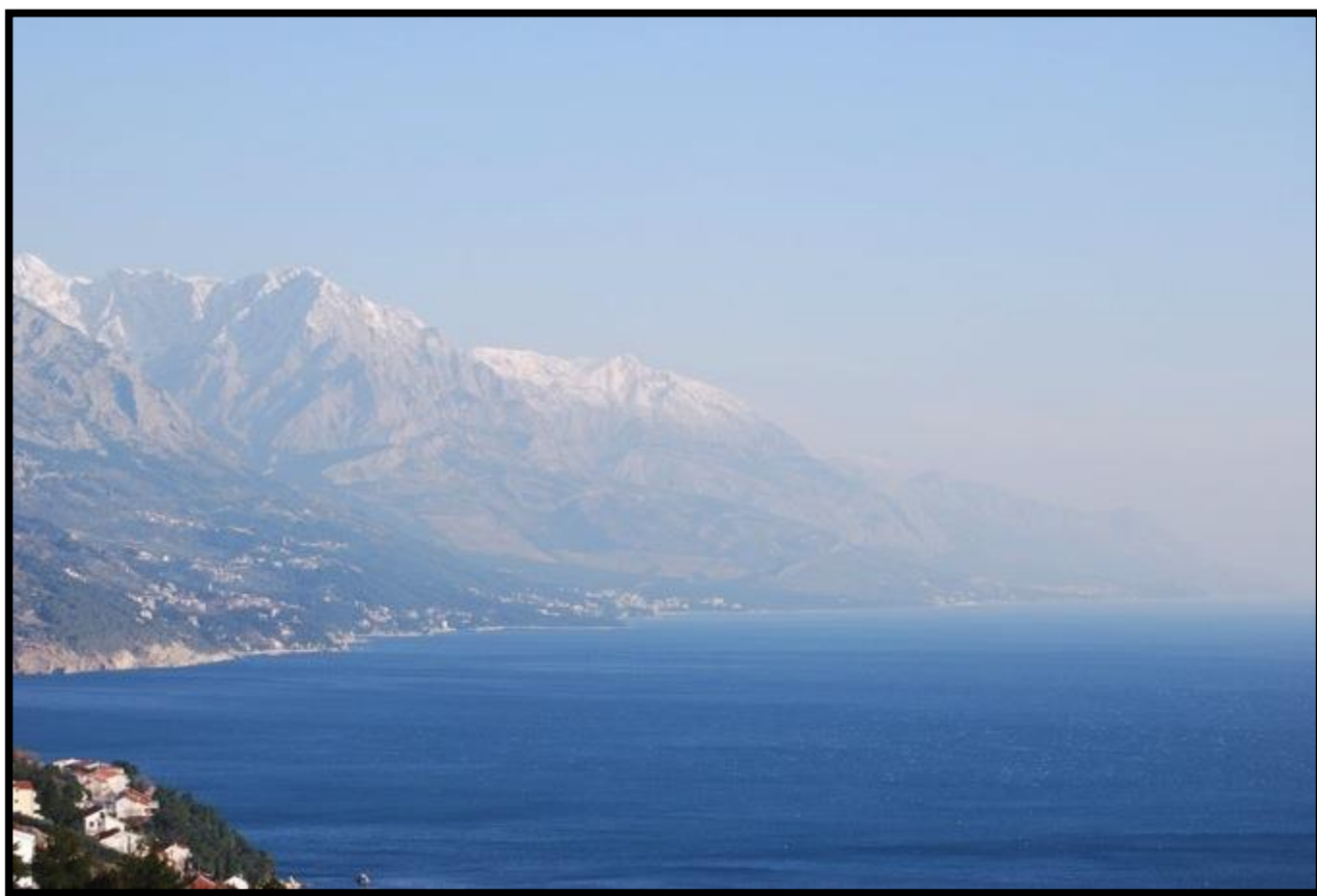


**Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast
Through Greening Coastal Development (COAST)**

Croatia

**GEF Agency: United Nations Development Programme
Executing Agency: Ministry of Environment and Nature Protection
GEF Biodiversity Focal Area, Operational Program 2, Strategic Objective BD-2
Full-size Project: GEF ID: 2105, UNDP PIMS: 2439
UNDP Atlas Project Number: 00050301**

