



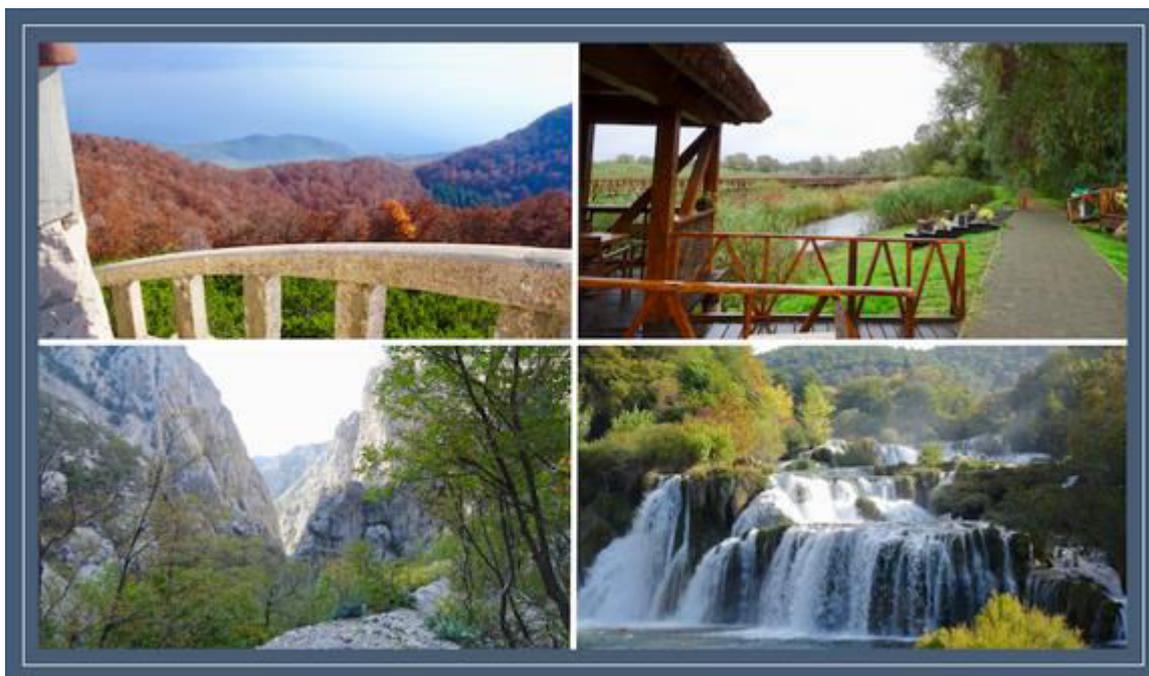
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## **“Strengthening the Institutional and Financial Sustainability of the National Protected Area System”**

### **Croatia**



## **Terminal Evaluation FINAL Report**

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<b>GEF Agency:</b>	United Nations Development Programme (UNDP)
<b>Implementing Partner:</b>	Ministry of Environment and Energy (MEE)
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## List of Abbreviations and Acronyms

APR	Annual Progress Report
AWP	Annual Work Plan
CAEN	Croatian Agency for the Environment and Nature
CDR	Combined Delivery Report
CF	Cohesion Fund
CO	Country Office
CPAP	Country Programme Action Plan
DAC	Development Assistance Committee
DIA	Directorate for Inspection Affairs
EPEEF	Environmental Protection and Energy Efficiency Fund
ERDF	European Regional Development Fund
EU	European Union
FMIS	Financial Information Management System
GDP	Gross Domestic Product
GEF	Global Environment Facility
GNI	Gross National Income
HDI	Human Development Index
IBA	Important Bird Area
IPA	Important Plant Area
JF	Joint Fund
M&E	Monitoring and Evaluation
MEA	Multilateral Environmental Agreement
MEE	Ministry of Environment and Energy (previously Ministry of Environment and Nature Protection (MENP))
METT	Management Effectiveness Tracking Tool
MF	Ministry of Finance
MTR	Mid-Term Review
NGO	Non-Governmental Organization
NIM	National Implementation Modality
NIP	Croatia EU Natura 2000 Integration Project
NPA	Nature Protection Act
NPD	National Protection Directorate
NBSAP	National Biodiversity Strategy and Action Plan
OECD	Organization for Economic Co-operation and Development
OPCC	(EU) Operational Programme Competitiveness and Cohesion 2014 – 2020
PA	Protected Area
PARCS	Strengthening the Institutional and Financial Sustainability of the National Protected Area System Project
PB	Project Board
PD	Project Director
PI	Public Institution (National, County or Local)
PIF	Project Identification Form
PIR	Project Implementation Report
PM	Project Manager
PMU	Project Management Unit
PPG	Project Preparation Grant
RBM	Results Based Management
SINP	State Institute for Nature Protection
SMART	Specific, Measurable, Attainable, Relevant and Time-bound
SRF	Strategic Results Framework
SSC	Shared Service Center
TE	Terminal Evaluation
TO	Thematic Objective
TOR	Terms of Reference
TWG	Technical Working Group
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
USD	United States Dollar
WHS	World Heritage Site

## Acknowledgements

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## DISCLAIMER

*This report is the work of an independent Evaluation Team and does not necessarily represent the views, or policies, or intentions of the United Nations Development Programme (UNDP) and/or of the Government of Croatia.*

# 1. Main Conclusions and Recommendations<sup>1</sup>

## 1.1. Background - Introduction

This report presents the findings of the Terminal Evaluation (TE) of the UNDP-supported-GEF-Financed-Government of Croatia Project “*Strengthening the Institutional and Financial Sustainability of the National Protected Area System*”. This TE was performed by an Evaluation Team composed of Mr. Jean-Joseph Bellamy and Ms. Ivana Laginja on behalf of UNDP.

**Table 1: Project Information Table**

<b>Project Title:</b>	Strengthening the Institutional and Financial Sustainability of the National Protected Area System		
<b>UNDP Project ID (PIMS #):</b>	4731	<b>PIF Approval Date:</b>	April 11, 2012
<b>GEF Project ID (PMIS #):</b>	4842	<b>CEO Endorsement Date:</b>	December 30, 2013
<b>Project ID:</b>	00088212	<b>Project Document (ProDoc) Signature Date (date project began):</b>	February 7, 2014
<b>Country:</b>	Croatia	<b>Date project manager hired:</b>	May 15, 2014
<b>Region:</b>	RBEC	<b>Inception Workshop date:</b>	July 17, 2014
<b>Focal Area:</b>	Biodiversity	<b>Midterm Review date:</b>	March-June 2016
<b>GEF-5 Strategic Program:</b>	SO1	<b>Planned closing date:</b>	February 2018
<b>Trust Fund:</b>	GEF	<b>If revised, proposed closing date:</b>	December 2017
<b>Executing Agency:</b>	Ministry of Environment and Energy (MEE)		
<b>Project Financing</b>	at CEO endorsement (USD)		at Midterm Review (USD)
<b>(1) GEF financing:</b>	4,953,000		4,953,000
<b>(2) UNDP contribution:</b>	500,000		500,000
<b>(3) Government: MEE</b>	16,700,000		16,700,000
<b>(4) Other Partners: PIs</b>	811,116		811,116
<b>(5) Total co-financing [2+3+4]:</b>	18,011,116		18,011,116
<b>Project Total Cost [1+5]:</b>	22,964,116		22,964,116

Croatia is located in south-east Europe with a total surface area of 56,594 km<sup>2</sup>. Its territorial waters incorporate a 22 km-wide coastal zone (with a marine area of 18,981 km<sup>2</sup>). The population of Croatia is approximately 4.3 million, with an average density of 77.8 inhabitants/km<sup>2</sup>. Croatia’s Human Development Index (HDI) value was 0.796, placing it in 46th place of 187 countries (UNDP, 2011). The country had a Gross National Income (GNI) per capita of US\$19,330 in 2011. Croatia concluded its accession negotiations with the EU in June 2011 and became the 28th member of the EU on July 1, 2013.

Croatia is situated at the juncture of several biogeographical regions: the Mediterranean, with its 1,246 islands and islets; the Alpine, including the high mountains of the Dinaric Arch (Dinara 1,831m); the Pannonian, including part of the Pannonian Basin plain in Slavonia; and the Continental, including the Karst limestone zone. The country is consequently considered as one of the richest in Europe in terms of biodiversity, with exceptionally high species richness and levels of endemism. Four Global 200 WWF ecoregions – Balkan Rivers and Streams; European-Mediterranean Montane Mixed Forests; Mediterranean Forests, Woodlands and Scrub; and Mediterranean Sea – are represented in Croatia. Birdlife International has identified 23 Important Bird Areas (IBAs) in Croatia, while 97 Important Plant Areas (IPAs) covering 964,655 ha and 3 Butterfly Areas covering 290,000ha have been described.

Croatia has a well-developed system of 408 protected areas, comprising: 8 National Parks; 11 Nature Parks; 2 Strict Reserves; 77 Special Reserves; 2 Regional Parks; 80 Nature Monuments; 83 Significant Landscapes/Seascapes; 26 Forest Parks and 119 Horticultural Monuments. Collectively these protected areas cover a

<sup>1</sup> Conclusions and Recommendations are in Chapter 1 with a brief background section. It is structured as an Executive Summary but also a stand-alone section presenting the highlights of this final evaluation. It could be easily printed out separately for wider distribution. If translation is available, it is proposed to translate this chapter and include the translation version in this report.

total area of 7,528.03 km<sup>2</sup>, or 8.5% of the total area of Croatia (12.2% of the terrestrial and inland water ecosystems of Croatia and 1.9% of the country's marine territorial waters). The largest portion (66%) of the protected area system comprises the 'national protected areas' (National Parks and Nature Parks), covering an area of 4,987.55 km<sup>2</sup> (5.66% of Croatia territory). Each of the 8 National Parks and 11 Nature Parks has its own Public Institution (PI). Each PI is directly responsible for the planning and day-day operational management of the park under its jurisdiction. They have their own staff complement and are financed from self-generated income, supplemented in some cases by government grant funding.

The long-term solution sought by the Government of Croatia for the network of national protected areas has been to develop an efficient, cost-effective and accountable institutional framework for the administration of national protected areas; and to have an adequate staffing, resourcing and sustainable financing of each national protected area. However, the government has been faced with two fundamental barriers preventing an effective management of its national protected area network; in 2013, they were:

- *Inherent systemic weaknesses in the institutional framework for national protected areas:* There were a number of overlaps between or lack of clarity over the roles of the MEE Directorates, the SINP and the individual PIs responsible for national protected areas. In the meantime, the 19 PIs had functioned completely independently of each other, with limited accountability to the central government.
- *Inefficiencies in the administration, adequacy, allocation and effectiveness of funding in national protected areas:* In 2013, the PIs of only two national protected areas covered all their costs from self-generated income. The remaining PIs required additional financial assistance, which was subsidized in part from annual State budget allocation.

The objective of the project is “*to enhance the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity*”. This objective has been achieved through two outcomes (and 7 outputs):

1. Reforming the institutional framework to strengthen the management effectiveness of national protected areas
2. Improving the financial sustainability of the network of national protected areas

This is a project supported by UNDP, GEF, and the Government of Croatia. At the approval stage, it was to be funded by a grant from the GEF of USD 4,953,000, a cash contribution from UNDP of USD 500,000, an in-kind contribution of USD 16,700,000 from the Ministry of Environment and Energy (MEE) and a cash contribution from the Public Institutions (PIs) of USD 811,116. The project started in February 2014 and its duration was 4 years. It is implemented under the “*National Implementation Modality (NIM)*”. The implementing partner is the Ministry of Environmental and Energy (MEE).

This terminal evaluation report documents the achievements of the project and includes four chapters. Chapter 1 presents the main conclusions and recommendations; chapter 2 presents an overview of the project; chapter 3 briefly describes the objective, scope, methodology, evaluation users and limitations of the evaluation; chapter 4 presents the findings of the evaluation and relevant annexes are found at the back end of the report.

## 1.2. Conclusions

### *Project Formulation*

#### **a) The project was highly relevant for Croatia to strengthen its PA system.**

Its timing was excellent; it provided the government with additional resources to strengthen its PA system at a moment when the government was seeking to develop an efficient, cost-effective and accountable institutional framework for the administration of PAs, and to have an adequate staffing, resourcing and sustainable financing of each PA. However, the effectiveness of the management of its PA network was limited due to two critical barriers: (i) Inherent systemic weaknesses in the institutional framework for national protected areas; and (ii) Inefficiencies in the administration, adequacy, allocation and effectiveness of funding in national protected areas. The project was designed to address these two barriers. It emerged from national priorities/needs, which were identified during the PPG phase. The result was the design of a

project that was a direct response to national prioritized needs.

It was also designed during the transition period when Croatia joined the EU (2013); it provided critical resources to Croatia to align its PA system with EU directives, including the implementation of its Natura 2000 ecological network. During the last four years, the PARCS project had been implemented in parallel to the “*Croatia EU Natura 2000 Integration Project (NIP)*” project funded by the World Bank. Both projects strengthened the existing PA system and also supported the government to access larger EU funding for the next few years under the EU Structural Fund.

**b) An excellent project document detailing a good and logical Strategic Results Framework (SRF) with good management arrangements.**

Despite some turbulences within the government and the national election that followed, which impacted the identification of the project strategy, a clear project document was completed, including a clear and logical strategy (SRF) to improve the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity. The political discourse at the time of the formulation of this project created a space for dialogue, which ended with a well formulated strategy and a project document that has been used as a “*blue-print*” by the project implementation team.

A stakeholder engagement plan was also developed during the formulation phase, which provided a good participative approach to engage stakeholders with clear roles and responsibilities from the outset of the project. Key stakeholders played key roles in the implementation of the project, particularly MEE, CAEN, the 19 PIs, the Ministry of Finance, and the Ministry of Tourism as well as other stakeholders. The management arrangements were effective for the implementation of the project, including clear reporting lines of authority. The Project Board met regularly to monitor the implementation of the project and the addition of a Technical Working Group and regular meetings/workshops with park directors contributed to keeping stakeholders/beneficiaries engaged in the implementation of the project and developing a good national ownership.

***Project Implementation***

**c) The project used adaptive management extensively to secure project deliverables while maintaining adherence to the overall project design.**

Adaptive management has been used regularly to adapt to a changing environment. It was particularly used as a mechanism to respond to stakeholders’ needs and priorities. The capacity of the project to adapt to changes over time resulted in the implementation of activities that benefited from a good participation of stakeholders. Activities supported by the project were a direct response to needs; hence explaining the good involvement of stakeholders.

In the meantime, the constant political discourse on how to reform the institutional framework affected the implementation of the project during the first year; however, using an adaptive management approach, the implementation team quickly found a way to adapt to this reality and was able to make the project resources available and implement activities as planned.

The first component, which focused on reforming the institutional framework to better manage the PA system in Croatia, was a difficult component to implement. Experiences in reforming such institutional frameworks show that it is not an easy and linear process; it is often mixed with political agendas and a certain resistance to change in these existing institutions. Nevertheless, the implementation team demonstrated its capacity to adapt to these changes and secure the delivery of expected results while maintaining adherence to the overall project strategy approved by GEF. Under outcome 2, the Nature Park Kopački rit was not part of the parks that was initially selected to receive financing from the PARCS project. However, following lobbying from the management of the park and negotiation, a decision was made to include this park in the list of recipients.

#### **d) The implementation of the project was efficient and cost-effective.**

The efficiency of the project was also the result of a high-quality implementation team. Using a participative approach and a good transparent communication approach, project activities were implemented with a good engagement of stakeholders. The implementation team prudently allocated project resources, stretching every single dollar as much as possible to get “*more bang for the buck*”, including the search for maximizing the co-financing of project activities. External expertise and contractors were hired as needed to secure the implementation of activities with an emphasis on hiring national experts and contractors. Despite the fact that it is always difficult to analyze the cost-benefit of such projects, all these management elements confirm that the implementation of the project was a very efficient operation that created a good value for money. The prudent approach to engage project funds was translated into good value for money and the use of adaptive management allowed for the identification and implementation of activities that were very responsive to immediate needs of stakeholders.

#### **e) The project leveraged a higher level of co-financing than planned at the outset of the project.**

A total of almost USD 23M was secured during the formulation of the project, including the GEF grant of USD 4,953,000 and just over USD 18M in co-financing. As the project moved forward with a good participative approach and implementing activities that responding to real needs, the interest in the project grew and the expected co-financing from the Public Institutions increased almost five times over the initial committed amount of USD 811,116. These numbers reflect the good partnership arrangements that were set up at the outset of this project, which allowed good synergies for an effective implementation of activities and for a cost-effective project. As the major beneficiaries of this project, the PIs were fully engaged in the implementation of the project, invested in project activities through co-financing and of course, benefited from these project activities, strengthening their capacities to manage their PAs.

#### **f) A good monitoring and evaluation approach was developed and well implemented including the mainstreaming of the METT tracking tool within the Croatian Agency for Environment and Nature (CAEN).**

The M&E approach – including its set of performance indicators and tracking tools (3) - provided the project with a good framework to measure its progress/performance. Annual progress reports were produced timely as well as quarterly progress reports. These reports are comprehensive progress reports providing good monitoring information documenting the project’s progress year over year. Additionally, the tracking tools were completed as required (at the outset, mid-term and end of project) and have provided very useful information to the government on how effective the management of the PA system is and how it improves over time.

In addition, the methodology to implement the Management Effectiveness Tracking Tool (METT) was accepted by the government as a standard methodology at the outset of the project to measure the effectiveness of the management of their PAs. Since 2014, the project has supported the mainstreaming of this monitoring instrument through capacity development activities. The government developed a web application to complete the METT online and has been requiring all PIs to update their METT online annually and report the results in their annual reports. Furthermore, the government is now planning to implement this tool in all Natura 2000 sites.

### ***Project Results***

#### **g) The project delivered an impressive list of outputs.**

The long list includes numerous outputs such as studies, analyses, assessments, methodologies, guidelines but also more tangible deliverables such as a web portal, a mobile application promoting the “*Parks of Croatia*”, a financial management information system, promotional material, signalization on highways, an e-ticketing system, a campground, energy efficiency retrofit, boats, minivans, etc. As a result, the 19 PIs are now better equipped to manage their PAs, including equipment but also management skills and knowledge to be more effective in managing the PA system in Croatia. The project was very effective in working at all levels from the policy and legislation level to support the government in reforming its institutional

framework, to improve the management of visitors in parks, to improve the visitors' experience in visiting these parks and to promote/brand the "Parks of Croatia". It delivered high quality outputs on time and on budget.

**h) The project was effective in achieving its expected results.**

This long list of delivered outputs made the project very effective and successful; it will have met all its targets by the end of December 2017. The project was able to achieve what it was intended to achieve in the planned timeframe. Overall, it certainly contributed "to enhance the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity". The project will definitely have a long-term impact on strengthening the management effectiveness of the PA system in Croatia. MEE, CAEN and the PIs are now better equipped to manage their network of PAs, including the skills and knowledge to replicate some of these management practices to the Natura 2000 ecological network.

Three critical success factors explain this effectiveness: (i) the project was well designed, responding to national needs – including the political discourse over the strategy of the project - and benefitting from an excellent engagement and participation of stakeholders. It became part of the government approach to improve the management of its PA system; hence part of national priorities to render this management more effective; (ii) an excellent implementation team – including highly skilled experts and consultants - to implement this project. They implemented the project with good participative and collaborative principles and provided each activity with the required skills and knowledge; and (iii) a good flexibility in allocating project resources and implementing activities to be able to respond to stakeholders needs. It is worth noting here that despite the political "turbulences" around the decision to set up a PA agency, the project was able to deliver its expected results on time and on budget. Overall, this political discourse seems to have contributed to the need for better analyses/assessments and dialogues, which ultimately should contribute to the development of an optimum approach to manage the PA system in Croatia.

**Sustainability – Catalytic Role**

**i) The prospect for the long-term sustainability of project achievements is good.**

A limited sustainability strategy was formulated in the project document. However, there is no significant risk to sustain the project achievements in the long run. All project achievements are already "embedded" in the panoply of instruments that is available to parks directors and staff as well as staff at MEE and CAEN. Due to a strong participative approach, these achievements are already very much "owned" by beneficiaries. The long list of outputs delivered are now "owned" by beneficiaries and will be sustained over the long-term. Most of these outputs are already in use and part of the instruments used to manage and run these parks. It is the case of the boats, the camping, the guided tours, minivans, etc. It also includes the web portal and the mobile application used to promote "Parks of Croatia" and the e-ticketing system that is already used in 16 parks. Some parks have already planned to expand the e-ticketing system to include their own specific needs. Similar to these outputs, plans, strategies, guidelines, etc. are also much in use in the development of new policies and legislation, including the Amendment to the Nature Protection Act that is currently under review.

Despite the success in strengthening the planning and management capacity of staff for using the natural resources in these parks, there is the need to balance the use of these natural resources against their conservation over the long run. Due to the high popularity of these parks with Croatians and tourists – Croatia receives 15M tourists per year and 1 out of 5 visits at least one park – there is a constant danger of overusing these natural resources. Greater capacity to plan, manage and monitor is the approach to mitigate this risk and the numerous outputs delivered by the project contributed to the mitigation of this risk. Staff in these PAs have access to more management instruments, skills and knowledge to better manage the use of these natural resources.

**j) The project had a good catalytic role for expanding the national agenda aiming at improving the management effectiveness of the PA system in Croatia.**

The project produced public goods with the provision of assessments, analyses, studies, recommendations,

proposals, recreational products, recreational services, capacity development activities, etc. Through the implementation of management instruments such as the e-ticketing system and the mobile application, the project demonstrated how to improve the effectiveness of managing PAs. These tangible results have been much appreciated by stakeholders and their implementation demonstrated their usefulness; they created a demand for improving the management and the administration of these parks. All together, they contributed to the national agenda to improve the management effectiveness of the PA system in Croatia through the reform of the institutional framework and the improvement of the financial sustainability of PAs.

The success of the catalytic role of the PARCS project can also be seen through the replication and scaling-up of project achievements. Some indicators include the plan for some parks to expand the e-ticketing system and tailor it to their specific needs; plans to expand signage/information in some parks for visitors; the soon-to-be-adopted planning guidelines to be used for the development of management plans for Natura 2000 sites; the use of the pricing methodology for tourism services in parks; the expansion and promotion of the information tools (mobile application, Facebook page, Instagram profile, etc.) to promote the “Parks of Croatia” brand; the use of tourism products in some parks to expand the visitor experience (minivan, electric bikes, boats, visitor centers, information products, etc.); and finally, the use of energy efficient systems to improve cost efficiency of some park’s administrations.

Finally, the project is ending but the national agenda to improve the PA system in Croatia will go on and move forward. The government has already secured a fund within the EU Operational Programme Competitiveness and Cohesion 2014 – 2020 (OPCC) to finance projects geared toward the protection and enhancement of biodiversity, nature protection and green infrastructure; and also toward the protection, restoration and sustainable use of Natura 2000 sites. So far 20 projects formulated by PIs have been submitted for funding (12 are already approved), which is a strong indicator that activities to strengthen PAs in Croatia are being scaled-up. Significant improvements in the management of PAs in Croatia were measured over the last few years and much more is expected in the years to come.

### 1.3. Recommendations

Based on the findings of this terminal evaluation, the following recommendations are suggested.

**Recommendation 1: It is recommended to the government that the Public Institutions managing the national and nature parks should be more engaged in the regional and local development processes.**

#### *Issue to Address*

These parks and their respective management structures (public institutions) are key socio-economic actors in the region where they are located. The attractiveness of these parks is such that numerous visitors (Croatians and tourists) are visiting them. As a result, regional and local economies are benefiting from these visitors. The parks are part of the socio-economic fabric of their locations. As such, they should be more actively involved in the regional and local development planning processes and become an integral part of the socio-economic development of their areas. Yet, currently these parks are mostly managed as single/autonomous entities with direct links to the national level. Considering the human capacities and availability of these public institutions - sometimes in very remote rural areas – they are key driving forces for the development of these areas and should play a larger role in the local and regional socio-economic development. In the context of reforming the institutional framework of these PIs, it is recommended to review their local engagement as key socio-economic actors, to be more involved in the local socio-economic development.

**Recommendation 2: It is recommended to the government to widen the analysis of the financial sustainability of National and Nature Parks.**

#### *Issue to Address*

The main logic under the PARCS project has been to analyze the financial sustainability of these protected areas from a narrow point of view focusing mostly on sales of tickets to visitors and also looking at each area as a separate autonomous business entity. It is a valid approach that allows the analysis of the financial efficiency (costs and revenues) of each public institution. However, this approach is also missing two

important points, which should be taken into account when conducting analyses of the financial sustainability of these public institutions: (1) These protected areas are, foremost, areas to protect recognized natural, ecological or cultural values. Regardless if some are financially sustainable and some are not, governments need to invest in the protection of this heritage for current and future generations; and (2) Due to their recognized natural, ecological or cultural values, these protected areas attract visitors, which are contributing to the local socio-economic development where these areas are located. Currently, when analyzing the overall financial sustainability of the entire protected area network in Croatia, it is already self-sufficient that is the revenue from all PAs together is higher than all expenses. Additionally, each PA brings visitors to the local community, which restaurant, hotels, campgrounds, shops are all benefiting to a certain degree from these visitors such as the new hotel built near the Nature Park Kopački rit with 50 rooms in Eastern Croatia to respond to the demand of visitors or the small tourism-based businesses build around the National Park Paklenica.

It is recommended that in addition to the analysis of the financial sustainability of each PA through ticket sales, to widen the analysis from the perspective of a national network of protected areas and also to take into account the local socio-economic value of these PAs and their impact on the local socio-economic development.

**Recommendation 3: It is recommended for UNDP to develop and maintain a database of experts and best practices in biodiversity conservation/protected area management to facilitate worldwide exchange of knowledge and access to expertise and experiences.**

#### *Issue to Address*

Croatia is considered as one of the richest country in Europe in terms of biodiversity, with exceptionally high species richness and levels of endemism. The entire network comprises 408 protected areas and covers 8.5% of the total area of Croatia, including 12.2% of the terrestrial and inland water ecosystems of Croatia and 1.9% of the country's marine territorial waters. Over the years, the country acquired an extensive experience in developing and managing this network of protected areas. The world could benefit much more from this experience and knowledge if it was more accessible. The country has many biodiversity experts including experts in the sustainable use of these natural resources. It is recommended to UNDP to develop a database of experts and best practices in biodiversity conservation and sustainable use to facilitate the exchange of knowledge and experiences. A tool like the EU-TAIEX ([https://ec.europa.eu/neighbourhood-enlargement/tenders/taieux\\_en](https://ec.europa.eu/neighbourhood-enlargement/tenders/taieux_en)) could be very useful for biodiversity projects worldwide, particularly those with a focus on tourism to raise money. Croatia has lots of potential in providing expertise on the development of protected area networks.

**Recommendation 4: It is recommended to pursue the analysis of carrying capacity of each protected area.**

#### *Issue to Address*

The main challenge for the sustainable development of tourism in protected areas is to balance the flow and behavior of visitors with the protection goals set up for the area. This is based on the need to combine the protection of nature and cultural resources with the fulfillment of visitor expectations to ensure visitor satisfaction. This balancing act is strongly connected to the carrying capacity of a protected area. How many tourists can visit a place without threatening the nature resources? There is no simple answer to this question but the solution is closely linked to the nature system concerned, the related social system and the mediating management system that has to ensure the sustainable functionality of the protected area. Carrying capacity for tourism in protected areas is a matter of visitor flow, not a question of establishing maximal carrying capacities for different types of wildlife in the protected area. In the meantime, carrying capacities do not have scientifically determined sizes. It is rather the result of political decision processes among stakeholders balancing the use and the protection of nature and cultural resources preferably based on scientific and/or experiences. Initial work has been conducted in the PA network in Croatia with the support of the PARCS project such as training held in National Park Plitvice Lakes on the management of visitors using the method LAC (Limits of Acceptable Change). It is recommended to pursue this work, particularly in highly use PAs to keep balancing the use and the protection of these resources.

#### 1.4. TE Ratings and Achievement Summary Table

Below is the rating table as requested in the TORs. It includes the required performance criteria rated as per the rating scales presented in Annex 10 of this report. Supportive information is also provided throughout this report in the respective sections.

**Table 2: TE Ratings and Achievement Summary Table**

<b>Evaluation Ratings:</b>			
<b>1. Monitoring and Evaluation</b>	<i>Rating</i>	<b>2. IA&amp; EA Execution</b>	<i>Rating</i>
M&E design at entry	S	Quality of UNDP Implementation	S
M&E Plan Implementation	S	Quality of Execution - Executing Agency	S
Overall quality of M&E	S	Overall quality of Implementation / Execution	HS
<b>3. Assessment of Outcomes</b>	<i>Rating</i>	<b>4. Sustainability</b>	<i>Rating</i>
Relevance	R	Financial resources:	L
Effectiveness	HS	Socio-political:	L
Efficiency	HS	Institutional framework and governance:	L
Overall Project Outcome Rating	HS	Environmental:	L
		Overall likelihood of sustainability:	L

## 2. CONTEXT AND OVERVIEW OF THE PROJECT<sup>2</sup>

1. Croatia is located in south-east Europe with a total surface area of 56,594 km<sup>2</sup>. Its territorial waters incorporate a 22 km-wide coastal zone (with a marine area of 18,981 km<sup>2</sup>). Croatia borders Bosnia and Herzegovina and Serbia in the east, Slovenia in the west, Hungary in the north and Montenegro in the south. The population of Croatia is approximately 4.3 million (2011 census), with an average density of 77.8 inhabitants/km<sup>2</sup>. Croatia is divided into 20 counties, and the capital city of Zagreb. The counties, in turn, sub-divide into 127 cities and 429 municipalities. In 2011, Croatia's Human Development Index (HDI) value was 0.796, placing it in 46th place of 187 countries (UNDP, 2011). The country had a Gross National Income (GNI) per capita of US\$19,330 in 2011. Croatia concluded its accession negotiations with the EU in June 2011 and became the 28th member of the EU on July 1, 2013.

