10: GEF acknowledge of investment of grant for sinking fund.*** The GEF should explicitly acknowledge that GEF funds intended for a sinking fund will be invested and the accrued interest will be added to the sinking fund.

***Recommendation 11: Other funding mechanisms should be explored – however challenging that might be*.** There are other important sources of revenue and other mechanisms for achieving financial sustainability for protected areas which should be explored – including payment-for-ecosystem-services (PES – including engaging stakeholders such as the Ministry of Energy) and co-management, delegated management or contracted management of protected areas.

# Introduction

## Purpose of the evaluation

1. The Terminal Evaluation (TE) of the UNDP-GEF project “**Ensuring Sufficiency and Predictability of Revenues for Georgia’s Protected Areas System**” was carried out according to the UNDP-GEF Monitoring and Evaluation Policy. Thus, it was carried out with the aim of providing a systematic and comprehensive review and evaluation of the performance of the project by assessing its design, processes of implementation, achievement relative to its objectives. Under this overarching aim, its objectives were i) to promote accountability and transparency for the achievement of GEF objectives through the assessment of results, effectiveness, efficiency, relevance, sustainability and impact of the partners involved in the project, and ii) to promote learning, feedback and knowledge sharing on the results and lessons learned from the project and its partners as a basis for decision-making on policies, strategies, programme management and projects, and to improve knowledge and performance.
2. As such, this TE was initiated by the UNDP-CO as the project’s National Implementing Partner to determine its success in relation to its stated objectives, to understand the lessons learned through the implementation of the project and to make recommendations for the remaining part of the project.
3. The TE was conducted by one international consultant with the assistance of a national consultant. The TE consultants were independent of the policy-making process, and the delivery and management of the assistance to the project. The consultant was not involved in the implementation and/or supervision of the project.
4. The TE was carried out over a period starting from 10 October 2016 and with a mission to Georgia from 31 October – 05 November 2016. Carrying out the TE at this point in the project’s implementation timeline was in line with UNDP/GEF policy for Evaluations.

## Scope & Methodology

1. The approach for the TE was determined by the Terms of Reference (TOR, see Annex I) and by the UNDP-GEF Guidance for conducting Terminal Evaluations[[2]](#footnote-2).
2. Thus, it was carried out with the aim of providing a systematic, evidence-based and comprehensive review of the performance of the project by assessing its strategy and design, processes of implementation and achievements relative to its objectives. As such, the TE determined the progress of the project in relation to its stated objectives (through the assessment of results, effectiveness, relevance, sustainability, impact and efficiency - requiring a review of the fund allocations, budgets and projections, and the financial coordination mechanisms), to promote learning, feedback and knowledge sharing on the results and lessons (both positive and negative) that can be learned from the implementation of the project. The TE examined whether the implementation arrangements – including the relationships and interactions among the project’s partners, including the Ministry of Environment, the Agency for Protected Areas, UNDP, and other partners – are effective and efficient.
3. The TE included a thorough review of the project documents and other outputs, documents, monitoring reports, the Mid-Term Evaluation (MTE), Project Implementation Reviews (PIR), relevant correspondence and other project related material produced by the project staff or their partners. The evaluation assessed whether a number of recommendations that had been made following the MTE, and monitoring and support visits from people from the Biodiversity staff of UNDP’s Regional Technical Centres were implemented and to ascertain the explanations if they were not.
4. The TE also included a mission to Georgia between 31 October – 05 November 2016 (see Annex II for the itinerary of the mission). The evaluation process during the mission followed a participatory approach and included a series of structured and unstructured interviews, both individually and in small groups (see Annex II for the people met over the course of the mission). Particular attention was paid to listening to the stakeholders’ views and the confidentiality of all interviews was stressed. Whenever possible, the information was crosschecked among the various sources.
5. The evaluation was carried out according to the UNDP/GEF Monitoring and Evaluation Policy. Therefore, activities and results were evaluated and rated (see Annex III) for their: i) **Relevance** – thus, the extent to which the results and activities were consistent with local and national development priorities, national and international conservation priorities, and GEF’s focal area and operational programme strategies, ii) **Effectiveness** – thus, how the project’s results were related to the original or modified intended outcomes or objectives, and iii) **Efficiency** – thus, whether the activities are being carried out in a cost effect way and whether the results were achieved by the least cost option. The results, outcomes, and actual and potential **impacts** of the project were examined to determine whether they were positive or negative, foreseen or unintended. Finally, the **sustainability** of the interventions and results were examined to determine the likelihood of whether benefits will continue to be accrued after the completion of the project. The sustainability was examined from various perspectives: financial, social, environmental and institutional.
6. In addition, the evaluators took pains to examine the achievements of the project within the realistic political and socio-economic framework of the Georgia.
7. The logical framework (with approved amendments in the Inception and following the MTR) with Outcomes, Outputs and indicators towards which the project was working formed the basis of the TE.
8. According to the GEF policy for TEs, the relevant areas of the project were evaluated according to performance criteria.
9. Finally, the TE was carried out with a number of audiences in mind, including: i) the various entities of the Government of Georgia that are involved with the project – primarily the Ministry of Environment and the Agency for Protected Areas, ii) the UNDP-CO and UNDP-GEF RTC in Istanbul, and iv) the GEF.
10. The report has an additional purpose and weight. Because Georgia is putting together an application for GEF-6 on a similar basis to this project, the recommendations made in this TE report should be incorporated into that project’s design and implementation.

## Structure of the evaluation report

1. The report follows the structure of Project Evaluations recommended in the UNDP Evaluation Guidance for GEF-Financed Projects as given in Annex 5 of the TOR. As such, it first deals with the purpose of the review and the methodology used for the review (Section 2), a description of the project and the development context in Georgia (Section 3), it then deals with the Findings (Section 4) of the evaluation within four sections (Project Strategy, Progress Towards Results, Project Implementation and Adaptive Management, and Sustainability). The report then draws together the Conclusions and Recommendations from the project (Section 5).

# Project description and development context

## Project start and duration

1. The project was designed as a seven-year project and was due to run from 2010 – 2016. The TE assume that the designers must have thought that the project was going to start in early January 2010 and the EOP date was to be 31 December 2016. As it was, the project document was signed on in July 2010 – signifying the start of the project. This means that, in principle, the project should be closing in in July 2017. This means that by closing in December 2016, the project is closing six months early.
2. The project was developed along standard UNDP-GEF lines and notwithstanding the confusion mentioned above, the project is adhering to similar milestones as the majority of UNDP-GEF projects (see Table 1).
3. However, it should be noted that the MTR Report took an inordinate amount of time to be approved. The MTR mission to Georgia and Armenia took place in November 2013; the draft MTR Report was submitted in January 2014 and it took some months for the MTR Report to be finalized following rounds of comments from the stakeholders. It was finally approved in August 2014.

Table 1. The project milestones including the projected end date for the project.

|  |  |
| --- | --- |
| **Milestone** | **Date** |
| PIF Submission | 03 April 2009 |
| CEO Endorsement | 19 May 2010 |
| UNDP Project document signed | July 2010 |
| MTR finalisation | August 2014 |
| Projected EOP | July 2017 |
| Actual EOP | 31 December 2016 |

## Problems that the project sought to address

1. The project document presents a good exploration of the threats to the biodiversity of the Caucasus Ecoregion, an area of high endemism and diversity, and which supports numerous critical ecological processes and ecosystem services. The project document lists the following threats: i) habitat degradation and fragmentation caused by illegal logging timber trade, overgrazing and water pollution; ii) overexploitation of natural resources through poaching, overfishing and illegal wildlife trade; iii) unregulated tourism activities and iv) infrastructure development.
2. One of the principal mechanisms used by Georgia to counter the threats to biodiversity is a network of protected areas across the country[[3]](#footnote-3). However, as is common with many protected area systems across the globe, the protected areas of Georgia have been chronically under-funded. This, in turn, has meant that the management of the protected areas is far from being effective[[4]](#footnote-4).
3. Further analysis in the project document, revealed the following barriers to achieving financial sustainability for the protected area system: i) enabling legislative and institutional environment, ii) sufficiency and predictability of revenue sources, and iii) capacities and cost-effectiveness of site management.

## Immediate and development objectives of the project

1. The project, therefore, was designed to contribute to overcoming the final two of these barriers (on the assumption that the previous UNDP-GEF project “Catalysing Financial Sustainability of Georgia’s Protected Area System” had largely dealt with the first barrier regarding the enabling legislative and institutional environment): i) that there is limited sufficiency and predictability of revenue sources based on the fact that the government’s allocations are inadequate and project-based donor funding has been unstable and difficult to predict, and ii) there are weak levels of business skills and cost-effectiveness in site management with PA managers being unaware of what cost-effectiveness means and what cost-effective approaches to PA management are.
2. The overall objective of the project, therefore, was: “*to secure long-term financial sustainability of the Georgian PA system*”. The objective was to be achieved through the implementation of two components: i) ensuring sufficiency and predictability of revenue sources for the PA system and ii) raising cost-effectiveness and capacities of PAs. These components were designed with a number of different outputs (or “sub-activities):
   1. Output 1.1: APA/PAs Sinking fund structure set and operation started based on studies previously prepared by the Caucasus Protected Area Fund (CPAF – *note that this fund evolved into the Caucasus Nature Fund, CNF, and, therefore, all references hereon will be of CNF to ensure that there is no confusion*) feasibility study.
   2. Output 1.2: Sinking fund capitalized in full and rounds of proposals advertised to PAs (with focus on IUCN Cat. I and II).
   3. Output 1.3: Negotiations completed for full capitalization of the CNF (both the endowment fund and – if still required – replenishment of the sinking part).
   4. Output 2.1: CNF implements project audits through external auditors and puts in place “PA management support group” to assist PAs to increase cost-effectiveness of PA management.
   5. Output 2.2: Application forms for funding from CNF and proposal review protocols designed to request confirmation of how cost-effectiveness considerations have been incorporated in the request.
   6. Output 2.3: Capacities of site managers strengthened through series of trainings delivered on cost-effective PA management.
   7. Output 2.4: An electronic system in place, at the CNF, to track changes in the cost-effectiveness of sites it funds, based on the METT score and – where appropriate – on the Financial Sustainability Scorecard.
3. In summary, then, the project was to establish a conservation trust fund with the aim of protecting and strengthening the network of national parks and nature reserves in Georgia.

## Baseline indicators established

1. The project’s results framework is discussed later in the report (see Section 3.1.1) and in the PRF itself, including the establishment of baseline indicators (see Table 5).

## Main stakeholders

The Project Document has a section titled “Stakeholder and baseline analysis”[[5]](#footnote-5). Although the main stakeholders are listed (in a throwaway fashion listing them by name “*…such as the World Bank, the EU, BMZ/KfW/GTZ, Governments of US and Norway, IUCN, WWF, Conservation International, etc …* ”, unlike the majority of UNDP-GEF project documents, the project document neither describes their current mandates, or roles and responsibilities in the sector as the project was starting up, nor does it describe the potential role of the organisations in the project or in the sector as the project is implemented.

## Expected results

1. Following on from the immediate and development objectives of the project, the expected results of the project are:
2. Establishment of the Caucasus Nature Fund (CNF, which is the organisation into which the Caucasus Protected Area Fund, CPAF, evolved) with different financial and funding mechanisms. Thus, this includes: i) the capitalisation of an endowment fund and ii) as necessary, the continued existence (and possible replenishment) of a sinking fund. In other words, the project will help catalyse more long-term funding for protected areas within the Caucasus region (with a specific focus on Georgia).
3. Testing models of delivery of funding to protected areas across the Caucasus region (and specifically to Georgia in this case) according to the needs and application processes of the PAs for funding. In other words, mechanisms for delivering funding from CNF to the protected areas will be tested and optimal mechanisms for fund delivery selected. In addition, agreement should be reached on what costs the CNF should cover.
4. Finding mechanisms that increase the cost-effectiveness of protected area management. In other words, the efficiency at a protected area level should be demonstrably increased.

# Findings

## Project Design

1. The logic of the project was flawless: first, it was being built on the back of a UNDP-GEF project that was, in principle, putting in place institutional and legislative space for sustainable financing of protected areas, second, to deliver a flow of funds to protected areas in Georgia (while building a longer-term mechanism to deliver sustainable financing to the protected area system of the country) and, third, to work to improve the efficiency and cost effectiveness of the management of the protected areas. In the wording of the project document, the project was, therefore: i) to ensure sufficiency and predictability of revenue sources for the PA system and ii) raise cost-effectiveness and capacities of PAs.