**Terminal Evaluation
March 9, 2013**



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Acronyms

BD	Biodiversity
CBD	Convention on Biological Diversity
CEO	Chief Executive Officer
EU	European Union
FSP	Full-size Project
GBSP	Green Business Support Program
GEF	Global Environment Facility
GIS	Geographic Information System
ha	Hectares
HBOR	Croatian Bank for Reconstruction and Development
HRK	Croatian kunas
km	Kilometers
LAG	Local Action Group
m	Meters
M&E	Monitoring and evaluation
MPA	Marine protected area
N/A	Not applicable
N/S	Not specified
NEX	National Execution
NGO	Non-governmental organization
OP	Operational Program (of the GEF)
PDF-A	Project Development Funding Block A
PDF-B	Project Development Funding Block B
PIR	Project Implementation Review
PIMPA	Public Institute for Management of Protected Areas
PIU	Project Implementation Unit
PMIS	Project Management Information System
PSC	Project Steering Committee
SINP	State Institute for Nature Protection
SMEs	Small and Medium Enterprises
TORs	Terms of Reference
UA	Unable to assess
UNDP	United Nations Development Programme
USD	United States dollars

I. Executive Summary

Project Title:	Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast through Greening Coastal Development – COAST			
GEF Project ID:	2105		<u>At endorsement</u> (million US\$)	<u>At completion</u> (million US\$)
UNDP Project ID:	2439	GEF financing:	6.99	6.99
Country:	Croatia	IA/EA own:	0.30	0.29
Region:	ECA	Government:	16.87	15.55
Focal Area:	Biodiversity	Other:	7.17	22.71
FA Objectives, (OP/SP):	OP2, SO-2	Total co-financing:	24.33	38.54
Executing Agency:	Ministry of Environment and Nature Protection	Total Project Cost:	31.32	45.53
Other Partners Involved:	No other partners directly involved in execution; numerous involved in key project activities.	ProDoc Signature (date project began):		February 27, 2007
		(Operational) Closing Date:	Proposed: February 29, 2014	Actual: March 31, 2013

PROJECT DESCRIPTION AND OVERVIEW

1. The Croatia COAST project is classified as a Global Environment Facility (GEF) Full-sized Project (FSP), with total GEF support of \$6.99 million (not including \$0.32 in project development funding), and originally proposed co-financing is \$24.33 million United States dollars (USD), for a total project budget of \$31.32 million USD. The United Nations Development Programme (UNDP) is the GEF Agency, and the project is executed under UNDP's national execution (NEX) modality, with the Ministry of Environment and Nature Protection¹ as the national executing partner. The project was executed over more than six years, from March 2007 through March 2013.²

2. The project's overall goal is *"to ensure that the development path of the Croatian coast is environmentally friendly, with the conservation of biological diversity firmly mainstreamed into that development path."* The project objective is *"is to effectively transform the actions, practices and approaches of private operators in the tourism, agriculture and fisheries sectors in the four coastal counties, in part by influencing the banking sector, and thereby to mainstream biodiversity conservation into these sectors."* The project strategy was to remove key barriers to sustainable management and biodiversity conservation through a series of interventions focusing on both improving the investment climate and strengthening the capacity of the regulators. Pilot and demonstration activities were planned at the local and regional scale, while the project was also to address policy or legislative issues at the national level, as necessary. The project objective was planned to be achieved through four main outcomes:

- **Outcome 1:** *Biodiversity friendly development models in the agriculture, fisheries and tourism sectors are demonstrated and promoted in four small, globally important, productive landscapes*

¹ Formerly the Ministry of Environmental Protection, Physical Planning and Construction.

² The project was originally planned for seven years (to close in February 2014), but had to be shortened due a reduction in the project budget in real terms (in local currency) resulting from exchange rate fluctuations with the dollar.