2. Croatia is situated at the juncture of several biogeographical regions: the *Mediterranean*, with its 1,246 islands and islets; the *Alpine*, including the high mountains of the Dinaric Arch (Dinara 1,831m); the *Pannonian*, including part of the Pannonian Basin plain in Slavonia; and the *Continental*, including the Karst limestone zone. The country is consequently considered as one of the richest in Europe in terms of biodiversity, with exceptionally high species richness and levels of endemism. Four Global 200 WWF ecoregions – *Balkan Rivers and Streams*; *European-Mediterranean Montane Mixed Forests*; *Mediterranean Forests, Woodlands and Scrub*; and *Mediterranean Sea* – are represented in Croatia. Birdlife International has identified 23 Important Bird Areas (IBAs) in Croatia, while 97 Important Plant Areas (IPAs) covering 964,655 ha and 3 Butterfly Areas covering 290,000ha have been described.

3. The most significant threat to terrestrial biodiversity is habitat loss and degradation/fragmentation. Due to the relative rapid development of the country since independence (1991), anthropogenic impacts have led to the degradation of habitats, mostly through: infrastructure and settlement construction; bad practice in water management; unsustainable tourism development; intensive agriculture; mineral exploitation; and some industrial development. The abandonment of agricultural land has also had a detrimental effect on the long-term conservation of semi-natural grassland species because vegetation succession is leading to changes in vegetation and landscapes.

4. Croatia's marine biodiversity is threatened by pollution, illegal fishing, overfishing, destructive fishing practices, illegal collection of benthic fauna and physical damage to marine habitats. The warming of the Adriatic Sea, as a result of climate change effects, is resulting in the northward expansion of thermophilic fish species habitats, potentially leading to local extinctions of some species.

5. Croatia has a well-developed system of 408 protected areas<sup>3</sup>, comprising: 8 National Parks; 11 Nature Parks; 2 Strict Reserves; 77 Special Reserves; 2 Regional Parks; 80 Nature Monuments; 83 Significant Landscapes/ Seascapes; 26 Forest Parks and 119 Horticultural Monuments. Collectively these protected areas cover a total area of 7,528.03 km<sup>2</sup>, or 8.5% of the total area of Croatia (12.2% of the terrestrial and inland water ecosystems of Croatia and 1.9% of the country's marine territorial waters). The largest portion (66%) of the protected area system comprises the 'national protected areas' (National Parks and Nature Parks), covering an area of 4,987.55 km<sup>2</sup> (5.66% of Croatia territory). These national protected areas form the spatial focus for the GEF project being evaluated.

6. The establishment, and effective management, of a representative system of protected areas is an integral part of the country's overall strategy to address the threats and root causes of biodiversity loss. The Nature Protection Act (OG 80/2013) is the primary enabling legislation for protected areas. The Act makes provision for 9 different categories of protected areas. The Ministry of Environment and Energy (MEE)<sup>4</sup> is the competent national authority in Croatia for protected area planning and management. It is organized into eleven Directorates; two of these directorates – the Nature Protection Directorate (NPD) and the Directorate for Inspection Affairs (DIA) – are responsible for protected areas.

7. Each of the 8 National Parks and 11 Nature Parks has a separate national Public Institution (PIs),

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2 Information in this section has been summarized from the project document.

3 <http://www.dzpp.hr/eng/protected-areas/protected-areas-in-croatia/protected-areas-in-croatia-national-categories-1137.html>

4 At the time of the formulation of this project, the ministry was called Ministry of Environmental and Nature Protection (MENP)

established by a regulation of government. Each PI is then directly responsible for the 10-year and annual planning, and day-day operational management, of the National Park/Nature Park under its jurisdiction. They have their own staff complement and are financed from self-generated income, supplemented by government grant funding. Each PI reports to a 5-member steering council appointed by the Minister of MEE. Together, these national PIs have a total staff complement of 1,616 (of which 769 are for conservation functions and 847 for the management of hotels, restaurants and recreational facilities and services).

8. The long-term solution sought by the Government of Croatia for the network of national protected areas has been to develop an efficient, cost-effective and accountable institutional framework for the administration of national protected areas; and to have an adequate staffing, resourcing and sustainable financing of each national protected area. However, the government has been faced with two fundamental barriers preventing an effective management of its national protected area network. At the time of the formulation of the project, these two barriers were:

- *Inherent systemic weaknesses in the institutional framework for national protected areas*: There were a number of overlaps between or lack of clarity over the roles of the MEE Directorates, the CAEN<sup>5</sup> and the individual PIs responsible for national protected areas. This was further exacerbated by the limited authority/jurisdiction for a number of planning and operational activities occurring within national protected areas, but falling under the legal mandate of other government agencies/institutions. In the meantime, the 19 PIs had functioned completely independently of each other, with limited accountability to the central government for meeting its national, regional and international conservation obligations. Post designations, job descriptions and salary structures varied across the PIs. The Director of each PI was appointed by the Minister of Environmental and Energy for a period of only four years, often leading to a lack of continuity in leadership. Finally, the enforcement capabilities across the network of national protected areas required significant improvements.
- *Inefficiencies in the administration, adequacy, allocation and effectiveness of funding in national protected areas*: In 2013, the PIs of only two national protected areas – Plitvicka jezera and Krka National Parks – cover all their costs from self-generated income. The PI for Brijuni National Park has been financing much of its operating and human resource costs from self-generated income, but the high maintenance costs of old government buildings incorporated in the park has constrained its medium-term financial self-sufficiency. The remaining PIs – comprising five National Parks and eleven Nature Parks – required additional financial assistance, which was subsidized in part from annual State budget allocation. In 2011, it was estimated that the shortfall in adequately financing the network of national protected areas equates to approximately USD 2,500,000. Although Plitvicka jezera and Krka National Parks generated significant income (USD 35,267,865 and USD 9,204,815 respectively in 2011), there were no mechanisms in place to cross-subsidize the management of other national protected areas from this income stream.

9. This project has been developed to overcome these existing barriers. Its objective is “*to enhance the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity*”. It will be achieved through the delivery of two expected outcomes (see more detailed about the project strategy in Annex 1):

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

10. This is a project supported by UNDP, GEF, and the Government of Croatia. It is funded by a grant from the GEF of USD 4,953,000, a cash contribution from UNDP of USD 500,000, an in-kind contribution of USD 16,700,000 from the Ministry of Environment and Energy (MEE) and a cash contribution from the Public Institutions (PIs) of USD 811,116. The project started in February 2014 and its duration is 4 years. It is implemented under the “National Implementation Modality (NIM)”. The implementing partner is the Ministry of Environmental and Energy (MEE).

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<sup>5</sup> At the time of the formulation of the project, the CAEN was called the State Institute for Nature Protection (SINP).

### 3. EVALUATION FRAMEWORK

11. This terminal evaluation (TE) - a requirement of UNDP and GEF procedures - has been initiated by UNDP Croatia the Commissioning Unit and the GEF Implementing Agency for this project. This evaluation will provide an in-depth assessment of project achievements and progress towards its objectives and outcomes and recommendations for other similar UNDP-supported and GEF-financed projects in the region and worldwide.

#### 3.1. Objectives

12. The objectives of this Terminal Evaluation (TE) are to promote accountability and transparency, to assess and disclose the extent of project accomplishments against the expected objective and outcomes and how they contribute to the achievements of GEF strategic objectives aimed at global environmental benefits, to draw lessons that can both improve the sustainability of benefits from this project and aid in the overall enhancement of GEF financed UNDP activities. As per the TORs, key questions for this terminal evaluation are:

- To what extent have the activities of the PARCS project lead to improvement of the existing protected area system in Croatia?
- What would be the state of the protected area system without the activities implemented by the PARCS project?
- To which extent has the project ensured that the Ministry of Environment and Energy has business cases and studies for various models of establishment of cross-subsidization fund between parks, to be able to decide what is the best model?
- To what extent was the standardization of 19 protected areas achieved through implemented activities?
- To what extent has the project introduced new mechanisms and technologies to improve management in protected areas?
- To what extent has the project ensured environmental friendly technologies as part of investments?
- To what extent has the project improve capacity of individual institutions through implementation of various activities?
- To what extent has the project assured sustainability of the implemented activities?

#### 3.2. Scope

13. As indicated in the TORs (*see Annex 2*), the scope of this TE covered three main areas, in accordance with the “*UNDP Guidance for Conducting Terminal Evaluations of UNDP-supported, GEF-financed Projects*”. A summary of the scope of this TE is presented below:

##### I. Project Formulation:

- Analysis of the Result and Resources Framework including the problems/barriers to be addressed, national priorities, the intended objective, outcomes and outputs and their corresponding targets and planned activities
- Assumptions and Risks, including externalities such as effects of climate change
- Planned stakeholder participation / identification of partnership arrangements
- Replication approach
- UNDP comparative advantage
- Linkages between project and other interventions within the sector
- Management arrangements
- Review the extent to which relevant gender issues were raised in the project design;

##### II. Project Implementation

- Review overall effectiveness of project management, including possible delays and how RMB has been implemented
- Adaptive management (changes to the project design and project outputs during implementation and how they were documented and reported to the Project Board)

- Partnerships arrangements and stakeholders participation
- Feedback from M&E activities used for adaptive management
- Project Finance and co-financing including changes to fund allocations as a result of budget revisions and appropriateness and relevance of such changes; and co-financing table
- Monitoring and evaluation including design at entry and implementation, reporting against GEF reporting requirements and how gender aspects have been monitored and reported
- Quality of project execution/implementation by UNDP and by Partner Agency
- Review implementation of MTR recommendations
- Review project communications;

### III. Project Results

- Assessment of project results (attainment of objective) against those expected in the Strategic Results Framework (SRF)
- Results effectiveness in removing identified barriers
- Relevance
- Effectiveness
- Country ownership: how did the project fit in national priorities?
- Mainstreaming
- Sustainability: analysis of financial risks, socio-economic risks, institutional framework and governance risks, and environmental risks
- Progress towards impacts
- Ways in which the project can further expand these benefits.
- Assess catalytic/replication effects such as knowledge transfers, expansion of demonstration projects, capacity development and replication of project outcomes to other parks

### 3.3. Methodology

14. The methodology that was used to conduct this TE complies with international criteria and professional norms and standards; including the norms and standards adopted by the UN Evaluation Group (UNEG).

#### 3.3.1. Overall Approach

15. The evaluation was conducted in accordance with the guidance, rules and procedures established by UNDP and GEF as reflected in the UNDP “*Guidance for Conducting Terminal Evaluations of UNDP-supported, GEF-financed Projects*”, and the UNEG Standards and Norms for Evaluation in the UN System. The evaluation was undertaken in-line with GEF principles which are: *independence, impartiality, transparency, disclosure, ethical, partnership, competencies/capacities, credibility and utility*. The process promoted accountability for the achievement of project objective and outcomes and promoted learning, feedback and knowledge sharing on results and lessons learned among the GEF and its Partners.

16. The Evaluation Team developed evaluation tools in accordance with UNDP and GEF policies and guidelines to ensure an effective project evaluation. The evaluation was conducted and findings are structured around the GEF five major evaluation criteria; which are also the five internationally accepted evaluation criteria set out by the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD). There are:

- *Relevance* relates to an overall assessment of whether the project is in keeping with donors and partner policies, with national and local needs and priorities as well as with its design.
- *Effectiveness* is a measure of the extent to which formally agreed expected project results (outcomes) have been achieved, or can be expected to be achieved.
- *Efficiency* is a measure of the productivity of the project intervention process, i.e. to what degree the outcomes achieved derive from efficient use of financial, human and material resources. In principle, it means comparing outcomes and outputs against inputs.
- *Impacts* are the long-term results of the project and include both positive and negative consequences, whether these are foreseen and expected, or not.

- *Sustainability* is an indication of whether the outcomes (end of project results) and the positive impacts (long term results) are likely to continue after the project ends.

17. In addition to the UNDP and GEF guidance for project evaluations, the Evaluation Team applied to this mandate their knowledge of evaluation methodologies and approaches and their expertise in environmental management and natural resources management, including the management of protected areas. They also applied several methodological principles such as (i) *Validity of information*: multiple measures and sources were sought out to ensure that the results are accurate and valid; (ii) *Integrity*: Any issue with respect to conflict of interest, lack of professional conduct or misrepresentation were immediately referred to the client if needed; and (iii) *Respect and anonymity*: All participants had the right to provide information in confidence.

18. The evaluation was conducted following a set of steps presented in the table below:

**Table 3: Steps Used to Conduct the Evaluation**

<p><b>I. Review Documents and Prepare Mission</b></p> <ul style="list-style-type: none"> <li>▪ Start-up teleconference/finalize assignment work plan</li> <li>▪ Collect and review project documents</li> <li>▪ Draft and submit <b><u>Inception Report</u></b></li> <li>▪ Prepare mission: agenda and logistic</li> </ul>	<p><b>III. Analyze Information</b></p> <ul style="list-style-type: none"> <li>▪ In-depth analysis and interpretation of data collected</li> <li>▪ Follow-up interviews (where necessary)</li> <li>▪ Draft and submit <b><u>draft evaluation report</u></b></li> </ul>
<p><b>II. Mission / Collect Information</b></p> <ul style="list-style-type: none"> <li>▪ Fact-findings mission to Croatia for the Evaluation Team</li> <li>▪ Interview key Stakeholders and conduct field visits</li> <li>▪ Further collect project related documents</li> <li>▪ Mission debriefings / <b><u>Presentation of key findings</u></b></li> </ul>	<p><b>IV. Finalize Evaluation Report</b></p> <ul style="list-style-type: none"> <li>▪ Circulate draft report to UNDP-GEF and relevant stakeholders</li> <li>▪ Integrate comments and submit <b><u>final Evaluation Report</u></b></li> </ul>

19. Finally, the Evaluation Team signed and applied the “*Code of Conduct*” for Evaluation Consultants (see Annex 3). The Evaluation Team conducted evaluation activities, which were *independent, impartial* and *rigorous*. This TE clearly contributed to learning and accountability and the Evaluation Team has personal and professional integrity and was guided by propriety in the conduct of their business.

### 3.3.2. Evaluation Instruments

20. The evaluation provides evidence-based information that is *credible, reliable* and *useful*. Findings were triangulated through the concept of “*multiple lines of evidence*” using several evaluation tools and gathering information from different types of stakeholders and different levels of management. To conduct this evaluation the following evaluation instruments were used:

**Evaluation Matrix:** An evaluation matrix was developed based on the evaluation scope presented in the TOR, the project log-frame and the review of key project documents (see Annex 4). This matrix is structured along the five evaluation criteria and includes all evaluation questions; including the scope presented in the guidance. The matrix provided overall directions for the evaluation and was used as a basis for interviewing people and reviewing project documents.

**Documentation Review:** The Evaluation Team conducted a documentation review in Canada and in Croatia (see Annex 5). In addition to being a main source of information, documents were also used to prepare the fact-findings mission in Croatia. A list of documents was identified during the start-up phase and further searches were done through the web and contacts. The list of documents was completed during the fact-findings mission.

**Interview Guide:** Based on the evaluation matrix, an interview guide was developed (see Annex 6) to solicit information from stakeholders. As part of the participatory approach, the Evaluation Team ensured that all parties viewed this tool as balanced, unbiased, and structured.

**Mission Agenda:** An agenda for the facts-finding mission in Croatia was developed during the preparatory phase (see Annex 7). The list of Stakeholders to be interviewed was reviewed, ensuring it represents all project Stakeholders. Then, interviews were planned in advance of the mission with the

objective to have a well-organized and planned mission to ensure a broad scan of Stakeholders' views during the limited time allocated to the facts-finding mission.

**Interviews:** Stakeholders were interviewed (*see Annex 8*). The semi-structured interviews were conducted using the interview guide adapted for each interview. All interviews were conducted in person with some follow up using emails when needed. Confidentiality was guaranteed to the interviewees and the findings were incorporated in the final report.

**Field Visits:** As per the TORs, visits to project sites were conducted during the mission in Croatia; including project sites in Nature Park Papuk, Nature Park Kopački rit, National Park Paklenica, National Park Krka, Nature Park Učka, and National Park Risnjak. It ensured that the Evaluation Team had direct primary sources of information from the field and project end-users (beneficiaries). It gave opportunities to the Evaluation Team to observe project achievements and obtain views from stakeholders and beneficiaries at the local level.

**Achievement Rating:** The Evaluation Team rated project achievements using the guidance provided in the TORs. It included a six-point rating scale to measure effectiveness, efficiency, overall project outcome, M&E, IA and EA execution; and a four-point rating scale for sustainability (*see Annex 10*).

### **3.4. Limitations and Constraints**

21. The approach for this terminal evaluation is based on a planned level of effort of 45 days for two consultants. It comprises a 7-day mission to Croatia to interview key stakeholders, collect evaluative evidence; including visits to project sites in the following parks: Nature Park Papuk; Nature Park Kopački rit; National Park Paklenica; National Park Krka; Nature Park Učka; and National Park Risnjak where the project support activities. Within the context of these resources, the independent Evaluation Team was able to conduct a detailed assessment of actual results against expected results and successfully ascertain whether the project met its main objective - as laid down in the project design document - and whether the project initiatives are, or are likely to be, sustainable after completion of the project. The Evaluation Team also made a few recommendations that may be useful to reinforce the long-term sustainability of project achievements.

## 4. EVALUATION FINDINGS

22. This section presents the findings of this TE adhering to the basic structure proposed in the TORs and as reflected in the UNDP project evaluation guidance.

### 4.1. Project Formulation

23. This section discusses the assessment of the formulation of the project, its overall design and strategy in the context of Croatia.

#### 4.1.1. Analysis of Results and Resources Framework

24. The Strategic Results Framework (SRF) identified during the design phase of this project presents a good and clear set of expected results. No changes were made to the *Strategic Results Framework* during the inception phase. The review of the objective and outcomes indicates a satisfactory and logical “chain of results” – Activities → Outputs → Outcomes → Objective. Project resources have been used to implement planned activities to reach a set of expected outputs (7), which contributed in achieving a set of expected outcomes (2), which together contributed in achieving the overall objective of the project. This SRF also includes - for the objective and each outcome - a set of indicators and targets to be achieved at the end of the project and that are used to monitor the performance of the project. As discussed in Section 4.2.4, minor changes were made to the indicators and targets during the Mid-Term Review (MTR) to better measure the achievements of expected results.

25. The aim of the project was to build on the existing foundation of institutional capacities in, and financial resources of, the network of national protected areas in Croatia. As per its objective, the PARCS project sought to improve the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity. In order to develop an efficient, cost-effective and accountable institutional framework for the administration of national protected areas and an adequate staffing, resourcing and sustainable financing of each national protected area, the project was formulated to particularly overcome two main barriers that were identified at the outset of the project: (i) inherent systemic weaknesses in the institutional framework for national protected areas; and (ii) inefficiencies in the administration, adequacy, allocation and effectiveness of funding in national protected areas. The review of this Strategic Results Framework indicates that this project is well aligned with national priorities and its logic is appropriate to address clear national needs.

26. The logic model of the project presented in the *Strategic Results Framework* is summarized in table 4 below. It includes one objective, two outcomes and seven outputs. For each expected outcome and the objective, targets to be achieved at the end of the project were identified.

**Table 4: Project Logic Model**

Expected Results	Indicators and Targets at End of Project
<p><b>Project Objective:</b> Enhancing the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity.</p>	<ul style="list-style-type: none"> <li>● Financial sustainability scorecard for national system of protected areas (&gt;45%)</li> <li>● Capacity development indicator score for protected area system: Systemic: 67%; Institutional: 77%; Individual: 72%</li> <li>● Annual financing gap of the ‘optimal management scenario’ for national protected areas (&lt;USD 5M)</li> <li>● Management Effectiveness Tracking Tool scorecard (average): All national Pas (&gt;67%); National Parks (&gt;67%); Nature Parks (&gt;67%)</li> <li>● Income/annum (US\$), by source, from national protected areas: Government budget allocation 6.5%; Other government allocation &gt;4.5%; Property income &gt;2.6%; Own income &gt; 84.4%; Donor revenue and other income &gt;1.9%</li> <li>● Guidelines for the development and revision of the management plans for Natura 2000 developed and adopted using participatory approach</li> </ul>
<p><b>Outcome 1 - Reforming the institutional framework to strengthen</b></p>	<ul style="list-style-type: none"> <li>● Framework document with the mid-term (3-5 years) strategic vision and the</li> </ul>

Expected Results	Indicators and Targets at End of Project
<p>the management effectiveness of national protected areas</p> <ul style="list-style-type: none"> <li>● <b>Output 1.1:</b> Develop a national planning framework for the protected area system</li> <li>● <b>Output 1.2:</b> Improve the financial management capacity of protected area institutions</li> <li>● <b>Output 1.3:</b> Establish a shared service center for national protected areas</li> <li>● <b>Output 1.4:</b> Assess the feasibility of establishing a park agency to administer national protected areas</li> </ul>	<p>operational set-up for the national PAs developed and approved.</p> <ul style="list-style-type: none"> <li>● Guidelines for the development and revision of the management plans for PAs developed and adopted using participatory approach.</li> <li>● Guidelines for determining of pricing in all national PAs developed and adopted.</li> <li>● Number of financial/business plans developed: 1 National protected area network, &gt;3 Individual national protected areas</li> <li>● All PIs and MEE staff completing specialized, targeted short-course financial training and financial skills development programmes</li> <li>● All PAs (19) have annual financial plans and reports that include improved integration of activity-based accounting into standardized planning and reporting</li> <li>● 10 PIs with available purchase of on-line entrance tickets and services administered through the Web portal "<i>Parks of Croatia</i>"</li> <li>● Number of users of a joint communication tools for the system of the national protected areas (Web portal: web portal: &gt;60.000; mobile application: &gt;10.000; Facebook: &gt;15.000)</li> </ul>
<p><b>Outcome 2</b> – Improving the financial sustainability of the network of national protected areas</p> <ul style="list-style-type: none"> <li>● <b>Output 2.1:</b> Reduce the transaction costs of user-pay systems in national protected areas</li> <li>● <b>Output 2.2:</b> Develop integrated tourism and recreational products and services in national protected areas</li> <li>● <b>Output 2.3:</b> Improve the productive efficiency of national protected areas</li> </ul>	<ul style="list-style-type: none"> <li>● &gt;80% of annual revenue channeled via e-ticketing for participating PAs (in first year of implementation)</li> <li>● Available to participating PA and MEE staff, real-time data on PA visitation via a centralized system</li> <li>● Increase in self-generated income (US\$/annum) in target national parks and nature parks: Ucka: &gt;USD 100k; Risnjak: &gt;USD 450k; Papuk: &gt;USD 50k; Telascica: &gt;USD 1m; Vransko jezero: &gt;USD 100k</li> <li>● Decrease in costs (USD/month) of power supply to targeted nature parks: Risnjak Nature Park: &lt;USD 1,000; Papuk Nature Park: &lt;USD 500</li> <li>● &gt;15 certified trainers in the national PA system for visitor management</li> </ul>

27. Nevertheless, meetings with stakeholders conducted for this evaluation revealed that the formulation of this project did not happen in “a straight line”. Between the concept of the project, the original Project Identification Form (PIF), the PPG request and the final project document approved by GEF, the design of the project went through a few iterations. Along these steps, the formulation of the project strategy evolved to end up with a sharper focus supported by a clearer formulation of the two project expected outcomes. The end-result is, as discussed above, a good SRF with a clear objective and expected results; and, with other parts of the project document, provided an excellent “*blue-print*” for the project implementation team.

28. However, one expected result that was identified initially was the establishment of a national agency to oversee all protected areas in Croatia. It was described in the PIF as an agency that will take over the place of the 19 Public Institutions that currently manage the National Parks and Nature Parks. The agency would include a central Protected Area Agency “Head Office” that would be responsible for the overall oversight of the national Protected Area (PA) system in Croatia, and also house centralized PA management functions such as operations, planning, information, finance and legal affairs. This key expected result was part of the government strategy at the time of the formulation of this project. This expected result was part of the PIF that was submitted to GEF. In return, GEF questioned the financial sustainability of the Agency Head Office. It further asked (April 2012) if the cost of the Head Office would be covered by a service charge and a cost-recovery system financed by the PAs. GEF continued to ask more information on this point at the time of reviewing the Project Preparation Grant (PPG) request.

29. In the meantime, turbulences within the government and the national election that followed, a new government was formed, including a new Minister for the Environment. This question to establish a national agency for all PAs was reviewed and a decision made to cancel this approach. As a result, the project document was rapidly reformulated before being submitted to GEF for its approval. Instead, the new strategy was to establish a “Shared Service Center” and only assessing the feasibility of establishing a park agency to administer national PAs. This strategy was approved by GEF in 2013 and has been implemented since 2014.

30. In conclusion, following the political discourse in Croatia at the time of the formulation of this project, an excellent project document was completed, including a clear strategy to improve the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity. This document has been used as a “blue-print” guide by the project implementation team. In the meantime, the idea of creating a national agency for all PAs did not disappear completely. It is part of the political discourse in Croatia regarding the management of PAs and necessitated the use of adaptive management throughout the project cycle to implement project activities under outcome 1 within this political context.

#### 4.1.2. Assumptions and Risks

31. Risks and assumptions were identified and presented in the SRF in the project document. Three risks were identified at the outset of this project: a strategic risk, a financial risk and an environmental risk. There are presented in the table below:

**Table 5:** List of Risks and Mitigation Measures Identified at the Formulation Phase

Project Risks	Rating (Probability= P Impact=I)	Mitigation Measures
1. A lack of effective coordination between MEE, CAEN and the 19 PIs weakens the efficacy of project investments	P= medium I= high	<ul style="list-style-type: none"> <li>• The project will finance the costs of establishing a small project management unit (comprising a Project Manager and Project Administrative Assistant) within the ambit of the Project Director (PD) of MEE to ensure the full integration of the project with the counterpart NIP and the day-to-day functioning of the PD. A key role of the project management unit will be to facilitate ongoing coordination between all the project partners in the implementation of project activities.</li> <li>• A Project Board (PB) - with representation from senior executive management staff of MEE, CAEN and the PIs - will be constituted to serve as the executive decision-making body for the project. This PB will be responsible for ensuring inter-institutional coordination at the highest decision-making level.</li> <li>• A Technical Working Group (TWG) – comprising professional and technical staff from MEE, SINP and PIs - will be convened to oversee the preparation of the national planning framework (strategic plan, financial plan and policies and guidelines manual) for protected areas (Output 1.1).</li> <li>• A Technical Task Team (TTT) – with representation from MEE, CAEN and the PIs and chaired by the responsible Assistant Minister – will be established to oversee and provide technical guidance to the feasibility assessment of a park agency for administering Croatia’s national protected areas (Output 1.4).</li> <li>• The project will support the development of a national planning framework for protected areas (Output 1.1) that seeks to improve cross-jurisdictional coordination and support collaborative action by all key stakeholders.</li> <li>• Finally, the project will facilitate the founding of an association of PIs as an independent legal entity that could function as a shared service center for common protected area functions (initially focused on a centralized marketing and booking system and legal support services for protected areas) (Output 1.3).</li> </ul>
2. The individual PIs and government do not collectively commit adequate resources and funding to improve the conservation management in national PAs	P= medium I= medium	<ul style="list-style-type: none"> <li>• The project outputs have been identified, and project activities developed, in close collaboration with the MEE and the individual national protected area PIs, in order to incrementally build on the existing foundation of financial resources and institutional capacities. Careful attention has been paid in project design to improving the long-term financial sustainability of the national protected areas so that sufficient funding remains available for effective conservation management.</li> <li>• The project will support the preparation of a financial plan for national protected areas (Output 1.1). This financial plan will provide the framework for improving cost efficiencies, increasing revenue streams, strengthening financial management systems, and improving business planning capabilities in the national protected area PIs.</li> <li>• The project will support the implementation of key elements of the financial plan, as follows:               <ul style="list-style-type: none"> <li>○ Delivering professional training, mentoring and skills (Output 1.2)</li> <li>○ Development of in-service training programs for financial and administrative staff in PIs (Output 1.2)</li> <li>○ Providing a professional financial ‘backstopping’ support service to PIs (Output 1.2)</li> </ul> </li> </ul>

Project Risks	Rating (Probability= P Impact=I)	Mitigation Measures
		<ul style="list-style-type: none"> <li>○ Developing a standardized market-based pricing strategy for national protected areas (Output 1.2)</li> <li>○ Supporting the development and administration of targeted fund-raising projects for national protected areas (Output 1.2)</li> <li>○ Developing and testing a Shared Service Centre (SSC) model for the 19 PIs in order to reduce costs and duplication of effort in the delivery of common professional support services (Output 1.3)</li> <li>○ Assessing the cost-benefits of rationalizing the current institutional framework for national protected areas (Output 1.4)</li> <li>○ Reducing the transaction costs of collecting entrance fees (Output 2.1)</li> <li>○ Expanding the tourism and recreational products and services provided in national protected areas (Output 2.2)</li> <li>○ Improving the productive efficiencies of the existing tourism and recreational products and services in national protected areas (Output 2.3)</li> </ul> <ul style="list-style-type: none"> <li>● It is envisaged that collectively these activities will contribute to incrementally reducing the dependency on government grant allocations, and closing the 'funding gap' for improving management effectiveness (notably in respect of conservation management), for national protected areas.</li> </ul>
<p>3. The cumulative effects of climate change and unsustainable levels of natural resource use exacerbates habitat fragmentation and degradation of the marine and terrestrial habitats in national PAs</p>	<p>P= low I= medium</p>	<ul style="list-style-type: none"> <li>● During the preparation of the national planning framework for protected areas in Output 1.1, the project will inter alia seek to: (i) more clearly define the roles and responsibilities of the different public institutions/ agencies in protected area planning, management, development and use; (ii) develop guidelines for improving and strengthening the management of natural resource use in protected areas; (iii) define indicators of ecosystem health, and quantify the thresholds of potential concern for each indicator, for each protected area ecosystem; (iv) clarify the roles and responsibilities for the ongoing monitoring of the impacts of natural resource uses, and the effects of climate change, in protected areas; (v) identify the adaptation and/or mitigation measures required to safeguard protected areas against the undesired effects of climate change; and (vi) identify the mechanisms for improving the working relationship between protected area PIs and commercial production Public Enterprises operating in Nature Parks, where extraction of natural resources is occurring.</li> <li>● The project will also undertake a feasibility assessment of alternative options for establishing a single consolidated park agency for national protected areas. If considered feasible, this park agency may have stronger political influence and leverage over commercial production public enterprises (e.g. Croatian Forests) currently operating within protected areas. It may also have an increased collective capacity and capability for proactively addressing the extrinsic factors (including climate change) affecting the integrity of the entire network of national protected areas.</li> </ul>

Source: Project Document.