### Analysis of Results Framework

1. The line-by-line analysis of the Project Results Framework (PRF) is carried out below (see Table 5 in Section 3.3.1).

### Assumptions and risks

1. As explained in the MTR, hidden in the depths of the project document (in the project’s strategy section), there is one key assumption to the project: that there were framework agreements in place between the CNF and the Government. The framework agreement specifies the roles and responsibilities of the parties, including the government’s commitment. It also specifies the strategic and political basis for the CNF and, by extension, this project. The framework agreement between the Government of Georgia and the CNF was signed in December 2008 in light of the CNF Conference which took place in Berlin in 2007, which was attended by the Ministers of Environment from the three South Caucasus countries (Georgia, Armenia and Azerbaijan), and which formally established CNF.
2. In terms of risks, as is usual, the UNDP-GEF project document contains an analysis of risks. Five risks were identified with three rated as being a “medium” risk and the other two being rated as “low” risks. The three risks that were listed as “medium” risks were:
   1. **Strategic:** Slow uptake of measures to increase cost-effectiveness by site managers
   2. **Financial:** The international financial crisis coupled with moderate inflation may require reconsideration of the project budget and fundraising approaches
   3. **Environmental:** Biodiversity threats grow beyond the background levels and thus demand still higher funding levels from them CNF than currently planned.
3. Unlike the majority of UNDP-GEF projects, the project did not appear to have an inception phase with a resulting Inception Report[[6]](#footnote-6) - thus, no further risks were identified at the beginning of the project but the MTR did add a “critical” risk. The MTR considered “the governance systems of the PAs … and the limited capacities at PAs’ level” a critical risk for the Project. Throughout the TE Report, there will be reflection on how the project has responded relative to these risks.

### Lessons from other projects incorporated into project design

1. The project document was not very specific on whether or not it drew off other projects or incorporated lessons from elsewhere.
2. However, the project document does state that it was being built on the foundations of two major initiatives: i) the UNDP-GEF project “Catalyzing Financial Sustainability of Georgia’s Protected Area System” and the project document mentioned that the “issues in Georgia’s PA legislation [were] … being addressed” by that project; and ii) the WWF-led initiative to develop the Ecoregional Conservation Plan (ECP) for the Caucasus – to provide a conservation framework and even “pre-select” the priority areas in which the CNF should work. Other initiatives were also mentioned – including the Transboundary Joint Secretariat (TJS) – which is an initiative to enhance cooperation among the three South Caucasus nations.
3. Nonetheless, despite mentioning these initiatives – which define the *framework* in which the project was implemented – the project document does not specify any initiatives or projects from which lessons were being drawn.

### Planned stakeholder participation

1. As mentioned in Section 2.5, there was no stakeholder analysis and, therefore, no planned stakeholder participation.
2. This does not mean to say that no stakeholders were actually involved in the project and its implementation. Where this has occurred will be discussed through the TE Report.

### Replication approach

1. The project document recognised three potential opportunities for replication: i) within the system itself (i.e., to expend the funding to the “highest value PAs” across the system) and ii) to replicate among other countries in the Caucasus beyond Armenia (which was already included in a “sister” project) and iii) the CNF, itself, as a regional trust fund, could be replicated elsewhere as well.
2. Arguably, the first point is not replication as it was built into the project’s design (or perhaps there was a misinterpretation of what is meant by replication by the project designers), and the second point was and remains politically impossible.
3. There has, however, been some traction with replication of the CNF model elsewhere: indeed, the CNF model is currently being replicated in the form of a regional trust fund that is in the process of being established for the Balkans. The question that lingers here is the degree to which the GEF funding has catalysed this process? The answer is that the replication process to the Balkans is much more of a CNF-driven process than something catalysed per se by the GEF funding (and hence this project) – although it is a little cloudy and this is a theme that runs throughout the report.

### UNDP comparative advantage

1. In the context of Georgia, UNDP has had a strong competitive advantage over other Implementation Agencies: in effect, it has the monopoly over the development and implementation of GEF biodiversity projects in the country. The competitive advantage is sealed primarily by UNDP’s politically neutral stance coupled with their continued willingness to engage and provide support. Furthermore, unlike the World Bank (which often works with loans that are coupled with GEF grants), UNDP deals only with grants.
2. Furthermore, the team within UNDP that deals with the Energy and Environment (E&E) Portfolio is professional, competent and dedicated, and even though they have huge workloads, they remain on top of the projects that they manage.
3. The final comment here is to mention that this project really is unlike the vast majority of GEF (and UNDP-GEF) projects. This, too, is a theme to which this report will return. Thus, the UNDP E&E Portfolio team were slightly uneasy about their role and responsibilities within the project: this is something that needs to be addressed clearly as the proposal for the GEF-6 project is further developed.

### Linkages between project and other interventions

1. In terms of linkages with other projects, this project builds directly on the foundations of the previous UNDP-GEF project “Catalysing financial sustainability of Georgia’s protected area system”. The previous project established the *framework* for the current project.
2. In Section 3.1.3, a number of initiatives were mentioned and there is a sub-text that begins to emerge at this point. The Government of Germany – through KfW[[7]](#footnote-7) - has been providing significant funding (an estimated €80 million since 1995) to the South Caucasus including the protected area system in Georgia. KfW’s investments have been well structured and implemented through four “pillars”. First, there is a “bilateral” pillar (SPPA) – that is specifically to improve the management effectiveness of individual protected areas and/or create new protected areas; a total of €35 million has been invested in this first pillar. The second pillar is the KfW investment of € 29 million in CNF – and KfW informally see CNF as a mechanism to secure the long-term sustainability of the investments that they make through the first pillar. Third, KfW is investing in the Transboundary Joint Secretariat (TJS) as described above. Finally, there is the Eco-corridors programme (which includes an investment of € 8.5 million over five years for three countries. In short, then, there are very strong linkages between the project (and CNF), and KfW’s work and, indeed, some commentators do not distinguish between the two[[8]](#footnote-8). There are some grounds for this as the CNF Board is chaired by KfW.
3. CNF also has linkages with other initiatives in the country, including for example, the UNDP-GEF project “Expansion and Improved Management Effectiveness of the Adjara Region’s Protected Areas”. This is a project that is currently underway in the Adjara region of the country and is attempting to satisfy the criteria for inclusion into the CNF’s program[[9]](#footnote-9).
4. CNF also has strong linkages with the WWF-Caucasus for a number of reasons, including the fact that WWF-Caucasus led the process to develop the Ecoregion Conservation Plan (ECP) that was one of the key criteria for selection of sites under the CNF. Finally, CNF has linkages with WWF-Germany: WWF-Germany is a CNF Founder, donor and board member.

### Management arrangements

1. The project is managed under nationally implemented modality (NIM) with the Agency for Protected Areas (APA) under the Ministry of Environment and Natural Resources Protection as the Implementing Partner.
2. The project was overseen by a Project Executive Board (PEB, see Annex IV for a list of the members of the PEB). The PEB appears to have met relatively frequently, at least in its earlier years (thus, on 15 September 2014, the PEB held their ninth meeting since the beginning of the project so, on average, the PEB was meeting more than twice per year). By the end of the project, the PEB met a total of 11 times over the project’s life with one meeting in March 2015 and the final meeting in March 2016[[10]](#footnote-10).
3. However, the Responsible Party was CNF. Therefore, CNF was responsible for making grants to the protected areas, contracting project personnel, experts and subcontractors, and making procurements. In contrast, UNDP-CO was responsible only for a limited amount of contracting and expenditure – most especially the MTR and TE.
4. The CNF operated in a slightly different way from usual UNDP-GEF projects. In Georgia, the CNF operated under a framework agreement – the “*Sinking Fund and Project Management Agreement*” – between themselves and APA (see Annex V). It is interesting that UNDP is not a party to this agreement and as a result they roles and responsibilities were not well defined leaving the members of the Energy and Environment Portfolio slightly uninvolved in the project processes. Because Georgia will submit a GEF-6 application (of USD 2 million, USD 1.5 million will be BD and USD 0.5 million will be CC – all for the continuation of this process – thus, a sinking fund for protected areas in much the same way as for the current project), it will important to include UNDP in a tripartite agreement for this next phase that will continue working towards achieving sustainable financing for the protected areas of the country. Such a tripartite agreement will stipulate not only the roles and responsibilities of APA and the CNF but those of UNDP as well[[11]](#footnote-11).
5. Further discussion regarding the realities of the implementation modalities can be found in Section 3.2.6.

## Project Implementation and Adaptive Management

### Adaptive management

1. As a funding mechanism for the protected area system of Georgia, there was relatively little adaptive management that was necessary (when compared, for example, with other protected area projects in which there is actual management involved). However, the MTR did provide an opportunity to reflect over the course that the project was taking and the MTR resulted in a series of recommendations being made – including adjustments to the PRF. In response, a number of changes were made (see Table 5).

### Partnership arrangements

1. The strongest partnerships that the CNF has are with the protected areas that it supports and APA.
2. Beyond this, the project has worked “in partnership” with numerous organisations – through contractual arrangements for different aspects of the project. However, as indicated above, a strong partnership is enjoyed with KfW (see 3.1.7).

### Feedback from M&E activities used in adaptive management

1. See Section 3.2.1 above for a brief description.

### Project Finance

1. The project had a stated overall budget of USD 5.734 million of which USD 1.00 million come in the form of a grant from the GEF Trust Fund. The remaining finance for the project comes in the form of co-finance.
2. At first glance, the picture presented by the balance of expenditures (against the planned expenditure) does not look good, with an overall overspend of USD 2,707,946.48 (see Table 2). However, this is largely an artefact of the additional spending from the Government. Indeed, in Table 2, the apparent “overspend” appears come from the additional USD 2.078 million that the government spent over what they originally pledged in co-finance. As such, this could be seen to be additional government funding that has been *leveraged* by the project and CNF.
3. In addition, the situation as presented in Table 2 does not reflect that actual situation: the CNF has current assets of approximately € 34 million – approximately € 22 million of which has been accumulated into an endowment trust fund and € 12 million of which is in a sinking fund[[12]](#footnote-12).
4. When one examines the expenditure of the GEF funds, there are several things to note (see Table 3). First, a total of USD 825,500 was allocated for what one might term as the “GEF Sinking Fund”. These were the funds, therefore, that were expended on an annual basis in the protected areas.
5. It is interesting and relevant to notice that a total of USD 943,144 was expected to be expended by the end of 2016 (see Table 3). The difference between the grant and the amount to be expended by the EOP was made up of the interest that the CNF accrued over the life of the project from investing the original USD 825,500[[13]](#footnote-13).
6. [However, the initial figures provided by the CNF to the TE did not *quite* add up: the reported EOP balance (USD 117,644) did not equal the reported accrued interest on the GEF grant (USD 115,537). The CNF explained that this was due to “exchange rate difference”. There is a further inconsistency among the figures: the sum of the total GEF funds used to date (USD 1,102,995) ≠ the amount pledged (USD 1,000,000) + accrued interest on the GEF funds allocated for the “GEF sinking fund” (USD 115,537) – see Table 3. This has subsequently been resolved with all figures adding up. The TE does note that the CNF has the luxury of “moving” funds among budget lines to ensure their accounts to a discrete donor such as the GEF are balanced – in contrast to other projects which do not share these luxuries.]
7. The achievement of accruing an additional USD 115,537 from the originally allocated investment is something that the CNF is proud. But it *does* lead to a number of rather challenging questions. First, with all due respect to the investment prowess of the CNF bankers and financial advisors, investing the GEF funds does expose it to some level of risk. The TE does note that the project document does indicate that it was CNF’s intention to invest the USD 825,500 and that “funds deposited will be invested by the [CNF] in accordance with its investment policies prior to disbursement” and that all “[f]unds deposited in the sinking fund account, together with all investment earnings thereon” would be expended by 31 December 2016 (although, as noted in Section 2.1, the assumed that the project commenced on 01 January 2010). It is interesting to note that the project document’s risk section does not directly acknowledge the risk to which the GEF funds were exposed through this policy and the TE wonders if the GEF really comprehended that their funds were being taken and invested in this way[[14]](#footnote-14).
8. In summary, then, the TE recommends that if the CNF proposes to invest the GEF funds in a similar way (and there is no reason to suppose that it would not be included in the GEF-6 proposal), then, i) the risk to the GEF funds should be fully acknowledged in the risk section of the project document (with associated risk mitigation strategies – perhaps with more precision and detail than in the current project that “the [CNF was] being advised by experienced financial advisors [and] its executive director is experienced in financial matters”)[[15]](#footnote-15), ii) the GEF CEO writes a letter (to be included in the Annexes of the project document) acknowledging the risks and giving the permission to go ahead and invest and use the GEF funds in this way, and iii) that, as in this project, the funds that are accrued in this way are similarly spent directly on the protected areas.
9. There is a further question here that does not relate directly to this project but the entire GEF portfolio: what do all implementation agencies do with the funds once they have received them from the GEF? Do they, like the CNF, invest the funds in investment funds such that interest is accrued on the monies? If so, what happens to those monies? In the TE’s experience, all GEF projects account *only* for the originally pledged amounts and *not* for the original amounts plus the interest that might be accrued on the funds, if invested. If the funds are invested, then the TE strongly recommends that they should be spent on the project for which the funds were raised – as was done by the CNF – and not squirrelled away by the agencies. As with the transparency displayed by CNF, with other projects there should, either way, be transparency on this issue.
10. Finally, there is one further (potentially) thorny issue: the ownership of the CNF funds. This issue will be discussed later in the report (see Section 3.3.4)
11. In terms of co-finance, CNF reported two sources of co-finance: i) the government and ii) the CNF funds (see Table 2) – although in the project document a third source, the Bank of Georgia, was mentioned. First, as mentioned above, the amount of co-finance at the end of the project was greater than the pledged amount for both of the Government of Georgia and CNF funds. What was not reported was the actual extent of the Bank of Georgia (although the TE acknowledged that it was nested within the “CNF funds”) – but this begs the question of whether the Bank of Georgia actually delivered on their pledge – with transparency that all of these pledged funds were spent in Georgia (and, in the case of Bank of Georgia, specifically in Borjomi Kharagauli National Park[[16]](#footnote-16)). The same applies for other donors and the reported finances do not acknowledge the role that the GEF funding playing in allowing the CNF to invest monies raised from elsewhere into their “other” two funding mechanisms (the endowment and “CNF” sinking funds). In other words, having the GEF funding allowed the CNF to direct their energies successfully to raising funding for these other two mechanisms. In principle, *all* funds that were raised in this way (i.e., the funds raised grâce of the GEF funds) should also be acknowledged as co-finance – given that they too will be used for financial sustainability of the protected areas of Georgia.
12. Further, there are other aspects of co-finance that were not monetised and incorporated into the project’s accountability. For example, there are examples of the government’s contribution to the project, including (but not limited to): the time that the government gives to attending PEB meetings – as well as other time put into government oversight and guidance to the project implementation[[17]](#footnote-17).[[18]](#footnote-18)

Table 2. The overall project expenditure against the budgeted amounts (by year) and by Outcome (with the audits also pulled out – but see body of report). [Note: The data presented here are those received from the CNF following submission of the first draft of the TE report; the data have subsequently been updated and issues resolved.]