- **Outcome 2:** *Investment climate and market opportunities and measures for BD-friendly enterprises improved across the four counties*
- **Outcome 3:** *Compliance with biodiversity related legislation, regulations and guidelines relevant to the agricultural, fisheries and tourism has increased in all four counties*
- **Outcome 4:** *National-, county- and local-level enabling environments (policy, legislation and regulations, planning, and institutional) are strengthened to support more biodiversity friendly development in Dalmatia*

3. According to GEF and UNDP evaluation policies, terminal evaluations are required practice for GEF funded FSPs, and the terminal evaluation was a planned activity of the monitoring and evaluation plan of the Croatia COAST project. The UNDP Croatia Country Office initiated the terminal evaluation near the completion of the project's six-year implementation period. The objective of the evaluation is to provide managers (at the Project Implementation Unit, UNDP Croatia Country Office and UNDP/GEF levels) with a comprehensive overall assessment of the project and an opportunity to critically assess administrative and technical strategies, and issues and constraints associated with large international and multi-partner initiatives. The evaluation is conducted within the framework of the standard evaluation criteria: Relevance, Efficiency, Effectiveness, Results, and Sustainability. The evaluation methodology was based on a participatory mixed-methods approach, which included three primary elements: a) a desk review of project documentation and other relevant documents; b) interviews with key project participants and stakeholders, including those in the four counties targeted in the Dalmatian coast; and c) field visits to sites targeted under the project, particularly the sites of a number of participants in the Green Business Support Program. The evaluation is based on evidence from the start of project implementation (March 2007) through February 2013 (with expected project closure in March 2013), plus available relevant data for the project development period. The desk review started in December 2012, and the evaluation mission was conducted from January 20 – February 1, 2013.

MAIN EVALUATION CRITERIA

4. The **Overall Project** rating is **highly satisfactory**, based on the summary assessment of all of the main evaluation criteria.

5. With respect to **relevance**, the COAST project is **relevant / highly satisfactory** for addressing the biodiversity threats and conservation barriers in the Dalmatian coast. The project was relevant to local and regional environmental conservation strategies and priorities, and linked with the regional development strategies for the four counties of the Dalmatian coast. The project was also relevant to supporting Croatia's implementation of the Convention on Biological Diversity (CBD), and to the GEF biodiversity focal area strategies and priorities. The project was particularly relevant in this latter regard, as it represents a prime example of addressing biodiversity conservation outside of protected areas, or "mainstreaming".

6. Based on all aspects of project implementation and financial management, project **efficiency** is rated **highly satisfactory**. The quality of project implementation and execution was high, and financial management and adaptive management were excellent. Project procurement and value for money were in-line with international norms and standards for development projects (if not above). The project did a strong job of involving a wide range of stakeholders and establishing innovative partnerships, particularly with respect to the Green Business Support Program (GBSP). As the project was implemented in approximately six years instead of the planned seven, the project achieved a higher annual budget delivery rate in USD than was planned. Due to the structure of the project financial management system it was not possible to specifically calculate the actual project management budget;

however, given the results achieved relative to the overall resources, the project appears to have been cost-effective from a management perspective.

7. Based on the extent of results achieved, project **effectiveness** is considered **highly satisfactory**. The project made numerous valuable and important contributions to the conservation of biodiversity in the Dalmatian coast. Due to the scope and scale of the project, it is not possible within this evaluation report to identify all of the valuable project results, but the key results produced include:

- The successful GBSP, which generated a portfolio across four counties of 97 green business projects with a portfolio value of more than \$28 million USD.
- Integration of biodiversity data in local and regional development strategies and spatial plans across the four counties of the Dalmatian coast, which directly covers 190,000 hectares (ha) land surface and 702,000 ha sea surface and indirectly 1,090,000 ha land surface and 1,640,000 ha sea surface.
- Institutional capacity development of key government institutions in four Dalmatian counties: county development agencies, and public institutes for management of protected areas.
- Development of multiple guidelines for improved environmental management in the Dalmatian coast that have subsequently been put into use, including guidelines on development of green businesses, guidelines on beach management, and guidelines on environmentally friendliness of tourism activities (e.g. diving).
- Strengthening the enabling environment for sustainable rural development, for example through development of environmentally friendly certification schemes.
- Multiple valuable contributions to improving sustainability of the fishing sector, including awareness raising, technical studies for sustainable, development of marine protected area (MPA) approaches, and contributions to European negotiations on valuable fishery resources in the Adriatic Sea.
- Contributions to development of three Local Action Group (LAG) LEADER strategies.
- Important contributions to establishing biodiversity baseline data in the Dalmatian coast.
- Significant communication and awareness raising activities across the region.

8. Overall **sustainability** is considered **likely**, and there are no significant risks to the sustainability of project results.