32. The review indicates that these 3 risks are essentially covering all risks linked to the implementation of the project. It includes the necessity for key stakeholders to coordinate, particularly between the Ministry of Environment and Energy (MEE), the Croatian Agency for Environment and Nature (CAEN) and the 19 PIs. These key partners also needed to commit their own resources and participate in improving the management and conservation of their natural resources. Finally, there was a risk that climate change and unsustainable use of natural resources may exacerbate/degrade marine and terrestrial habitats.

33. The Evaluation Team also noted that an additional risk had been added during the inception phase: *“increase of self-generated income (USD/annum) for Ucka Nature Park is highly dependable on implementation of cableway Medveja-Poklon, and PARCS project has no influence on implementation. In case this project is not realized the targeted increase will not be reached.”* This risk was highly specific to the one PA and to a specific project (cableway) where the PARCS project has no control over.

34. During the implementation of the project, the Project Implementation Team monitored the risks, which could affect the attainments of project’s expected results. Critical risks were reported annually in the Project Implementation Reports (PIRs). In 2005, one risk was rated as critical and that was about a delay in implementing activities under outcome 1 due to a decision to change the institutional framework for managing the 19 Public Institutions (PIs). As discussed in section 4.1.1 above, the political discourse to

create or not a national agency to manage the PAs continued to run its course. Despite a decision at the end of the formulation stage not to implement a one agency model, the government decided in 2015 to go back to the one agency model and requested the PARCS project to support this change. Following negotiations early 2015, a Project Board meeting in July 2015 resulted in the confirmation of the change and the necessity for the project to adapt its strategy. The agency was to become operational in January 2017. Then, in the 2016 PIR, this risk was still considered as critical and was updated. Parliamentary elections were held in November 2015 and a new coalition-government was formed in January 2016. A new assistant-minister for nature protection was appointed and changed the management model of PAs again: no new institution, no shared service center, but a functional cooperation of all 19 PIs and the creation of a joint fund funded by all PAs. Throughout these changes, the project implementation team applied adaptive management focusing on strengthening capacities of existing institutions and staff. Despite that the coalition-government fell and that another election was held in September 2016, no more critical risks in this area were reported in the 2017 PIR.

35. The Evaluation Team also noted the critical operational risk logged in the 2016 PIR related to the transfer of the project's implementation oversight to the UNDP Istanbul Regional Hub due to the operational closure of the UNDP Country Office (CO) in Croatia. This risk was mitigated by including the project implementation team in discussing office closure and in planning the operational support from IRH in 2017.

36. The management of risks by the project implementation team was excellent and the extensive use of adaptive management allowed the team to secure project deliverables while maintaining adherence to the overall project design. Additionally, the good ownership of the project by national partners also contributed to the mitigating measures to manage these risks and assumptions.

#### **4.1.3. Linkages between the Project and Other Interventions**

37. The PARCS project was designed within the context of improving the management of the country's proclaimed National Ecological Network. This network is a large system of functionally connected ecologically important areas for species and habitats; it covers 47% (26,690 km<sup>2</sup>) of the terrestrial land area and 39% (12,140 km<sup>2</sup>) of the marine territory of Croatia and it includes the EU Natura 2000 ecological network. The focus of the PARCS project has been on the 19 PAs that, each one, is administered by a national public institution (PI); together, these 19 PAs represent over 60% of the total network.

38. In order to manage this extensive National Ecological Network, the government of Croatia developed an institutional framework as well as a policy and legislative frameworks. The key parts of these instruments include the "*Action Plan for Implementing the Convention on Biological Diversity's Programme of Work on Protected Areas (2012)*", a Nature Protection Directorate to oversee PAs within the Ministry of Environment and Energy (MEE), 19 National Public Institutions (PIs) responsible for the management of the 19 PAs, an independent Croatia Agency for Environment and Nature (CAEN) to monitor the environment, and the Nature Protection Act (OG 80/13) legislating PAs. Finally, these PAs are financed through various sources including their own incomes through visitor fees for the most popular PAs and government budget allocations. Overall, the majority of the 19 PAs require some financial assistance from the Ministry through the annual budgeting process.

39. This network of PAs is also part of the "*Strategy for the Development of Croatia's Tourism by 2020*" (OG 55/13) which focuses on optimizing the development of nature-based tourism in protected areas and improving the quality, range and type of tourism products and services in protected areas. This strategy also seeks to shift the spatial distribution of new tourism developments from the already congested coastal areas to the under-served inland mountainous areas of Croatia.

40. PAs in Croatia are an important part of the socio-economic fabric of the country. It is a key part in the development of the tourism industry, which represent 20% of the national GDP and when considering the annual traffic of visitors – according of one interviewee, 20% of visitors to Croatia visit at least one PA - it is under pressure and the government recognizes the need to improve the management and the conservation of these PAs.

41. The government response has been to strengthen the management of PAs focusing mainly on the

institutional framework to manage PAs and the efficiency of PIs to achieve their objectives in their respective PAs. The PARCS project was conceptualized within this context. Its design was based on a situation analysis that was described in Part I of the project document. As summarized in Section 2 above, the systemic weaknesses of the institutional framework for managing the PAs and the inefficiencies in administering these PAs were the most critical challenges/barriers to overcome in order to better manage and conserve these PAs. The project was designed to address these challenges/barriers through strengthening the institutional framework and the financial sustainability of the protected area system in Croatia. As discussed in the project document, it was expected that this project would improve the overall management effectiveness of the national protected area network and by extension reducing the threats and improving the conservation status of:

- 3 Important Bird Areas;
- 3 wetlands of international importance;
- 1 World Heritage Site (WHS) and 3 sites on the tentative list of WHSs;
- 2 biosphere reserves (BR), one of which is included within a trans-boundary BR;
- 1 Geo-park;
- 38,169 ha of priority habitat types;
- 8 priority faunal species; and
- Several ecological corridors of the Dinaric Arc eco-region.

42. In addition to the PARCS project, the government of Croatia also received a loan of €28.8 million approved in February 2011 from the International Bank for Reconstruction and Development (IBRD) to implement a five-year (2011-2017) *EU Natura 2000 Integration Project (NIP)*. The NIP was administered by a dedicated project unit within MEE. This project had three components: Component One included ecological network investments. Component Two was comprised of ecological network data systems and included consulting services to help plan, prioritize, and organize biological inventory and populate data systems to fulfill EU reporting requirements; field work to perform biological inventory and habitat mapping and monitoring services; consultant services to harmonize data systems with the EU INSPIRE Directive requirements, and computer hardware and software upgrades. Component Three involved ecological network capacity building using consultant services to help promote inter-sectoral cooperation, and pilot programs to: (i) develop proposal of agri-environment measures for Natura 2000 sites, (ii) improve protected areas boundary delineation, (iii) introduce a park volunteer program, and (iv) diversify protected area finance. It also supported the training on accessing EU grant programs for nature protection and tools to improve park management, learning through study tours and seminars, a public information campaign, and project management and operating costs. The NIP run concurrently with the PARCS project. It financed a number of complementary activities in national protected areas and their PIs such as visitor centers, boathouses, education trails, etc. as well as biodiversity inventories in PAs and capacity development activities.

43. Finally, as Croatia joined the EU in 2013, EU Structural and Investments Funds became available to Croatia for the programming period 2014-2020. Project proposals for the development of infrastructure and the development of monitoring systems have been prepared and submitted to these funds. As discussed later in this report, further support to strengthen the PA system in Croatia after both the NIP and the PARCS project will be through these funds (*see Section 4.3.7*).

44. In conclusion, this project has been strongly linked with the government strategy to improve the management of its PA network. The PARCS project has provided additional resources to develop and expand the existing foundation of institutional capacities and financial resources of the PAs and by extension, it contributed to global environmental benefits.

#### **4.1.4. Lessons from other Relevant Projects/Initiatives**

45. As discussed in the section above, the PARCS project is part of the prioritized responses undertaken by the government to strengthen its PA network; it is part of national priorities. Its design was formulated with a strong participation of MEE and the identification of the project strategy was based on good assessments conducted during the PPG phase.

46. In order to identify what and how to reform the institutional framework for managing the PA system (outcome 1), a review of alternative institutional framework scenarios was conducted during the PPG phase. A report was published titled “*Strengthening the institutional sustainability of Croatia’s National Protected Areas: A review of alternative institutional framework scenarios*” (April 2013). This review included an assessment of the current PA system in Croatia, its institutional framework with its strengths and weaknesses, the discussion of guiding principles for managing PAs, and the identification of institutional scenarios. Three basic institutional framework scenarios - with alternative models and options within a scenario - were identified. It included: (i) improved business as usual; (ii) streamlining public institutions; and (iii) a park agency. The report was concluded with the determination of the most desired institutional scenario based on some assessment criteria. Each scenario was scored against the weighted criteria and the preferred scenario was the first one “*Improved business as usual*”.

47. In response to this assessment, MEE decided at the time to adopt a two-step approach to institutional reform: (1) in the short-term, it will seek to improve the current institutional framework in order to address the key systemic and institutional weaknesses; and (2) in the longer-term, it will consider the feasibility of consolidating and rationalizing the current PIs - along with the protected area support staff within MEE and CAEN - into a single park agency in order to improve the overall management effectiveness of a more cohesive network of national protected areas. This decision was the basis to design the strategy under outcome 1 with four expected outputs. The GEF resources would be directed at four key areas of support: (i) preparing a national framework for the planning, management and development of the protected area system; (ii) strengthening the financial management capacity of national protected areas; (iii) establishing shared service facilities for national protected area PIs; and (iv) undertaking a detailed feasibility assessment of alternative options for a park agency.

48. Regarding the identification of the strategy for reaching the expected outcome 2, the project formulation team used a report that was commissioned by the World Bank titled “*Sustainable Financing Review for Croatia’s Protected Areas, 2009*”. It provided a comprehensive assessment of the feasibility of a range of different funding mechanisms/tools for Croatia’s PAs. It also identified key recommendations and a set of actions that could significantly improve the financial sustainability of the protected area system in Croatia. On the basis of this review, sustainable financing strategies were identified. They included: (a) reducing the costs of collecting user fees; (b) diversifying the tourism and recreational products and services in PAs; (c) developing mechanisms to strengthen the service standards, and improve the economic efficiencies, of existing tourism products and services in PAs; and (d) retrofitting existing buildings in PAs with more energy efficient technologies. All these actions would be achieved through four expected outputs under this outcome 2. This component is about the development of sustainable financing strategies for PAs, which include an increase of number of users but without compromising the conservation value and the ecological integrity of these PAs.

49. Finally, the formulation team also benefited from lessons from the UNDP-GEF project COAST (Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast Through Greening Coastal Development), particularly its terminal evaluation (March 2013), which provided three key lessons relevant for the implementation of the PARCS project: 1) There is a high value of having a project managed by a competent and dedicated professional project team, with adequate human and financial resources to achieve the planned outputs; 2) When the project covers a large geographic area, a strong communications program is vital to project success; and 3) It is critical to involve stakeholders from the early stage of the project design and later ensure their participation later in the implementation of project activities; stakeholders participation in decision-making enable conflict minimization and improves ownership of the solutions.

#### **4.1.5. Planned Stakeholder Participation**

50. During the PPG phase, a detailed stakeholder analysis was conducted. Stakeholders were consulted during the PPG phase and the analysis was documented in the project document, including the mandate of each organization and the anticipated role and responsibilities in the implementation of the PARCS project. A full “*Stakeholder Involvement Plan and Coordination with Other Related Initiatives*” was developed and part of the project document as Part III of Section IV Additional Information. The list of stakeholders included government authorities at local, regional, and federal levels, several civil society stakeholders, local land users and other private sector actors, as well as academic and research institutes. The table below is a

summary of the plan to involve stakeholders developed at the outset of the project.

**Table 6: Initial Stakeholders Involvement Plan**

Stakeholder	Role in Project
Ministry of Environmental and Energy (MEE)  Nature Protection Directorate (NPD) Directorate for Inspectional Affairs (DIA) EU Natura 2000 Integration Project (NIP)	<ul style="list-style-type: none"> <li>● The MEE will have overall responsibility for overseeing the implementation of the project.</li> <li>● It will take the lead role in liaising and coordinating with all government agencies in respect of project implementation.</li> <li>● The MEE will also be responsible for preparing any legislation and regulations required in support of project activities.</li> <li>● The NPD will coordinate all project activities and may be responsible for the direct implementation of a number of activities.</li> <li>● The DIA will support the project in incrementally improving the cost-effectiveness and operational efficiencies of the compliance and enforcement functions in national protected areas.</li> <li>● The NIP will work in close collaboration with the project to ensure effective harmonization between the closely linked activities of NIP and the project.</li> </ul>
State Institute for Nature Protection (SINP)	<ul style="list-style-type: none"> <li>● SINP will provide expert, and specialist technical, support to the project, particularly with regard to preparing the national planning framework.</li> <li>● SINP staff may be recruited to undertake necessary expert activities in support of a number of project activities.</li> <li>● SINP may also be affected by project activities, through the incremental integration of their protected area functions into a future park agency (or similar), if considered feasible.</li> </ul>
19 national Public Institutions (PIs)  PIs for National Parks PIs for Nature Parks	<ul style="list-style-type: none"> <li>● The staff within the respective PIs will be responsible for coordinating, or directly implementing, a number of park-specific project activities.</li> <li>● The Public Institutions will be affected by project activities, through their incremental integration into a future park agency, if considered feasible.</li> </ul>
County and Local Public Institutions	<ul style="list-style-type: none"> <li>● The county and local PIs will work closely with the project in order to ensure effective collaboration, information-sharing and resource-sharing around project activities that could be used/ applied in the protected areas that are under the management authority of the county and local PIs.</li> </ul>
Ministry of Finance (MF)	<ul style="list-style-type: none"> <li>● The MF will be responsible for ensuring the ongoing allocation of funds in the state budget for PAs.</li> <li>● The MF will approve any state budget funds to be allocated as co-financing for the project.</li> </ul>
Ministry of Agriculture (MA)  Croatian Water Enterprise Croatian Forests Enterprise	<ul style="list-style-type: none"> <li>● The MA will coordinate the agriculture, forestry, fisheries and water management sector inputs into the project activities linked to improving the institutional arrangements for, and financial sustainability of, national protected areas.</li> </ul>
Ministry of Tourism (MT)  Croatian National Tourist Board (CNTB)	<ul style="list-style-type: none"> <li>● The CNTB will partner with the project in designing, developing and implementing a common marketing strategy and booking system for the tourism and recreational products and services provided by the network of national protected areas.</li> <li>● It will further support and assist the project in improving the quality and range of tourism and recreational products and services in the national protected areas.</li> </ul>
Ministry of Maritime Affairs, Transport and Infrastructure (MMATI)	<ul style="list-style-type: none"> <li>● The MMATI will assist in the preparing a technical assessment of the requirements for installing and administering a mooring system in Telascica Nature Park.</li> </ul>

Stakeholder	Role in Project
Ministry of Construction and Physical Planning (MCPP)	<ul style="list-style-type: none"> <li>• The MCPP will assist in the legal procedures required for obtaining the requisite location permit for the buoys in Telascica Nature Park.</li> </ul>
Ministry of Regional Development and EU Funds (MRDEUF)	<ul style="list-style-type: none"> <li>• The MRDEUF will assist in data exchange and coordination with regard to projects prepared for EU Structural and Investment Funds (ESI).</li> </ul>
Agency for Public Private Partnership (APPP)	<ul style="list-style-type: none"> <li>• The APPP will provide legal, technical and professional support to the project in facilitating the implementation of PPP's (including tourism and recreation concessions) in national protected areas.</li> </ul>
Counties and Local Municipalities Croatian Counties Association Croatian Cities Association Croatian Municipalities Association	<ul style="list-style-type: none"> <li>• The Counties and Municipalities will collaborate with the project in identifying and developing opportunities, linked to project activities that could result in an improvement in regional and local socio-economic welfare.</li> </ul>
Environmental Protection and Energy Efficiency Fund (EPEEF)	<ul style="list-style-type: none"> <li>• The EPEEF will assist the project in strengthening the capacity of the MEE and national PIs to develop projects for funding support from the EPEEF.</li> </ul>
NGOs, CSO's and Associations	<ul style="list-style-type: none"> <li>• NGOs and associations – including WWF and the Croatian Mountaineering Association - are important project partners. They will share, coordinate and collaborate with the project as and where relevant.</li> <li>• Local CSO's and NGOs working within the ambit of the eight targeted national protected areas under component 2 will be actively involved in working closely with PIs to identify opportunities to collaborate in, and benefit from, project activities.</li> </ul>

Source: project document

51. The Evaluation Team noted that project stakeholders were clearly identified during the formulation phase and the review conducted for this evaluation confirms that most of these stakeholders were involved in the project. Key stakeholders played key roles in the implementation of the project, particularly MEE and its Directorates, CAEN, the 19 PIs, Ministry of Finance, and the Ministry of Tourism as well as other stakeholders, particularly those whom were involved in the Project Board and/or the Technical Working Group.

52. One interesting practice developed by the project implementation team in collaboration with the NIP project was to hold regular meetings with all 19 PIs, including general managers, parks directors and other senior staff. Depending on the meeting agenda, additional stakeholders were invited to participate such as experts on special topics. These meetings evolved over time and became workshops/learning events. A total of about 10 meetings and about 10 workshops took place over the lifetime of the project. It was an excellent practice to keep stakeholders from the 19 PIs engaged in project activities, to improve the collaboration among the PIs and developed their capacities to better manage their respective PAs.

#### **4.1.6. Planned Replication Approach**

53. A replication strategy was mentioned in the project document. It stated that replication of project activities will be achieved through the direct replication and scaling-up of selected project supported activities. These activities would be assessed, lessons learned and documented properly for other PAs to be able to replicate and scaling up these activities nation-wide. It was anticipated that such activities that would be replicated/scaled-up would include, at the PAs level, the automated ticketing system, the mooring fee system, the integrated transport networks and the energy and water efficient technologies. At the national level, the Shared Service Center (SSC), if viable, would be expanded/scaled-up to provide PIs with other common support services such as payroll management; professional financial support services; high value procurement of common goods and services; fund-raising; and donor-management. Finally, based on the assessment of the feasibility to establish a national park agency (output 1.4), the government may implement some reform of the institutional framework for managing the PA system in Croatia.

54. Additionally, when considering the strategy of this project and the fact that it is part of national priorities to improve the management of the PA system in Croatia, there is almost a certainty that the project achievements will be replicated and scaled-up where and when needed. The project is part of a broader government strategy to strengthen its National Ecological Network; the GEF grant was used to improve the management effectiveness of its 19 PAs; it is somewhat logical that the next step will be to replicate and scale-up the achievements to pursue the overall strategy to develop the management capacity of the PIs and also of the staff based at the ministry and at the agency level.

55. On this basis and importantly the good ownership of project achievements, the Evaluation Team found that the replication of these achievements should be ensured over the medium term and they should also be scaled-up.

#### **4.1.7. UNDP Comparative Advantage**

56. UNDP is present in Croatia since 1996 when the first Liaison Office was established. The office became a fully-fledged Resident Representative Country Office in 2001. UNDP's presence in Croatia was governed by a Standard Basic Assistance Agreement with the Government of Croatia signed in 1996 and amended in 2007. Within the context of Croatia's entry into the European Union (EU) on July 1, 2013 and the fact that, according to UNDP classification, Croatia graduated to the status of a Net Contributor Country, discussions between the government of Croatia and UNDP were concluded with an agreement to close the UNDP Country Office by mid 2014. As of July 1, 2014, UNDP pursued its operations in Croatia as a self-funding Project Management Office while also performing some regional functions such as knowledge sharing in the areas of UNDP's comparative advantage. During this period, activities included the completion of projects under implementation, including the PARCS project. Finally, all UNDP activities in Croatia will end completely at the end of December 2017.

57. UNDP's assistance to Croatia was planned through five-year cycle *Country Programme Action Plans (CPAPs)*, which, recently, were guided by the Strategic Note 2014, the UNDP Strategic Plan 2014-2017 as well as individual project documents. The last CPAP for the period 2007-2011 was aligned to the National Strategic Development Framework (2006-2013). This action plan included six linked programme components, which were aligned with six strategic national development goals. They include: (i) Combating social exclusion; (ii) Local development and regional disparities; (iii) Environmental governance and climate change; (iv) Competitiveness of the business environment; (v) Justice and Human Security; and (vi) Support to national development priorities. In March 2010, the Government of Croatia requested a two-year extension of the CPAP 2007-2011. This request was approved by the UNDP Executive Board on June 15, 2011. This extension period corresponded to the closure of the EU accession negotiations and the emphasis of these 2 extra years was to shift to building the country's capacity to absorb EU structural funds, consolidating the opportunity to catch up with the social and economic standards of leading EU member states. This extension included the continuation of the 2007-2011 programme including energy efficiency/management, renewable energies, green economy, green "lending", etc. It also included new activities including the focus on securing the sustainable financing for protected areas, which was part of the national programme to implement the EU Natura 2000 ecological network. This particular activity led to the formulation of the PARCS project and later its implementation.

58. From a biodiversity point of view, UNDP and the GEF initiated in 2005 a biological and landscape diversity protection programme in Croatia's coastal areas, and the promotion of energy efficiency measures to contribute to greenhouse gas reductions, and promote public-private partnerships. More recently, UNDP helped Croatia wrestle with the conundrum of how to expand the coastal tourism business without ruining the spectacular natural environment that lures tourists in the first place. In the recent past, the GEF-funded COAST project worked with four Dalmatian counties to build green business pilot projects in agriculture, tourism, shellfish farming, and other traditional sectors; showing that ecological cultivation can secure profitable livelihoods. By the end of 2010, 58 green business projects had been funded, leveraging USD 1.5M into USD 22M worth of investment. Four county development agencies had embraced the "green business" concept, including the infusion of environmental criteria into small-business lending.

59. UNDP and the government of Croatia have a long history of supporting the development in the

county, including the management and conservation of Croatia's biodiversity. The PARCS project was to some extent an extension of UNDP support to improve the management of Croatia's PAs, contributing to the conservation of biodiversity; benefiting from its long experience in the sector in Croatia but also worldwide.

#### **4.1.8. Management Arrangements**

60. The management arrangements planned at the onset of the project included:

- *GEF Implementing Agency:* UNDP served as the GEF implementing agency for the project.
- *Executing Agency in Croatia:* The Ministry of Environmental and Energy (MEE) acted as the executing agency and had overall responsibility for achieving the project goal and objectives. MEE designated a senior official to act as the *Project Director (PD)*, whom provided the strategic oversight and guidance to project implementation.
- *Project Management Unit (PMU):* A PMU was established at UNDP in Zagreb to carry out the day-to-day administration of the project. It was headed by a Project Manager (PM) supported by a Project Officer and a Project Administrative Assistant (PAA).
- *National Project Manager (NPM):* The PM had the authority to administer the project on a day-to-day basis on behalf of MEE, within the constraints laid down by the Project Board (PB). The PM was accountable to the PD for the quality, timeliness and effectiveness of the activities carried out, as well as for the use of funds.
- *Part time Consultants/Experts:* As required the project implementation team hired technical expertise to support the implementation of project supported activities.
- *Management Procedures:* The financial arrangements and procedures for the project were governed by the UNDP rules and regulations applicable for project implemented through the National Implementation Modality (NIM). All procurement and financial transactions were governed by applicable UNDP regulations, including the recruitment of staff and consultants/experts using standard UNDP recruitment procedures.
- *Project Board (PB):* A Project Board (PB) was constituted to serve as the executive decision-making body for the project. It included representatives from the key partners to the project. The PB ensured that the project remains on course to deliver the desired outcomes of the required quality. The PB approved the Annual Work Plans (AWPs), reviewed the Annual Progress Reports/Project Implementation Reports (PIRs), and reviewed/approved corrective measures when needed. It met 8 times over the course of the project.

61. In addition to these anticipated management arrangements that were identified at the formulation stage, two additional bodies to coordinate and communicate project activities were created. It included:

- *Technical Working Group (TWG):* A TWG was set up during the inception phase of the project to review and approve the approach, format and content of the Strategic Plan, Financial Plan and policies and guidelines. It comprised 7 members and met officially seven times over the course of the project, plus an additional 20 times informally to review specific topics or activities.
- *Meetings with Park Directors:* In collaboration with the NIP project, the PARCS project strengthened these meetings and use them as a mechanism to transfer knowledge to parks' staff and at the same time contribute to the development of management capacities of parks' management teams. Over the course of the project a total of about 10 meetings and 10 workshops took place with an average of 2 people per park and representatives from MEE.

62. The Evaluation Team found that the management arrangements were adequate and effective for the implementation of the project. They provided the project with clear roles and responsibilities for all parties including clear reporting lines of authority. The PB met regularly to monitor the implementation of the project and approve the AWPs. The good functioning of the Project Board provided an effective way to communicate and keep stakeholders engaged, contributing to an effective use of project resources and a good

national ownership of project achievements. The add-on of a TWG and the support of regular meetings/workshops with parks directors also contributed to keeping stakeholders/beneficiaries engaged in the implementation of the project. The latter was also an excellent mechanism to communicate knowledge to beneficiaries and develop a good national ownership of project achievements.

## **4.2. Project Implementation**

63. This section discusses the assessment of how the project has been implemented. It assessed how efficient the management of the project was and how conducive it was to contribute to a successful project.

### **4.2.1. Adaptive Management**

64. The project has been well managed. The Project Team followed UNDP and government of Croatia procedures for the implementation of the project and used adaptive management extensively to secure project deliverables while maintaining adherence to the overall project design. The review indicates that project achievements are well aligned with the project document that was endorsed by stakeholders. The Strategic Results Framework (SRF) included in the project document had been used as a guide to implement the project (*see Section 4.1.1*). An efficient implementation team has been in place, detailed work plans have been guiding the implementation, assignments were conducted with the required participation of relevant stakeholders and the project progress was well monitored.

65. Adaptive management has been used regularly to adapt to a changing environment. It was particularly used as a mechanism to respond to stakeholders' needs and priorities. As a result, activities supported by the project benefited from a good participation of stakeholders. Each assignment was conducted following well-defined terms of reference and/or feasibility studies.

66. One example of adaptive management was the need for the implementation team to adapt to changes of government and changes to the strategy of the project as a result. As discussed in section 4.1.1 and 4.1.2, this project had constant negotiations regarding the strategy under outcome 1. It started with the government promoting the need to establish a national agency to oversee all PAs in Croatia. It was part of the PIF submitted to GEF. Following a new government, this strategy was finally changed to establish a "Shared Service Center" and only assessing the feasibility of establishing a park agency to administer national PAs. This strategy was the one detailed in the project document and submitted to GEF for project approval. However, after a few months of implementation, the government decided in 2015 to go back to the one agency model and requested the PARCS project to support this change. A PB confirmed this change and requested the implementation team to reorient the strategy for achieving outcome 1 with the plan for the agency to become operational in January 2017. However, following a change of assistant-minister, the strategic model was reversed again. This time the strategy was no new institution, no shared service center, but a functional cooperation of all 19 PIs and the creation of a joint fund funded by all PAs. This is the final strategy that was adopted by the government and the PB and implemented by the PARCS project. Throughout these changes, the implementation team applied adaptive management focusing on strengthening capacities of existing institutions and staff. These changes delayed some project activities but overall, the implementation team was able to carry out activities to strengthen the PA system in Croatia.

67. A second example was the addition of the Nature Park Kopački rit (Slavonija) as a beneficiary of some project support. The original plan detailed in the project document, which was based on an extensive consultation during the PPG phase, did not include this nature park as a recipient of the PARCS project. However, following negotiations between the management of the park and the implementation team a decision was made to also include this park in the list of recipients of project support. As a result, the PARCS project supported the electrification of the Veliki Sakadaš dock and the purchase (co-financed) of an electric boat (capacity 60 persons) for the Nature Park Kopački rit.

68. The review conducted for this evaluation indicates that the implementation team was excellent as managing and adapting to these changes over time. When reviewing the expected outcome 1, which was seeking to reform the institutional framework to better manage the PA system in Croatia, it is also obvious that this project component would not be an easy one to implement; experiences of reforming institutions show that it is not an easy and linear process. It is often mixed with political agendas and a certain resistance

to change in these existing institutions. It was a difficult component to implement and the implementation team demonstrated its capacity to adapt to these changes and secure the delivery of expected results while maintaining adherence to the overall project strategy approved by GEF.

#### **4.2.2. Partnership Arrangements**

69. As discussed in Section 4.1.5 and 4.1.8, the stakeholder engagement and the management arrangements of the project were adequate for the implementation of the project; they provided the project with clear roles and responsibilities for each party. In addition, the partnerships of the project with the related interventions in Croatia (*see Section 4.1.3*) were good and provided excellent synergies among these programmes and projects.