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2010-2016** | **2010-2013** | **2014** |  | **2015** |  | **2016** |  | **Total** |  |
| **Activities** | **Funding channel** | **Overall Planned** | **Actual** | **Planned** | **Actual** | **Planned** | **Actual** | **Planned** | Actual | **Balance** | **Expended** |
| 1. Ensuring sufficiency and predictability of revenue sources for the PA system | CNF Funds | 1,632,000.00 | 648,478.00 | 565,301.00 | 696,686.00 | 524,283.39 | 424,897.16[[19]](#footnote-19) | 450,544.47 | 377,337.12 | (515,398.28) | 2,147,398.28 |
| UNDP-GEF Sinking Funds | 825,500.00 | 571,140.00 | 84,787.00 | 99,674.00 | 21,755.31 | 111,175.44 | 161,438.29[[20]](#footnote-20) | 161,154.97 | (117,644.41) | 943,144.41 |
| UNDP Funds (IC) | 22,500.00 | - | - | 15,464.00[[21]](#footnote-21) | - | - | 7,036.00 | 7,036.00 | - | 22,500.00 |
| Government Funds | 2,435,000.00 | 2,475,245.00 | 931,605.00 | 855,837.00 | 857,471.20 | 785,378.00[[22]](#footnote-22) |  | 397,033.67 | (2,078,493.67) | 4,513,493.67 |
| **Total** | **4,915,000.00** | **3,694,863.00** | **1,581,692.00** | **1,667,661.00** | **1,403,510.00** | **1,321,450.00** | **619,019.00** | 942,561.76 | (2,711,535.76) | 7,626,535.76 |
| 2. Raising cost-effectiveness and capacities of PAs | UNDP Share | 53,000.00 | 10,500.00 | 20,750.00 | 9,250.00 | 11,500.00 | 5,500.00 | 11,500.00 | 23,850.00 | 3,900.00 | 49,100.00 |
| CNF Share | 53,000.00 | 46,614.00 | 19,486.00 | 19,174.59 | 141,102.70 | 9,202.97[[23]](#footnote-23) | - | 7,361.72 | (29,353.28) | 82,353.28 |
| TJS Share | 144,000.00 | 97,172.00 | 46,828.00 | 55,535.00 | 32,544.00 | - | - | - | (8,707.00) | 152,707.00 |
| **Total** | **250,000.00** | **154,286.00** | **87,064.00** | **83,959.00** | **185,146.00** | **14,703.00** | **11,500.00** | 31,211.72 | (34,159.72) | 284,159.72 |
| 3. Project Management | UNDP Share | 84,000.00 | 48,000.00 | 12,000.00 | 12,000.00 | 12,000.00 | 12,000.00 | 12,000.00 | 12,000.00 | - | 84,000.00 |
| CNF Share | 443,000.00 | 234,524.00 | 69,492.00 | 69,492.00 | 70,000.00 | 69,492.00 | 69,492.00 | 69,492.00 | - | 443,000.00 |
| Audit and Monitoring | UNDP Share (IC) | 15,000.00 | - | - | - | - | - | 15,000.00[[24]](#footnote-24) | 4,250.00 | 10,750.00 | 4,250.00 |
| CNF Share | 27,000.00 | - | - | - | - | - | 27,000.00[[25]](#footnote-25) | - | 27,000.00 | - |
| **Total** | **569,000.00** | **282,524.00** | **81,492.00** | **81,492.00** | **82,000.00** | **81,492.00** | **123,492.00** | 85,742.00 | 37,750.00 | 531,250.00 |
|  | **Total for Project:** | **5,734,000.00** | **4,131,673.00** | **1,750,248.00** | **1,833,113.00** | **1,670,656.00** | **1,417,645.00** | **754,011.00** | 1,059,515.48 | (2,707,946.48) | 8,441,946.48 |

Table 3. The project expenditure (against planned or budgeted amount) of GEF funds by Outcome (using data originally submitted to the TE; the lines have since been balanced – for details see para 61).

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2010-2016** | **2010-2013** | **2014** |  | **2015** |  | **2016** |  | **Total** |  |
| **Activities** | **Funding channel** | **Planned** | **Actual** | **Planned** | **Actual** | **Planned** | **Actual** | **Planned** | **Actual** | **Balance** | **Utilized** |
| 1. Ensuring sufficiency and predictability of revenue sources for the Protected Areas system. | Grant | 825,500.00 | 571,140.00 | 84,787.00 | 99,674.00 | 21,755.00 | 111,175.00 | 161,438.00 | 161,155 | -117,644 | 943,144 |
| International Consultant | 22,500.00 | - | - | 15,464.00 | - | - | 7,036.00 | 7,036 | -0 | 22,500 |
| 2. Raising cost-effectiveness and | Contractual Services - Company | 53,000.00 | 10,500.00 | 20,750.00 | 9,250.00 | 11,500.00 | 5,500.00 | 11,500.00 | 23,850 | 3,900 | 49,100 |
| 3. Project Management | Contractual Services - Individuals | 84,000.00 | 48,000.00 | 12,000.00 | 12,000.00 | 12,000.00 | 12,000.00 | 12,000.00 | 12,000 | - | 84,000 |
| Professional Services | 15,000.00 | - | - | - | - | - | 15,000.00 | 4,250 | 10,750 | 4,250 |
|  | **TOTAL** | **1,000,000.00** | **629,640.00** | **117,537.00** | **136,388.00** | **45,255.00** | **128,675.00** | **206,974.00** | **208,291** | **-102,995** | **1,102,995** |

### Monitoring & Evaluation

1. The project – or rather the CNF – carried out annual technical and financial audits. The financial audits were carried out by an independent audit company (KPMG) while the “technical audits” were carried out by NACRES (an NGO in Georgia).
2. An interesting – and again rather thorny – issue emerged from this process: while CNF publishes its financial reports (on its website, see <http://caucasus-naturefund.org/about-cnf/documents-publications/>), aside for recommendations that the CNF considered as pertinent, with the exception of the main findings (that were shared with APA and the PEB), the audit reports were not shared with any of the stakeholders – including the government agency and the UNDP-CO. The CNF argued that this was because the audits were being carried out under a contract between themselves and the audit company/organisation – and under this contract, the reports were confidential. However, because UNDP-CO, as Implementation Agency, has ultimate responsibility for accountability and delivery of the project (or at least for the GEF portion of CNF funding), they would have a justifiable claim to receiving the audit reports. Similarly, the GEF grants are, in principle, made to recipient countries and, therefore, the GEF funding that has contributed to the CNF – through the “GEF Sinking Fund” – is, in effect, the countries’ contribution to the CNF. As such, they, too, have a case to make for receiving the CNF technical and financial audits. Therefore, in spirit of transparency and partnership – as well as in recognition of the role that both UNDP and the nation states play – it would be recommended for the CNF to share the audits – as even positive audits provide reassurance! As with the issue of investing GEF funds over the course of the project’s life (as described above in Section 3.2.4), the TE cannot help but think that the GEF would want it this way. As such, this may just be the “price” of receiving GEF funds and the CNF should not respond with the claim that it is simply contractual: from the perspective of the government, the GEF and the UNDP-CO), the contract could just as easily include a clause that the audit reports should be shared among key stakeholders[[26]](#footnote-26).
3. Aside from this issue, the project carried out a MTR as part of the project M&E processes. As described in the section on adaptive management (see Section 3.2.1), this did result in a series of recommendations, some of which resulted in changes to the project’s implementation and indicators.
4. Finally, up to this point in the TE report, there have been implications that this project is not just a little unusual when compared with other UNDP-GEF projects. In terms of M&E, this was also the case: the UNDP-CO was a little uneasy about precisely what their role was in the project.

### UNDP and Implementing Partner implementation, execution, coordination and operational issues

1. The project has been implemented by the CNF. Indeed, this was so much the case that the lines blurred between the project and the CNF and, again, while the GEF grant could ostensibly be attributed to a “GEF Sinking Fund”, the reality was that, in the eyes of the stakeholders, this could really not be functionally distinguished from the principal CNF Sinking Fund (or, indeed, from the funds that originated from the interest accrued from the CNF Endowment Fund[[27]](#footnote-27)).
2. The CNF operated from an office in Tbilisi. Somewhat interestingly, the office is *not* within the Ministry of Environment building in which the APA is housed. Over the course of the mission, the TE was made aware of the lack of office space within the APA’s floor of the Ministry of Environment. However, if the opportunity even emerged to move the CNF offices to within the same building – or even within the same floor as the rest of APA, it would make sense as it would serve to bring the CNF and APA closer together. It might also offer the government to contribute further to the CNF by providing in kind support[[28]](#footnote-28).
3. There were some changes to the staffing of the CNF over the life of the project (see Table 4). The Project Manager – who also fills the role of the CNF Country Coordinator for Georgia – was the constant: she has been in this role since 2012 and, notably, she also was previously an employee of the APA – and National Project Director for this project while there – and, therefore, came to the role with a set of good relationships and associated trust.
4. At the higher levels of the CNF, it is governed by a Board of Directors. At the stage of the TE, there were four members to the Board, including a representative from KfW (as Chair), a representative of WWF-Germany and David Morrison (who was one of the driving forces behind the establishment of the CNF). While the TE recognises that representation from any or all the three countries on the CNF Board would be complicated, sensitive and inappropriate, it is interesting to note that (beyond the mandatory PEB in this project) there is no national-level steering committee (or other governance structure; this issue will be discussed further in Section 3.3.4).
5. At the beginning of the project, the Executive Director was based in Paris, France. In January 2016, he stepped down from this position (although he remains on the Board) and was replaced; the new Executive Director of the CNF is based in Tbilisi. Prior to the appointment of the new Executive Director, there was a Programme Director responsible for regional coordination who was also based in Tbilisi[[29]](#footnote-29).
6. In addition, the Project Manager/Country Coordinator has also been supported by a communications and visibility consultant, over the past 18 months, who has been assisting with PR related work regionally (i.e., for both Armenia and Georgia).
7. As indicated in Section 3.1.8, the project was overseen by a PEB, with a total of eleven meetings held over the life of the project.
8. With the exception of hiring the individual consultants to carry out the MTR and TE (which was done by the UNDP-CO – see Table 2), the Project Manager/Country Coordinator, together with Consultancies Project Manager managed all procurement and contracting processes under the project related to the TA or consultancies. As for goods and works related to PAs and financed by the project, APA was responsible state partner and all procurements were carried out under the state procurement law and regulations.
9. The Project Manager/Country Coordinator has done an excellent job of keeping the UNDP informed with regular reports that broadly adhere to the UNDP-GEF formats.