RECOMMENDATIONS

9. The following are the terminal evaluation's recommendations, with the target audience in brackets following the recommendation. As the project is ending, there is not significant scope for concrete recommendations to be followed up by stakeholders, and thus the recommendations are not many. However, based on the opportunities available, this evaluation report also provides a number of suggestions for future work in the region that would build on the success of the project thus far. Key lessons are included at the end of the main report body.

10. Recommendation 1: There is a strong need to intensify cooperation with relevant government institutions and ministries to continue strengthening and supporting the concept of green business, and enable post-project continuation of the GBSP approach, its possible scaling-up to national level, and integration with other small-business support mechanisms. Without national support to this "green" way of doing business it will be much more difficult to continue and replicate the best practices gained through the project in the project area and in the rest of Croatia. Additional steps should be taken prior to EU accession to define the platform and efforts with wider application of green business concept and more actively include institutions such as the Ministry of Entrepreneurship and Crafts. [UNDP, Project

Team, Ministry of Environment and Nature Protection, Ministry of Regional Development and EU Funds, HBOR]

11. Recommendation 2: The GBSP approach and types of assistance is deserving of further attention and replication. It would be useful to scale-up implementation of this scheme to the national level by active collaboration with the Croatian Bank for Reconstruction and Development (HBOR), and stimulating engagement of other banks in Croatia to financially support green entrepreneurship, particularly in relation to strengthening capacity for implementation of business management principles. The project experience has indicated that smaller regional banks are good partners for these innovative forms of financing entrepreneurial activities, and the lessons and experiences from the GBSP scheme should be applied by engaging other banks in other regions of the country. The COAST project experience should be replicated in other regions in Croatia through preparation of financing from EU funds for regional and rural development (e.g. European Agricultural Fund for Rural Development). *[UNDP, Government of Croatia]*

12. Recommendation 3: As Croatia moves toward and becomes a member of the EU, there will be a number of opportunities to finance local level sustainable development and environmental protection. The experience of countries that joined the EU in 2007 – Romania and Bulgaria – has been that the countries have been very slow to absorb EU structural operational program funding. Given these precedents, the Croatian government should take all possible measures to increase absorption capacity and identify appropriate opportunities for uptake of EU funds. The model of green rural development of Dalmatia established by the COAST project satisfies all criteria defined by strategic documents and rural development programs of the EU. Particularly valuable are the guidelines produced by the COAST project on Green Rural Entrepreneurship Development, which provide key recommendations on improving rural small business infrastructure at the regional level. The government of Croatia should leverage UNDP's support and expertise in this area, and build on the successes of the COAST project as one significant opportunity for increasing absorption of EU funding for the 2014-2020 programming period. *[Ministry of Regional Development, Ministry of Environment, Ministry of Finance, other relevant institutions of the Croatian government]*

13. Recommendation 4: There remains a significant need and opportunity for further work on capacity development, particularly with the PIMPAs. There is also a need for development of sustainable financing mechanisms to support protected area management in the four Dalmatia counties, as well as a need for strengthening the legal and policy mandates of these institutions. UNDP and the government of Croatia should include capacity strengthening of the PIMPAs in future nature conservation efforts in Croatia, considering the potentially significant role these institutions could play in regional-level biodiversity conservation. *[UNDP, Ministry of Environment, State Institute for Nature Protection, other relevant institutions of the government of Croatia]*

14. Recommendation 5: Scaling-up and further application of green rural development requires ongoing and additional integration by relevant stakeholders, particularly at the policy level by government line agencies responsible development of Croatia's rural development strategies and programs. This evaluation recommends that Croatia's national government institutions responsible for rural development draw on the COAST project example of integrated green rural development in Dalmatia, and further develop this approach in the national context to support rural development strategies and programs. *[UNDP, Ministry of Environment and Nature Protection, Ministry of Agriculture, Ministry of Tourism, Ministry of Regional Development and EU Funds]*

15. Recommendation 6: The project contributed to increased biodiversity monitoring data in the project region, which should be further developed and linked with biodiversity data in the rest of Croatia. In Croatia there are several different databases on biodiversity and they should be brought

together into a single standard spatially-related database at the national level. *[Ministry of Environment and Nature Protection, State Institute for Nature Protection]*