70. The Evaluation Team found that one partnership that was worth highlighting was the periodic gathering of Parks Directors and key staff. Early on, the project in collaboration with the NIP project coordinated these gatherings as a way to better coordinate actions among the 19 PIs but also offer networking events for all participants (directors and staff from regional and local PIs and representatives from MEE). Despite the fact that this particular action was not anticipated in the project document, the implementation team adapted its approach and collaborated with NIP to develop these gatherings with the participation of MEE. Following the start of these gatherings as meetings, the PARCS project strengthened the content of these meetings and transformed them to become workshops and learning events. A total of about 10 meetings took place during the lifetime of the project and a further 10 workshops were conducted. The Evaluation Team found that this initiative led to some excellent synergies and cooperation among staff from all PIs.

71. Overall, the project implementation team enjoyed an excellent collaboration with all stakeholders; particularly key stakeholders such as MOE, the agency for the environment, the ministry of tourism, the ministry of finance and, of course the staff of the 19 PIs. This collaboration happened through formal meetings but also through regular more informal communications among each other to keep everybody abreast of the progress made. Throughout the implementation of project activities, the flow of communications kept all stakeholders engaged in the project. As a small technical unit, supporting the implementation of numerous activities and allocating project financial resources, the PMU became, de facto, a type of service center to all 19 PIs but also to government agencies. This support was recognized by stakeholders.

#### **4.2.3. Project Finance**

72. As indicated in Section 4.1.8, the implementation modality of the project to allocate, administer and report on project resources was the UNDP support to NIM<sup>6</sup> (National Implementation Modality) approach; that is project activities were carried out by the Project Team in partnership with the Ministry of Environment, the national executing agency for the project.

73. The financial records were consolidated into the UNDP-ATLAS system as the accounting and financial system for all UNDP projects and allows the project team to obtain financial reports to the last point of data entry. These reports - Combined Delivery Reports (CDRs) - produce financial information broken down by line items such as local consultant fees, travel tickets, printing and publications, utilities, etc. and presented by outcome (two + project management).

74. The total cost of investment in the project was estimated at USD 22,964,116, of which USD 4,953,000 constituted the grant funding from GEF and USD 18,011,116 to be co-financed.

#### **GEF Funds**

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6 UNDP defines NIM (National Implementation Modality) as the management of UNDP programme activities in a specific programme country carried out by an eligible national entity of that country. It is expected to contribute most effectively to: (i) greater national self-reliance by effective use and strengthening of the management capabilities, and technical expertise of national institutions and individuals, through learning by doing; (ii) enhanced sustainability of development programmes and projects by increasing national ownership of, and commitment to development activities; and (iii) reduced workload and integration with national programmes through greater use of appropriate national systems and procedures. (*Source: UNDP Financial Resources*)

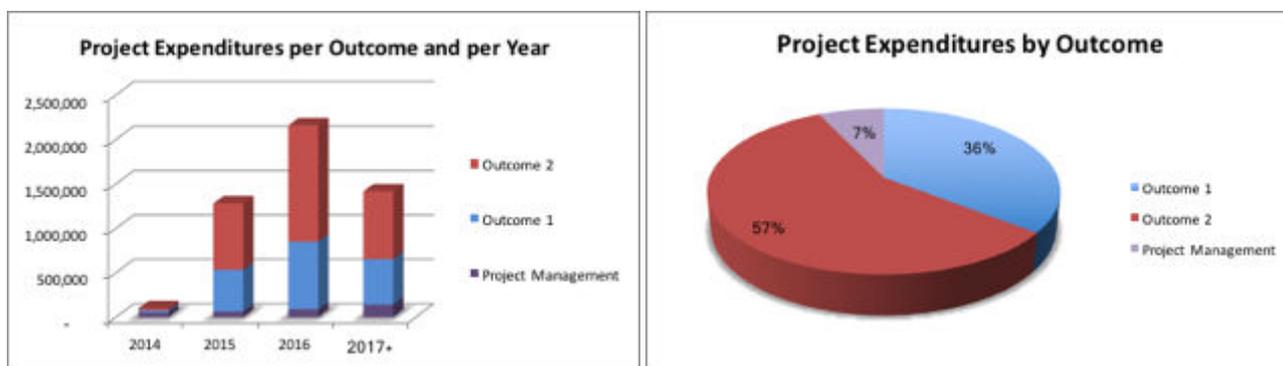
75. The review of financial records as recorded in the UNDP Atlas system – including both the actual expenditures for the years 2014 to 2017 and estimates for the last quarter of 2017 - indicates that 100% of the original GEF budget should be spent (USD 4,953,000) by the end of the project on December 31, 2017; an implementation period of 47 months. The breakdown of project expenditures by outcome and by year is presented in the table below.

**Table 7: UNDP-GEF Project Funds Disbursement Status (in USD)**

Component	Budget (USD)	2014	2015	2016	2017*	Total (USD)	Outcome/ Total
Outcome 1	1,762,000	21,372	468,997	761,144	510,487	1,762,000	36%
Outcome 2	2,842,000	23,697	746,769	1,308,744	762,790	2,842,000	57%
Project Management	349,000	54,102	63,864	88,525	142,509	349,000	7%
<b>TOTAL</b>	<b>4,953,000</b>	<b>99,171</b>	<b>1,279,630</b>	<b>2,158,413</b>	<b>1,415,786</b>	<b>4,953,000</b>	<b>100%</b>

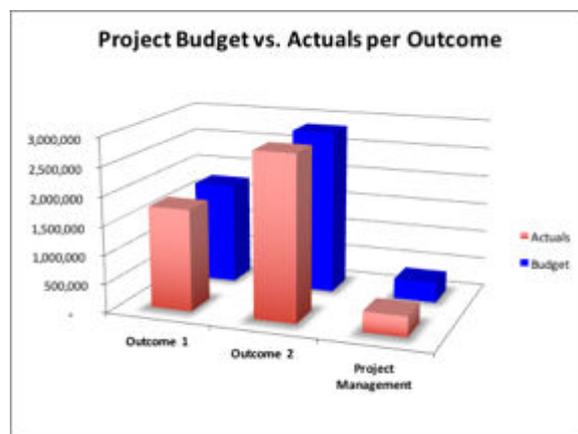
\* It includes both actual expenditures to September 2017 and planned disbursements to December 31, 2017

Sources: UNDP Atlas Financial Reports (Combined Delivery Reports to September 2017 (CDRs)) and information collected from the Project Team.



76. The financial figures presented above indicate that 57% of the total GEF grant was expended on outcome 2 that was to “improve the financial sustainability of the network of national protected areas”. Another 36% of the total GEF grant was expended on outcome 1 that was to “reform the institutional framework to strengthen the management effectiveness of national protected areas”. The remaining expenditures (7%) were expended on project management.

77. These financial figures indicate disbursements that are much aligned with the implementation timeline. The diagram above showing the expenditures per year indicates that the project was somewhat slow during the initial first year (2014) due to some constraints discussed in section 4.2.1; however, activities picked up in 2015 with a peak of project expenditures in 2016 at over USD 2.15M (almost 44% of the total GEF grant). Overall, project expenditures are planned to be on budget per outcome as of December 31, 2017, reflecting good financial management.



78. As of end of September 2017 the actual project expenditures are USD 4,237,264 or just under 86% of the total GEF grant. A remaining amount of USD 715,736 (14% of the GEF grant) is left to be disbursed/expended during the period October 1 to December 31, 2017. According to the implementation team, this amount is totally committed; it is a matter of finalizing the procurement processes and processing payments to expend this remaining amount. These

commitments include the payment for two additional boats valued at about USD 240k, final payment of a financial management software and other “hard” commitments for a total of about USD402k.

79. Despite the good track record of the implementation team in managing the finances of the project, it is somewhat doubtful that this amount of USD 715k will be fully expended by December 31, 2017. It represents a significant larger average of monthly expenditures when comparing with the highest monthly average in 2016 of USD 180k. Nevertheless, if project expenditures are not expended totally by December 2017, the Evaluation Team is confident that most financial transactions will be completed and only a few will remain to be completed early in 2018. The plan is that the project will close on December 2017 but the Financial Assistant will be kept another month to complete all operations in collaboration with UNDP Istanbul in case it is needed.

80. The review of AWP budgets against the actual expenditures confirms the good financial management of this project. The table below indicates that for the first 2 years, the project spent over 97% of the AWP budgets, followed by 85% in 2016. Regarding 2017, the numbers are only calculated on the basis of the actuals as of end of September 2017. It is expected that the entire amount will be spent by December 31, 2017 as discussed above.

**Table 8: Annual Work Plans versus Actual Expenditures (GEF grant)**

Years	AWP Budgets	Actual Expenditures	% Spent
2014	101,250	99,171	97,9%
2015	1,310,100	1,279,630	97.7%
2016	2,548,000	2,158,413	84.7%
2017	1,415,786	700,050*	49.4%

\* to End of September 2017 (as per Atlas CDR)

Sources: Project Inception Report, AWP and UNDP-Atlas CDR Reports

### Co-financing

81. The co-financing commitments at the outset of the project totaled the amount of USD 18,011,116 with 93% in-kind from MEE and the rest from UNDP (cash) and the 19 PIs (cash). The review noted that all these commitments were confirmed by official letters at the outset of this project with 35% allocated to outcome1, 60% to outcome 2 and the rest (4%) to project management. In addition to this co-financing, the project also benefited from USD 10.16M in parallel financing from the World Bank NIP project. The table below indicates the breakdown of this co-financing.

**Table 9: Co-financing Status**

Partner	Type	Commitments (USD)	Actuals (USD)
Ministry of Environment and Energy (MEE)	In-kind	16,700,000	16,700,000
UNDP	Cash	500,000	500,000
Public Institutions (19)	Cash	811,116	3,986,175
<b>Total (USD)</b>		<b>18,011,116</b>	<b>21,186,175</b>

Source: Project Document and information collected from the Project Team.

82. As of the time of this terminal evaluation, the co-financing figures presented in the table above indicate that overall the project was able to leverage above the committed co-financing amount (118%). This is due to a greater co-financing from the Public Institutions (PIs). A total amount of USD 811,116 was planned and committed at the formulation stage of the project and confirmed by official letters. It included the contribution of 5 PIs (Vransko Jezero, Papuk, Telascica, Risnjak and Ucka). However, near the end of this project, an additional 2 PIs (Mljet and Paklenica) contributed cash to co-finance some project activities.

Based on information gathered by the implementation team, a total co-financing expected by the PIs is about USD 3,986,175; almost a five-times increase over the anticipated amount from the PIs at the outset of the project.

83. These numbers confirm the good partnership arrangements that were set up at the outset of this project, which allowed good synergies for an effective planning and implementation of activities and for a cost-effective project. It also confirms that, as the major beneficiaries of this project, the PIs were fully engaged in the implementation of the project, invested in project activities through co-financing over their original commitments and of course, benefited from these project activities, strengthening their capacities to manage their PAs. The fact that they increased their co-financing commitments of project supported activities is one more confirmation that these activities have responded to demands from these PIs. By increasing their co-financing, more achievements were delivered and as a result more benefits for these PIs.

#### **4.2.4. Monitoring & Evaluation (M&E) Approach**

84. A Monitoring Framework and Evaluation Plan was detailed during the formulation of the project in accordance with UNDP and GEF procedures. A total indicative cost of USD 115,000 was budgeted, representing about 2.3% of the total GEF grant. This plan listed all monitoring and evaluation activities that were to be implemented during the lifetime of the project, including a mid-term evaluation and a terminal evaluation. The plan was based on the SRF that included a set of performance monitoring indicators along with their corresponding sources of verification.

85. The M&E plan was reviewed during the inception phase and beside a small reduction of USD 3,000 of the budget (now set at USD 112,000) no other changes were made to the plan. A summary of the operating modalities of the M&E plan is as follows:

- Performance indicators: A set of 19 indicators with their respective baselines and targets at the end of the project were identified and documented in the *Strategic Results Framework*;
- An inception phase where the M&E plan was reviewed and discussed at an inception workshop (July 17, 2014). No changes to the M&E plan were done during the inception phase;
- The Project Manager ensured the day-to-day monitoring, particularly to monitor the implementation of annual work plans;
- The PMU had the responsibility to produce progress reports documenting/measuring the progress made by the project for any given period; it included two main types of progress reports:
  - Quarterly Progress Reports: This is a UNDP requirement. Recorded in Atlas, the progress was monitored and risks were reviewed and logged in the Atlas system;
  - Annual Project Reports / Project Implementation Reports (APR/PIRs): These reports are both UNDP and GEF requirements, following specific guidelines. They are annual progress report measuring the progress made by the project during the past year and overall since its inception. They included a review of the development objective, measuring the progress made to achieve the overall expected objective and outcomes; and a review of the implementation measuring the progress made during the past year;
- The PMU had the responsibility to report the progress made by the project to the Project Board, using the above reports;
- Mid-term and Final Evaluations: Conducted at mid-point and at end of project, these 2 external independent evaluations were opportunities to assess progress made at specific points in time, including progress made against expected results; reviewing the implementation modalities; identify any need for corrective actions; and finally, to identify any lessons learned;
- Learning and Knowledge Sharing: Results from the project were to be disseminated within and beyond the project intervention zone through existing information sharing networks and forums (see Section 4.2.6).

86. The set of indicators to measure the progress of the project was reviewed by the Evaluation Team. Initially, the project was approved with a set of 15 indicators presented in the *Strategic Results Framework*. These indicators were reviewed during the inception phase but no changes were made. However, the same set of indicators was reviewed again by the Mid-Term Review Team and few changes were made at this time

and documented in the MTR report. A revised set of 19 indicators was proposed and accepted by the PB: one indicator was changed to monitor the progress made at the objective level; four indicators were deleted and seven were added to monitor progress under outcome 1; and two indicators were deleted and three added to monitor progress under outcome 2; for a total addition of four indicators. The list of indicators and targets and the changes made during the MTR are presented in the table below:

**Table 10:** List of Performance Indicators

Project Outcomes	Indicators <sup>7</sup>	Targets	
<b>Objective</b> - Enhancing the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity.	1. Financial sustainability scorecard for national system of protected areas	• >45%	
	2. Capacity development indicator score for protected area system	• Systemic: 67% • Institutional: 77% • Individual: 72%	
	3. Annual financing gap of the 'optimal management scenario' for national protected areas	• <USD 5M	
	4. Management Effectiveness Tracking Tool scorecard (average)	• All national PAs >67% • National Parks >67% • Nature Parks >67%	
	5. Income/annum (USD), by source, from national protected areas	• Government budget allocation 6.5% • Other government allocation >4.5% • Property income >2.6% • Own income > 84.4% • Donor revenue and other income >1.9%	
	<del>Degree of conservation for the Natura 2000 target species and habitats in national protected areas</del>	<del>• Degree of conservation for the NATURA 2000 target species and habitats stays the same or improves</del>	
<b>Outcome 1</b> - Reforming the institutional framework to strengthen the management effectiveness of national protected areas <ul style="list-style-type: none"> <li>• <b>Output 1.1:</b> Develop a national planning framework for the protected area system</li> <li>• <b>Output 1.2:</b> Improve the financial management capacity of protected area institutions</li> <li>• <b>Output 1.3:</b> Establish a shared service center for national protected areas</li> <li>• <b>Output 1.4:</b> Assess the feasibility of establishing a park agency to administer national protected areas</li> </ul>	<del>Strategic plan and management guidelines for national protected areas approved</del>	<del>• Strategic plan: Yes</del>	
	7. Framework document with the mid-term (3-5 years) strategic vision and the operational set-up for the national PAs developed	• Approved	
	8. Guidelines for the development and revision of the management plans for PAs developed using participatory approach	• Completed	
	9. Guidelines for determining of pricing in all national PAs developed	• Adopted	
	<del>Number of park management plans conforming with the policies and guidelines for national protected areas</del>	<del>• &gt;10</del>	
	<del>Number of financial/business plans adopted and operational</del>	<del>• National protected area network: 4 • Individual national protected areas: &gt;3</del>	
	10. Number of financial/business plans developed	• 1 National protected area network • >3 Individual national protected areas	

7 Indicators in black did not change; in green are added indicators; and in red at indicators that were deleted.

Project Outcomes	Indicators7	Targets
	11. Number of PIs and MEE staff completing specialized, targeted short-course financial training and financial skills development programmes	• 100%
	12. Number of have annual financial plans and reports that include improved integration of activity-based accounting into standardized planning and reporting	• All 19 PIs
	<del>Percentage of overall national protected areas bookings/month being administered through the centralized SSC</del>	<del>• Overnight accommodation: &gt;20%</del> <del>• Camping: &gt;30%</del> <del>• Other services: &gt;15%</del>
	13. Number of PIs with available purchase of on-line entrance tickets and services administered through the Web portal "Parks of Croatia"	• 10 PIs
	14. Number of users of a joint communication tools for the system of the national protected areas	• Web portal: >60.000; • Mobile application: >10.000; • Facebook: >15.000
<b>Outcome 2 – Improving the financial sustainability of the network of national protected areas</b>  <ul style="list-style-type: none"> <li>• <b>Output 2.1:</b> Reduce the transaction costs of user-pay systems in national protected areas</li> <li>• <b>Output 2.2:</b> Develop integrated tourism and recreational products and services in national protected areas</li> <li>• <b>Output 2.3:</b> Improve the productive efficiency of national protected areas</li> </ul>	<del>Net income (US\$/annum) from sales of smart cards</del>	<del>• USD &gt;4M</del>
	15. Percentage of annual revenue channeled via e-ticketing for participating PAs	• >80% in first year of implementation
	16. Availability of real-time data on PA visitation for participating PAs.	• Available via a centralized system
	17. Increase in self-generated income (USD/annum) in target national parks and nature parks	• Ucka: >USD 100k; • Risnjak: >USD 450k; • Papuk: >USD 50k; • Telascica: >USD 1M; • Vransko jezero: >USD 100k
	18. Decrease in costs (US\$/month) of power supply to targeted nature parks	• Risnjak NP: <USD 1,000 • Papuk NP: <USD 500
	19. Certified trainers in the national PA system for visitor management	• >15

Source: Project Document, Medium-Term Review (MTR) and annual progress reports

87. The changes made at the time of the MTR was justified on the basis that the relevance of some indicators and targets changed since the project was originally designed. The MTR Review Team in collaboration with the implementation team reviewed this original set of indicators and drafted a proposal for a revised results framework that was adopted by the PB.

88. These indicators have been used yearly to report progress made in the APR/PIR reports. The review of these indicators and their respective targets reveals that they are SMART indicators. It is a good set of indicators that was used to measure how well the project was progressing. With clear targets, it makes them unambiguous indicators that are specific, measurable, available and relevant for the project in a timely manner.

89. The Evaluation Team also noted that the project also monitored the overall progress made in Croatia to strengthen the management effectiveness of its PA system, using three set of tracking tools: (i) a financial scorecard; (ii) a capacity development scorecard: and (iii) the Management Effectiveness Tracking Tool (METT) for biodiversity projects. These tracking tools were completed at the outset of the project to establish a baseline, reviewed at the mid-term of the implementation and finally near the end of the project. The scores of these tracking tools were used as indicators to measure the progress made by the project at the objective level, using the scores established as the outset as baseline and the scores at the end of the project to be compared with established targets. It was noted that the METT methodology was accepted as a standard methodology by the government to measure its effectiveness in managing the PA system in Croatia. It is now part of the management tools and processes to manage PAs, including Natura 2000 sites. A web application to be used by each PI to complete their METT has been developed by the CAEN.

90. The M&E plan – including its set of performance indicators and tracking tools - provided the project with a good framework to measure its progress/performance. APR/PIRs were produced timely as well as Quarterly Progress Reports. The review of annual PIRs reveals that they are comprehensive reports that provide good monitoring information documenting the project’s progress year over year. Additionally, the tracking tools were completed as required and provides very useful information to the government on how effective the management of the PA system is and how it improves over time. The assessment conducted by the Evaluation Team revealed that the project was well monitored and that this information was used to plan and implement day-to-day activities, including the need to adapt the implementation approach when corrective actions were needed.

#### **4.2.5. Contribution of UNDP and Implementing Partner**

91. The quality of UNDP implementation and the quality of execution of the Ministry of Environment and Energy (MEE) - as respectively the GEF implementing agency and the national executing agency of the project - to support the implementation of the project was good. In their respective area of responsibility, they provided good support to the implementation team to ensure an efficient use of GEF resources and an effective implementation of the project. Both agencies participated actively in the design and the implementation of the project.

92. UNDP provided the required guidance to apply UNDP project management procedures such as procurement, hiring and contracting as well as guidance for reporting project progress. UNDP played a role of quality assurance over the implementation of the project, ensuring that the required qualities for project activities were fulfilled. Overall, UNDP backstopped the project with its own resources, supported the implementation team throughout the implementation including the participation in the decision-making process for implementing the project through the PB. Despite the official closure of the UNDP Country Office in Croatia in 2014 (*see Section 4.1.7*), the implementation team was able to continue with the implementation of the project with UNDP support from the Regional Office in Istanbul. It added some administrative tasks to perform some administrative functions over long distance but overall, it allowed the project to be completed despite the closure of UNDP country office.

93. MEE, as the national executing agency, played an important role in the implementation of this project as the main government anchor point of the project. The Assistant-Minister of the Environment chaired the PB; providing good leadership in guiding the implementation of the project. Overall, the MEE played an important facilitator role for the project, providing the government/institutional context for the legitimization of project-supported activities; particularly for reforming the institutional framework to better manage the PA system in Croatia. It is also worth noting that during the lifetime of this project, Croatia had three different Ministers of Environment and three different Project Directors (PD) following three elections. Despite these changes and the impacts on the development of the strategy of the project (*see Section 4.2.1*), it is worthwhile to note that overall, the project was able to contribute clearly to the strengthening of the PA system in Croatia, including the participation to the on-going dialogue for reforming the institutional framework for managing the PA system and its PIs. It is still much a work-in-progress but the project contributed to this dialogue by providing expertise, studies, analyses, etc.

94. In addition to MEE, which played a key role in the implementation of the project, it is also important to note the positive role played by other government ministries, agencies and PIs. They satisfactorily fulfilled their project obligations/responsibilities by collaborating with the project and participated in project activities when appropriate. They also played a major role in legitimizing the achievements of the project in their respective areas; hence contributing to the long-term sustainability of project achievements.

#### **4.2.6. Summary of the Mid-Term Review (MTR)**

95. Two external Evaluators conducted a Mid-Term Review (MTR) over the period March-June 2016. The Review Team reviewed the project at mid-point following the UNDP and GEF evaluation guidelines. It concluded at the time that the PARCS project was highly relevant for Croatia and the project was well on-track to make important progress toward the overall project objective, and to achieve the supporting two outcomes. It also found that a convergence toward a vision and strategy for institutional improvement of the

national protected areas system – i.e. an evolutionary approach, with incremental improvements tackling the key weaknesses, strengthening the national level coordination, guidance and supervision, establishing the key missing parts – shared by all key stakeholders, including PAs themselves, national authorities and institutions and key political parties was happening. The project facilitated discussion and gradual convergence by extensive data collection, fact-finding, comprehensive analysis, and genuine stakeholder engagement. Finally, it concluded that financial sustainability was of limited concern, considering that the MEE was anticipating having €120M of EU funding to invest in PAs and the EU Natura2000 network over the following six years. In addition, the financial analysis of the PA system carried out under the project indicated that availability of financial resources is not a critical issue, but rather the distribution of these financial resources is.

96. A set of 17 recommendations was identified by the MTR. A management response was developed to plan how to address these recommendations, including key actions, timeframe, responsibility and tracking the implementation of each recommendation. A summary of these recommendations and the corresponding management responses is presented in Annex 9.

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

98. The management response stated that despite that the SRF included an *“indicative activity”* to develop a strategic plan, the project Technical Working Group did not recognize the need for a *“new”* strategic document and that the current NBSAP was serving as the national strategy for biodiversity. In order to address this recommendation, a decision was made to develop a *“Development plan for the PA system in Croatia”* setting strategic objectives and actions as well as monitoring indicators for the development of the PA system in Croatia. This plan will be finalized before the end of the year and will be used to oversee the completion and implementation of the 10-year cycle Park Management Plans.

### 4.3. Project Results

99. This section discusses the assessment of project results; how effective was the project to deliver its expected results, how sustainable these achievements will be over the long-term, and what are the remaining barriers limiting the effectiveness of the project.

#### 4.3.1. Overall Achievements/Results

100. As presented in Sections 4.1, the project has been implemented through two (2) components. The implementation progress is measured through a set of 19 indicators, each one with a target to be achieved by the end of the project. On the next page is a table listing key results achieved by the project against each expected outcome, using the corresponding targets to measure the progress made. Additionally, a color *“traffic light system”* code was used to represent the level of progress achieved by the project.

	Target achieved
	On target to be achieved
	Not on target to be achieved

**Table 11: List of Achievements vs. Expected Outcomes**

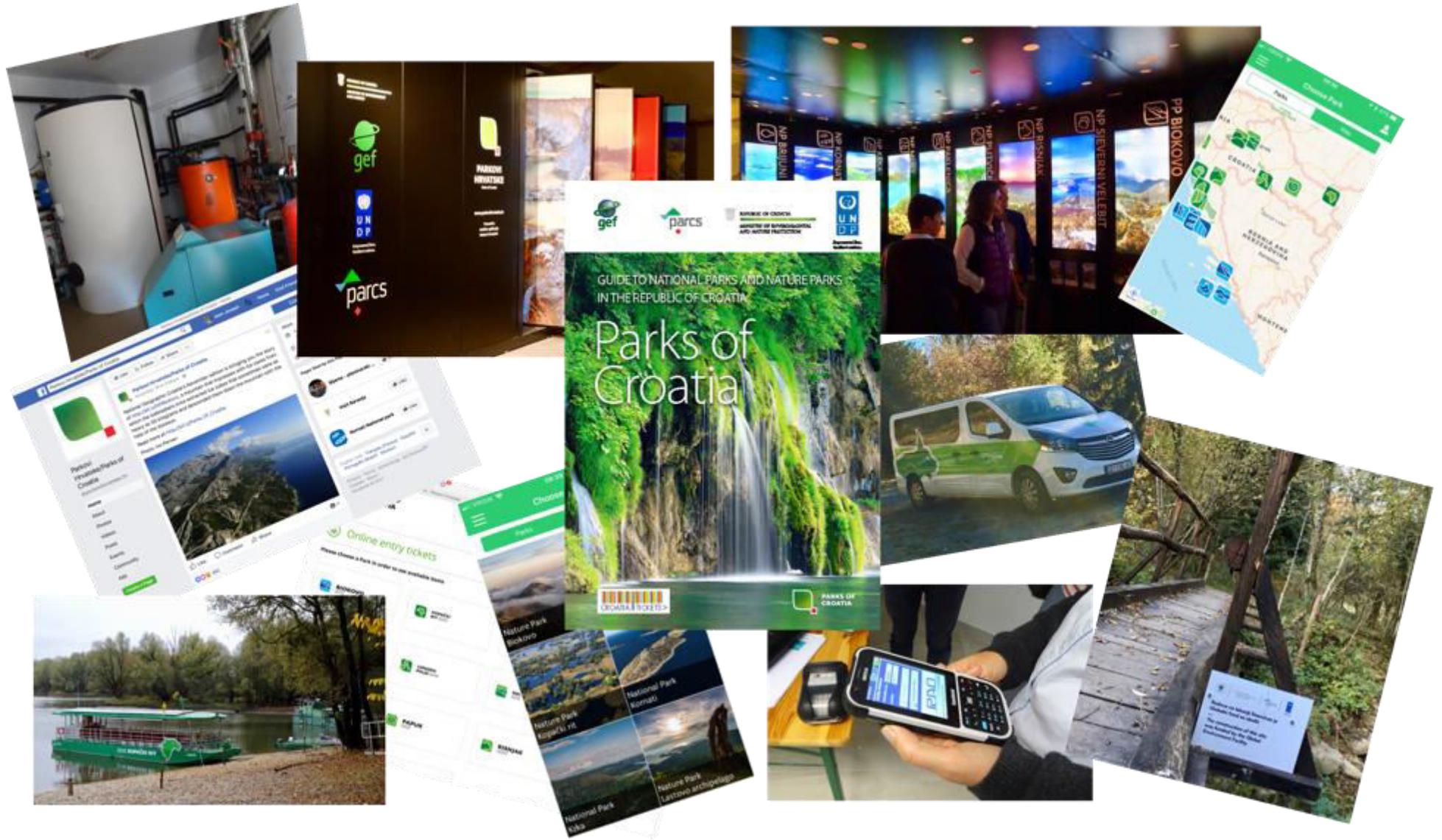
Expected Results	Project Targets	Results	TE Assess.
<p><b>Outcome 1</b> - Reforming the institutional framework to strengthen the management effectiveness of national protected areas</p> <ul style="list-style-type: none"> <li>● <b>Output 1.1:</b> Develop a national planning framework for the protected area system</li> <li>● <b>Output 1.2:</b> Improve the financial management capacity of protected area institutions</li> <li>● <b>Output 1.3:</b> Establish a shared service center for national protected areas</li> <li>● <b>Output 1.4:</b> Assess the feasibility of establishing a park agency to administer national protected areas</li> </ul>	<ul style="list-style-type: none"> <li>● Framework document with the mid-term (3-5 years) strategic vision and the operational set-up for the national PAs developed and approved</li> </ul>	<ul style="list-style-type: none"> <li>● The 10-year Strategic framework is being developed. Main sections of the document have been finalized: (1) strategic objectives and specific objectives, (2) indicators that will measure their progress, (3) activities to implement goals</li> <li>● The document has been created with significant inputs of the PARCS project Technical Work Group consisting from 7 members from NPs, the Ministry and the Croatian Agency for Environment and Nature</li> <li>● Finalization, approval and acceptance by the stakeholders was achieved during the last quarter of the project</li> </ul>	
	<ul style="list-style-type: none"> <li>● Guidelines for the development and revision of the management plans for PAs developed and adopted using participatory approach</li> </ul>	<ul style="list-style-type: none"> <li>● Guidelines for the development and revision of the management plans for all PIs (national, regional and local) in Croatia are being prepared</li> <li>● The implementation is being supported by an expert and practitioner working group (12 members) and a Consultative group (additional 15 members)</li> <li>● Competences have been drafted and sent for stakeholder consultations. Final steps include: development of the induction course and a training for trainers for induction course</li> <li>● Finalization, approval and acceptance by the stakeholders was achieved during the last quarter of the project; furthermore, these guidelines should be used in the coming years to prepare 100 management plans for all Natura 2000 sites</li> </ul>	
	<ul style="list-style-type: none"> <li>● Guidelines for determining of pricing in all national PAs developed and adopted.</li> </ul>	<ul style="list-style-type: none"> <li>● Pricing guidelines were developed and presented to all stakeholders during a workshop held in October 2016. Complete guidelines were accepted by the Ministry and all 19 PIs, and disseminated to all stakeholders</li> </ul>	
	<ul style="list-style-type: none"> <li>● Number of financial/business plans developed: 1 National protected area network, &gt;3 Individual national protected areas</li> </ul>	<ul style="list-style-type: none"> <li>● A comprehensive business analysis and a framework plan focused on the provision of shared services and joint project financing has been developed for all National and Nature Parks. The plan will be used for operationalization of the Joint Fund Parks of Croatia</li> <li>● A feasibility study and a business plan for reforming the institutional framework is now available for the government and could be used to possibly proceed with the establishment of the national agency for the PA system in the future</li> <li>● Individual Business plans for PN Vransko Lake, PN Ucka; NP Risnjak and PN Papuk are being developed and will be finalized by the end of 2017</li> </ul>	
	<ul style="list-style-type: none"> <li>● All PIs and MEE staff completing specialized, targeted short-course financial training and financial skills development</li> </ul>	<ul style="list-style-type: none"> <li>● The project held 10 workshops altogether, of which 3 were related to finance management to increase capacities of finance related staff in national and nature parks have been organized. Total 242 participants took part in the workshops.</li> <li>● Financial planning workshop held on 19.05.2016 – 54 persons participated. Bookkeeping workshop related to joint fund "Parcs of Croatia" held on 09.02.2017 – 76 persons participated</li> </ul>	