Table 4. The CNF employees over the life of the project

|  |  |  |
| --- | --- | --- |
| **Name** | **Position** | **Employment dates** |
| David Morrison | Board Member & Executive Director | 2008 – present |
| Geof Giacomini | Executive Director | April 2016 – present |
| Daniel Sepic | Program Director/Regional Coordinator | July 2013 – July 2016 |
| Tea Barbakadze | Project Manager/Country Coordinator | June 2012 - present |
| Joseph Alexander Smith | Communications and Visibility Consultant | Oct 2015 – Dec 2016 |
| Harald Jean Louis Leummens | Consulting Fund Manager | Nov 2014 – May 2016 |

## Project Results

### Overall results

1. The logic of the project was flawless: first to deliver a flow of funds to protected areas in Georgia and, second, to work to improve the efficiency and cost effectiveness of the management of the protected areas (or in the more precise wording of the project document: i) ensuring sufficiency and predictability of revenue sources for the PA system and ii) raising cost-effectiveness and capacities of PAs).
2. Therefore, an evaluation of the results of the project should examine, in turn, i) the delivery of funds to the protected areas while asking whether they were “sufficient” and predictable, and ii) whether the protected areas have become more cost effective with better capacities.
3. Notwithstanding some of the comments made in the PRF (see Table 5; see also the discussions in Section 3.2.4 of the report), the PRF is a relatively good mechanism to measure the first of these targeted results. The summary is that over the course of the project:
4. Over the past six-and-a-half years, the CNF delivered a total of USD 3,090,542 to protected areas in Georgia, including USD 943,144 of GEF funds
5. The CNF has built up their support to 10 protected areas in the country from the original one PA supported in 2010
6. Salary top-ups amounting to USD 1,041,227 have been provided to 264 personnel working for APA
7. There has been a concomitant increase in the funding provided by the government (i.e., the CNF is catalysing or leveraging increased funding from the government)
8. The Financial Sustainability Scorecard measures the differential between the basic and optimal funding: this, therefore, is a measure of “sufficiency”.
9. Once the CNF started to fund a particular protected area, it has continued to fund that protected area (i.e., funding is predictable) with not one instance of reduction of CNF funding (thus, the Borjomi-Kharagauli National Park and Lagodekhi Protected Areas were first funded in 2011; they are still being funded at the same levels throughout).
10. The project sought mechanisms for the protected areas to accrue revenues from other sources – although there was a predominant emphasis on tourism. This has a shortcoming that will be discussed below.
11. [It is, however, noticeable that the CNF did not provide data on each recipient protected area to demonstrate how other revenue streams changed over the course of the project. Coupled with this is the question of how the overall budgets of individual PAs change over the course of the project’s life?][[30]](#footnote-30)
12. In summary, the PRF provides a relatively good tool for measuring the success of the project against the first targeted result.
13. In contrast, measuring the cost effectiveness of the protected areas and the capacities of protected area managers is much more difficult. The PRF includes a few indicators under the second outcome: i) determining whether an accounting system in place, ii) determining whether business plans (and then, later in the project’s life, whether operational plans) had been adopted), iii) the number of protected area managers trained in cost effective management, and iv) the existence of an electronic system to track changes in the METT scores for the PAs. However, these are all *tools* that should enable cost effectiveness; they are not measures of cost effectiveness in and of themselves. In addition, there was no measure of the capacities of protected area managers (for example, using a Capacity Scorecard or even an adapted Capacity Scorecard): there is the assumption that the provided training leads to behaviour change among protected area managers.
14. In summary, at this point, the PRF has provided a reasonable framework for measuring various aspects of the project. However, there is an overriding assumption that i) finding mechanisms for “sufficient” and “predictable” sources of funding, and that ii) providing a series of “tools” that may increase cost effectiveness will, ultimately, lead to better managed protected areas and, thereafter, to biodiversity being in a better state than it was at the beginning of the process. In short, is the process making a difference? This is mainly discussed in sections of the report below (see Section 3.3.7 for discussion on Impact, and Section 4.1 for Conclusions).
15. The PRF included only one indicator that makes an attempt to measure the impact of the project on biodiversity (at the Objective level): “Critical ecosystems of protected areas providing habitats for endemic and endangered species are conserved” with a baseline level that “ecosystems are deteriorating”. As discussed in Table 5, this is virtually immeasurable.
16. It should be clearly stated that the CNF is well aware of this shortcoming and the TE had a number of discussions with the CNF staff (as well as other stakeholders) about the impact that the CNF – as a means to an end – may have on that end: the biodiversity of Georgia. For further discussion on this, see later sections of the report (in particular, see Section 3.3.7 on Impact).
17. In addition to the issue of measuring impact, there are a number of other issues that warrant some discussion. First, in principle, the CNF uses a series of criteria to select the protected areas that it supports[[31]](#footnote-31) (see Annex V). However, there is some repetition within these criteria (e.g., there is a reference to the fact that selected sites must be included in the Caucasus ECP in three – of a total of nine – criteria) and there is a different understanding of them among the stakeholders interviewed over the course of the TE mission. For example, numerous people suggested that one criterion was that the PA should not to be a “paper park” (i.e., there has to be an administration in place with facilities) – and yet this does not appear as a criterion in the Framework Agreement. One of the issues here is whether the criteria are actually sufficiently sensitive to ensure meaningful selection of sites. For example, the majority of the protected areas in Georgia (with the exception, apparently, of Tbilisi National Park, Ajameti Managed Reserve and a number of natural monuments) are included in the ECP. As such, it barely functions as a criterion for selecting areas in which to work.
18. In addition, the criteria exclude important areas such as discrete, isolated strict nature areas (or zapovednik or IUCN Cat. I protected areas where they exist outside of a zoned protected area). Thus, for example, the Tusheti protected area is included in CNF’s funding schemes – thus, the strictly protected zones of Tusheti protected areas are included. However, there are some that exists in isolation from other protected areas and currently they would never be eligible for CNF funding[[32]](#footnote-32).
19. In contrast, there are a number of unwritten criteria, one of which is that the CNF invests in those protected areas in which the KfW has already invested through its “bilateral” (SPPA) funding pillar. In the words of one (important) interviewee, the function of CNF is to “shore up” (or insure) KfW’s investment through their other pillars. While there is truth to this (and KfW *did* request that KfW-supported protected areas are supported specifically with funds donated to the CNF by KfW), the CNF is supporting a number of protected areas that were not previously supported by KfW (e.g., Lagodkhi, Vashlovani, Tusheti and Mtirala protected areas have not been recipients of KfW funding). Furthermore, CNF has the opportunity to include Machkhela National Park for CNF support in the coming years: in contrast to other areas receiving CNF support, Machakhela has not been a recipient of KfW funding but, rather, it has been support by the GEF.
20. Furthermore, there is a strong emphasis – especially in the KfW supported areas – on the areas in which there is a reasonable likelihood of generating revenues (as part of the financial sustainability processes)[[33]](#footnote-33). This again acts to exclude those areas (such as strict nature areas) in which there is little or no potential for generating revenues. Indeed, there appears to be a *shift* in the emphasis and rationale for protected areas and their raison d’être from one that focused on their biodiversity values, the ecosystem services they provided and the important ecological processes they supported to one of their ability to generate revenues, mostly from tourism[[34]](#footnote-34).
21. In summary, then, the point being made here is that the CNF (with their partners and especially KfW), through their own internal policies and selection criteria, has the potential to influence policy and the direction in which the APA and the protected areas go. The risk here is that while the CNF (and partners) are of course acting in good faith, their actions have the potential to lead to inadvertent negative impacts[[35]](#footnote-35). While everyone recognises that there may have to be selection criteria and selection processes, the actors need to remain vigilant and wary of such inadvertent impacts.
22. There are a few other points to make in this section. First, under Outcome Two, the project was supposed to work with APA to put in place an accounting system for each of the protected areas that would allow for easier extraction of data regarding budgets and expenditure. A company was contracted to do this work and despite not actually delivering the final product, the company was paid – although it should be stressed that the payment was made using funds from KfW’s TJS II programme. This turns out to be very little value for money. Because the process is perceived to be important, it will be continued and APA has requested CNF financial support for this.
23. Second, one of the principal issues with the protected area system in Georgia is the high turnover of staff. In large part, this has been linked to the low salaries that are provided by the government. Therefore, with CNF providing a “top-up” for the staff working the in the protected areas that it supported, one would expect a decline in the staff turnover. Apparently, this may have been the case but, equally apparently, the rate of turnover increased towards the end of the project. In the future, the CNF should not only monitor the staff turnover but also attempt to understand the reasons for turnover (and the degree to which this is linked to financing and top-ups).
24. In addition, the system of providing salary top-ups to some, but not all, protected areas has created imbalances across the system. In some instances, there are people sharing a single administration office – some of whom receive a salary top-up and not the rest. In addition, there are those protected areas that, for many reasons discussed through this report, will not receive CNF support – and, consequently, the staff working there are being discriminated against by the simple virtue of where they work. This is an unfair and imbalanced system[[36]](#footnote-36).

Table 5. The Project Results Framework showing the TE status and the TE comments.

It should be noted that the indicators are for CNF *as a whole* and not just for the GEF investment. As such, it impossible (and not necessarily desired) to disaggregate the results that the GEF grant, alone, would have had. The question that remains is whether the designers of the project envisaged that this would be the case when selecting the indicators and EOP targets.