Recommendation 7: Recommendation for Exit Strategy of the Partial Guarantee Loan Fund

This evaluation recommends that as an exit strategy for the Partial Guarantee Loan Fund, the project team, county development agencies, Ministry of Environment and UNDP take the following steps: A.) Identify and review any comparable programs or initiatives (supporting biodiversity conservation in Dalmatia) into which the funds could be folded, including any programs to potentially start-up upon EU accession; B.) Consult with the county development agencies on their ability and willingness to continue supporting and operating the fund, including the technical assistance necessary to generate and process quality applications, and potential for future scaling-up of the fund; C.) Assess the potential to liquidate the fund through use of the resources to support implementation of biodiversity related elements of county development strategies (including, as relevant, partnership activities in collaboration with the PIMPAs). Following this brief review of exit strategy options, a consensus decision should be taken by the relevant partners, with a preference for options that involve a short winding down time horizon - unless there is an iron-clad commitment by the county development agencies to continue operating the fund, a realistic outlook that that commitment would be maintained for years to come, and opportunities for future scaling up the fund. *[UNDP, Ministry of Environment, County Development Agencies, Project Team]*

TERMINAL EVALUATION SUMMARY RATINGS

16. Note: Only ratings specifically required in the UNDP-GEF evaluation guidelines are listed below, while the full set of this evaluation's ratings are included in Annex 3 at the end of this report; the explanation of the rating scale is also included in this annex. Additional ratings, as per the evaluation Terms of Reference (TORs) and the experience of the evaluators are also included in the full rating table. The ratings table in Annex 3 includes a short qualitative summary basis for each rating.

CROATIA COAST PROJECT TERMINAL EVALUATION RATING TABLE

Evaluation Ratings:			
1. Monitoring and Evaluation	rating	2. IA& EA Execution	rating
M&E design at entry	MS	Quality of UNDP Implementation	S
M&E Plan Implementation	S	Quality of Execution - Executing Agency	HS
Overall quality of M&E	S	Overall quality of Implementation / Execution	HS
3. Assessment of Outcomes	rating	4. Sustainability	rating
Relevance	R / HS	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

II. Introduction: Evaluation Scope and Methodology

17. According to GEF and UNDP evaluation policies, terminal evaluations are required practice for GEF funded FSPs, and the terminal evaluation was a planned activity of the monitoring and evaluation plan of the Croatia COAST project. The UNDP Croatia Country Office initiated the terminal evaluation near the completion of the project's six-year implementation period. The objective of the evaluation is to provide managers (at the Project Implementation Unit, UNDP Croatia Country Office and UNDP/GEF levels) with a comprehensive overall assessment of the project and to provide an opportunity to critically assess administrative and technical strategies, issues and constraints associated with large international and multi-partner initiatives.

18. As per the evaluation's revised TORs (see Annex 1) the purpose of this evaluation is:

- To assess overall performance against the project objective and outcomes as set out in Project Document and other related documents;
- To assess the effectiveness and efficiency of the project;
- To analyze critically the implementation and management arrangements of the project;
- To assess the progress to date towards achievement of the outcomes;
- To assess the sustainability of the project's interventions;
- To list and document initial lessons concerning project design, implementation and management;
- To assess project relevance to national priorities.

19. The terminal evaluation reviews the actual performance and progress toward results of the project against the planned project activities and outputs. The evaluation assesses project results based on expected outcomes and objectives, as well as any unanticipated results. The evaluation identifies relevant lessons for other similar projects in the future in Croatia and elsewhere. The evaluation focuses on the project duration in the period from 2007 into 2013, but also provides recommendations for project's post-implementation period. The evaluation is conducted on the basis of the standard evaluation criteria. These are Relevance, Effectiveness, Efficiency, Results, and Sustainability. These criteria are further explained in Annex 4.

20. In addition to assessing the main GEF evaluation criteria, the evaluation provides the required ratings on key elements of project design and implementation. Further, the evaluation will, when possible and relevant, assess the project in the context of the key GEF operational principles such as country-drivenness, and stakeholder ownership, as summarized in Annex 2. The evaluation matrix and interview guide that served as the foundation for the evaluation's data collection approach are included as annexes to this report.