Expected Results	Project Targets	Results	TE Assess.
	programmes	<ul style="list-style-type: none"> <li>• Educational trainings on functionalities of the new unified financial software (17 modules) held on several occasions in parallel with the introduction of software - 112 persons participated</li> </ul>	
	<ul style="list-style-type: none"> <li>• All PAs (19) have annual financial plans and reports that include improved integration of activity-based accounting into standardized planning and reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Within the Croatian protected area system, a unified financial information management software has been introduced and is operational since mid-2017. The software includes standardized approach to generation of activity-based annual financial plans and reports. Software greatly improves planning, monitoring and reporting process at the PA site and central levels</li> </ul>	
	<ul style="list-style-type: none"> <li>• 10 PIs with available purchase of on-line entrance tickets and services administered through the Web portal "Parks of Croatia"</li> </ul>	<ul style="list-style-type: none"> <li>• 14 national and nature parks have introduced on-line entrance tickets purchase. The tickets can be purchased using the online web shop available at: <a href="http://www.parkovihrvatske.hr/webshop">http://www.parkovihrvatske.hr/webshop</a></li> <li>• Data provided by <a href="http://www.parkovihrvatske.hr/webshop">http://www.parkovihrvatske.hr/webshop</a></li> </ul>	
	<ul style="list-style-type: none"> <li>• Number of users of a joint communication tools for the system of the national protected areas (Web portal: web portal: &gt;60.000; mobile application: &gt;10.000; Facebook: &gt;15.000)</li> </ul>	<ul style="list-style-type: none"> <li>• The Web portal "Parks of Croatia" (<a href="http://www.parkovihrvatske.hr">http://www.parkovihrvatske.hr</a>) has been visited by more than 140,000 users during approximately 194,000 sessions with an average of about 330 sessions per day</li> <li>• Mobile application has been launched in March 2017 and has already been downloaded 4,187 times in total (3,920 Android version; 267 iOS version); the target should be met by the end of the project</li> <li>• Parkovi Hrvatske/Parks of Croatia Facebook page has more than 58,000 followers (quarterly growth is 101%), which exceeds the target by 3.5 times. Opportunities of this social network should boost visits to the Web portal and Mobile application over time</li> <li>• Instagram has 8,831 followers with over 4,000 impressions (a quarterly growth of 15 %)</li> </ul>	
<p><b>Outcome 2 – Improving the financial sustainability of the network of national protected areas</b></p> <ul style="list-style-type: none"> <li>• <b>Output 2.1:</b> Reduce the transaction costs of user-pay systems in national protected areas</li> <li>• <b>Output 2.2:</b> Develop integrated tourism and recreational products and services in national</li> </ul>	<ul style="list-style-type: none"> <li>• &gt;80% of annual revenue channeled via e-ticketing for participating PAs (in first year of implementation)</li> </ul>	<ul style="list-style-type: none"> <li>• The on-line ticket sale for the 14 participating PAs was over 8,000 tickets purchased in 2017</li> <li>• Six (6) parks that completed a "full year cycle" after the implementation of e-ticketing system (National parks Kornati, Krka, Mljet and Paklenica; Nature parks Biokovo and Telascica) have reached 100% share of annual revenue channeled via e-ticketing for individual PAs</li> <li>• For the remaining 8 parks that are still within the first "full year cycle" after implementation of e-ticketing system (National park Brijuni, Northern Velebit and Risnjak; Nature parks Kopacki rit, Lastovo islands, Medvednica, Papuk and Vransko lake) the expected share of annual revenue channeled via e-ticketing is 100% (expected in 2018)</li> </ul>	
	<ul style="list-style-type: none"> <li>• Available to participating PA and MENP staff, real-time data on PA</li> </ul>	<ul style="list-style-type: none"> <li>• All 14 parks that implemented e-ticketing system now have real time data available on PA visitation.</li> </ul>	

Expected Results	Project Targets	Results	TE Assess.
<p>protected areas</p> <p>● <b>Output 2.3:</b> Improve the productive efficiency of national protected areas</p>	<p>visitation via a centralized system</p>		
	<p>● Increase in self-generated income (US\$/annum) in target national parks and nature parks:  Ucka: &gt;USD 100k;  Risnjak: &gt;USD 450k;  Papuk: &gt;USD 50k;  Telascica: &gt;USD 1M;  Vransko jezero: &gt;USD 100k</p>	<p>● The status of self-generated income in targeted national and nature parks was calculated using their financial data for 2016:</p> <ul style="list-style-type: none"> <li>○ Ucka: USD 38,350</li> <li>○ Risnjak: USD 206,350</li> <li>○ Papuk: USD 31,720</li> <li>○ Telascica: USD 683,740</li> <li>○ Vransko jezero: USD 81,110</li> </ul> <p>● The targets have not yet been achieved; based on financial data form 2016. However, the majority of activities implemented by the project started to contribute to self-generated income in these parks only in 2017 and in some cases, it will be in 2018, after the closure of the project. It includes:</p> <ul style="list-style-type: none"> <li>○ An electric boat was purchased for Nature Park Kopacki rit and delivered in June 2017</li> <li>○ A camping site “Duboka” in Nature Park Papuk opened in May 2017</li> <li>○ A vulture feeding place in Nature park Ucka was finalized in July 2017</li> </ul> <p>● Strong evidence indicates that the targets of self-generated income should be achieved once the implemented activities reach their full capacity of income generation. These targets will be monitored by the MEE as well as the Croatia Agency for Environment and Nature.</p>	
	<p>● Decrease in costs (US\$/month) of power supply to targeted nature parks: Risnjak Nature Park: &lt;USD 1,000; Papuk Nature Park: &lt;USD 500</p>	<p>● The calculated energy savings after the reconstruction of the administrative building in NP Risnjak led to the reduction of energy and water costs by 57%; from USD 2,480/month to USD 1,060/month. It was noted that the initial baseline of USD 1,445/month was underestimated; the real cost was USD 2,480/month</p> <p>● The calculated energy savings after the reconstruction of the administrative building in PP Papuk led to the reduction of the energy and water costs by 53%, from USD 666/month to USD 308/month</p>	
<p>● &gt;15 certified trainers in the national PA system for visitor management</p>	<p>● In total 33 persons have been certified as trainers for visitor management. The training was held from January 30<sup>th</sup> to February 3<sup>rd</sup> 2017</p> <p>● The training was based on the theory of Limits of Acceptable Change as a model for visitor management. The model guides through 7 steps of actions (issues, values, opportunity classes, indicators, inventory, standards, allocation, actions, evaluations, implement and monitor). The training was held by a professor from the University of Montana, Steve McCool, who is a US expert on visitor management. Certificates were issued to participants by the Croatian Agency for Environment and Nature</p>		

Source: Adapted from project progress reports and information collected during the field mission

*A few pictures taken during the field visits during the mission October 17-24, 2017*



Photos by Jean-Jo. Bellamy

101. The review of achievements of the project indicates a very successful and effective project; it should meet all its targets by December 31, 2017. The project was able to achieve what it was intended to achieve in the planned timeframe. As discussed in Section 4.2.1 the project used adaptive management extensively to provide flexibility in the project's approach working with partners and related government institutions. As a result, the project was seen as a response to national needs and with stakeholders engaged in all project activities, the project enjoyed a good ownership. The Evaluation Team noted that despite a rather slow first year of implementation, which was noted in the MTR and confirmed by the project expenditures (see Section 4.2.2), the implementation of the project sped up in the subsequent years and will end meeting most of its targets.

102. The assessment conducted for this TE identified three critical success factors that explain this effectiveness: (i) the project was well designed, responding to national needs – including the political discourse over the strategy of the project - and benefitting from an excellent engagement and participation of stakeholders. It became part of the government approach to improve the management of its PA system; hence part of national priorities to render this management more effective; (ii) an excellent implementation team – including highly skilled experts and consultants - to implement this project. They implemented the project with good participative and collaborative principles and provided each activity with the required skills and knowledge; and (iii) a good flexibility in allocating project resources and implementing activities to be able to respond to stakeholders needs. It is worth noting here that despite the political “turbulences” around the decision to set up a PA agency, the project was able to deliver its expected results on time and on budget. Overall, this political discourse seems to have contributed to the need for better analyses/assessments and dialogues, which ultimately should contribute to the development of an optimum approach to manage the PA system in Croatia.

103. To support the list of results presented in the table above, the project has delivered an impressive list of key tangible outputs. They include:

- **“Development plan for the PA system in Croatia”**: In addition to the NBSAP 20127-2025, the government biodiversity strategy, the project has been supporting the formulation of this plan, which should be finalized by the end of December 2017. This plan will set a goal and key strategic actions to be implemented and used by all PAs – including EU Natura 2000 sites;
- **“Management Planning Guidelines”**: Supported the development of these guidelines to be used to improve the planning approach for managing the PA system including all PAs and EU Natura 2000 sites;
- **Capacity development activities**: implemented activities from the “National Capacity Building Plan for Protected Area Staff in Croatia” in order to provide a set of competences for field and technical staff;
- **Financial management information system (FMIS)**: implemented this standardized system in all national and nature parks, integrated with the systems in MEE and ministry of finance;
- **“Methodology of Pricing Tourist Services in National and Nature Parks of the Republic of Croatia”**: This study was to provide a standardized approach for determining tourist products prices - including “The Yearly Ticket Model” - within the strategy of branding “Parks of Croatia”;
- **Shared Service Center**: Supported the establishment of this center, including its business plan. A centralized support in project management, joint marketing, shared legal support services, centralized booking, fund raising, high value procurement of goods and services for all PAs. Some services provided by this center will be financed by a 3% of revenue earned yearly by PIs;
- **Web portal “Parks of Croatia” ([www.parkovihrvatske.hr](http://www.parkovihrvatske.hr))**: Developed this portal, which was used to develop web-shop, an e-commerce platform to sell online tickets for park visitors, as well as the posting of volunteer programmes; available in four languages (Croatian, English, German, and Italian);
- **Bilingual (cro-eng) mobile application “Parks of Croatia”**: Developed this application that is accessible on the Apple Appstore and the Google Playstore. This application enhances park visitor experience, including “beacon” devices using Bluetooth technology to provide ad-hoc

specific information at some points in parks<sup>8</sup>;

- ***Parks of Croatia Facebook page and Instagram profile***: used to post information on natural values and activities in parks, photos of parks and video material;
- ***Web gallery Parks of Croatia*** (<http://photo.parkovihrvatske.hr/>): Developed this gallery with photos from the all PAs;
- ***Brochure Parks of Croatia***: it promotes the 19 PAs; 20,000 brochures were printed in Croatian language as well as 20,000 in English;
- ***TV Promotion of National and Nature Parks***: In cooperation with the Croatian National Tourist Board, parks were presented on national television in pre-season inviting Croats to visit parks;
- ***Articles on Parks***: In cooperation with National Geographic Croatia, 19 articles on parks (one park monthly) were published;
- ***Promotion of "Parks of Croatia"***: Supported numerous promotional events such as "Week of Parks", biodiversity day, and "Pavilion Parks of Croatia" a modular exhibition promoting "Parks of Croatia";
- ***Signalization on highways and local roads***: A total of 25 signs have been changed and 28,75 m<sup>2</sup> of signs upgraded with new visuals
- ***Donation boxes***: A new mechanism for collection of funds for protection, conservation and other purposes, mostly from individual visitors that were inspired with the stay in the park. A total of 57 boxes were installed (30 indoor and 27 outdoor);
- ***"Preparatory project for integration of public institutions of national and nature parks into a unique public institution "Parks of Croatia"***: A study on how to consolidate and rationalize existing public institutions through the establishment of a single sustainable public institution as a park agency;
- ***Electronic ticketing system (e-ticketing)***: Implemented in 16 parks, it was introduced to reduce transactional costs of user payments, but also to increase entrance ticket payment efficiency and provide mechanisms for a better surveillance and management of visitors to national and nature parks;
- ***Camping site "Duboka" in nature park Papuk***: The camp has 32 registered accommodation units and a capacity of 96 guests. 11 sites are equipped for camping vehicles including electricity and water connection. The camp meets the highest ecological standards using renewable energy for heating of domestic hot water, modern biological wastewater treatment facility, recycling post, natural resins instead asphalt, etc.;
- ***Guided tour through the Kupa River Valley in national park Risnjak***: The project financed: viewpoint, resting and parking place in Razloge, reconstruction of the "fisherman trail", a minivan (capacity 8+1) and 6 electric bicycles for visitor transportation;
- ***Electrification of the main entrance of nature park Biokovo***;
- ***Electrification of Veliki Sakadaš dock in nature park Kopački rit***;
- ***Electric boat (capacity 60 persons) for nature park Kopački rit (co-financed)***;
- ***Vulture feeding place and bird watching facility in nature park Učka***;
- ***Minivan (capacity 8+1; with a ramp for disabled persons) for transporting visitors in Učka***;
- ***Electric boat (capacity 50 persons) for nature park Vransko jezero (co-financed)***;
- ***Electric boat (capacity 50 persons) for national park Mljet (co-financed)***;
- ***Renovation of administrative building in nature park Papuk***: Included the replacement of the gas fired heating system with a modern heating-cooling system (heat pump), facade isolation with 20 cm of stone wool, reconstruction of lighting (LED) and replacement of doors and windows (wood/aluminum triple glazed);
- ***Renovation of administrative building in national park Risnjak***: Included change of the heating fuel (from heating oil to wood chips), total reconstruction of the roof, doors and windows and outer envelope using shingle made locally from local wood, installation of solar system for hot water, and reconstruction of toilets;
- ***Solar water heating and biological sewage collecting tank national park Paklenica***;

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<sup>8</sup> However, observations made by the Evaluation Team indicates that the use of these new technologies in remote places away from professional assistance and from reliable internet connections presents limitations. According to most parks staff met, the installed beacons do not work properly and the mobile application – Parks of Croatia – is hard to download and use in parks.

- *New wastewater system, installation of UV lamps and additional electrical installations in nature park Telašćica.*

104. As a result of these numerous outputs/activities, PIs in Croatia are now better equipped to manage their PAs, including equipment but also management skills and knowledge to be more effective in managing the PA system in Croatia. Considering this extensive list of outputs delivered with the support of the project and the results achieved by these outputs, it certainly delivered the results expected at the outset of the project; on time and on budget. It is also important to note that in addition to these tangible outputs, the project provided numerous assessments, analyses, studies and proposals necessary to reform the institutional framework for managing PAs in Croatia.

#### 4.3.2. Attainment of Project Objective / Impact

105. The review of project achievements presented in the previous section 4.3.1 reveals that the implementation was highly successful and met the expected outputs planned at the outset of the project. Croatia is now better equipped to manage its PA system, effectively balancing the use of natural resources and the conservation of terrestrial and marine biodiversity. The table below presents the key results of this project against the objective and its set of performance indicators/targets.

**Table 12:** List of Achievements vs. Objective

Expected Results	Project Targets	Results	TE Assess.
<b>Project Objective:</b> Enhancing the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity.	<ul style="list-style-type: none"> <li>• Financial sustainability scorecard for national system of protected areas (&gt;45%)</li> </ul>	<ul style="list-style-type: none"> <li>• The financial sustainability scorecard was measured by the project at 59.11%. The improvement is mostly due to the successful introduction of legal and regulatory conditions for setting up a revenue sharing system between parks (establishment of a joint fund Parks of Croatia); the introduction of mechanisms and channels supporting revenue generation (donation mechanisms, electronic ticketing system, on-line sale etc.); and the introduction of the Financial Information Management System (FMIS) that enables more transparent and efficient work for all 19 PIs. The FMIS is linked to MEE and also with the Ministry of Finance which enable a better management and better control over planning, monitoring and reporting on financial performance of the PIs as well as using available financial resources<sup>9</sup></li> </ul>	
	<ul style="list-style-type: none"> <li>• Capacity development indicator score for protected area system: Systemic: 67%; Institutional: 77%; Individual: 72%</li> </ul>	Systemic: 70%; improvements include: <ul style="list-style-type: none"> <li>○ A new Nature Protection Act was adopted in 2013. Amendments were drafted in 2015, but their adoption were postponed to 2017 due to a change in the government in 2015</li> <li>○ There were several actions showing that society monitors and reacts when inappropriate actions took place in protected areas</li> </ul> Institutional: 81%; improvements include: <ul style="list-style-type: none"> <li>○ During 2016/2017 national and nature parks prepared project documents, which were submitted to the EU funds. A total of USD 85M was approved and implementation should start in 2018</li> <li>○ In 2017, the Shared Service Centre was established and tasked with providing technical and professional support services to all 19 PAs. Biportal (<a href="http://www.iszp.hr">http://www.iszp.hr</a>), which is part of the nature conservation information system, has been developed</li> </ul>	

<sup>9</sup> The installation of the FMIS helped to overcome one key weakness of MEE that was a limited capacity for financial management. The new system significantly improved transparency and access to financial information of PIs as well as opportunities for planning future investments. This system will also be used for managing the Joint Fund, providing transparency to all stakeholders.

Expected Results	Project Targets	Results	TE Assess.
		<p>and contributes to timely dissemination of information</p> <ul style="list-style-type: none"> <li>○ By the end of the project, communication between relevant stakeholders improved and therefore parks willingness and capacity to respond to change has increased</li> </ul> <p>Individual: 75%; improvements include:</p> <ul style="list-style-type: none"> <li>○ A National Capacity Building Plan for PAs in Croatia was developed and is now being implemented</li> </ul>	
	<ul style="list-style-type: none"> <li>● Annual financing gap of the 'optimal management scenario' for national protected areas (&lt;USD 5M)</li> </ul>	<ul style="list-style-type: none"> <li>● No gap in financing the optimal management scenario for national PAs.</li> <li>● The total funds available in the PA system indicates clearly that extra budgetary funding for PA management significantly increased in the past few years: from USD 8.5M in 2014 to USD 16M in 2016. It is mostly the result from an increase in EU funding.</li> <li>● Also, the total annual site based revenue across all PAs increased by approximately USD 4.5M</li> <li>● The sustainability of these results is ensured through further fund availability from EU sources which are available until 2020, as well revenue generation and sharing mechanisms which were introduced with the support of the PARCS project</li> </ul>	
	<ul style="list-style-type: none"> <li>● Management Effectiveness Tracking Tool scorecard (average): All national PAs (&gt;67%); National Parks (&gt;67%); Nature Parks (&gt;67%)</li> </ul>	<p>METT increased:</p> <ul style="list-style-type: none"> <li>○ All national PAs to 65%, <ul style="list-style-type: none"> <li>▪ National parks to 66%,</li> <li>▪ Nature parks to 64%</li> </ul> </li> <li>● There is a strong indication that these targets will be achieved by the end of 2017. The main factors contributing to this progress are: <ul style="list-style-type: none"> <li>○ During the last 6 years the PARCS project and World Bank-EU Natura 2000 project invested USD 25M in the PA system in Croatia. it resulted in significant changes at the system level, and also at the park level</li> <li>○ Many parks invested in visitor infrastructure, which is resulting in improving their financial sustainability. It is more significant in national parks as they usually have a higher number of visitors</li> <li>○ Training needs assessment has been revised and updated. Numerous educational workshops resulted in improving parks employees' capacity</li> <li>○ Regular meeting of all PAs resulted in improving the cooperation among parks and increasing the communication with the MEE and the Croatian Agency for Environment and Nature</li> <li>○ For the first time, all national PAs have finalized valid management plans</li> <li>○ A majority of boards members of these parks are now biodiversity professionals (which wasn't a practice for the past 10 years)</li> <li>○ Nature parks are still behind national parks, but through the establishment of the Shared Service Centre they will have opportunities to apply for more funds for development projects, which will result in higher METT scores</li> </ul> </li> </ul>	
	<ul style="list-style-type: none"> <li>● Income/annum</li> </ul>	<ul style="list-style-type: none"> <li>● Government budget allocation: USD 7M</li> </ul>	

Expected Results	Project Targets	Results	TE Assess.
	(US\$), by source, from national protected areas: Government budget allocation 6.5%; Other government allocation >4.5%; Property income >2.6%; Own income > 84.4%; Donor revenue and other income >1.9%	<ul style="list-style-type: none"> <li>• Other government allocation: USD 10.8M</li> <li>• Property income: USD 0.2M</li> <li>• Own income: USD 63.1M</li> <li>• Donor revenue and other income: USD 5.4M</li> <li>• Data from annual financial reports (2016) from PIs managing national and nature parks. All targets should be met by the end of 2017.</li> <li>• The central government budget allocation to the management of PAs remained the same level but funds from EU sources channeled through the central government increased significantly: from USD 6.8M in 2014 to USD 10.5M in 2016 or an increase of about 150%. Donor funds channeled through independent institutional arrangements increased for more than three times and this increase is mostly related to co-financing of projects which have been funded from EU sources. Total annual own income generated across all PAs increased by 7% mostly due to increase in visitation</li> </ul>	
	<ul style="list-style-type: none"> <li>• Guidelines for the development and revision of the management plans for Natura 2000 developed and adopted using participatory approach</li> </ul>	<ul style="list-style-type: none"> <li>• Guidelines for the development and revision of management plans for PAs and EU Natura 2000 sites are being developed and is currently going through public consultations. Approval and acceptance of the guidelines by stakeholders is expected before the end of 2017</li> <li>• The implementation is being supported by an expert, a practitioner working group (11 members) and a consultative group (additional 12 members)</li> <li>• During the last quarter of 2017, additional documents should be created: (1) guidelines and criteria for assessing management plans and programs of PAs and Natura 2000 sites; (2) adjustments of the Guidelines for annual programs; and (3) Guidelines for annual reports</li> <li>• Using these new guidelines, management plans will be developed in the coming 6 years for EU Natura 2000 sites, with the support of the EU-MEE fund.</li> </ul>	

106. When comparing the key results above with the objective, the project certainly contributed “to enhance the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity”. The project will definitely have a long-term impact on strengthening the management effectiveness of the PA system in Croatia; as discussed previously, MEE, CAEN and the PIs are now better equipped to manage this network of PAs, including the skills and knowledge to replicate some of these management practices to the EU Natura 2000 ecological network.

#### ***Remaining barriers to achieve the project objective***

107. In section 2 of this report, the rationale of this project was discussed. The PARCS project was to address two main barriers preventing the development of an effective management of its national protected area network. It included: (i) the inherent systemic weaknesses in the institutional framework for national protected areas; and (ii) the inefficiencies in the administration, adequacy, allocation and effectiveness of funding in national protected areas. These two barriers formed the basic justification of this project. The design of the project was to address and contribute to the removal of these two barriers.

108. Despite that it is difficult to measure the contribution of the project in removing these two barriers, the assessment conducted for this terminal evaluation reveals the certainty that project activities contributed in the partial removal of these two barriers. As indicated in the reading of the tracking tools used by the project, all scores rating the effectiveness in managing the PA system in Croatia are now higher when compared with

the values at the outset of the project. There are less systemic weaknesses in the institutional framework and less inefficiencies in administering these PAs. Croatia is now better equipped in managing its national ecological network, including its Natura 2000 ecological network.

#### **4.3.3. Relevance**

109. As discussed in chapter 4.1, the project was highly relevant for Croatia. Its timing was excellent; it provided the government with additional resources to strengthen its PA system. The project was formulated on the basis of an excellent contextual review, which provided the necessary background studies for the formulation of the project.

110. The project concept emerged from national priorities, which were identified during the PPG phase through several studies, including the review of alternative institutional framework scenarios for managing the PA system and the consultation of a World Bank review on the sustainable financing of PAs in Croatia. The result was the design of a project that was a direct response to national prioritized needs. The participative process to design and implement the project also contributed to a strong stakeholder ownership and made this project all the more relevant.

111. As discussed in section 2, the government has been seeking to develop an efficient, cost-effective and accountable institutional framework for the administration of PAs, and to have an adequate staffing, resourcing and sustainable financing of each PA. However, the effectiveness of the management of its PA network has been limited due to two critical barriers: (i) Inherent systemic weaknesses in the institutional framework for national protected areas; and (ii) Inefficiencies in the administration, adequacy, allocation and effectiveness of funding in national protected areas. The project was designed to address these barriers; hence it is fully relevant for improving the management of the PA system in Croatia.

112. From a timing point of view, the PARCS project was also highly relevant. It was designed during the transition period when Croatia joined the EU (2013) and it provided critical resources to Croatia to align its PA system with EU directives, including the implementation of its EU Natura 2000 ecological network. It was also a continuation of UNDP support to Croatia in improving the management and conservation of Croatia's biodiversity. During the last four years, the PARCS project had been implemented in parallel to the "Croatia EU Natura 2000 Integration Project (NIP)" project funded by the World Bank (2011-2017 – €20.8M), which was to support PIs to implement Natura 2000 objectives in investment programs; to strengthen capacity for EU-compliant reporting and biodiversity monitoring; and to introduce programs that involve a wider group of stakeholders in Natura 2000 network management. Both projects strengthened the existing PA system and also supported the government to access larger EU funding for the next few years under the EU Operational Programme Competitiveness and Cohesion 2014 – 2020 (OPCC). A fund of about €100M was set up in 2017 within the context of the EU Regional Development Program for Croatia to pursue the development of its PA network, including the Natura 2000 sites. Each PI has been preparing project documents, which are submitted to MEE for funding. These projects need to be co-financed with 10% coming from the Agency for Environmental Protection and Energy Efficiency and 5 % from the Joint Fund.

#### **4.3.4. Efficiency**

113. As discussed in some sections above, the project has been efficiently implemented. The review of the management and the partnership arrangements revealed that the project enjoyed an excellent collaboration with all key stakeholders with an excellent participative approach through the PB, technical working group and the regular meetings/workshops with all PI Directors and staff as well as constant informal communications through phone, emails, and visits.

114. The implementation team prudently allocated project resources, stretching every single dollar as much as possible to get "more bang for the buck", including the search for maximizing the co-financing of project activities. A good example is the discussion to co-finance the procurement of electric boats to NPs. The project was to finance one such boat; however, following discussion with the management of 3 PIs and the Environmental Protection and Energy Efficiency Fund (EPEEF), an agreement was found to co-finance the purchase of 3 electric boats.

115. Furthermore, the discussion in section 4.2.1 focused on the use of adaptive management. The assessment revealed that the project team used adaptive management extensively to secure project deliverables while maintaining adherence to the overall project design. The review indicates that the adaptive management had been used regularly to adapt to a constantly changing environment. One particular example was the need for the project to adapt to changes of government following elections with the potential to change the strategy of outcome 1. The end result was a decision to establish a “Shared Service Center” and only assessing the feasibility of establishing a park agency to administer national PAs; not establishing such an agency. Through this type of adaptation, the project demonstrated its ability to adapt to changing environment.

116. The efficiency of the project was also the result of a high-quality implementation team including experts and consultants, which was confirmed by several interviewees during the field mission. Using a participative approach and a good transparent communication approach, project activities were implemented with a good engagement of stakeholders. The excellent relationship of the implementation team with stakeholders also contributed to an efficient implementation.

117. Finally, external expertise and contractors were hired as needed to secure the implementation of activities. An emphasis was on hiring national experts and contractors. Based on information received from the implementation team, 85% of expenditures spent on consultants and contractors went to national entities (individuals and contractors) and 15% to international entities. Considering the complexity of some project activities, the high percentage of national expertise/contractors indicates a good level of expertise and specialization in Croatia and the project was able to take advantage of that; contributing to its efficiency.

118. Despite the fact that it is always difficult to analyze the cost-benefit of such projects, the review of all these management elements confirm that the implementation of the project was a very efficient operation that created a good value for money. The prudent approach to engage project funds was translated into good value for money and the use of adaptive management allowed for the identification and implementation of activities that were very responsive to immediate needs of stakeholders, particularly the PIs.

#### **4.3.5. Country Ownership**

119. As discussed in other sections of this report, the country ownership is excellent. The project addressed key national priorities; it was designed on the basis of an excellent contextual review; and it has been implemented through a strong participative approach engaging stakeholders all the way from the design to the implementation of project activities. It became de facto a technical unit of MEE to strengthen the PA system in Croatia.