| **Strategy** | **Indicator** | **Baseline level** | **EOP Target** | **MTR level** | **TE Level** | **Means of verification** | **TE comments** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| To secure long-term financial sustainability of the Georgian PA system | Area of sustainably financed PAs | 0 | At least 100,000 ha cat. I-II by 2013  400,000 ha cat. I-IV by 2017 (as reformulated) | 231,051 ha category I-II  242,514ha category I-IV | 389,920.96 ha category I-IV. | CNF database, APA data | The indicator is incorrectly defined: it should be the area (ha) of protected areas that are financially supported by CNF; it is certainly arguable whether the protected areas are “sustainably financed”.  This target was re-formulated following MTR (with endorsement by the PEB).  The (modified) target was almost, but not quite, achieved – although this was partly linked to corrections in the PA’s boundaries in 2015. |
|  | Improved funding ratio of optimal needs of PAs measured by financial sustainability score card | 0.47 The baseline level was 0.34 excluding the assumed increase in funding from revenues generated by the sister project | 0.625 | 0.58 | 0.6089 | Completed FSSC | The indicator is derived from the Financial Sustainability Scorecard and is standard for such projects that are focusing on the financial sustainability of protected area systems.  The target was almost achieved – although this was partly linked i) to devaluation of the Georgian lari (GEL) and ii) to an increase in the coverage of the PA system in Georgia without a concomitant increase in state budgets (noting that these should be assumptions and risks to such an indicator). |
|  | Critical ecosystems of protected areas providing habitats for endemic and endangered species are conserved | Ecosystems are deteriorating | Habitats in 4-5 Cat I-II PAs are conserved by 2013 | As reported at the MTR stage: Implementation of BD monitoring programme in BKNP (CNF/GEF SGP). Replication of the programme in CNF funded PAs. | As reported by CNF at the TE stage: “CNF supports 10 PAs Cat I-IV; 6 with full operational support and 4 with a very basic support.” | See comment | This is not a useful indicator as it is not clearly defined and, as a result, it is immeasurable.  While environmental (and biodiversity) indicators are ultimately necessary for biodiversity projects, i) environmental indicators need to be selected with great care because ii) the CNF is a tool to improve management which, in turn, should lead to environmental benefits – and, as such, it is one (or more) steps removed from the benefits (see discussion in Section 3.3.7). In summary, biodiversity indicators even within a seven-year process (especially one that started relatively slowly but has built up over time) need to be carefully considered to be useful. However, in the longer term, the CNF would expect to have influence and impact on the environment (including biodiversity, ecosystem services and ecological processes) – and thus it is important that the biodiversity monitoring processes are put into place (recalling that they too are a tool for measuring the impact but not a result in themselves).  However, over a seven-year project, a funding mechanism such as the CNF *should* have other *process* impacts which should be measured and monitored (see Section 4.4 for a discussion on this). |
| Ensuring sufficiency and predictability of revenue sources for the PA system | Reduce annual funding gap by $440,000 by 2013 | 70% of basic funding The baseline level in 2008 was actually 51%. 70% is the 2013 target with the sister project. The 2013 target is 88% including the projected increase in government funding. CNF was to add $440,000 to this increased 2013 financing level. 47% of optimal funding | 94% of basic funding Under the assumptions on the reduction of project targets discussed above (CNF adds $800,000 by project end and an additional $200,000 are provided by a combination of increased government and tourism related funding), following MTR the PEB adjusted this target is from 96% to 94% of basic funding (and 62.5% of optimal funding). | Financial scorecard at MTR assessed combined support from government and donors to cover 86% of basic funding, or 58% of optimal funding | Financial scorecard at TE assessed combined support from government and donors to cover 91.34 % of basic funding, or 60.89% of optimal funding in Dec 2016 | Financial scorecard completed for TE, Dec 2016. | This indicator is structured rather oddly and is badly worded. First (if one is to use the indicator as it stands), a recommended re-wording of the indicator would be the “reduced annual funding gap” with a target of USD 440,000 by 2013. It also does not specify at which level the funding gap should be measured – thus, whether this is at a system level or for the selected PAs (CNF later clarified that they use the system level funding gap).  Second, the baseline and EOP targets are unrelated with this indicator but rather talk of the percentage of the basic and optimal funding that are covered by CNF.  As it is, the proportion of the basic and optimal funding needs are stated for the baseline and EOP target and these are the parameters on which the CNF has reported. In doing so, the second (objective level) indicator is partly repeated here.  The target was almost achieved.  Further to this, it would be interesting to know (and monitor) the *proportion* of the total budget for PAs that is being financed by CNF. |
|  | US$ value of capitalization of sinking fund. | 0 | $2,435,000 | $6,350,000 (taking into account GEF funding plus 1/3 of Euro 12 million funding from BMZ and reserves) | The “GEF sinking fund” is now zero.  € 12 million in CNF Sinking Fund (plus a further USD 1.105 million received from KfW) in Dec 2016. |  | In part, this indicator can be taken as a measure of the funding that was leveraged by the GEF grant. Indeed, as was categorically stated, one of the successes of the GEF grant was to allow the CNF sufficient time to raise funds. It is interesting and perhaps a little odd, however, that the designers of the project chose to measure only the *sinking* fund and not both the sinking fund and the endowment.  Nonetheless, by the EOP, the target had been far surpassed. |
|  | Number of PAs financed from CNF | CNF is currently not financing any PAs | Four to five PAs financed by 2013 | 5 PAs (BKNP, Lagodekhi, Vashlovani, Tusheti and Mtirala) | In 2016 10 PAs receiving support from CNF: 6 PAs are supported with full operational funding (BKNP, LPA, VPA, TPA, MNP and JPA). 4 PAs (Kazbegi, Algeti, Kintrishi and newly established Pshav-Khevsureti) are receiving smaller support-salaries top-up and very basic operational costs as they are part of the big investment programme SPPA funded by KFW. | Grant agreements | This indicator is somewhat akin to the very first (that measured the area of protected areas being financed). This is simply the number of PAs being financed. The TE considers that neither indicator is particularly meaningful and would propose that the CNF should, rather, measure i) the proportion of the total number of PAs managed by APA and ii) the proportion of the total area of the PAs managed by APA that is being financed by the CNF.  However, as it stands, the target was achieved. |
|  | Increase in tools PA system revenue generation | 0.3 | 0.55 | Achieved 37%; Some of the tools of the sister project results have been followed up including:  - Concessions  - Entry fees  - Some ecotourism activities  Other studies such as the Ecotourism study for Tusheti will be used by TJS to develop the coming up tourism study for all Pas | 0.42 | Financial scorecard completed for TE, Dec 2016 Part II, Component 3 | Although it is not explicitly stated here (and for clarity, perhaps it should be), this indicator is derived from Part II, Component 3 of the Financial Sustainability Scorecard. This section of the FSSC focuses predominantly on tourism with a sub-section on Payment for Ecosystem Services (PES).  The focus on revenue generation in Georgia is exclusively on tourism[[37]](#footnote-37) - however, it is not universally accepted within Georgia where the revenues come from – for example, there is little political appetite to apply entrance fees across the majority of the protected area system. This has limited the ability of the project to achieve its target[[38]](#footnote-38). |
|  | Long-term annual funding capacity of CNF available for Georgia based on its endowment, sinking fund and other regular annual commitments. | $100,000 | $950,000 (original target) $800,000 (revised as agreed by the PEB following the MTR) | At the MTR, it is estimated that the capacity of CNF to finance Georgia's PAs annually on a sustainable basis is around $700,000 for the next ten years.  This will allow CNF to cover 8-9 PAs/yr. | CNF has achieved the project target and is able to provide $800,000 annually to the protected areas system in Georgia | CNF Financial statement | This indicator measures the capacity of the CNF funding mechanisms to finance protected areas in Georgia[[39]](#footnote-39). However, there are strategic issues and parameters that determine, at any given moment, how much the CNF can commit to Georgia (or, in fact, Georgia and Armenia – and, indeed, the other countries if/when they come online), including: i) the degree to which the CNF uses for administration and fund-raising, ii) the amount that CNF chooses to re-invest in the endowment fund – and, of course, iii) the amount of money in either the sinking or endowment funds. As a result, this is more a measure of how successful the CNF has been at capitalising its sinking and endowment fund than anything to do with the GEF project (though it must be stated that the GEF grant did give CNF the space and time to seek funding for the capitalisation of its sinking and endowment funds; in other words, the degree to which the sinking and endowment funds are capitalised is, to some degree, thanks to the GEF grant). |
| Raising cost-effectiveness and capacities of PAs | An accounting system is in place at APA and covers all PAs. | No budgeting and accounting system is in place. | Budgeting and accounting system is in place. | Financial scorecard has been revised in 2013 during MTR. BKNP staff has been trained in maintenance planning. Maintenance plan for BKNP has been produced. | No budgeting and accounting system is in place due to misunderstanding between APA and service provider. | Reports from TJS II and APA | Original indictor “Increase in cost-effectiveness of at least 10 PAs” was amended following the MTR of the project. The original indicator was derived from the Financial Sustainability Scorecard (specifically Part II, Component 2, which focuses on business planning and tools to improve cost-effective management).  The target for the amended indicator has not been achieved. A contract was signed with TJS, trainings were delivered but software program did not meet APA’s requirements. A server is in place; this could serve for budgeting and accounting software in the future.  There were other capacity issues within APA which also hampered achievement of the target, However, APA is now seeking CNF’s assistance to complete this work. |
|  | Technical assistance is in place for the preparation and the implementation of Operational Plans (OPs) by all the PAs covered by CNF | 0 | Technical assistance has been provided and Operational Plans are in effect at all PAs covered by CNF (8-9 PAs) in 2016 | Final adoption of OPs by three PAs (Borjomi, Vashlovani and Tusheti PAs). | Three year operational plans are provided for all 10 CNF supported parks. | Submitted operational plans | This indicator was also amended at the MTR stage of the project (with a shift away from business plan development to the preparation and implementation of operational plans). There are potential synergies with the management planning processes in Georgia as these have six-year cycles but with three-year operational plans associated with them. APA and CNF should work together to ensure synergies between these two processes. |
|  | Number of site managers trained in cost-effective management | 0 | At least three in a minimum of 10 targeted PAs (original target)  An accounting system for PAs is in place and is adopted by all PAs (target revised by the PEB after the MTR). | No accounting system in place ;  TJS conducted trainings on planning tools as part of its mandate for TA and CB. In addition, BKNP administration staff (7 employees) has been trained in maintenance planning in partnership with US DoI ITAP in 2013. | No accounting system in place; About 12 employees from APA’s central unit and PAs have been trained in using budgeting and accounting software. |  | The indicator was also amended following the MTR and is the same as the first indicator under this Outcome. Training was provided but accounting system is not in place. |
|  | Existence of electronic system to track changes in management effectiveness based on the METT score and - where appropriate - on the Financial Sustainability Scorecard. | No such system exists | Development and implementation of such a system | Updated METT scorecards received for BKNP and Mtirala  No electronic system in place | METT scorecards were upgraded for TPA and VPA in 2015  All METT information is held in a database created by CNF in 2015/2016 | Submitted METT Scorecards | Very strangely, this indicator is about *establishing an electronic system* for tracking changes in the management effectiveness tracking tool (METT) – rather than the METT scores themselves (which CNF is collecting for the participating PAs every three years) despite the fact that this should be the one thing that is directly impacted by the provision of CNF funds. The GEF-6 project should use the METT scores as one measure of success of the CNF. |

### Relevance

1. The project – and CNF – remains relevant on a number of different levels. *Financial Sustainability of Protected Areas* is a theme that has historically been one of the GEF’s strategic objectives under the Biodiversity Focal Area (although the wording of the strategic objective has evolved through each round of GEF). Sustainable financing for protected areas does remain a concern for many nation states as well – and this is reflected in Georgia’s continued request for such projects: the current project is the second *Financial Sustainability of Protected Areas* project (following on from the previous “sister” project[[40]](#footnote-40)) and, moreover, as discussed earlier, the GEF-6 project that is in the pipeline is (yet another) *Financial Sustainability of Protected Areas* project. In short, the project is obviously relevant to what appears to be a deep-seated concern in the country.
2. This is interesting from three perspectives. First, many of countries have only *one* financial sustainability project in the history of GEF projects. Admittedly, it is rare that financial sustainability is actually achieved in the course of that project, just as it is rare to find a protected area system across the globe that can justifiably state that it has achieved financial sustainability with optimal funding being provided to achieve all conservation goals (including those associated with biodiversity, ecosystem services and ecological processes) – *even in developed countries*. Nonetheless, most GEF-recipient countries see that they have one shot at the financial sustainability goal. Given that Georgia is seeking further funding now under the guise of the *Improve Sustainability of Protected Area Systems* strategic objective of GEF-6, surely one can only conclude that this project has failed to achieve its objective “*to secure long-term financial sustainability of the Georgian PA system*” (as well as the objective of the previous project, which was “*to improve the financial sustainability of the protected area system of Georgia*”)?
3. Second, it also begs the question of the biodiversity priorities in Georgia given the GEF-6 strategic objectives?
4. The second perspective revolves around the fundamental principle that financial sustainability is dependent on government’s willingness to fill the funding gap between the revenues that protected areas can accrue[[41]](#footnote-41) and an amount that probably (and realistically) lies somewhere the basic and optimal levels of funding. The CNF presents a realistic and pragmatic solution that recognises the current inability of APA to meet its financial obligations (under the above principle) to the protected areas under its mandate. The strategy adopted by the CNF to provide a maximum of 50% of the recurrent costs of the protected area in question goes some way to assuage this issue but not completely.
5. In summary, then, through a series of three GEF projects, the government has found a(n innovative) mechanism for turning GEF funds into (relatively long-term) budgetary supplements for protected areas. In part, it could be argued that this is absolving the government of their responsibilities. In addition, it could also be argued that such an approach undermines the *incremental reasoning* that lies at the fundamental core of GEF funding and the rationale of GEF funding which is to overcome fears, catalyse processes and demonstrate successes[[42]](#footnote-42).

### Effectiveness & Efficiency

1. There is relatively little to say about efficiency and effectiveness. The CNF effectively delivered funds to protected areas, leveraged funding from various sources – including catalysing increased budgets from the government, and carried out training.
2. Overall, the CNF team in Georgia is one that inspires confidence, both in their skills and abilities but also efficiency and effectiveness.
3. In terms of efficiency, the project was designed with fixed project management costs. The UNDP-CO project management budget included the costs only of the MTR and TE; the CNF project management costs were fixed at USD 12,000 – irrespective of the actual costs of managing CNF. As a result, the project management budget was USD 99,000 – representing precisely the 9.9% of the total GEF grant (when 10% was the permissible limit for project management under GEF-4). When the interest on the CNF managed funds (a total of USD 115,325; see Section 3.2.4) was included, the proportion was even less (USD 99,000/1,115,337 = 8.9%). [In addition and as clarified by CNF as a comment of the draft TE Report, CNF only billed UNDP for USD 84,000 of the total of USD 99,000 as USD 12,000 was spent on the terminal evaluation – however, this goes to reinforce the point being made here.] This does not reflect that actual cost that CNF used (and uses) overall for administration and fundraising (see Figure 1)[[43]](#footnote-43). As such, from GEF’s perspective, this is cost effective because CNF is absorbing all management and administrative costs that might be incurred over and above the allocated budget.

### Country Ownership

1. Despite the fact that the project was governed by a PEB chaired by the government, the majority of government stakeholders expressed their feeling of having no or little ownership. This was probably more a reflection of the difficulties that people have in distinguishing the “project” with its associated “GEF Sinking Fund” from the CNF as a whole. As discussed above, CNF itself is governed by a Board of Directors. While the TE recognises that this is not only acceptable, it is desirable (as the Board’s role is more about financial governance than anything else) the TE recommends that, at the very least, a national level “steering committee” or “board” is established (and what it is called is at the discretion of the people involved, as appropriate) with a clear mandate and Terms of Reference that describe its roles and responsibilities[[44]](#footnote-44).

### Mainstreaming

1. The duration over which the CNF, as a funding mechanism for the protected areas of Georgia, operates means that, almost by definition, it becomes part of the mainstreamed processes for funding protected areas within the country. This could be further enhanced by providing selected people from Georgia the opportunity to participate in the governance of the fund.

### Sustainability

#### Financial Risks to Sustainability

1. There are a number of aspects that influence the risks to financial sustainability (which is subtly different to the financial risks to sustainability).
2. First, the CNF and the funds that it invests are subject to the whims of all financial investments: there are risks involved. The CNF counters this by stating that “the [CNF was] being advised by experienced financial advisors [and] its executive director is experienced in financial matters.”
3. While the TE is certain that the people involved are fully aware, it is probably worth reiterating that the responsibilities involved with the CNF are immense: the protected area system of the country is becoming increasingly dependent on the fund. Out of principle, the TE recommends that in recognition of this dependence coupled with the recognition that there is a risk – however small in the eyes of the CNF’s “experienced financial advisors” and the experience of people associated with it “in financial matters” – the government of Georgia should include in the framework agreement with the CNF that they, the government of Georgia will assume all responsibility for funding the protected area system of the country in the event that there is failure or partial failure of the CNF. Therefore, in conclusion, if the government is willing to assume responsibility for absorbing all financial risks to which the CNF funds are exposed, the risks to financial sustainability are significantly diminished[[45]](#footnote-45).
4. The other aspects are linked to dependence risks associated with revenue streams – particularly tourism. Tourism is a sensitive and fickle source of revenue and, as with the previous paragraph, the stakeholders simply need to be aware of its character. Because of this, tourism must be built on a solid foundation of state funding as well as other sustainable financing mechanisms such as the CNF; a diversified portfolio, as all investment managers will tell you, is the best strategy![[46]](#footnote-46).

#### Socio-economic Risks to Sustainability

1. There are few if any socio-economic risks to sustainability in the context of this particular project or funding mechanism to protected areas.

#### Institutional Framework and Governance Risks to Sustainability

1. The institutional risks to sustainability are as strong as the institutions involved: the CNF, the government structures and the non-state actors. All of these are robust and resilient, and, as such, the institutional risks are minimal. However, this does not mean that there are no institutional issues at all. For example, there has been a high turnover of personnel in government organisations in Georgia and while this *should* not affect structures such as the CNF or its functionality, it would be better for all to be cognisant that this is occurring and may increase institutional risks to sustainability.

#### Environmental Risks to Sustainability

1. There are few if any environmental risks to sustainability and, on the contrary, the CNF should significantly reduce environmental risks to sustainability.
2. However, there are two things to consider. First, partly driven by KfW, there is an emphasis on protected areas raising revenues from tourism[[47]](#footnote-47). In principle, this can be applauded – until tourism (with the economic imperative it represents) becomes the raison d’être for the protected areas (rather than their biodiversity, ecosystem service or ecological process – or other – values). As the protected area system creeps in this direction, the focus moves away from those protected areas that, for whatever reason, have a low ability to raise revenues from tourism. The strict nature areas are the most obvious example but there are others who inherent tourism potential is simply less than others even though their biodiversity, ecosystem service or ecological process value are equal or, in some cases, greater than areas with high tourism potential[[48]](#footnote-48).
3. Second, the CNF (and partners) have focused on tourism as the principal (if not only) mechanism for generating revenues from protected areas. At the moment, this is going well and year-on-year, there have been significant increases in the revenues that the protected areas are generating. However, this does mean that other streams of revenue have been largely ignored. These include, primarily, the ecosystem services (aside from tourism) that the protected areas provide. There are two immediate (and classic) examples: i) watershed protection – associated with water flow systems and water cleanliness, and ii) carbon sequestration and storage. In a country in which hydroelectric generation is rapidly escalating and in a world affected by climate change, there are numerous opportunities for monetising both of these ecosystem services. Admittedly, it may be hard work because all businesses (such as the hydroelectric systems) are resistant to what they see as further barriers or operational costs. However, there are numerous ways of securing compliance and even the enthusiastic embrace of such businesses to their involvement. These should be explored.

### Impact

1. A question was posed earlier in the report (see Section 3.3.1): is “the [CNF through the project] making a difference?” – especially in terms of better managed protected areas and in terms of biodiversity, ecosystem service and ecological processes being in a better state than it was at the beginning. There is a caveat to trying to come to any conclusions about the impacts that the CNF may have: it is a tool that facilities management which, in turn, is the mechanism that affects the functions of any given protected area. In other words, the CNF is one step removed from the actual impacts that the management may – or may not – be having. As such, it would be unwise to pin all failures or successes on the CNF but, rather, one needs to recognise that failures and successes require some examination before conclusions can be drawn.
2. Having stated this, it should be recognised that the thing that the CNF should impact the most – the management effectiveness of the protected areas – was not measured by the project. The Monitoring Effectiveness Tracking Tool (METT) could have been used within the project’s results framework to determine the impact, if any, that the CNF may have had on the METT in the protected areas in which it engaged[[49]](#footnote-49). At the very least, a number of the parts of the METT would increase in response to the CNF’s engagement in an area (e.g., the budgetary aspects, the equipment aspects and the maintenance of equipment aspects).
3. Despite being (at least) one step removed from the biodiversity, ecosystem services and ecological processes that *should* lie at the heart of the protected areas, the CNF – as well as partners who are involved with addressing other aspects of the protected area system (e.g., capacity development, planning, implementation) – should be thinking of the impact that it is having with respect to the biodiversity, ecosystem services and ecological processes. This requires setting up monitoring processes – and, indeed, the CNF is taking steps to do this.
4. In this, the TE recommends extremely careful thinking and planning – and there are some good lessons here from GEF biodiversity projects over the past 14 years. All GEF projects since the 2002 review of GEF biodiversity projects[[50]](#footnote-50) are required to include biodiversity indicators to measure the success of projects. However, the majority of projects choose inappropriate species as indicators: they tend to choose large, charismatic mammals. This is done in part because they are relatively easy to survey or census; it is also done because there is a cultural bias towards these species among conservation workers (and the general public). And yet, those are the very species that are either less affected by project outcomes, at least in the short-term – i.e., over the project’s life, and/or their ecology is such that any significant changes to their population sizes over the course of a project would almost always be a decline that was beyond the control of the project. In other words, the indicator species are often not well selected. Instead, projects and programs such as the CNF (or rather, their designers working with ecologists) need to think very carefully about biodiversity (or other ecological) indicators that i) operate on a scale (both spatially and temporally), ii) are minimally affected by external factors but will respond most directly to project or program activities. These, then, would be species (or other aspects of biodiversity) that would most appropriate to measure project successes (or otherwise) but few projects or programs do this.
5. Further to this, it should be reiterated that the fundamental rationale for protected areas needs to be clearly understood. This certainly should not be the economic factors, which should, in principle, be a means to an end although they can as well play a substantial part in the economic development of a country. The fundamental rationale for protected areas should be the environmental aspects that they are established to protect – and as has been reiterated throughout this report, these should not be restricted to biodiversity alone but any natural features or processes.

# Conclusions and Recommendations

## Conclusions

1. At this point, the TE is aware that the tone of the report may be perceived as being overly negative and critical. While there are a number of concerns that have been expressed in places within this report, the overriding conclusion is that the CNF is an outstanding mechanism for providing sustainable financing for the protected areas of Georgia (as indeed such funds are outstanding mechanisms for any protected area systems wherever they are successfully established). In addition, the CNF represents an outstanding example of a successful protected area trust fund – in a world in which there are not so many trust funds that are working very well.
2. The TE is also aware that there might be a perception that the evaluation has shifted from being that of the GEF project to one of the CNF as a whole. In part, this is inevitable because the GEF is indistinguishable from the CNF in the eyes of the majority of the stakeholders – or rather there is just one entity and that is the CNF and the GEF “project” remains unknown. In addition, the PRF reports on the results of the whole of CNF and not just the GEF portion. However, the CNF is a much bigger entity than the aspects that have been discussed in this evaluation and in no way does this report claim to assess all the aspects of the CNF. However, there is the hope that the report will provide some feedback for the CNF and the stakeholders involved therein.
3. There is one thing that has not yet been stressed in the report but must be stated, as a conclusion of the report. Despite its relative modesty, the GEF grant was timely and valuable in that it allowed the CNF time to build its foundations. The CNF spent a considerable portion of its funds in 2010 and 2011 on fundraising (see Figure 1) and the GEF grant facilitated this by providing funds – through a sinking fund process – to the protected areas.
4. [It is notable that the CNF’s fundraising was relatively successful in that the fund currently is capitalised to the tune of approximately € 34 million – with € 22 million in the endowment fund and a further € 12 million in a sinking fund. Thus, the fund is well underway to achieve its target of € 44 million – although this target is likely to be reviewed and members of the CNF are now talking of a target in excess of € 100 million. This obviously depends on the strategy that the fund adopts – and it should be acknowledged that there are numerous directions that the fund may take.]
5. As the second in this series of projects on the financial sustainability of the protected areas of Georgia, as discussed earlier, it is apparent that the CNF (and by extension the Government of Georgia) has found a mechanism for providing some funding to protected areas in the country that both alleviates the pressure on the government to provide funding but also that flies in the face of the additionality and innovation that lies at the core of the GEF. While doubtless adding a *third* financial sustainability project will be useful, there are questions about whether it really satisfies the core GEF philosophy and whether it really is the priority. These are questions posed by the TE but they must be answered by the Government of Georgia, the CNF, the UNDP and the GEF.
6. The need for a third financial sustainability project – as well as the on-the-ground situation – does lead to the conclusion that the project has not achieved its objective “*to secure long-term financial sustainability of the Georgian PA system*”. It may have taken significant steps towards this objective but there is still far to go. There are two final conclusions that can be drawn at this point. First, there will always be a need for the Government of Georgia to provide the foundation of funding for the protected area system. All the stakeholders – including the CNF and future projects (including the upcoming GEF-6 project) should work hard to ensure that the Government of Georgia assumes its full responsibility. Second, there is a need for diversification of revenues streams – thus, not constrained to just tourism.
7. Finally, the TE has a number of recommendations – as detailed in the three sections that follow hereafter – these are written with the GEF-6 grant in mind.

## Corrective actions for the design, implementation, monitoring and evaluation of the project

1. *Technical assistance vs. provision of funding alone?* The MTR of this project suggested that a greater emphasis should be placed on technical assistance. This suggestion was reinforced by the UNDP-CO – with particular reference to the GEF-6 proposal. However, the TE is less certain of the value of this. There is no doubt that there is a need for technical assistance and that provision of funding for protected areas is only one part of the picture. The question is whether the CNF is the best mechanism to deliver such technical assistance when there are other mechanisms for delivering technical assistance that may well be much better than the CNF[[51]](#footnote-51). As such, the TE would argue that the CNF should focus on getting its core business absolutely perfect – and catalyse outstanding technical assistance from other partners (both state and non-state).
2. *Beware the influence*. Donors – including external funding mechanisms such as the CNF – can be enormously influential on government policies. These can be both conscious and unconscious, and the perceived shift in Georgia towards a protected area estate that has a predominant focus on tourism (coupled with the revenue generation that is associated with tourism) is probably not the result of a conscious process. Indeed, the APA were forceful in their reassurance that they were retaining an overall focus on biodiversity (and this was reiterated in a comment on the draft report). Despite these reassurances, the TE (and other stakeholders interviewed over the course of the mission in Georgia) was slightly less convinced as the rhetoric was almost overwhelming. As previously argued in this report, this has the potential to lead to inadvertent impacts.
3. *Establish a national level “steering committee” or “board”*. There is a need for some national level management body or board for the CNF to enhance a feeling of ownership[[52]](#footnote-52). This can be built out of the GEF-6’s PEB – using the lessons learned from the current project as a basis. Such a body would require a well-defined mandate with clear roles and responsibilities – relative to those of other bodies such as CNF’s own board. In addition, the people/organisations for such a national level body should also be carefully selected to ensure that i) there are no conflicts of interest and ii) that each member will contribute significantly to the functionality of the board.
4. Further to this, the transparency issues that exist at present – with CNF’s technical and financial audits not being shared with stakeholders in the country – would be reduced as it would be appropriate to share the audits with such a “steering committee” or “advisory board”.
5. *Measuring impact*. This subject has been discussed at length in Section 3.3.7 of the report but, in short, there is a need for all partners in the PA system of Georgia to come up with a meaningful biodiversity (or other ecological) indicators that i) operate on a scale (both spatially and temporally), ii) are minimally affected by external factors and, therefore, are appropriate to measure the successes (or otherwise) of the protected area system of the country.
6. In addition to the environmental indicators, the partners could also agree on system-wide monitoring processes – such as the systematic use of the METT (adapted for Georgia if necessary) to measure the effectiveness of the management of the protected areas.
7. *Replication*. The CNF has already been replicated in the Balkans but it represents an excellent learning opportunity for successful establishment of a mechanism to contribute to the financial sustainability of a regional protected area system – although it should be noted that there would be lessons for trust funds that operate at a national level as well.
8. *Redress the imbalanced system of salary top*-*ups*. There are imbalances with the system of provision of salary top-ups that should be addressed – on the basis that all people working in the protected area system are employed to do a job and the expectation is that they apply themselves equally to their jobs[[53]](#footnote-53).
9. *Criteria for selecting participant PAs*. As stated in the report, the criteria for selecting participating PAs were relatively opaque with numerous different interpretations. In the future GEF-6 project, the criteria should be reviewed – possibly using the NBSAP or Emerald Sites as part of the criteria[[54]](#footnote-54).
10. *Synergies between the government management planning and CNF operational plans*. These two planning systems need to be fully integrated and synergised.
11. *CNF is Responsible Party for pipelined GEF*-6. In the structure of GEF-6 projects, CNF should fill the role of Responsible Party.