120. As discussed in section 4.3.3, the timing of the project was also good. The project was designed during the period when Croatia joined the EU (2013). It provided critical resources to the government to expand its efforts in strengthening its PA network and align it to EU standards, including the need to develop its Natura 2000 ecological network. Despite several changes of government during the lifetime of this project, the implementation team was able to keep stakeholders engaged and overall to develop an excellent country ownership.

121. It is also expected that this good country ownership will contribute to the long-term sustainability of project achievements. These achievements are already well mainstreamed into the management systems and instruments used to manage the PAs; they will be sustained over the long-term. Instruments such as the e-ticketing system developed with the support of the project has been well received by all parks, which are using it. Based on observations collected during the field mission for this evaluation, this system will also be customized/expanded by some parks to include park specific requirements.

#### **4.3.6. Mainstreaming**

122. As discussed in section 4.1.7, the UNDP country office had been in Croatia since 1996 and was closed by mid-2014. It then continued its operations as a self-funding Project Management Office to complete the on-going projects including the PARCS project. The last CPAP for the period 2007-2011 – which was

extended to 2013 - was aligned to the National Strategic Development Framework (2006-2013). This action plan included six linked programme components, which were aligned with six strategic national development goals and including one component on “*Environmental Governance and Climate Change*”. Under this component, the focus was on energy efficiency/management, renewable energies, green economy, green “lending”, as well as securing the sustainable financing for protected areas, which was part of the national programme to implement the EU Natura 2000 ecological network. The formulation and implementation of the PARCS project was done within this strategic context. The project was part of a biological and landscape diversity protection programme in Croatia's coastal areas initiated in 2005 by UNDP with the financing from GEF, which included the expansion of coastal tourism businesses without ruining the spectacular natural environment that attracts tourists. The PARCS project was an extension of UNDP support to improve the management of Croatia’s PAs, contributing to the conservation of biodiversity; benefiting from its long experience in the sector in Croatia but also worldwide.

123. As further discussed in section 4.3.7, by strengthening the management of these PAs, the project contributed by extension to a positive effect on local communities. The project initiated regular meetings among parks staff, to exchange good practices and share knowledge and skills within the framework of the recently established Shared Service Center. However, this effect on local communities is not yet fully acknowledged; these parks are still managed as single entities and are not integrated in the local socio-economic landscape. Furthermore, the Evaluation Team found that these parks could play a larger role in the local and regional socio-economic development and could have more direct positive effects on local communities.

124. Finally, the implementation team ensured a gender balance in all project activities by optimizing entrepreneurial and direct employment opportunities for men and women, by assessing financial impacts of the project for men and women and by addressing any critical differences where possible such as training to scale up the existing women entrepreneurs, link them with markets and identify start-up activities. This approach was implemented within the context of the *National Policy for Gender Equality 2011-2015*, which was adopted by the government of Croatia for the purpose of eliminating discrimination against women and establishing true gender equality by implementing a policy of equal opportunities.

#### **4.3.7. Sustainability**

125. The sustainability strategy detailed in the project document focuses mostly on the analysis of how environmental, institutional, financial, and social risks should be mitigated by project activities. It details how environmental sustainability will be promoted, and how institutional, financial and social sustainability will be achieved. It is a valid strategy but somewhat passive and relying mostly on the fact that project achievements should be sustained over the long-term. Some key aspects of what is needed to sustain project achievements is missing in this strategy such as the need for achievements to be institutionalized, to be mainstreamed and to be replicated. Achievements need to become part of the national instruments to manage the Croatian national ecological network.

126. Nevertheless, despite that these points are missing in the sustainability strategy that was planned at the outset of the project, the Evaluation Team noted that all project achievements are already “embedded” in the panoply of instruments that is available to parks directors and staff as well as staff at MEE and CAEN. Due to a strong participative approach, these achievements are already very much “owned” by the beneficiaries. It is the case for the long list of outputs delivered and listed in section 4.3.1 above. These achievements are now well in place and will be sustained over the long-term. Observations made during this assessment indicate that all the tangible outputs delivered under outcome 2 are already in use and part of the instruments used to manage and run these parks. It is the case of the boats, the camping, the guided tours, minivans, etc. It also includes the e-ticketing system that is already very much in use; staff in some parks visited by the Evaluation Team mentioned their plans to expand the system to include their own specific needs. It is also the case of outputs delivered under outcome 1 whereby plan, strategies, guidelines, web portal, mobile application, etc. are also much in use and they will be sustained over the long-term.

127. In order to also strengthen the sustainability of project achievements, the implementation team has also been developing an exit strategy to ensure a smooth transition at the closure of the project. This exit strategy defines how the project intends to withdraw its resources while ensuring that the sustainability of the

project achievements will not be jeopardized and that progress towards the objective of the project that is to “enhance the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity” will continue. The exit strategy includes comprehensive information packages including what, how, when, and who for each key project results to ensure a smooth transition and “pass the baton” to beneficiaries.

### ***Financial risk to Sustainability***

128. The key strategy to mitigate the financial risk was through the development and implementation of a financial plan for Croatia’s network of PAs. It was anticipated that the project would strengthen the financial management capacity of PIs through the standardization of financial and accounting policies and procedures, the development of skills and knowledge, the provision of a professional financial backstopping service to PIs, and the review and update of the pricing strategy and structure for park products and services. It also included the identification of mechanisms to increase and diversify the financial flows to PAs to increase the revenues of each PA and improve efficiencies to reduce costs.

129. The Evaluation Team found that the financial strategy for these parks that is mostly focused on each park to become financially self-sustaining has somewhat a narrow focus and over time it could increase the environmental risk of natural resources degradation through overuse. During all interviews conducted for this evaluation, little discussion centered on regional and local development. The national parks are mostly “connected” with the central level at MEE in Zagreb with little connection to the region and local administration where there are located. When considering the financial sustainability of these parks, it is recommended a more localized approach centered more around regional and local development. Each park has a local economic value that do not seem to be documented or taking into account regionally. In some cases such as the National Park Paklenica, it is a major economic actor in the development of the local communities around the park. Hotels, campground, restaurant, gear shops, etc. are partially depending on the visitors to the park. The financial sustainability of these parks should not only be seen as depending only on fees raised from visitors; the economic value should also be taken into account. A better regional and local integration is recommended over the medium term.

### ***Socio-economic risk to Sustainability***

130. The mitigation of this risk described in the project document was through a good participative approach to engage stakeholders throughout the cycle of project activities (planning, implementation, monitoring). It was anticipated that the project would seek to optimize entrepreneurial and direct employment opportunities for rural communities living in and around the National Parks of Risnjak and Ucka, and the Nature Parks of Papuk, Telascica and Vransko jezero. It was to include the development and delivery of tourism, and the supply of recreational services to these parks. It was even envisioned the development of stakeholder engagement plans.

131. The Evaluation Team noted that some efforts were made to engage local stakeholders. However, this is one area that will need more efforts in the future. Currently, these parks are much managed as single entities; there are part of the local socio-economic landscape but they could also play a larger role in the local and regional socio-economic development.

### ***Institutional framework and governance risk to Sustainability***

132. The mitigation of this risk was anticipated through the improvement of the functionality and effectiveness of the existing institutional framework for managing the PA system. It included clearer roles and responsibilities of actors in managing these parks, the establishment of a centralized shared service center and strengthening the capacity of staff to better monitor the performance of the 19 PIs in meeting their stewardship mandate.

133. The Evaluation Team found that project activities, particularly under outcome 1 contributed to strengthen the institutional framework and the governance of these PIs. It includes also the development and deployment of the e-ticketing system in 16 parks, which has been providing valuable data and statistics on parks visitations. More is needed in this area too but the overall governance capacity of these PIs has increased over the last 4 years, minimizing any risk in this area.

### ***Environmental risk to Sustainability***

134. In the project document, it was anticipated that the environmental risk to sustainability would be mitigated through the project investments in strengthening the national planning framework for PAs. Better planning capacity would seek to ensure that a balance is maintained between on one hand the conservation of biodiversity, heritage values of parks, and the protection of native plants and animals in parks, and on the other hand the rights of the public to access and enjoy parks, including tourists coming to Croatia to visit these parks. Better planning would provide direction and guidance to conservation managers and to communities living in parks on how to preserve and protect these special areas and particularly the indigenous species in them.

135. It is true that developing the planning capacity of staff managing these parks is crucial for managing the use of these parks without damaging the natural environment. When considering the popularity of these parks with tourists – Croatia receives 15M tourists per year and 1 out of 5 visits at least one park – it is obvious that there is the potential for overusing these natural resources; the line between sustainable use of natural resources and conservation of biodiversity is a very “fine” line in Croatia due to the attractiveness of these natural resources to Croatians and tourists. Greater capacity to plan, manage and monitor is the approach to mitigate the environmental risk. Through the numerous deliverables, the project contributed to this mitigation. Staff in these PAs have access to more management instruments, skills and knowledge to particularly better manage the use of these natural resources.

#### **4.3.8. Catalytic Role**

136. The GEF defines the catalytic role of projects as one of the ten operational principles for the development and implementation of the GEF work program. The GEF hopes to fund projects in such a way so as to attract additional resources, pursue strategies that have a greater result than the project itself, and/or accelerate a process of development or change. The review of the catalytic role of the PARCS project is to consider the extent to which the project has demonstrated: a) production of a public good, b) demonstration, c) replication, and d) scaling up.

137. When considering the assessment discussed in this section above and the definition of the catalytic role, the PARCS project has had an excellent catalytic role. The project produced public goods with the provision of assessments, analyses, studies, recommendations, proposals, recreational products, recreational services, capacity development activities, etc. Through the implementation of management instruments such as the e-ticketing system, the mobile application, etc. the project demonstrated how to improve the effectiveness of managing PAs. These tangible results have been much appreciated by stakeholders and their implementation demonstrated their usefulness; they created a demand for improving the management and the administration of these parks. All together, they contributed to the national agenda to improve the management effectiveness of the PA system in Croatia through the reform of the institutional framework and the improvement of the financial sustainability of PAs. Croatia is now better equipped with strategies, guidelines, management and administrative instruments and skills and knowledge to better manage its PA system. The project is ending but the national agenda to improve the PA system in Croatia will go on and move forward.

138. The success of the catalytic role of the PARCS project can also be seen through the replication and scaling-up of project achievements. Some indicators include the plan for some parks to expand the e-ticketing system and tailor it to their specific needs by adding some features, including additional critical live statistics to manage and plan visits to the parks. Plans to expand signage/information in some parks for visitors. The soon-to-be-adopted planning guidelines to be used for the development of management plans for Natura 2000 sites. The soon-to-be-finalized development plan for the PA system in Croatia, which will provide MEE and CAEN with strategic objectives and actions for the Croatian national ecological network. The use of the pricing methodology for tourism services in parks. The expansion and promotion of the information tools (mobile application, Facebook page, Instagram profile, etc.) to promote the “*Parks of Croatia*” brand. The use of tourism products in some parks to expand the visitor experience (minivan, electric bikes, boats, visitor centers, information products, etc.). Finally, the use of energy efficient systems to improve cost efficiency of some park’s administrations.

139. In addition to a good replicability of project achievements, the project contributed also to the scaling up of actions to improve the effectiveness of the management of the PA system in Croatia. Through the

support of analyses, assessments and studies, the project contributed to the recently established shared service center; a centralized support in project management, joint marketing, shared legal support services, centralized booking, fund raising, high value procurement of goods and services for all PAs. This “*Shared Service Center*” was established in parallel to a “*Joint Fund*”, which is to be funded by a contribution from all 19 PIs of 3% of their annual revenues with the possibility to increase this contribution to 10%. These instruments were established by a ministerial ordinance on criteria and guidelines for absorption of donations and income of the national and nature parks. These instruments are being incorporated in the amendment of the Nature Protection Law, which is currently under review and which should be adopted in the coming weeks/months. Once the amendment will be adopted, these instruments will become part of the Nature Protection Act. Articles 204.a and 204.b of the proposed amendment provide the legal basis for the implementation of these instruments, which should provide new tools and approaches to finance the strengthening of the management of the national ecological network in Croatia.

140. Another indicator of scaling-up activities to strengthen the PA system in Croatia was the development of a biodiversity programme to continue strengthening the PA system. In the context of the EU Operational Programme Competitiveness and Cohesion 2014 – 2020 (OPCC) that is co-financed from the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), MEE submitted this programme to OPCC under the Thematic Objective 6 (TO6). Under this objective, the investments will focus on: (i) promoting sustainable usage of the cultural and natural heritage for the purpose of local development; and (ii) assisting in setting up of EU Natura 2000 areas and protection, conservation and restoration of biodiversity. The biodiversity programme prepared by MEE includes two main parts: (1) Protection and enhancement of biodiversity, nature protection and green infrastructure; and (2) Protection, restoration and sustainable use of Natura 2000 sites. According to representatives from the MEE met for this evaluation, a fund of about €100M is now available in Croatia to further finance the development of its national ecological network, including about €85M from the EU.

141. All PIs can now apply for funding through the submission of project proposals to MEE within the terms and conditions of the 6C2 budget line of the OPCC. However, the fund can only fund 85% of each proposal. A co-financing of 15% is necessary and the current plan is to finance 2/3 (10%) of this 15% from the Environmental Protection and Energy Efficiency Fund and 1/3 (5%) from the “*Joint Fund*” recently created. According to MEE, 20 projects have been prepared so far: 12 are already approved and 8 are under review. Some of these projects include: Increasing the attractiveness and educational capacity of the Nature Park Lonjsko polje; Geo’s story of the UNESCO Geopark in Papuk; Underground city in the heart of Velebit; Učka 360°; Center of excellence Cerovačke caves - sustainable management of natural heritage and karst underground; Unknown Krka: hidden treasures of the upper and middle currents of the Krka River; etc. Under the second part of this programme, funds will be used to prepare management plans for Natura 2000 sites with the target of 40% of the surface under Natura 2000 network to have an established management mechanism for conservation of species and habitats by 2023.

142. This long list of projects will continue strengthening the PA system in Croatia. It is a strong indicator that activities to strengthen PAs in Croatia are being scaled-up. Significant improvements in the management of PAs in Croatia were measured over the last few years and much more is expected in the years to come.

## Annex 1: Project Expected Results and Planned Activities

The table below was compiled from the list of expected results and planned activities as anticipated in the project document. It is a succinct summary of what is expected from this project.

***Project Objective:* Enhancing the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity.**

Intended Outcomes	Expected Outputs	Budget per Outcome	Indicative Activities	Indicators
<b>Project Objective:</b> Enhancing the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity.		<b>GEF: \$4,953,000</b> <b>Co-financing: \$18,011,116</b> <b>Total Budget: \$22,964.116</b>		<ul style="list-style-type: none"> <li>Financial sustainability scorecard for national system of protected areas</li> <li>Capacity development indicator score for protected area system</li> <li>Annual financing gap of the 'optimal management scenario' for national protected areas (US\$)</li> <li>Management Effectiveness Tracking Tool scorecard (average): All national Pas; National Parks; Nature Parks</li> <li>Income/annum (US\$), by source, from national protected areas</li> <li>Degree of conservation for the Natura 2000 target species and habitats in national protected areas</li> </ul>
<b>Outcome 1 –</b> Reforming the institutional framework to strengthen the management effectiveness of national protected areas	<b>Output 1.1:</b> Develop a national planning framework for the protected area system	<b>GEF: \$1,762,000</b>	(i) Develop a Strategic Plan (ii) Develop a Financial Plan (iii) Prepare electronic Policies and guidelines	<ul style="list-style-type: none"> <li>Strategic plan and management guidelines for national protected areas approved.</li> <li>Number of park management plans conforming with the policies and guidelines for national protected areas</li> <li>Number of financial/business plans adopted and operational</li> <li>Number of PI and MEE staff completing specialized, targeted short-course financial training and financial skills development programmes</li> <li>Percentage of overall national</li> </ul>
	<b>Output 1.2:</b> Improve the financial management capacity of protected area		(i) Strengthen financial management functions within the protected area institutions, including budget management; financial controls; performance management; and governance and accountability	

Intended Outcomes	Expected Outputs	Budget per Outcome	Indicative Activities	Indicators
	institutions			protected areas bookings/month being administered through the centralized SSC
	<b>Output 1.3:</b> Establish a shared service centre for national protected areas		(i) Identify and establish an association of public institutions that could function as a shared service center for national protected areas (ii) Develop and consolidate a marketing strategy including a single 'umbrella' branding for national protected areas (iii) Design and implement a centralized web-based booking system for all national protected areas (iv) Retain the services of a legal firm to provide legal 'backstopping' support to public institutions around critical legal conflicts arising in national protected areas (v) Assess the feasibility of the establishment of a revolving Trust Fund for the association that could serve as a future mechanism for the more equitable distribution of income across the network of national protected areas	
	<b>Output 1.4:</b> Assess the feasibility of establishing a park agency to administer national protected areas		(i) Complete a cost-benefit analysis (CBA) of a number of different options for establishing a park agency in Croatia (ii) Identify the specific process, legal, technical and financial requirements for transitioning from the current institutional framework to the preferred park agency option (iii) Develop a full comprehensive feasibility assessment for the establishment of a rationalized park agency for national protected areas	
<b>Outcome 2 –</b> Improving the financial sustainability of the network of national protected areas	<b>Output 2.1:</b> Reduce the transaction costs of user-pay systems in national protected areas	<b>GEF: \$2,842,000</b>	(i) Develop a smart card based electronic ticketing system for national protected areas (ii) Provide automatic entry ticket vending machines (iii) Develop a mooring fee system	<ul style="list-style-type: none"> <li>• Net income (US\$/annum) from sales of smart cards</li> <li>• Increase in self-generated income (US\$/annum) in target national parks and nature parks</li> <li>• Decrease in costs (US\$/month) of power supply to targeted nature parks</li> <li>• Surplus/(deficit) per annum (US\$) for high-income national protected areas</li> </ul>
	<b>Output 2.2:</b> Develop integrated tourism and recreational products and services in national protected areas		(i) Develop a guided and catered minibus tour around the Kupa river valley in Risnjak National Park (ii) Develop an environmentally-friendly transport system to the Vojak peak lookout point in Ucka Nature Park (iii) Develop a guided and catered boat tour around Vransko jezero Nature Park (iv) Develop overnight accommodation at Duboka stream in Papuk Nature Park	
	<b>Output 2.3:</b> Improve the productive		(i) Strengthen the service standards, and improve the economic efficiencies, of existing tourism products and services in Plitvicka jezera, Brijuni and Krka National Parks	

Intended Outcomes	Expected Outputs	Budget per Outcome	Indicative Activities	Indicators
	efficiency of national protected areas		(ii) Encourage the adoption of more energy and water efficient technologies in the administrative building/visitor centre complex in Risnjak National Park (in Crni Lug) and Papuk Nature Park (in Velika)	

Source: Project Document

## Annex 2: Terms of Reference

### *International Consultant for Terminal Evaluation*

**Type of Contract:** IC (Consultant)

**Languages Required:** English

**Duration:** September 1, 2017 – October 31, 2017 (app. 25 working days)

**Location:** Home based with one mission to Croatia in a 7-day duration

#### **Background**

The PARCS project (Project Strengthening the Institutional and Financial Sustainability of the National Protected Area System) is nationally implemented (NIM) by the Ministry of Environment and Energy (MEE) and United Nations Development Program (UNDP) in Croatia over a period of four years (2014 – 2017). The UNDP monitors the implementation of the project, reviews progress in the realization of the project outputs, and ensures the proper use of UNDP/GEF funds. Working in close cooperation with MEE, the UNDP (CO) provides support services to the project - including procurement, contracting of service providers, human resources management and financial services - in accordance with the relevant UNDP Rules and Procedures and Results-Based Management (RBM) guidelines.

The MEE designated a senior official to act as the Project Director (PARCS PD) that will provide the strategic oversight and guidance to project implementation. A Project Implementation Unit (PARCS PIU) is hired by UNDP and is responsible to ensure that the project is implemented and administered to the satisfaction of UNDP and MEE. The PIU is led and supervised by Project Manager (PARCS PM), that plays a key role in driving and managing the project and managing all project inputs and activities. PARCS PM is directly responsible to UNDP and PD, and operates under their supervision and instructions. The PARCS PIU is technically supported by contracted national and international experts and service providers.

The PARCS project is organized and implemented into *two components*.

The first component (institutional component) of the project is focused on improving the current institutional framework of national protected areas to address its key systemic and institutional weaknesses (weak coordination, limited performance accountability, duplication of efforts, cost-inefficiencies and inequitable distribution of funds).

The second component (financial component) of the project is focused on improving the financial sustainability of the national protected areas to ensure that they have adequate financial resources to cover the full costs of their management.

The purpose of this ToR is defining responsibilities, scope of work, qualifications and competences of **an International Evaluator for Terminal evaluation of the UNDP-GEF PARCS project**.

#### **Description of Responsibilities**

The objectives of the evaluation are to assess the achievement of project results, and to draw lessons that can both improve the sustainability of benefits from this project, and aid in the overall enhancement of UNDP programming.

The TE will be conducted according to the guidance, rules and procedures established by UNDP and GEF as reflected in the UNDP Evaluation Guidance for GEF Financed Projects.

An overall approach and method<sup>10</sup> for conducting project terminal evaluations of UNDP supported GEF financed projects has developed over time. The evaluator is expected to frame the evaluation effort using the criteria of **relevance, effectiveness, efficiency, sustainability, and impact**, as defined and explained in the UNDP Guidance for Conducting Terminal Evaluations of UNDP-supported, GEF-financed Projects.

The evaluation must provide evidence-based information that is credible, reliable and useful. The evaluator

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<sup>10</sup> For additional information on methods, see the [Handbook on Planning, Monitoring and Evaluating for Development Results](#), Chapter 7, pg. 163

is expected to follow a participatory and consultative approach ensuring close engagement with government counterparts, in particular the GEF operational focal point, UNDP project team, UNDP GEF Technical Adviser based in the region and key stakeholders.

The evaluation team will be composed of one (1) international and one (1) national evaluator. The consultants shall have prior experience in evaluating similar projects. Experience with UNDP or GEF financed projects is an advantage. The international evaluator *will be designated as the team leader and will be responsible for finalizing the report*. The evaluators selected should not have participated in the project preparation and/or implementation and should not have conflict of interest with project related activities.

The International Consultant will act as a Team Leader and will hold the overall responsibility for the submission of the draft and final versions of the Evaluation Report. The National Expert will be responsible for informing the International Team Leader about Croatia's development context and policy and legal framework concerning biodiversity conservation and protected areas. He/she will hold the responsibility of compiling the Final Evaluation Report section "Description of the project and its development context". While the assessment of the project design will be shared among the two team members, it is expected that the National expert provides the key input into the "Country Ownership/Driveness" and the "Stakeholder Participation" sections of the report. One of the key responsibilities for the International Team Leader would be the application of the evaluation methodology. As such, the International Team Leader is expected to provide the key input into the "Project Implementation" section of the Final Evaluation Report and, in particular, the assessment of the implementation approach, project monitoring and evaluation activities, execution and implementation modalities. The assessment of the project results and the preparation of the FE recommendations will be a shared responsibility of the two team members. Lessons learned section is also expected to be prepared by both members of the team, although the key input is expected mainly from the International Team Leader.

The evaluator will review all relevant sources of information, such as the project document, project reports – including Annual APR/PIR, project budget revisions, midterm review, progress reports, GEF focal area tracking tools, project files, national strategic and legal documents, and any other materials that the evaluator considers useful for this evidence-based assessment.

The evaluator is expected to conduct a field mission to Croatia, including the following project sites:

- Nature Park Papuk
- Nature Park Kopački rit
- National Park Paklenica
- National Park Krka
- Nature Park Učka
- National Park Risnjak

Transportation to project sites will be organized by UNDP Croatia. Project sites visits duration will be 4 days, while other 3 days will be spent in Zagreb.

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

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

### Deliverables and timeframe

Deliverable	Content	Timing
<b>Inception Report</b>	Evaluator provides clarifications on timing and method	No later than 2 weeks before the evaluation mission: <i>at the latest 15<sup>th</sup> September 2017</i>
<b>Presentation</b>	Initial Findings	End of evaluation mission: <i>at the latest 30<sup>th</sup> October 2017</i>
<b>Draft Final Report</b>	Full report, (per annexed template) with annexes	Within 3 weeks of the evaluation mission: <i>at the latest 24<sup>th</sup> October 2017</i>
<b>Final Report</b>	Revised report	Within 1 week of receiving UNDP comments on draft: <i>at the latest 31<sup>st</sup> October 2017</i>

*Payments will be made only upon confirmation of UNDP on delivering milestones as described below, on the contract obligations in a satisfactory manner:*

%	Milestone
10%	At submission and approval of inception report
40%	Following submission and approval of the 1ST draft terminal evaluation report
50%	Following submission and approval (UNDP-CO and UNDP RTA) of the final terminal evaluation report

### Supervision and monitoring

The International Evaluator will report to the PARCS Project Manager and Ministry of Environment and Energy -Nature Protection Directorate Assistant Minister, acting as the PARCS project director

*PARCS project team members will be closely associated to the discussion with the Expert and review of draft and final products, through regular communication.*

*PARCS project team will be responsible to ensure communication and discussion among all relevant stakeholders.*

### Competencies

#### Functional competencies:

- Excellent communication skills;
- Demonstrable analytical skills.

#### Corporate competencies:

- Demonstrates integrity by modeling the UN's values and ethical standards;
- Promotes the vision, mission, and strategic goals of UNDP;
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability
- Treats all people fairly without favoritism;
- Fulfills all obligations to gender sensitivity and zero tolerance for sexual harassment
- Strong interpersonal skills, communication and diplomatic skills, ability to work in a team.

### Qualifications

#### Academic Qualifications/Education:

- A Master's degree in environmental studies, agronomy, development studies, social sciences or management;

Experience:

- Minimum 10 years of relevant professional experience related to environment or biodiversity or nature protection;
- Experience of UNDP or GEF would be considered as an advantage;
- Experience with results-based monitoring and evaluation methodologies within last five years;
- Experience applying SMART indicators and reconstructing or validating baseline scenarios;
- Project evaluation experiences within United Nations system will be considered an asset;
- Experience working in Europe and the Balkans will be an asset.

Language skills:

- Proficient user in English (equivalent to C1 or C2 as per Common European Framework of Reference for Languages).

*Payments will be made only upon confirmation of UNDP on delivering on the contract obligations in a satisfactory manner.*

*Individual Consultants are responsible for ensuring they have vaccinations/inoculations when travelling to certain countries, as designated by the UN Medical Director. Consultants are also required to comply with the UN security directives set forth under [dss.un.org](http://dss.un.org)*

*General Terms and conditions as well as other related documents can be found under:  
<http://on.undp.org/t7fJs>.*

### Annex 3: UNEG Code of Conduct for Evaluation Consultants

**Consultants:**

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded.
2. Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.
3. Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and respect people's right not to engage. Evaluators must respect people's right to provide information in confidence, and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals, and must balance an evaluation of management functions with this general principle.
4. Sometimes uncover evidence of wrongdoing while conducting evaluations. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.
5. Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact in the course of the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders' dignity and self-worth.
6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/or oral presentation of study imitations, findings and recommendations.
7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

**Evaluation Consultants Agreement Form**

Agreement to abide by the Code of Conduct for Evaluation in the UN System

***We confirm that we have received and understood and will abide by the United Nations Code of Conduct for Evaluation.***

Signed in Ottawa on September 27, 2017

Signed in Zagreb on September 27, 2017



Signature: \_\_\_\_\_

\_\_\_\_\_

Name of Consultant: Jean-Joseph Bellamy

Name of Consultant: Ivana Laginja

## Annex 4: Evaluation Matrix

The evaluation matrix below served as a general guide for the evaluation. It provided directions for the evaluation; particularly for the collection of relevant data. It was used as a basis for interviewing people and reviewing project documents. It also provided a basis for structuring the evaluation report as a whole.