## Actions to follow up or reinforce initial benefits from the project

1. *Two questions*. One of the interesting (and potentially thorny) issues that emerged from the project is that of interest accrued from the GEF grant. The project was transparent (and even proud) of the fact that an addition USD 115,537 was accrued in interest from the original USD 825,500 that was transferred, as a lumpsum, to the CNF at the beginning of the project. But there are two questions that emerge from this.
2. First, is GEF happy that the CNF exposed the GEF funds to the risks that are inevitably associated with investing funds? For the GEF-6 grant, the TE recommends that i) the risk to the GEF funds should be fully acknowledged in the risk section of the project document, ii) the GEF writes a letter acknowledging the risks and giving the permission to go ahead and invest and use the GEF funds in this way, and iii) that, as in this project, the funds that are accrued in this way are similarly spent directly on the protected areas.
3. Second, do all GEF implementation agencies similarly invest the funds that GEF transfers to them and if so what are the accrued monies used for? In the TE’s experience, all GEF projects account *only* for the originally pledged amounts and *not* for the original amounts plus the interest that might be accrued on the funds, if invested. If the funds are invested, then the TE strongly recommends that they should be spent on the project for which the funds were raised and not squirrelled away by the agencies. There should, either way, be transparency on this issue.

## Proposals for future directions underlining main objectives

1. As is not uncommon in many protected area projects, people think in terms of *inputs* rather than thinking and planning about the results that need to be achieved (or, in the parlance of development, *results-based management*).
2. Further to this, in the future (GEF-6) project, there are a few parameters that should be monitored, including those that were already being monitored in this project and on top of the environmental indicators that have already been discussed above. These include:

* The METT (which the CNF is now monitoring – although it was not done within the framework of this project)
* The rate of staff turnover – with analyses to determine factors influencing staff turnover – e.g., using exit interviews of leaving staff (as the salary top-ups should reduce the rate of staff turnover)[[55]](#footnote-55)
* The annual spending per unit area. This surely is a key indicator not only for this project but also for the GEF-6 project. This should be calculated across the system as a whole (determining the overall catalytic effect of CNF) but also per unit area within each of the selected protected areas[[56]](#footnote-56). This should be carried out to determine whether PA budgets are also increased in line with inflation.
* Not only the number of people being trained but the impact that the training has had and how it is being used[[57]](#footnote-57).

1. Finally, the TE would like to reiterate the fact that the project has focused on three mechanisms for funding the protected areas in Georgia: i) the funds provided by the government of Georgia, ii) the revenues that tourism can provide and iii) the funding that CNF has provided. There are other important sources of revenue and other mechanisms for achieving financial sustainability for protected areas. The sources of revenue are associated with payment for ecosystem services – and the TE urges that these are further explored (e.g., in the BIOFIN project) building on discussions that have already taken place[[58]](#footnote-58). This is stated in recognition that it would take some courage to do so – but if this is done in alliance with the many stakeholders are partners that are involved, there could be traction with some of the organisations (e.g., the Ministry of Energy) that, to date, have proved resistant.
2. The mechanisms for achieving financial sustainability include co-management, delegated management or contracted management – or, in other words, alternative governance systems for protected areas other than the current state-centric model. While APA is, apparently, resistant to such proposals (and the evidence for such a statement comes from the meeting that the TE held with APA); if APA and the partners are truly committed to ensuring the sustainability of the protected areas across Georgia, this would be something worthy of exploration and experimentation[[59]](#footnote-59).