Reviewed Component	Sub-Question	Indicators	Sources	Data Collection Method
<b>Evaluation criteria: Relevance - How does the project relate to the main objectives of the GEF, UNDP and to the biodiversity priorities of Croatia?</b>				
<i>Is the Project relevant to GEF objectives?</i>	<ul style="list-style-type: none"> <li>How does the Project support the related strategic priorities of the GEF?</li> <li>Were GEF criteria for project identification adequate in view of actual needs?</li> </ul>	<ul style="list-style-type: none"> <li>Level of coherence between project objectives and those of the GEF</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>GEF policies and strategies</li> <li>GEF web site</li> </ul>	<ul style="list-style-type: none"> <li>Documents analyses</li> <li>Interviews with government officials and other partners</li> </ul>
<i>Is the Project relevant to UNDP objectives?</i>	<ul style="list-style-type: none"> <li>How does the project support the objectives of UNDP in this sector?</li> </ul>	<ul style="list-style-type: none"> <li>Existence of a clear relationship between project objectives and country programme objectives of UNDP</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>UNDP strategies and programme</li> </ul>	<ul style="list-style-type: none"> <li>Documents analyses</li> <li>Interviews with government officials and other partners</li> </ul>
<i>Is the Project relevant to Croatia's biodiversity priorities and development objectives in general?</i>	<ul style="list-style-type: none"> <li>Does the project follow the government's stated priorities?</li> <li>How does the Project support the enhancement of the management of protected areas in Croatia?</li> <li>Does the project address the identified problem?</li> <li>How country-driven is the Project?</li> <li>Does the Project adequately take into account national realities, both in terms of institutional framework and programming, in its design and its implementation?</li> <li>To what extent were national partners involved in the design of the Project?</li> </ul>	<ul style="list-style-type: none"> <li>Degree to which the project support the enhancement of the management of protected areas in Croatia</li> <li>Degree of coherence between the project and national priorities, policies and strategies; particularly related to biodiversity and more specifically to protected areas</li> <li>Appreciation from national stakeholders with respect to adequacy of project design and implementation to national realities and existing capacities?</li> <li>Level of involvement of Government officials and other partners into the project</li> <li>Coherence between needs expressed by national stakeholders and UNDP criteria</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>National policies, strategies and programmes</li> <li>Key government officials and other partners</li> </ul>	<ul style="list-style-type: none"> <li>Documents analyses</li> <li>Interviews with government officials and other partners</li> </ul>
<i>Does the Project address the needs of target beneficiaries?</i>	<ul style="list-style-type: none"> <li>How does the project support the needs of target beneficiaries?</li> <li>Is the implementation of the project been inclusive of all relevant Stakeholders?</li> <li>Are local beneficiaries and stakeholders adequately involved in project formulation and implementation?</li> </ul>	<ul style="list-style-type: none"> <li>Strength of the link between project expected results and the needs of target beneficiaries</li> <li>Degree of involvement and inclusiveness of beneficiaries and stakeholders in project design and implementation</li> </ul>	<ul style="list-style-type: none"> <li>Beneficiaries and stakeholders</li> <li>Needs assessment studies</li> <li>Project documents</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Interviews with beneficiaries and stakeholders</li> </ul>
<i>Is the Project internally coherent in its</i>	<ul style="list-style-type: none"> <li>Was the project sourced through a demand-driven approach?</li> <li>Is there a direct and strong link between project expected results (Result and Resources Framework) and the project design (in terms of project components, choice of partners, structure,</li> </ul>	<ul style="list-style-type: none"> <li>Level of coherence between project expected results and internal project design logic</li> <li>Level of coherence between project design and project</li> </ul>	<ul style="list-style-type: none"> <li>Program and project documents</li> <li>Key project stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Key Interviews</li> </ul>

Reviewed Component	Sub-Question	Indicators	Sources	Data Collection Method
<i>design?</i>	<p>delivery mechanism, scope, budget, use of resources etc.)?</p> <ul style="list-style-type: none"> <li>Is the length of the project conducive to achieve project outcomes?</li> </ul>	implementation approach		
<i>How is the Project relevant in light of other donors?</i>	<ul style="list-style-type: none"> <li>With regards to Croatia, does the project remain relevant in terms of areas of focus and targeting of key activities?</li> <li>How does GEF help to fill gaps (or give additional stimulus) that are crucial but are not covered by other donors?</li> </ul>	<ul style="list-style-type: none"> <li>Degree to which the project was coherent and complementary to other donor programming in Croatia</li> <li>List of programs and funds in which future developments, ideas and partnerships of the project are eligible?</li> </ul>	<ul style="list-style-type: none"> <li>Other Donors' policies and programming documents</li> <li>Other Donor representatives</li> <li>Project documents</li> </ul>	<ul style="list-style-type: none"> <li>Documents analyses</li> <li>Interviews with other Donors</li> </ul>
<b>Future directions for similar Projects</b>	<ul style="list-style-type: none"> <li>What lessons have been learnt and what changes could have been made to the project in order to strengthen the alignment between the project and the Partners' priorities and areas of focus?</li> <li>How could the project better target and address priorities and development challenges of targeted beneficiaries?</li> </ul>		<ul style="list-style-type: none"> <li>Data collected throughout evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Data analysis</li> </ul>
<b>Evaluation criteria: Effectiveness – To what extent have the expected outcomes and objectives of the project been achieved?</b>				
<i>How is the Project effective in achieving its expected outcomes?</i>	<ul style="list-style-type: none"> <li>How is the project being effective in achieving its expected outcomes? <ul style="list-style-type: none"> <li>Reforming the institutional framework to strengthen the management effectiveness of national protected areas</li> <li>Improving the financial sustainability of the network of national protected areas</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>New methodologies, skills and knowledge</li> <li>Change in capacity for information management: knowledge acquisition and sharing; effective data gathering, methods and procedures for reporting.</li> <li>Change in capacity for awareness raising <ul style="list-style-type: none"> <li>Stakeholder involvement and government awareness</li> <li>Change in local stakeholder behavior</li> </ul> </li> <li>Change in capacity in policy making and planning to improve the management of protected areas: <ul style="list-style-type: none"> <li>Policy reform</li> <li>Legislation/regulation change</li> <li>Development of national and local strategies and plans</li> </ul> </li> <li>Change in capacity in implementation and enforcement <ul style="list-style-type: none"> <li>Design and implementation of risk assessments</li> <li>Implementation of national and local strategies and action plans through adequate institutional frameworks and their maintenance</li> <li>Monitoring, evaluation and promotion of pilots</li> </ul> </li> <li>Change in capacity in mobilizing resources <ul style="list-style-type: none"> <li>Leverage of resources</li> <li>Human resources</li> <li>Appropriate practices</li> <li>Mobilization of advisory services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Key stakeholders including UNDP, Project Team, Representatives of Gov. and other Partners</li> <li>Research findings</li> </ul>	<ul style="list-style-type: none"> <li>Documents analysis</li> <li>Meetings with main Project Partners</li> <li>Interviews with project beneficiaries</li> </ul>
<i>How is risk and risk</i>	<ul style="list-style-type: none"> <li>How well are risks and assumptions being managed?</li> <li>What is the quality of risk mitigation strategies developed? Are they sufficient?</li> </ul>	<ul style="list-style-type: none"> <li>Completeness of risk identification and assumptions during project planning</li> <li>Quality of existing information systems in place to identify</li> </ul>	<ul style="list-style-type: none"> <li>Atlas risk log</li> <li>Project documents and evaluations</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Interviews</li> </ul>

Reviewed Component	Sub-Question	Indicators	Sources	Data Collection Method
<i>mitigation being managed?</i>	<ul style="list-style-type: none"> <li>Are there clear strategies for risk mitigation related with long-term sustainability of the project?</li> </ul>	<ul style="list-style-type: none"> <li>emerging risks and other issues?</li> <li>Quality of risk mitigations strategies developed and followed</li> </ul>	<ul style="list-style-type: none"> <li>UNDP, Project Staff and Project Partners</li> </ul>	
<b>Future directions for similar Projects</b>	<ul style="list-style-type: none"> <li>What lessons have been learnt for the project to achieve its outcomes?</li> <li>What changes could have been made (if any) to the formulation of the project in order to improve the achievement of project's expected results?</li> <li>How could the project be more effective in achieving its results?</li> </ul>		<ul style="list-style-type: none"> <li>Data collected throughout evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Data analysis</li> </ul>
<b>Evaluation criteria: Efficiency – Was the project implemented efficiently, cost-effectively and in-line with international and national norms and standards?</b>				
<i>Is Project support channeled in an efficient way?</i>	<ul style="list-style-type: none"> <li>Was adaptive management used or needed to ensure efficient resource use?</li> <li>Does the Project Results Framework and work plans and any changes made to them used as management tools during implementation?</li> <li>Were the accounting and financial systems in place adequate for project management and producing accurate and timely financial information?</li> <li>How adequate was the M&amp;E framework (indicators &amp; targets)?</li> <li>Were progress reports produced accurately, timely and responded to reporting requirements including adaptive management changes?</li> <li>Was project implementation as cost effective as originally proposed (planned vs. actual)</li> <li>Was the leveraging of funds (co-financing) happened as planned?</li> <li>Were financial resources utilized efficiently? Could financial resources have been used more efficiently?</li> <li>How was RBM used during project implementation?</li> <li>Was the project decision-making effective?</li> <li>Did the government provide continuous strategic directions to the project's formulation and implementation?</li> <li>Have these directions provided by the government guided the activities and outcomes of the project?</li> <li>Were there an institutionalized or informal feedback or dissemination mechanisms to ensure that findings, lessons learned and recommendations pertaining to project formulation and implementation effectiveness were shared among project stakeholders, UNDP staff and other relevant organizations for ongoing project adjustment and improvement?</li> </ul>	<ul style="list-style-type: none"> <li>Availability and quality of financial and progress reports</li> <li>Timeliness and adequacy of reporting provided</li> <li>Level of discrepancy between planned and utilized financial expenditures</li> <li>Planned vs. actual funds leveraged</li> <li>Cost in view of results achieved compared to costs of similar projects from other organizations</li> <li>Adequacy of project choices in view of existing context, infrastructure and cost</li> <li>Quality of RBM reporting (progress reporting, monitoring and evaluation)</li> <li>Occurrence of change in project formulation/ implementation approach (i.e. restructuring) when needed to improve project efficiency</li> <li>Existence, quality and use of M&amp;E, feedback and dissemination mechanism to share findings, lessons learned and recommendation on effectiveness of project design.</li> <li>Cost associated with delivery mechanism and management structure compare to alternatives</li> <li>Gender disaggregated data in project documents</li> </ul>	<ul style="list-style-type: none"> <li>Project documents and evaluations</li> <li>UNDP, Representatives of Gov. and Project Staff</li> <li>Beneficiaries and Project partners</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Key Interviews</li> </ul>

Reviewed Component	Sub-Question	Indicators	Sources	Data Collection Method
	<ul style="list-style-type: none"> <li>Did the project mainstream gender considerations into its implementation?</li> </ul>			
<i>How efficient are partnership arrangements for the Project?</i>	<ul style="list-style-type: none"> <li>Was the government engaged?</li> <li>How does the government demonstrate its ownership of the projects?</li> <li>Did the government provide a counterpart to the project?</li> <li>To what extent partnerships/linkages between institutions/organizations were encouraged and supported?</li> <li>Which partnerships/linkages were facilitated? Which one can be considered sustainable?</li> <li>What was the level of efficiency of cooperation and collaboration arrangements? (between local actors, UNDP and relevant government entities)</li> <li>Which methods were successful or not and why?</li> </ul>	<ul style="list-style-type: none"> <li>Specific activities conducted to support the development of cooperative arrangements between partners,</li> <li>Examples of supported partnerships</li> <li>Evidence that particular partnerships/linkages will be sustained</li> <li>Types/quality of partnership cooperation methods utilized</li> </ul>	<ul style="list-style-type: none"> <li>Project documents and evaluations</li> <li>Project Partners</li> <li>UNDP, Representatives of Gov. and Project Staff</li> <li>Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Interviews</li> </ul>
<i>Does the Project efficiently utilize local capacity in implementation ?</i>	<ul style="list-style-type: none"> <li>Was an appropriate balance struck between utilization of international expertise as well as local capacity?</li> <li>Did the project support mutual benefits through sharing of knowledge and experiences, training, technology transfer among developing countries?</li> <li>Did the Project take into account local capacity in formulation and implementation of the project?</li> <li>Was there an effective collaboration with scientific institutions with competence in terrestrial and marine biodiversity and in protected areas?</li> </ul>	<ul style="list-style-type: none"> <li>Proportion of total expertise utilized taken from Croatia</li> <li>Number/quality of analyses done to assess local capacity potential and absorptive capacity</li> </ul>	<ul style="list-style-type: none"> <li>Project documents and evaluations</li> <li>UNDP, Project Team and Project partners</li> <li>Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Document analysis</li> <li>Interviews</li> </ul>
<b>Future directions for similar Projects</b>	<ul style="list-style-type: none"> <li>What lessons can be learnt from the project on efficiency?</li> <li>How could the project have more efficiently addressed its key priorities (in terms of management structures and procedures, partnerships arrangements etc....)?</li> <li>What changes could have been made (if any) to the project in order to improve its efficiency?</li> </ul>		<ul style="list-style-type: none"> <li>Data collected throughout evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Data analysis</li> </ul>
<b>Evaluation criteria: Impacts - Are there indications that the project has contributed to the enhancement of the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity in Croatia?</b>				
<i>How is the Project effective in achieving its long-term objectives?</i>	<ul style="list-style-type: none"> <li>Will the project achieve its objective that is to enhance the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity?</li> </ul>	<ul style="list-style-type: none"> <li>Changes in capacity: <ul style="list-style-type: none"> <li>To pool/mobilize resources</li> <li>To provide an enabling environment,</li> <li>For implementation of related strategies and programmes through adequate institutional frameworks and their maintenance,</li> </ul> </li> <li>Changes in use and implementation of sustainable alternatives</li> <li>Changes to the quantity and strength of barriers such as</li> </ul>	<ul style="list-style-type: none"> <li>Project documents</li> <li>Key Stakeholders</li> <li>Research findings</li> </ul>	<ul style="list-style-type: none"> <li>Documents analysis</li> <li>Meetings with UNDP, Project Team and project Partners</li> <li>Interviews with project beneficiaries and other stakeholders</li> </ul>

Reviewed Component	Sub-Question	Indicators	Sources	Data Collection Method
		change in: <ul style="list-style-type: none"> <li>○ Weaknesses in the institutional framework for national protected areas</li> <li>○ Inefficiencies in the administration, adequacy, allocation and effectiveness of funding in national protected areas</li> </ul>		
<i>How is the Project impacting the local environment?</i>	<ul style="list-style-type: none"> <li>▪ What are the impacts or likely impacts of the project on?               <ul style="list-style-type: none"> <li>○ Local environment;</li> <li>○ Poverty; and,</li> <li>○ Other socio-economic issues.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Provide specific examples of impacts at those three levels, as relevant</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents</li> <li>▪ Key Stakeholders</li> <li>▪ Research findings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Data analysis</li> <li>▪ Interviews with key stakeholders</li> </ul>
<b>Future directions for the Project</b>	<ul style="list-style-type: none"> <li>▪ How could the project build on its successes and learn from its weaknesses in order to enhance the potential for impact of ongoing and future initiatives?</li> </ul>		<ul style="list-style-type: none"> <li>▪ Data collected throughout evaluation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Data analysis</li> </ul>
<b>Evaluation criteria: Sustainability - To what extent are there financial, institutional, social-economic, and/or environmental risks to sustaining project results?</b>				
<i>Are sustainability issues adequately integrated in Project design?</i>	<ul style="list-style-type: none"> <li>▪ Were sustainability issues integrated into the formulation and implementation of the project?</li> <li>▪ Does the project employ government implementing and/or monitoring systems?</li> <li>▪ Is the government involved in the sustainability strategy for project outcomes?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Evidence/Quality of sustainability strategy</li> <li>▪ Evidence/Quality of steps taken to address sustainability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents and evaluations</li> <li>▪ UNDP, project staff and project Partners</li> <li>▪ Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>▪ Document analysis</li> <li>▪ Interviews</li> </ul>
<i>Did the project adequately address financial and economic sustainability issues?</i>	<ul style="list-style-type: none"> <li>▪ Did the project adequately address financial and economic sustainability issues?</li> <li>▪ Are the recurrent costs after project completion sustainable?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Level and source of future financial support to be provided to relevant sectors and activities after project end?</li> <li>▪ Evidence of commitments from international partners, governments or other stakeholders to financially support relevant sectors of activities after project end</li> <li>▪ Level of recurrent costs after completion of project and funding sources for those recurrent costs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents and evaluations</li> <li>▪ UNDP, project staff and project Partners</li> <li>▪ Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>▪ Document analysis</li> <li>▪ Interviews</li> </ul>
<i>Organizations arrangements and</i>	<ul style="list-style-type: none"> <li>▪ Are results of efforts made during the project implementation period well assimilated by organizations and their internal systems and procedures?</li> <li>▪ Is there evidence that project partners will continue their</li> </ul>	<ul style="list-style-type: none"> <li>▪ Degree to which project activities and results have been taken over by local counterparts or institutions/organizations</li> <li>▪ Level of financial support to be provided to relevant sectors and activities by in-country actors after project end</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents and evaluations</li> <li>▪ UNDP, project staff and project Partners</li> </ul>	<ul style="list-style-type: none"> <li>▪ Document analysis</li> <li>▪ Interviews</li> </ul>

<b>Reviewed Component</b>	<b>Sub-Question</b>	<b>Indicators</b>	<b>Sources</b>	<b>Data Collection Method</b>
<i>continuation of activities</i>	<ul style="list-style-type: none"> <li>activities beyond project support?</li> <li>▪ Has there been a buy-in process, or was there no need to sell the project and buy support?</li> <li>▪ What degree is there of local ownership of initiatives and results?</li> <li>▪ Are appropriate ‘champions’ being identified and/or supported?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Number/quality of champions identified</li> </ul>	<ul style="list-style-type: none"> <li>▪ Beneficiaries</li> </ul>	
<i>Enabling Environment</i>	<ul style="list-style-type: none"> <li>▪ Are laws, policies and frameworks addressed through the project, in order to address sustainability of key initiatives and reforms?</li> <li>▪ Are the necessary related capacities for lawmaking and enforcement built?</li> <li>▪ What is the level of political commitment to build on the results of the project?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Efforts to support the development of relevant laws and policies</li> <li>▪ State of enforcement and law making capacity</li> <li>▪ Evidence of commitment by the political class through speeches, enactment of laws and resource allocation to priorities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents and evaluations</li> <li>▪ UNDP, project staff and project Partners</li> <li>▪ Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>▪ Document analysis</li> <li>▪ Interviews</li> </ul>
<i>Institutional and individual capacity building</i>	<ul style="list-style-type: none"> <li>▪ Is the capacity in place at the national and local levels adequate to ensure sustainability of results achieved to date?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Elements in place in those different management functions, at appropriate levels in terms of adequate structures, strategies, systems, skills, incentives and interrelationships with other key actors</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents and evaluations</li> <li>▪ UNDP, Project staff and project Partners</li> <li>▪ Beneficiaries</li> <li>▪ Capacity assessments available, if any</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interviews</li> <li>▪ Documentation review</li> </ul>
<i>Social and economic sustainability</i>	<ul style="list-style-type: none"> <li>▪ Did the project contribute to key building blocks for social and political sustainability?</li> <li>▪ Did the project contribute to local Stakeholders’ acceptance of the new practices?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Example of contributions to sustainable political and social change with regard to biodiversity conservation and the management of protected areas</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents and evaluations</li> <li>▪ UNDP, project staff and project Partners</li> <li>▪ Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>▪ Interviews</li> <li>▪ Documentation review</li> </ul>
<i>Replication</i>	<ul style="list-style-type: none"> <li>▪ Were project activities and results replicated elsewhere and/or scaled up?</li> <li>▪ What was the project contribution to replication or scaling up of innovative practices or mechanisms to improve biodiversity conservation and the management of protected areas?</li> <li>▪ Does the project has a catalytic role?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Number/quality of replicated initiatives</li> <li>▪ Number/quality of replicated innovative initiatives</li> <li>▪ Volume of additional investment leveraged</li> </ul>	<ul style="list-style-type: none"> <li>▪ Other donor programming documents</li> <li>▪ Beneficiaries</li> <li>▪ UNDP, project staff and project Partners</li> </ul>	<ul style="list-style-type: none"> <li>▪ Document analysis</li> <li>▪ Interviews</li> </ul>
<i>Challenges to sustainability of the Project</i>	<ul style="list-style-type: none"> <li>▪ What are the main challenges that may hinder sustainability of efforts?</li> <li>▪ Have any of these been addressed through project management?</li> <li>▪ What could be the possible measures to further contribute to the sustainability of efforts achieved with the project?</li> </ul>	<ul style="list-style-type: none"> <li>▪ Challenges in view of building blocks of sustainability as presented above</li> <li>▪ Recent changes which may present new challenges to the project</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project documents and evaluations</li> <li>▪ Beneficiaries</li> <li>▪ UNDP, project staff and project Partners</li> </ul>	<ul style="list-style-type: none"> <li>▪ Document analysis</li> <li>▪ Interviews</li> </ul>
<b>Future directions for the Project</b>	<ul style="list-style-type: none"> <li>▪ Which areas/arrangements under the project show the strongest potential for lasting long-term results?</li> <li>▪ What are the key challenges and obstacles to the sustainability of results of project initiatives that must be directly and quickly addressed?</li> <li>▪ How can the experience and good project practices influence the strategies to enhance biodiversity conservation and the</li> </ul>		<ul style="list-style-type: none"> <li>▪ Data collected throughout evaluation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Data analysis</li> </ul>

Reviewed Component	Sub-Question	Indicators	Sources	Data Collection Method
	<p>management of protected areas?</p> <ul style="list-style-type: none"> <li>▪ Are national decision-making institutions (Parliament, Government etc.) ready to improve their measures to enhance biodiversity conservation and the management of protected areas?</li> </ul>			

## **Annex 5: List of Documents Reviewed**

GEF, April 11, 2012, CEO PIF Clearance – PARCS

GEF, GEF Secretariat Review Sheet – PARCS

GEF, Project Identification Form (PIF) – PARCS

GEF, Project Preparation Grant (PPG) – PARCS

GEF, Request for CEO Endorsement

Government of Croatia, 2017, Amendment of the Protected Area Law

Government of Croatia, February 2013, Proposal for Tourism Development Strategy of Croatia until 2020

Josh Brann, Ognjen Skunca, June 15, 2016, Mid-Term Evaluation Report – PARCS

MENP, March 21, 2012, Letter post-review – PARCS

MENP, UNDP, GEF, September 2014, Inception Report – PARCS

Ministry of Foreign and European Affairs, September 13, 2013, Letter to Ms. Clark, UNDP

Ministry of Tourism, 2016, Action Plan for Development of Green Tourism

Ministry of Tourism, 2016, Tourism Strategic Plan 2016-2018

PARCS, AWP 2014, 2015, 2016 and 2017

PARCS, CDRs for 2014, 2015, 2016 and 2017

PARCS, Exit Strategy Documents

PARCS, Grant Agreements: Risnjak, Biokovo and Kopacki rit

PARCS, Letters of Agreement with Public Institutions: NP Ucka, NP Risnjak

PARCS, Management Response to Mid-Term Evaluation

PARCS, Meetings Minutes with Park Directors and Staff (8 meetings/workshops)

PARCS, Numerous technical reports developed with the support of the PARCS project under outcome 1 & 2

PARCS, Project Board Meeting Minutes (8 meetings)

PARCS, Project Implementation Reviews (PIRs): 2015, 2016 and 2017

PARCS, September 18, 2017, Project Results Overview (PARCS)

PARCS, Summary of co-financing

PARCS, Technical Working Group Meeting Minutes (8 meetings)

PARCS, Tracking Tools: CD Scorecard (baseline, mid-term and final); and METT/FSC (baseline, mid-term and final)

PARCS, UNDP, GEF, MENP, Guide to National Parks and Nature Parks in the Republic of Croatia

STAP, STAP Scientific and Technical screening of the Project Identification Form (PIF) – PARCS

UNDP, GEF, Government of Croatia, Project Document (PARCS)

UNDP, Government of Croatia, 2009, Country Programme Action Plan 2007-2011

UNDP, Government of Croatia, 2009, Country Programme Action Plan 2012-2013

UNDP, Government of Croatia, Agreement

UNDP, October 26, 2006, UNDP Country Programme Croatia (2007-2011)

UNDP, Project-level Evaluation – Guidance for Conducting Terminal Evaluations of UNDP-Supported, GEF-Financed Projects

\_\_\_\_\_, June 2016, Draft Strategy and Action Plan for the Protection of Biological and Landscape Diversity of the Republic of Croatia

\_\_\_\_\_, Operational Programme Under the Investment for Growth and Jobs' Goal

\_\_\_\_\_, Protected Area System Development Plan

**Website Consulted**

<https://www.government.nl/topics/nature-and-biodiversity/national-ecological-network-nen>

<https://www.government.nl/topics/nature-and-biodiversity/national-ecological-network-nen>

<https://www.thegef.org/project/strengthening-institutional-and-financial-sustainability-national-protected-area-system>

[http://www.hr.undp.org/content/croatia/en/home/operations/about\\_undp.html](http://www.hr.undp.org/content/croatia/en/home/operations/about_undp.html)

[http://www.hr.undp.org/content/croatia/en/home/operations/legal\\_framework.html](http://www.hr.undp.org/content/croatia/en/home/operations/legal_framework.html)

[https://ec.europa.eu/neighbourhood-enlargement/tenders/taix\\_en](https://ec.europa.eu/neighbourhood-enlargement/tenders/taix_en)

<http://www.strukturnifondovi.hr/op-konkurentnost-i-kohezija-2014-2020-779>

[https://narodne-novine.nn.hr/clanci/sluzbeni/2017\\_07\\_65\\_1537.html](https://narodne-novine.nn.hr/clanci/sluzbeni/2017_07_65_1537.html)

<http://photo.parkovihrvatske.hr/hr/prijava.aspx?RedirectURL=%2fhr%2f404.aspx>

<http://www.parkovihrvatske.hr/homepage>

## Annex 6: Interview Guide

*Note: This is a guide for Interviewers (a simplified version of the evaluation matrix). Not all questions will be asked to each interviewee; it is a reminder for the interviewers about the type of information required to complete the evaluation and a guide to prepare the semi-structured interviews. Confidentiality will be guaranteed to the interviewees and the findings once “triangulated” will be incorporated in the report.*

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### **I. RELEVANCE** - *How does the project relate to the main objectives of the GEF, UNDP and to the biodiversity priorities of Croatia?*

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- I.1. Is the Project relevant to GEF objectives?
- I.2. Is the Project relevant to UNDP objectives?
- I.3. Is the Project relevant to Croatia’s biodiversity priorities and development objectives in general?
- I.4. Does the Project address the needs of target beneficiaries?
- I.5. Is the Project internally coherent in its design?
- I.6. How is the Project relevant in light of other donors?

#### ***Future directions for similar projects***

- I.7. What lessons have been learnt and what changes could have been made to the project in order to strengthen the alignment between the project and the Partners’ priorities and areas of focus?
- I.8. How could the project better target and address priorities and development challenges of targeted beneficiaries?

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### **II. EFFECTIVENESS** – *To what extent have the expected outcomes and objectives of the project been achieved?*

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- II.1. How is the Project effective in achieving its expected outcomes?
  - Reforming the institutional framework to strengthen the management effectiveness of national protected areas
  - Improving the financial sustainability of the network of national protected areas
- II.2. How is risk and risk mitigation being managed?

#### ***Future directions for similar projects***

- II.3. What lessons have been learnt for the project to achieve its outcomes?
- II.4. What changes could have been made (if any) to the formulation of the project in order to improve the achievement of project’s expected results?
- II.5. How could the project be more effective in achieving its results?

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### **III. EFFICIENCY** - *Was the project implemented efficiently, cost-effectively and in-line with international and national norms and standards?*

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- III.1. Was adaptive management used or needed to ensure efficient resource use?
- III.2. Does the *Project Results Framework* and work plans and any changes made to them used as management tools during implementation?
- III.3. Were accounting and financial systems in place adequate for project management and producing accurate and timely financial information?
- III.4. How adequate was the M&E framework (indicators & targets)?
- III.5. Were progress reports produced accurately, timely and respond to reporting requirements including adaptive management changes?
- III.6. Was project implementation as cost effective as originally proposed (planned vs. actual)
- III.7. Was the leveraging of funds (co-financing) happening as planned?
- III.8. Were financial resources utilized efficiently? Could financial resources have been used more efficiently?
- III.9. How was RBM used during project implementation?
- III.10. Were there an institutionalized or informal feedback or dissemination mechanism to ensure that findings, lessons learned and recommendations pertaining to project formulation and implementation effectiveness were shared among project stakeholders, UNDP Staff and other relevant organizations for ongoing project adjustment and improvement?
- III.11. Did the project mainstream gender considerations into its implementation?

- III.12. Was the government engaged?
- III.13. To what extent were partnerships/ linkages between institutions/ organizations encouraged and supported?
- III.14. Which partnerships/linkages were facilitated? Which one can be considered sustainable?
- III.15. What was the level of efficiency of cooperation and collaboration arrangements? (between local actors, UNDP, and relevant government entities)
- III.16. Was an appropriate balance struck between utilization of international expertise as well as local capacity?
- III.17. Did the project take into account local capacity in design and implementation of the project?

***Future directions for the project***

- III.18. What lessons can be learnt from the project on efficiency?
- III.19. How could the project have more efficiently addressed its key priorities (in terms of management structures and procedures, partnerships arrangements, etc., ...)?

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**IV. IMPACTS** - *Are there indications that the project has contributed to the enhancement of the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity in Croatia?*

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- IV.1. Will the project achieve its objective that is to enhance the management effectiveness and sustainability of national protected areas to safeguard terrestrial and marine biodiversity?

***Future directions for the project***

- IV.2. How could the project build on its successes and learn from its weaknesses in order to enhance the potential for impact of ongoing and future initiatives?

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**V. SUSTAINABILITY** - *To what extent are there financial, institutional, social-economic, and/or environmental risks to sustaining long-term project results?*

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- V.1. Were sustainability issues adequately integrated in project formulation?
- V.2. Did the project adequately address financial and economic sustainability issues?
- V.3. Is there evidence that project partners will continue their activities beyond project support?
- V.4. Are laws, policies and frameworks being addressed through the project, in order to address sustainability of key initiatives and reforms?
- V.5. Is the capacity in place at the national and local levels adequate to ensure sustainability of results achieved to date?
- V.6. Did the project contribute to key building blocks for social and political sustainability?
- V.7. Are project activities and results being replicated elsewhere and/or scaled up?
- V.8. What are the main challenges that may hinder sustainability of efforts?

***Future directions for the project***

- V.9. Which areas/arrangements under the project show the strongest potential for lasting long-term results?
- V.10. What are the key challenges and obstacles to the sustainability of results of project initiatives that must be directly and quickly addressed?
- V.11. Are national decision-making institutions (Parliament, Government etc.) ready to improve their measures to enhance biodiversity conservation and the management of protected areas?

## Annex 7: Evaluation Mission Agenda

### Mission Itinerary - October 17-24, 2017

TERMINAL EVALUATION OF THE PARCS PROJECT - Mission Programme								
Date	Time	Organization	Address	Name and function	Subject	E-mail	Phone	Accommodation
October 17 (Tuesday)	15,00 - 17,00	Meeting with PARCS project team	UNDP office Vukovarska 269D 6 floor	Valentina Futač, Project Manager	Review of project investments and results	<a href="mailto:valentina.futac@undp.org">valentina.futac@undp.org</a>	00385 (0)91 2259 422	Hotel Dubrovnik, Zagreb <a href="https://hotel-dubrovnik.hr/">https://hotel-dubrovnik.hr/</a>
				Goran Čačić, Sustainability Energy Expert		<a href="mailto:goran.cacic@undp.org">goran.cacic@undp.org</a>	00385 (0)99 215 9361	
				Marija Jurčević, Senior Project Associate		<a href="mailto:marija.jurcevic@undp.org">marija.jurcevic@undp.org</a>	00385(0)99 2138 504	
				Ivana Laginja, national TE consultant		<a href="mailto:ivana.laginja@gmail.com">ivana.laginja@gmail.com</a>	00385(0)98 714 787	
October 18 (Wednesday)	9,00 - 10,30	Ministry of Tourism	Prisavlje 14	Vesna Rajkovic, Head of Sector for Entrepreneurship Development in Tourism, Sustainable Development and Special Forms of Tourism Member of PARCS project board	Review of project investments and results, with specific accent on tourism	<a href="mailto:vesna.rajkovic@mint.hr">vesna.rajkovic@mint.hr</a>	00385 (0)99 263 1582	Hotel Lovran, Lovran <a href="https://www.hotel-lovran.hr/en/">https://www.hotel-lovran.hr/en/</a>
	11,00 - 12,30	Ministry of Env. and Energy	Radnicka cesta 80, 3rd floor	Igor Kreitmeyer, Assistant Minister Mario Josić, SSC Coordinator	Project review	<a href="mailto:igor.kreitmeyer@mzoe.hr">igor.kreitmeyer@mzoe.hr</a> <a href="mailto:Mario.Josic@mzoe.hr">Mario.Josic@mzoe.hr</a>	00385 (0)99 736 8266 00385(0)98 390 069	
	12,30 - 14,30	Croatian Agency for Environment and Nature	Radnicka cesta 80, 7th floor	Irina Zupan, Head of Protected Area Sector	Review of project investments and results	<a href="mailto:Irina.Zupan@dzzp.hr">Irina.Zupan@dzzp.hr</a>	00385(0)1 550 2941	
				Karla Fabio Cubric, Head of Management Plans Department		<a href="mailto:Karla.FabioCubric@dzzp.hr">Karla.FabioCubric@dzzp.hr</a>	00385 (0)1 5502 939	
				Masa Ljustina, Head of Protected Area Department		<a href="mailto:Masa.Ljustina@dzzp.hr">Masa.Ljustina@dzzp.hr</a>	00385 (0)1 5502 940	
15,30 - 18,00	Travel to Lovran							
October 19 (Thursday)	8,00 - 11,00	Nature Park Ucka	Liganj 42, Lovran	Egon Vasilic, Director	Vulture feeding place, tourism facilities (electric bicycles, wan, bird watching programmes)	<a href="mailto:evasilic@pp-ucka.hr">evasilic@pp-ucka.hr</a>	00385 (0)91 252 9403	Kod korita, Crni Lug <a href="http://www.kodkorita.com/en">http://www.kodkorita.com/en</a>
	11,00 - 12,30	Travel to Crni Lug						
	12,30 - 17,00	National Park Risnjak	Bijela Vodica 48, Crni Lug	Miljenko Gasparac, Director Silvija Barbaric, Head of Marketing Service Dragan Turk, Head of Conservation Service	Restoration of administrative building; tourism infrastructure	<a href="mailto:ravnatelj@np-risnjak.hr">ravnatelj@np-risnjak.hr</a> <a href="mailto:marketing@np-risnjak.hr">marketing@np-risnjak.hr</a> <a href="mailto:zastita@np-risnjak.hr">zastita@np-risnjak.hr</a>	00385 (0)99 348 5994 00385 (0)99 260 0541 00385 (0)51 836 261	
October 20 (Friday)	8,00 - 11,00	Travel to Skradin						Hotel Skradinski buk, Skradin <a href="http://www.skradinskibuk.hr/en/">http://www.skradinskibuk.hr/en/</a>
	11,00 - 17,00	National Park Krka	Info center Skradin	Krešimir Šakić, Director	Electronic ticketing	<a href="mailto:ravnatelj@npk.hr">ravnatelj@npk.hr</a>	00385 (0)91 225 4320	
				Ivona Cvitan, Head of promotional and tourism activities		<a href="mailto:ivona.cvitan@npk.hr">ivona.cvitan@npk.hr</a>	00385 (0)91 225 4004	
			Danijela Krečak, Head of tourism sector	<a href="mailto:danijela.kreckak@npk.hr">danijela.kreckak@npk.hr</a>		00385 (0)91 225 4169		
October 21 (Saturday)	8,00 - 9,00	Travel to Paklenica National Park						Hotel Dubrovnik, Zagreb <a href="https://hotel-dubrovnik.hr/">https://hotel-dubrovnik.hr/</a>
	9,00 - 14,00	National Park Paklenica	Starigrad Paklenica, Dr. Franje Tuđmana 14a	Natalija Andačić, Director	Energy and water efficient technologies in the administrative buildings	<a href="mailto:ravnatelj@paklenica.hr">ravnatelj@paklenica.hr</a>	00385 (0)99 802 0619	
				Gordan Lukač, Head of Conservation Service		<a href="mailto:sluzba-zastite@paklenica.hr">sluzba-zastite@paklenica.hr</a>	00385 (0)98 273 125	
				Zlatko Marasovic, Conservation Service		<a href="mailto:zlatko.marasovic@paklenica.hr">zlatko.marasovic@paklenica.hr</a>	00385 (0)99 2184 176	
			Dragica Jović, Head of promotional and tourist activities	<a href="mailto:dragica.jovic@paklenica.hr">dragica.jovic@paklenica.hr</a>	00385 (0)98 273 124			
14,00 - 17,00	Travel to Zagreb							
October 22 (Sunday)	17,00 - 20,00	Travel to Kopački rit						Hotel Lug, Lug <a href="http://ekolug.com/index.html">http://ekolug.com/index.html</a>

**TERMINAL EVALUATION OF THE PARCS PROJECT - Mission Programme**

Date	Time	Organization	Address	Name and function	Subject	E-mail	Phone	Accommodation
October 23 (Monday)	8,00 - 11,00	Nature Park Kopački rit	Mali Sakadaš 1, Kopačevo	Davor Mikulić, Acting Director	Electric boat co-financing; electrification for the boat	<a href="mailto:uprava@pp-kopacki-rit.hr">uprava@pp-kopacki-rit.hr</a>	00385 (0)31 285 370	Hotel Dubrovnik, Zagreb <a href="https://hotel-dubrovnik.hr/">https://hotel-dubrovnik.hr/</a>
				Damir Opacic, Ranger (former director)		<a href="mailto:ruzica.marusic@pp-kopacki-rit.hr">ruzica.marusic@pp-kopacki-rit.hr</a>	00385 (0)99 265 3830	
				Ruzica Marusic, Head of Marketing				
	11,00 - 13,00	Travel to Nature Park Papuk						
	13,00 - 15,00	Nature Park Papuk	Stjepana Radića 46, Velika	Alen Jurenac, Director	Camping site; restoration of administrative building	<a href="mailto:ravnatelj@pp-papuk.hr">ravnatelj@pp-papuk.hr</a>	00385 (0)98 568 750	
Gordana Kukic, Head of Ranger Service				<a href="mailto:gordana.kukic@pp-papuk.hr">gordana.kukic@pp-papuk.hr</a>		00385 (0)98 363 681		
15,00 - 18,00	Travel to Zagreb							
October 24 (Tuesday)	9,00 - 10,30	Independent Consultant	UNDP office Vukovarska 269D 6 floor	Željka Rajković, independent consultant for nature protection	review of the results at the system level	<a href="mailto:zeljka.rajkovic@gmail.com">zeljka.rajkovic@gmail.com</a>	00385 (0)92 204 4100	Hotel Dubrovnik, Zagreb <a href="https://hotel-dubrovnik.hr/">https://hotel-dubrovnik.hr/</a>
	11,00-13,00	Ministry of Finance	Ministry of Finance, Katančičeva 5, room 106	Ivana Jakir Bajo, Assistant Minister and Chief State Treasurer; Member of Management Board	review of project investments and results	<a href="mailto:ivana.jakir-bajo@mfin.hr">ivana.jakir-bajo@mfin.hr</a>	00385 (0)1 4591 040	
	14,00 - 15,00	Ministry of Environment and Energy	UNDP office Vukovarska 269D 6 floor	Daniel Springer, Head of Service for Protected Areas, Geodiversity and Ecological Network		<a href="mailto:Daniel.Springer@mzojp.hr">Daniel.Springer@mzojp.hr</a>	00385 (0)99 267 4543	
	15,00 - 17,00	PARCS project team	UNDP office Vukovarska 269D 6 floor	Gordana Ruklić, GEF focal point	J.J. Bellamy presentation	<a href="mailto:Gordana.Ruklic@mzoe.hr">Gordana.Ruklic@mzoe.hr</a>	00385(0)91 378 2896	
				Valentina Futac, Project Manager		<a href="mailto:valentina.futac@undp.org">valentina.futac@undp.org</a>	00385 (0)91 2259 422	
Goran Čačić, Sustainability Energy Expert				<a href="mailto:goran.cacic@undp.org">goran.cacic@undp.org</a>		00385 (0)99 215 9361		
			Marija Jurčević, Senior Project Associate		<a href="mailto:marija.jurcevic@undp.org">marija.jurcevic@undp.org</a>	00385(0)99 2138 504		
			Ivana Laginja, national TE consultant		<a href="mailto:ivana.laginja@gmail.com">ivana.laginja@gmail.com</a>	00385(0)98 714 787		

## Annex 8: List of People Interviewed

Date of the meeting	Institution	Name
October 17, 2017	PARCS Team	Valentina Futač, Manager Marija Jurčević, Senior Project Associate Goran Čačić, Sustainability Energy Expert Katarina Drnovšek, Project Assistant Petra Erhardt, Project Clark
October 18, 2017	Ministry of Tourism	Vesna Rajković, Head of Sector for Entrepreneurship Development in Tourism, Sustainable Development and Special Forms of Tourism Jelena Šobat, Head of Service
October 18, 2017	Ministry of Environment and Energy	Igor Kreitmeyer, Assistant Minister Mario Josić, SSC Coordinator
October 18, 2017	Croatian Agency for Environment and Nature	Irina Zupan, Head of Protected Area Sector Maša Ljuština, Head of Protected Area Department Karla Fabrio Čubrić, Head of Management Plans Department
October 19, 2017	Nature Park Učka	Egon Vasilić, Director
October 19, 2017	National Park Risnjak	Miljenko Gašparac, Director Ivona Cvitan, Head of promotional and tourism activities Tanja Ranković, Head of Ranger Service Silvija Barbarić, Head of Tourism Sector Dragan Turk, Expert Advisor
October 20, 2017	National Park Krka	Krešimir Šakić, Director Ivona Cvitan, Head of Promotional and Tourism Activities Danijela Krečak, Head of Tourism Sector
October 21, 2017	National Park Paklenica	Natalija Andačić, Director Zlatko Marasović, Conservation Service (Former Director) Gordan Lukač, Head of Conservation Service Dragica Jović, Head of Promotional and Tourist Activities
October 23, 2017	Nature Park Kopački rit	Damir Opačić, Ranger (Former Director) Ružica Marušić, Head of Marketing
October 23, 2017	Nature Park Papuk	Alen Jurenac, Director Gordana Kukić, Head of Ranger Service Goran Radonić, Expert Advisor Anita Maleković, Secretary of the PI
October 24, 2017	-	Željka Rajković, Independent Consultant for Nature Protection
October 24, 2017	Ministry of Finance	Ivana Jakir Bajo, Assistant Minister and Chief State Treasurer
October 24, 2017	Ministry of Environment and Energy	Gordana Ruklić, GEF Focal Point
October 24, 2017	PARCS Team	Valentina Futač Marija Jurčević

*Met 34 people (21 women and 13 men)*

## Annex 9: MTR Recommendations and Management Responses

The table below is a summary of recommendations made by the MTR Team; it also includes the management responses formulated by the implementation team and endorsed by the PB.

Recommendations	Management Responses
<p><b>Recommendation or Issue 1:</b> The project should re-emphasize to stakeholders the need for a concise and practical national strategic document (Output 1.1) to set in place the vision and organizational set-up for the national protected area system in the coming five-year period. This will serve as a tool for stakeholder engagement, coordination, a more stable and focused strategic approach for development of the national protected area system, and collective planning and management of the system of protected areas, both during the remaining implementation of the project and in the period after the end of the project. This should be a practical and implementable document of no more than 30 pages. This strategic vision document should be linked and integrated with the NBSAP. Although the document will have no legislative basis, its relevance will derive from the consensus of all key stakeholders, and in this way it will help mitigate potential future instability caused by shifting political winds. A draft of this document should be developed and approved as soon as possible, but preferably by the end of 2016, and at the latest in the 1<sup>st</sup> quarter of 2017. [MENP/PMU and UNDP]</p>	<p>Strategic documents for the national PA system has been planned under the project activity 1.1., but since the beginning of the project, Technical Work Group consisting out of experts for protected areas on a national level (MENP, CAEN, PIs) did not recognize importance, purpose of a “new” strategic document intended only for national PAs, while system already has NBSAP which covers all PAs along with the Natura 2000 and not just national and nature parks. Also, considering that this document will have no legislative basis they are in belief that it will never be possible to implement.</p> <p>Therefore, PARCS project, in agreement with TWG decided to implement numerous activities where strategic planning was being implemented partially, on a level of particular activities. By analyzing all identified finding through the numerous project activities, it is possible to construct a draft document with proposed strategic guidelines. Such document will be widely discussed with all the relevant stakeholders prior to adopting.</p>
<p><b>Recommendation or Issue 2:</b> While all planned results remain as high priorities, the project should prioritize establishment and operationalization of the system-level PA revenue sharing mechanism before project completion. In absence of establishment of the SSC, this will serve as a major substitute achievement that will significantly address critical systemic weaknesses. In support of this mechanism, the project should re-institute the activity of a basic system-level business plan, in order to analyze the system as a unit from a financial perspective, with various sources of revenue in the system, and the financial needs. Such an exercise would be relatively straightforward as it would be significantly informed by the project’s already-completed work on financial analysis of the system, and the system-level pricing activity. In fact, the establishment of a revenue sharing mechanism is likely to require such a document as necessary supporting documentation, to provide convincing detailed justification, rationale, and outline of procedures for re-allocation of resources within the system (e.g. how much, to whom, for what, under what criteria). The revision of the nature protection law, codifying relevant PA system changes, is a second, related, and also highly important result to be achieved. The project should provide close support to the ongoing process of the nature protection law revision, by preparing key project results – including the system-level PA revenue sharing mechanism, provisions on minimum management standards, financial management, management plans preparation, etc. – in the formats required by the law revision process. [MENP/PMU]</p>	<p>Development of the cross-subsidization model has been recognized as one of the most important issues in the national PA system thus PARCS project has invested lot of effort in developing several models, but unfortunately, Government did not bring needed decisions for further implementation, within any of proposed models. Current representatives in MENP perceive the short-term opportunity for cross-subsidization within the establishment of Fund in complete jurisdiction of the MENP. PARCS project will prepare input for operational mechanism for transfer of funds, as well business plan and necessary documentation, but importantly cannot influence Government decision and implementation process.</p>
<p><b>Recommendation or Issue 3:</b> At least six months before completion the</p>	<p>Sustainability plan will be prepared as</p>

Recommendations	Management Responses
<p>project should prepare a sustainability plan outlining how the functional areas with the highest potential for improvement of management efficiency and effectiveness through more coordination and provision of shared services are being addressed, and will continue to be addressed after project completion. These are: a) fund-raising and shared revenue distribution; b) high value procurement of common goods and services; c) collective branding, promotion, marketing, communications, sales and reservations; d) project preparation and management; e) shared legal support services, and f) potentially also human resources management (notably a common payroll management system). [PMU]</p>	<p>planned.</p>
<p><b>Recommendation or Issue 4:</b> Building on the above recommendation, the project should develop a full exit strategy, to be agreed with all stakeholders, that outlines how key project results will be sustained. For example, how the web portal will be maintained, how the necessary technical and management support for the e-ticketing system will be maintained, how the operating and maintenance costs of project investments in PA infrastructure and services (e.g. solar boats, etc.) will be covered in the future, etc. This should also be carried out approximately six months prior to completion. [PMU]</p>	<p>All relevant stakeholders are involved in the project implementation and are familiar with the project activities. Sustainability of the project results has been discussed from the beginning of the project implementation with all the key stakeholders. Institutions that will cover these activities in the future are already involved in implementation, in order to ensure their ownership and knowledge of the processes.</p>
<p><b>Recommendation or Issue 5:</b> The project should work with PAs to emphasize the necessarily co-dependent nature of PA management planning, PA business planning, and elements such as pricing and visitor management. Some national PAs are at risk of carrying out some of these elements individually, without sufficient recognition of the importance of the inter-linkages between each of them. To fulfill this recommendation, the team should work with the PAs currently undertaking i) management planning; ii) business planning; iii) pricing strategies; or iv) visitor management planning to ensure that the three latter elements are adequately integrated with and supportive of the nature conservation management objectives of the PAs, but also support revenue needs for effective management. The result of this action will be PA pricing strategies and visitor management plans with sustained relevance for mid-term planning (i.e. ~ 5 years), which ensure that natural values of PAs are not infringed upon, but which also generate revenue at the desired level. To achieve longer-term outcomes, it may be necessary to produce guidelines for Croatia on the integration of business planning with PA management plans, since all PAs will not be completing pricing strategies, visitor management plans, and business plans before project completion. [MENP/PMU]</p>	<p>Findings from stakeholder consultation in different segments of the project will be gathered and added to guidelines for development of management plans.</p>
<p><b>Recommendation or Issue 6:</b> Partially linked with the above recommendation, the project should work with PAs to sufficiently achieve completion spatial/physical plans that are fully aligned with the PA management plans (incorporating business planning aspects). The absence of spatial/physical plans was originally identified as a major barrier for effective management of PAs in the project document, but is not an issue that the project has focused on, although it remains a significant challenge for effective management of PAs, including financial management aspects. The project could, for example, develop the capacity of PAs to work effectively with physical planners to ensure PA management considerations are fully reflected in spatial/physical plans; another option might be to produce a small number of case studies of PA physical planning highlighting good practices or lessons, with the goal of undertaking more significant work on this issue within the forthcoming EU funding window. Also, for example, appropriate provisions addressing this issue could be included in all guidelines prepared by the project, including in particular the guidelines for preparation of the PA management plan; practical guidelines on visitor's</p>	<p>Area of spatial/physical planning is in jurisdiction of the Ministry of Construction and Physical Planning which puts significant challenge, even for the MENP, in the effective management of PAs. These challenges are mostly related to a fact that spatial plans, in legislative terms, are above the PA management plans (PA management plans have been adopted in conformance with the spatial plans).</p> <p>Also, adoption and further application of spatial plans often reflects a political disagreement on a local level. Therefore such issues are difficult to solve at the project/system level because they are beyond the project competence.</p>

Recommendations	Management Responses
<p>management (based on the pilot prepared for NP Plitvice lakes); practical guidelines on preparation of business plans for PAs (based on implemented pilot business plans); and provisions on minimum standards for effective PA management. This would include sufficiently detailed descriptions of the issues that should be addressed to harmonize all planning documents. By including appropriate requirements in guidelines being prepared, the practice of effective development of and integration with spatial/physical plans will be “built in” for the future. These activities are expected to contribute to longer-term outcomes addressing the spatial/physical plan “barrier” identified in the project document; this means that at the end of the next round of expected spatial/physical plan updating and revision, plans will be adopted that appropriately and adequately reflect requirements for effective management of PAs. However, it is not anticipated that the process of development and adoption of these spatial/physical plans would be completed before the end of the project. [MENP/PMU]</p>	
<p><b>Recommendation or Issue 7:</b> The project should seize the opportunity to contribute to further development of public-private partnerships related to PA services, such as tourism services. This could be pursued through strengthening Public Institutions’ know-how and capacities for engagement and facilitation with the private sector, including development of incentives for investment, or approaches such as investor information packets. This would be in the context of the project’s work on the development of more cohesive and integrated tourism and recreational products to improve the visitor experience. Along related lines, it could be helpful to support sharing lessons and experiences between PAs on approaches to concessions, from the international level, but also at the national level – for example through a workshop or series of presentations at joint meetings. [PMU]</p>	<p>Public-private partnership in Croatia, within management of protected areas hasn’t been developed up to now. Outsourcing of tourism services has been an issue for the past years. There’s a lot of discussion on what should be outsourced and what shouldn’t. Government decided that HORECA (hotels, restaurant) should be outsourced, but implementation has been stopped from unknown reasons.</p> <p>What PARCS project could influence is to open discussion between parks in order to exchange experiences and create inputs related to: concession approvals and cooperation with business sector (family farms, small tourism agencies, non-government associations and similar).</p>
<p><b>Recommendation or Issue 8:</b> The project should revise the results framework indicators and targets to strengthen their alignment with “SMART” criteria. Some proposed revisions are included as an annex to this report. Any final revised version of the results framework should be approved by the Project Board. [MENP/PMU, UNDP, Project Board]</p>	<p>Result framework indicators will be revised as planned.</p>
<p><b>Recommendation or Issue 9:</b> As the project duration has been effectively shortened for half a year, with the last year with less support from UNDP (as the national office is closing, and support services will be provided from the regional level), and as some time has been lost due to changing direction and associated postponements of various activities, the PMU should be strengthened by both A) a complete pool of long-term experts covering all key issues addressed by the project, including the team leaders in the teams that prepared the key project deliverables, and including internationally recognized experts for quality assurance in-line with international best practices for the most challenging tasks related to system capacity strengthening; and B) additional member of the core team, senior staff with experience in the project management, coordination, supervision; dealing with the integration, take over and sustainability of the project results, in particular within Component 1. [MENP and UNDP]</p>	<p>Project team will be strengthening with additional experts, as per suggestion.</p>
<p><b>Recommendation or Issue 10:</b> Considering that there will be no opportunity for project extension since all UNDP activities in Croatia will be ceasing, the project should ensure contingency plans for ensuring disbursement of all funds by the end of 2017. This could include, for</p>	<p>PARCS project is using MCGA schemes for the allocation of financial funds to public institutions for direct investments. In many cases, allocated resources are used as a</p>

Recommendations	Management Responses
<p>example, taking advantage of opportunities to invest in technical assistance for preparation of projects for PAs for the pipeline of subsequent EU funding, as this provides a strong financial leveraging mechanism and supports sustainability of results produced from GEF funding. [PMU and Project Board]</p>	<p>leverage for additional funds. This modality ensures that PIs capacities are strengthened and further developed to enable them to carry out such activities after the project completion. Also, MCGA will ensure that all financial resources will be used adequately.</p>
<p><b>Recommendation or Issue 11:</b> The project should carry out an at least preliminary analysis of potential synergies and benefits of shared services related to the core business of nature conservation, similar to the work that has been done to analyze the potentially beneficial operational functions. It will be insightful for all stakeholders to see and understand the potential benefits for biodiversity conservation that might be possible if it were more feasible for PAs to share resources (e.g. equipment, human resources, scientific data, etc.) related to their core business. This activity is highly correlated with the foreseen activity dealing with the national plan for development of the capacities and competencies of PA staff. [MENP/PMU and Project Board]</p>	<p>Company Axis HRM contracted for the development of the analysis for integration of 19 PIs into a joint institution will assess the potential benefits of merging all functional areas, as well the nature conservation function (expert services) and protection function (ranger services). Additional efforts will be invested through the implementation of the National Capacity Building Plan for PA staff in Croatia, where certification requirements will be developed for expert service staff.</p>
<p><b>Recommendation or Issue 12:</b> Throughout the remaining project period the project should invest additional effort in extracting from project deliverables and formatting well-thought-out “packages” of information for targeted purposes and audiences, in order to maximize the relevance and sustainability of some of the projects major analytical outputs. For example, this could include distilling some of the project’s major studies into short (2-3 page) policy briefs or information documents. Along similar lines, to increase understanding of and access to project results by stakeholders, the project should prepare a list of the project’s key outputs and deliverables, with a summary in English and Croatian. [PMU]</p>	<p>Project deliverables will be formatted in “packages”, as per recommendation.</p>
<p><b>Recommendation or Issue 13:</b> The project should consistently and comprehensively document all sources of co-financing, including leveraged and parallel financing. [UNDP and PMU]</p>	<p>The project is consistently and comprehensively documenting co-financing from all sources.</p>
<p><b>Recommendation or Issue 14:</b> Considering the place of Plitvice Lakes as the “crown jewel” of the national PA system, which has more than 1 million visitors per year and generates more than half of the self-generated revenue in the national PA system, the project should provide the necessary support and expertise to ensure that Plitvice Lakes has access to the best possible international expertise for the urgent – preferably initiated during the 2016 high visitation season - development of its visitor management plan. If feasible within time and budget constraints, a visitor management plan for Krka NP should also be completed. [PMU]</p>	<p>PARCS project will support National Park Plitvice Lakes in accessing the best possible expertise.</p>
<p><b>Recommendation or Issue 15:</b> Building on the already established practice of regular MENP meetings and thematic workshops with PA staff, the project should seize the opportunity to introduce and – during the remaining time of the project – establish practice of systemic, need-driven approach to capacity building in PAs, based on the established effectiveness assessment tools, i.e. the METT, Capacity Development and Financial Scorecards. Operationally, the project should identify the weakest points in the METT, Capacity Development and Financial Scorecards and select some of them as the subjects for the capacity building workshops with the PA staff during the remaining time of the project. This activity will also most directly contribute to achieving of the targets set in the project results framework. [MENP/PMU]</p>	<p>PARCS project is regularly organizing thematic education/workshops on various subjects for the PA staff. Two topics will be selected from the area that were being detected through effectiveness assessment tools (such as METT, Capacity Development and Financial Scorecard).</p>
<p><b>Recommendation or Issue 16:</b> The project should assure that PA’s</p>	<p>The degrees of conservation for the Natura</p>

Recommendations	Management Responses
<p>annual work plans and annual reports include, in an appropriate high quality manner, the degree of conservation for the Natura 2000 target species and habitats within the protected areas (i.e. the EU Article 17 three-point rating system of FV, U1, U2). The level of conservation should be among the central concerns in the PA's risk management, and contingency planning practice. [MENP/CAEN]</p>	<p>2000 target species and habitats within the protected areas are revised/updated each year by the Croatia Agency for Environment and Nature (CAEN), and reports are sent to European Commission in October. PARCS project will assist to give additional input and recommendation on PA's annual work plans and reports to include degree of conservation for the Natura 2000 target species and habitats.</p>
<p><b>Recommendation or Issue 17:</b> There is currently an inadequate understanding of the financing “gap” for effective PA management in the Croatian context. Although management costs depend on the specific context of each PA, an overall standardized and objective approach for basic and optimal PA management budgeting should be established. Considering that enhancing transparency and efficiency is a key objective of the PARCS project, the project should put resources toward the development of standards and criteria for sound financial planning for PA's core activities. This activity should start with analysis of the existing best practice and comparative analysis of the current practice in Croatian parks (not necessarily all of them, but sample representative with regard to the types of habitat and level of visitation, and associated distinctive management practices). The activity both draws from and feeds into the activities dealing with preparation of PA business plans.</p>	<p>Sustainable management planning for PA's is being developed as part of contract with the company ZaVita that is developing pricing methodology.</p>

## Annex 10: Rating Scales

As per UNDP-GEF guidance, the TE Evaluation Team used the following scales to rate the project:

- A 6-point scale to rate the project effectiveness, efficiency, overall project outcome Rating, M&E, IA & EA Execution
- A 4-point scale to rate the sustainability of project achievements
- A 2-point scale to rate the relevance of the project

<b>Ratings for Project effectiveness, efficiency, overall project outcome Rating, M&amp;E, IA &amp; EA Execution</b>		
6	Highly Satisfactory (HS)	Implementation of all seven components – management arrangements, work planning, finance and co-finance, project-level monitoring and evaluation systems, stakeholder engagement, reporting, and communications – is leading to efficient and effective project implementation and adaptive management. The project can be presented as “good practice”.
5	Satisfactory (S)	Implementation of most of the seven components is leading to efficient and effective project implementation and adaptive management except for only few that are subject to remedial action.
4	Moderately Satisfactory (MS)	Implementation of some of the seven components is leading to efficient and effective project implementation and adaptive management, with some components requiring remedial action.
3	Moderately Unsatisfactory (MU)	Implementation of some of the seven components is not leading to efficient and effective project implementation and adaptive, with most components requiring remedial action.
2	Unsatisfactory (U)	Implementation of most of the seven components is not leading to efficient and effective project implementation and adaptive management.
1	Highly Unsatisfactory (HU)	Implementation of none of the seven components is leading to efficient and effective project implementation and adaptive management.

<b>Ratings for Sustainability</b>		
4	Likely (L)	Negligible risks to sustainability, with key outcomes on track to be achieved by the project’s closure and expected to continue into the foreseeable future
3	Moderately Likely (ML)	Moderate risks, but expectations that at least some outcomes will be sustained due to the progress towards results on outcomes at the Midterm Review
2	Moderately Unlikely (MU)	Significant risk that key outcomes will not carry on after project closure, although some outputs and activities should carry on
1	Unlikely (U)	Severe risks that project outcomes as well as key outputs will not be sustained

<b>Ratings for Progress Relevance</b>		
2	Relevant (R)	The objective/outcome is expected to achieve or exceed all its end-of-project targets, without major shortcomings. The progress towards the objective/outcome can be presented as “good practice”.
1	Not Relevant (NR)	The objective/outcome is expected to achieve most of its end-of-project targets, with only minor shortcomings.

## **Annex 11: Audit Trail**

The audit trail is presented in a separate file.

**Annex 12: Evaluation Report Clearance Form**

**EVALUATION REPORT CLEARANCE FORM**

*Evaluation Report Reviewed and Cleared by*

**UNDP Country Office**

Name: MATILOVA DIMOUSKA, COUNTRY OFFICE SUPPORT

Signature:  Date: 13.12.2017

**UNDP RTA**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_