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1. **Comment on draft TE Report**: “*Pledging by the state party of taking care of all the cost in such case maybe is overestimated. Hopefully, such situation does not appear but if happens it will be based on the situation and opportunities for the given moment*”. **TE response to comment**: Indeed! [↑](#footnote-ref-1)
2. UNDP-GEF (2012) *Project-level Monitoring: Guidance for conducting Terminal Evaluations of UNDP-supported, GEF-financed projects*. [↑](#footnote-ref-2)
3. The network remains incomplete and there are gaps in the representativeness; these gaps are, at least in part, being filled by other initiatives (e.g., those by UNDP-GEF, KfW and others). [↑](#footnote-ref-3)
4. **Comment on first draft of TE report**: “*Seems too critical. Would be better to say needs farther improvement or needs to become more effective*”. Response from TE: This was taken directly from the project document and is not a comment being made by the TE. [↑](#footnote-ref-4)
5. See the Stakeholder Analysis presented in the Project Document (see Section 1.4 on page 7 of the project document). [↑](#footnote-ref-5)
6. Despite it being mentioned in the project document; but no Inception Report was received by the TE; the Inception Period and the Inception Report were also not mentioned in the MTR. [↑](#footnote-ref-6)
7. Formerly KfW Bankengruppe, KfW is a German government-owned development bank, based in Frankfurt. Its name originally comes from Kreditanstalt für Wiederaufbau. [↑](#footnote-ref-7)
8. **Comment on draft TE report**: “*There are indeed strong linkages between the KfW programs and CNF and CNF is currently chaired by KfW. A large part of CNF's program is a KfW sinking fund implemented under KfW's supervision just as the GEF sinking fund was implemented under UNDP's supervision. Two things to keep in mind: (1) it was not always this way--at the outset there was not KfW sinking fund, WWF was the chair of CNF's board, and the GEF funding was the way CNF got started; (2) the KfW involvement will fade over time as its sinking fund is spent down and CNF's own funds take a more important role in its programs; also, it is quite unlikely that KfW will continue to chair the board since internal guidelines prescribe that KfWs participation on trust fund boards should not be indefinite*.” [↑](#footnote-ref-8)
9. Quite successfully, one should say: see report of the Midterm Review of that project. [↑](#footnote-ref-9)
10. **Comment on draft TE report**: “*After MTE the project management agreed to reduce number of meetings by meeting at least annually and in case of project need. In total 11 PEB meetings; last one on March 25, 2016; MoM available and can be provided*”. **TE response**: The TE finds this is a slightly odd comment as the frequency of meeting of the PEB was not mentioned in the MTR report. On the contrary, the MTR mentions (repeatedly) the notion of “ … *strengthening the functions of the PEB as “the ultimate decision-maker” with regards to the “GEF Sinking Fund” and its linkages to the “CNF Sinking Fund.*” [↑](#footnote-ref-10)
11. **Comment on draft TE report**: “Do they really want this? Since it likely will mean more work for them?” **TE response**: They may not want it for the very reason pointed out – but a tripartite agreement containing roles and responsibilities would stipulate – and secure agreement – on just that: “doing nothing”. At least this would be negotiated, agreed and signed upon – ensuring clarity and agreement. [↑](#footnote-ref-11)
12. The CNF’s financial status is transparently recorded on its website, see <http://caucasus-naturefund.org> [↑](#footnote-ref-12)
13. **Comment on second draft of the TE report**: “*There is a currently exchange risk as well; this should also be considered*”. **TE response**: this is a risk that all GEF (and other development) projects face in countries with fluctuating currencies. As with other donors, this should be managed as best as it can by keeping the funds in stable currencies as long as possible. [↑](#footnote-ref-13)
14. **Comment on draft TE Report**: “*This is what conservation trust funds do and is well understood in the CTF community. Indeed it is consistent with what almost all universities and charities do with funds that are provided both to endowments and other longer term projects. The risk relating to the financial crisis in the Project Document was intended to capture the investment risk, although it is of* *course correct that investment and risk go hand in hand whether there is a financial crisis or not. Our understanding from GEF program documents over the years is that GEF supports conservation trust funds and must understand that they are investment vehicles*. **TE response to comment**: The TE is fully aware of the modus operandi of conservation trust funds; the point here was to raise the question of risk and transparent recognition of the risk by the GEF. This question simply leads to the recommendation for the GEF-6 grant (see paragraphs in Section 4.3). [↑](#footnote-ref-14)
15. **Comment on draft TE Report**: “*This information is available on CNFs website, but can be provided as an Annex to the GEF-6 submission*”. **TE response to comment**: This would be a good idea. [↑](#footnote-ref-15)
16. **Comment on second draft TE Report**: “*See donation contract between BoG and CNF; BoG contributed 225,000$ for the project*.” The CNF also provided the Donation Contract. **TE response to comment**: Thank you for clarifying. [↑](#footnote-ref-16)
17. It should be noted that such time should be monetized – ideally using the methods demonstrated by a UNDP-GEF project in Uzbekistan “Mainstreaming Biodiversity into Uzbekistan’s oil-and-gas Sector Policies and Operations”. It should also be noted that this monetized time should, according to GEF rules, be considered as cash – or “grant” monies (in the parlance of GEF-6) and *not* “in-kind” monies). [↑](#footnote-ref-17)
18. **Comment on draft TE Report**: “*not bad idea but requires more efforts and paper work from state actors to calculate and report for such contribution*”. **TE response to comment**: No, this does not require any more effort from the state; it does, however, require a little more time and effort from the Responsible Party (in this case CNF) for the project: indeed, it is a mandatory aspect of the Responsible Party’s responsibilities to monitor these expenditures. Once the Excel spreadsheets are set up, it is a relatively trivial task to monetize expenditures. **Additional comment on second draft of TE Report**: “*Main responsibility from state actors goes to the project director/APA representative/PEB member in our case, who was directly involved in project management and reporting but this contribution is counted as in-kind. Other state actors from parks were also involved directly or indirectly but their contributions are monetized and counted as co-financing from the government. Do not really see any significant gap there*.” **TE Response**: This contradicts the information given to the TE during the mission to Georgia. If the time was accurately monetized, great. In the GEF-6 project, time should be monetized but it should be considered as “cash” and not “in-kind”. [↑](#footnote-ref-18)
19. The 2015 actual expenditure includes the contributions from corporate donors [↑](#footnote-ref-19)
20. The 2016 planned budget included USD 115,537 accrued from interest on the GEF SF [↑](#footnote-ref-20)
21. The 2014 actual expenditure was for the MTR [↑](#footnote-ref-21)
22. The 2015 State spending excluding spent revenues [↑](#footnote-ref-22)
23. The 2015 expenses included only those for technical and financial Audits [↑](#footnote-ref-23)
24. Proposed to be spent for TE [↑](#footnote-ref-24)
25. Proposed to be disbursed to the PAs [↑](#footnote-ref-25)
26. **Comment on draft TE Report**: “… *This will be considered for GEF-6*”. **TE response to comment**: Good. [↑](#footnote-ref-26)
27. It should be noted (here for it is as good as any other place in the report), that the interest accrued from the CNF Endowment Fund was split among the funding provided to protected areas, the administrative and overhead costs of the CNF and re-investment in the Fund itself (i.e., contributing to the continued endowment of the Fund). [↑](#footnote-ref-27)
28. **Comment on draft TE Report**: “*this opportunity was discussed but firstly there was no space at MoE/APA and CNF’s team was increasing; secondly CNF Tbilisi office is operated as a regional office and it would be too risky to have too much influence from APA/Moe and thirdly better if foundation like CNF as a funding instrument has as much independency as possible to attract and not to limit other potential contributors (likewise currently CNF is associated with German/KfW fund and many bilateral efforts has been failed)*”. **TE response to comment**: Noted. [↑](#footnote-ref-28)
29. The person resigned in June 2016. [↑](#footnote-ref-29)
30. **Comment on draft TE Report**: “*This would be the responsibility of APA, not CNF as we do not manage the budgets of PAs; info is available at APA/PAs. The data are available for the period 2007-2016*”. **TE response to comment (amended)**: It is good that the data are available; with careful planning, these data could be useful to monitor the success of the GEF-6 project (in addition to the Financial Sustainability Scorecard data) and the CNF in the long-term. [↑](#footnote-ref-30)
31. These “criteria” appear in four sections of the CNF’s by-laws (Sections 15-18) and in two annexes of the framework agreement that the CNF has with the Government of Georgia and relate to the “Priority” Protected Areas (PPAs) – with a definition of what it takes to be a “priority” (Annex A) and a series of criteria (based on irreplaceability, representativity, urgency, feasibility, and regional importance (Annex F). [↑](#footnote-ref-31)
32. For a list of the strict nature reserves in Georgia, please see: <http://apa.gov.ge/en/protected-areas/reserve>. The list includes both those sites with zoned strict areas as well as those that are discrete and isolated. [↑](#footnote-ref-32)
33. **Comment on draft TE Report**: “*not really as such; as soon as all big PAs are covered and CNF’s financial capacity allows , funding could be provided to the smaller but important strict reserves. CNF discussed internally Batsara-Babaneuri SR Cat I*”. **TE response to comment**: Somewhat ironically and inadvertently, the comment unearths another (previously) unwritten criterion: size. Furthermore, it would be interesting to understand why Batsara-Babaneuri Strict Reserve was not included even though it was “discussed internally”. [↑](#footnote-ref-33)
34. **Comment on draft TE Report**: “*This is just not true. Most of our PAs (Borjomi, Lagodekhi, Vashlovani, Mtirala, etc) have core areas that are category 1. The prime driver is always the highest biodiversity areas where we can have an impact with operating funds (not capital investment). Where tourism can be developed, we seek to do so in line with our mission to increase financial sustainability*”. **Further comment on second draft**: “*Conservation without money is just conversation, imagine there is no CNF and no tools for income generation or “commercialization” as it’s stated above. If CNF would invest into Cat 1 only how PA system would get increased incomes? No tools for income generation, no financial sustainability for entire system. PES is a nice idea but takes much time as developing countries are not aware and not ready to apply it immediately*.” **TE response to comment**: As with the above footnote, inadvertently this comment reveals yet another unwritten criterion: “*where [CNF] can have an impact with operating funds*”. It is such inconsistencies that have led to confusion among stakeholders about the selection criteria and for them consistently to express their understanding of CNF irrespective of what CNF itself believes. In addition, of course the PAs have core areas that are strictly protected – this is required by the management planning process in Georgia. The point here is that the listed areas have significant areas that are accessible to tourists unlike the strict nature areas that are isolated and discrete. It should also be understood that some interviewees may have been expressing their concern about the “commercial” direction in which the protected area system in Georgia is going. **TE response to further comment**: The TE is in no way suggesting that finding mechanisms to generate revenue are not important; however, the fundamental reason for the majority of protected areas is the values that they seek to protect and there are some protected areas that will never be attractive to tourists or, indeed, be eligible for PES strategies. They are nonetheless still valuable and should not be neglected. [↑](#footnote-ref-34)
35. Examples include: i) neglecting those areas with little or no potential for generating revenues irrespective of their biodiversity values, ii) stagnation (or, worse still, reduction) of APA’s funding from the government if they are perceived to be an organization that receives donor funds. [↑](#footnote-ref-35)
36. **Comment on draft TE Report**: “*CNF does not have the resources yet to be able to support all PAs. Also, those PAs and consequently theirs staff have much less responsibilities than CNF supported parks: no tourist and income to manage, less impact on the area (e.g littering by visitors), less infrastructure and maintenance needs, in some cases less illegal activities in managed reserves as protection regime is less strict*”. **TE response to comment**: Indeed it is complicated but one would not expect that the staff in one PA to have “more responsibilities” than in other areas – people in all areas have a job to do. However, the CNF should strive to seek modalities that are equitable and fair. This should be done in partnership and agreement with APA – indeed, such that APA takes responsibilities for such decisions rather than having them attributed to CNF (as they are in the eyes of the majority of stakeholders). As such, it would be APA’s responsibility to manage any imbalances and inequalities across the system. [↑](#footnote-ref-36)
37. Although, apparently, in the upcoming BIOFIN project, there will be some focus on PES. [↑](#footnote-ref-37)
38. Although it does beg the question of whether the target was realistic. [↑](#footnote-ref-38)
39. It should be noted that the “sister” project in Armenia has a similar indicator although the target is lower; as a result the CNF cannot conveniently shift money from Armenia to Georgia in order to fulfill the target! [↑](#footnote-ref-39)
40. It should be noted that, in the parlance of many stakeholders, the project had two different sisters: i) the previous UNDP-GEF project in Georgia “*Catalyzing Financial Sustainability of Georgia’s Protected Area System*” and ii) the concurrent and also CNF-focused UNDP-GEF project in Armenia “*Catalyzing Financial Sustainability of Armenia’s Protected Areas System*”. [↑](#footnote-ref-40)
41. Through whatever mechanisms might be available, including (but not limited to): tourism and (other forms of) payment-for-ecosystem-services (see Section 4.4 for a discussion on this). [↑](#footnote-ref-41)
42. **Comment on draft TE Report**: “*The second sentence is arguably true. The third seems off base to us given the amount of additional (non-GEF) funding that CNF has been able to add to this project since inception*.” **TE response to comment**: The GEF’s incremental reasoning is not limited to leveraging funding but is based on the rationale of achieving global environmental benefits by “providing new and additional grant and concessional funding to meet the agreed incremental costs of measures” (as stated in the GEF Instrument). In preparation of the GEF-6 proposal, the Operational Guidelines for the Application of the Incremental Cost Principle (see <https://www.thegef.org/sites/default/files/documents/C.31.12_Operational_Guidelines_for_Incremental_Costs-2007_0.pdf>) should be applied. [↑](#footnote-ref-42)
43. The CNF’s overall administration costs have been coming down from year to year but remain about 15% (without fundraising included) or 20-25% (including fundraising). [↑](#footnote-ref-43)
44. **Comment on draft TE Report**: “*This is the PEB!*” **TE response to comment**: No, the TE is talking about the CNF as a whole here, not just the GEF funded part. [↑](#footnote-ref-44)
45. This point is reinforced by a **comment on the draft TE Report**: “ … *We seek to minimize these risks with good investment practices such as diversification of our asset base. We also seek to put in place appropriate cushions to shield us from the potential of investment losses. These include sinking funds, reserves and the like on which we can draw even if we have a bad investment year. But there is no doubt that a sustained downturn in the markets would reduce our ability to fund protected areas.*” [↑](#footnote-ref-45)
46. **Comment on draft TE Report**: “*That’s why CNF supports diversification of income mechanisms*”. **TE response to comment**: What other income generating mechanisms have been supported by CNF (aside from tourism)? In addition, as noted earlier in the TE Report, the CNF is neither monitoring the changes that are happening with respect to PA budgets nor are they monitoring the diversification that might be happening. [↑](#footnote-ref-46)
47. **Comment on draft TE Report**: “*Disagree. KfW does not choose PAs on its own and moreover from the tourism revenue generation point of view. State is the authority which nominates with collaboration with partners possible target PAs and they include not only PAs with revenue generation potential but including strict protection zones, etc*”. **TE response to comment**: The language used by many stakeholders (including those in a position to know) strongly suggested that KfW was having an influence and that was to focus on revenue generation. In principle, this is no bad thing – except when areas with little or no revenue generating potential are neglected to the possible detriment of biodiversity. [↑](#footnote-ref-47)
48. **Comment on draft TE Report**: “*On the other hand BD and ecosystem values are well kept due to having no impact from tourism, pollution, infrastructure; not bad at all if strict reserves stay intact as kind of core areas for BD but additional funding has to be provided mostly by government*”. **TE response to comment**: This is an interesting comment for two reasons: i) the assumption is that strict nature areas retain their ecological integrity, and ii) the comment reinforces the CNF’s lack of interest in assisting with funding strict nature areas stating that “additional funding has to be provided by the government” – which can be compared with earlier comments made on the TE report (see previous footnotes regarding the focus on sites with tourism potential). [↑](#footnote-ref-48)
49. **Comment on draft TE Report**: “*Actually and practically METTs are done for baseline and being updated for all CNF supported PAs, but yes it is not used within PRF as mean of verification*”. **TE response to comment**: The TE acknowledges that METTs are done for CNF supported PAs: the point here, as acknowledged in the comment, is that the PRF should have included the METT for supported PAs. [↑](#footnote-ref-49)
50. Dublin, H., C. Volonte & J. Brann (2004) Biodiversity Study Program. GEF Office of Monitoring & Evaluation. [↑](#footnote-ref-50)
51. **Comment on draft TE Report**: “*As fact, TJS was contributing TA for the project related to the improvement of financial management but main deliverable “budgeting and accounting system” was not delivered; Yes CNF is not fan of doing everything and all together but it was one of the lessons that we’ve learned within the project that CNF could identify easily what kind of TA is needed and having additional but limited consulting budget could provide relevant TA, been less dependent on other partners (actually CNF works together with GIZ for BD monitoring); Important to mention that most (If not all) TA programs have their own priorities which sometimes are not in line with CNF’s needs (like financial management is considered as CNF’s primary task and no other TA would like to intervene). It was more efficient and effective to contribute CNF’s own resources for the project rather than wait until our partners would contribute. But agree, in ideal word as better the other TA projects are doing as less TA need to be done by CNF*.” **TE response to comment**: This is an important comment because it highlights i) that adaptive management is necessary (i.e., one learns things as one goes along and one needs mechanisms to respond to the identified needs, and ii) that any one program cannot and will not be able to cover every aspect of the protected areas’ needs. However, as stated in the comment, in an ideal world, the CNF should focus on what it does best – funding protected areas – in partnership with other programs that respond (through investment or technical assistance) to identified needs. Unfortunately, the world is far from ideal and, as a result, it would be prudent and pragmatic for the CNF to use some of its funding for adaptive technical assistance (and even investment) as the needs arise and are identified. [↑](#footnote-ref-51)
52. **Comment on draft TE Report**: “*The PEB for GEF-6 is sufficient*”. **TE response to comment**: The TE strongly disagrees with the comment – as the TE is discussing the overall governance structures and ownership of the CNF not just the GEF portion (although it should be noted that the GEF, in part, acts as the catalyst for the establishment of such a national level governance body as GEF grants are made to the government and thus the GEF grants can be considered as the government’s contributions to the CNF). [↑](#footnote-ref-52)
53. Comment on draft TE Report: “*In addition to what was stated above [in a previous footnote] there is an imbalance from the state in paying salaries e.g there are kind of I and II class of PAs directors of which are paid different salaries (about 30% difference); It would be good if criteria are set for the performance evaluation to diversify salaries and top-ups accordingly. CNF has been trying to* *promote this idea and drafted some criteria but indeed APA’s heads referred on the imbalance and unfairness at that time; on the other hand, diversification of salaries and top-ups are highly supported by non-state partners. The Georgia’s government announced to apply diversification of salaries starting from 2017 but now it’s stopped due to budgetary deficit and firing about 10% of staff from almost all state organizations*.” **Further comment**: “*APA also agrees that salaries of directors should be the same in the future though at this stage it there exists some arguments. Difference between the salaries of various PAs was defined due some aspects (for example, administrations that manage bigger areas and eco-tourism is developed they have much more responsibilities and scope of work than others. For instance, Borjomi-Kharagauli NP director manages 107 000 ha territory and simultaneously tourist services are developed whilst the director of Kazbegi PA administration manages at this stage only up to 9 000 ha and tourism services are not developed yet). Accordingly, opposite to the statement given in the above comment, diversification of the salaries should not be the case, but top ups should be based on the performance of the staff. The legislation on this issue you have mentioned is postponed for several months but later it will define the performance criteria for the top ups*.” **TE response to comment**: The good thing about these comments is that they demonstrate that a dialogue is already taking place. This should continue until an equitable solution (that is owned by APA and one for which APA will take responsibility) is found. For example, it may be balanced with a system of rotating staff such that they have equal opportunities to perform well in the CNF selected PAs. [↑](#footnote-ref-53)
54. **Comments on draft TE Report**: “*Please see in the framework agreement annex A&F and CNF bylaws*” and “*Globally significant PAs as well as potential emerald sites are there; references on NBSAP and Aichi targets are also there*”. **TE response to comment**: Despite the existence of the supposed criteria in the Annexes of the Framework Agreement and in the CNF bylaws (although the TE failed to find references to either the potential Emerald Sites, the NBSAP or the Aichi Targets in any guiding documents), the understanding of the stakeholders and CNF itself (as illustrated by some of the comments to the draft TE Report – see earlier footnotes and responses) is inconsistent. There needs to be clarity and transparency. [↑](#footnote-ref-54)
55. **Comment on draft TE Report**: “*Too risky, 10% of public servants are fired by 2017 due to budgetary deficit and state never increased salaries based on the inflation rate*”. **TE response to comment**: This is a very interesting comment. First, CNF is one key mechanism to buffer against the state’s budgetary deficits in the sector. Second, one of the main reasons for providing salary top-ups (aside from financial burden of providing these funds) is to reduce staff turnover (which is especially high in APA). Therefore, the TE strongly recommends that the CNF (and the GEF-6 project) monitors the rate of staff turnover (while explaining the risks and assumptions that are involved – there are plenty of opportunities in a GEF application process to do so). This would demonstrate to all stakeholders that CNF is concerned about staff turnover rates and one of the functions of CNF is to reduce them. [↑](#footnote-ref-55)
56. **Comment on draft TE Report**: “*Budget and accounting system is needed to simplify this process, would be interesting to see and analyse dynamic of spending per PA*”. **TE response to comment**: Agreed. [↑](#footnote-ref-56)
57. **Comment on draft TE Report**: “*One of the requirements for GEF 6 application, capacity assessment score card, which was drafted*”. **TE response to comment**: It is good that the Capacity Scorecard will be used. However, it is only the *first* step: there is a need to understand why trainings are taking place – and then i) how the trainees are responding to the training and how the training is being put to use and ii) the impacts that this has (e.g., on PA management effectiveness, reduced threats, improved status of biodiversity). [↑](#footnote-ref-57)
58. **Comment on draft TE Report**: “*BioFin project is doing, UNDP*”. **TE response to comment**: This is also an interesting comment for two reasons: i) there was no mention of such a project during the TE mission in Georgia (although the TE recognizes that there is a little information on the BIOFIN websites – but curiously not on the UNDP-Georgia website), and ii) this would present yet another mechanism for financing biodiversity conservation in Georgia – along with the previous GEF project, the GEF-4 project being evaluated at present and the proposed GEF-6 project. Such a proliferation of funding mechanisms surely demonstrates the perceived need but, as discussed in various stages of the TE Report, it does beg the question of whether all these mechanisms are being effective. [↑](#footnote-ref-58)
59. **Comment on draft TE Report**: “*There is the other state body across the system Akhmeta municipality (local government) which is responsible for Tusheti protected landscape management, but yes, would be good if alternative governance opportunities are explored*”. **TE response to comment**: The Akhmeta example is noted but agree that alternatives should be explored. [↑](#footnote-ref-59)