21. The evaluation methodology was based on a participatory mixed-methods approach, which included three primary elements: a) a desk review of project documentation and other relevant documents; b) interviews with key project participants and stakeholders, including those in the four counties targeted in the Dalmatian coast; and c) field visits to sites targeted under the project, particularly the sites of a number of participants in the GBSP. The evaluation is based on evaluative evidence from the start of project implementation (March 2007) through February 2013 (with expected project closure in March 2013). The desk review was begun in December 2012, and the evaluation mission was carried out from January 20 – February 1, 2013. The list of stakeholders interviewed is included as Annex 7 to this evaluation report.

22. All evaluations face limitations in terms of the time and resources available to adequately collect and analyze evaluative evidence. This issue was particularly relevant in the context of the GBSP of the COAST project, which included 97 grantees spread amongst the four counties along the entire Dalmatian

coast. It was only possible for the terminal evaluation team to visit a small percentage of the grantees, though the grantees visited represented a cross-section of the GBSP portfolio, covering various sizes of project, locations in all four counties, and covering all key sectors (e.g. tourism, agriculture, fisheries). Also, as is understandable, some project documents were available only in Croatian language, although the composition of the evaluation team with a national expert and an interpreter ensured that language was not a barrier to the collection of evaluative evidence. In addition, all key documents were available in English. Altogether the evaluation challenges were not significant, and the evaluation is believed to represent a fair and accurate assessment of the project.

23. The evaluation was conducted in accordance with UNDP and GEF monitoring and evaluation policies and procedures, and in-line with United Nations Evaluation Group norms and standards. This includes the GEF Evaluation Office Ethical Guidelines,³ covering key principles such as independence, impartiality, transparency, disclosure, knowledge sharing, and protection of stakeholder rights and interests.

24. The intended users of this terminal evaluation are the Croatian Ministry of Environment and Nature Protection as the project executing organization (including the project team), other Croatian government institutions, the stakeholders of the Dalmatian coast region, the UNDP Croatia Country Office, and the UNDP-GEF network. As relevant, the terminal evaluation report may be disseminated more widely with additional stakeholders to share lessons and recommendations.

III. Project Overview and Development Context

A. Development Context⁴

25. The project area consists of the southern half of Croatia's coast (the Dalmatian coast) and adjacent parts of the Adriatic sea and islands, and covers all districts and municipalities with a coastline in the four counties of Zadar, Šibenik-Knin, Split-Dalmatia and Dubrovnik-Neretva. Together these four counties cover more than 1.6 million ha. The project area consists of diverse landscape, namely, mountains up to 1700 meters (m), 600 kilometers (km) of coastline and hundreds of islands, the largest of which are Brač, Hvar and Pag. Table 1 below provides an overview of the basic information on the project area.

Table 1 Summary of Development Context Factors for Four Dalmatian Coast Counties

	Area (km ²)	% in comparison to CRO	Capital town	Population (Census 2001)	% in comparison to CRO	Density of population (st./km ²)	BDP per capita, 2007 (EUR)	BDP per capita (CRO=100)	Unemployment rate, 2007 (%)	Areas under NATURA 2000 (%)
Dubrovnik-Neretva County	9.272,37	10,32%	Dubrovnik	122 870	2,77	69,0	10.042	104,0	12,9%	Unavail.
Zadar County	7.276,23	8,10%	Zadar	162.045	3,65	44,5	7.980	82,6	16,9%	Cca 60%
Šibenik-Knin County	5. 670,00	6,31%	Šibenik	112 891	2,54	37,8	7.799	80,8	19,9%	Cca 40%
Split-Dalmatia County	14.106,40	15,70	Split	463.676	10,44	32,8	8.003	82,9	18,7%	Cca 50%

³ GEF Evaluation Office Ethical Guidelines, Evaluation Document No. 2 (1 (GEF Evaluation Office, 2007) is available at [http://gefo.org/uploadedFiles/Policies_and_Guidelines_Ethical_Guideline-published\(1\).pdf](http://gefo.org/uploadedFiles/Policies_and_Guidelines_Ethical_Guideline-published(1).pdf).

⁴ Portions of this section are drawn from the project document's description of the development context. Changes to specific data have been made where necessary.

Croatia	89.809,59	40,43%	Zagreb	4.437.460	19,40%	78,4	9.656	100,0	13,8%	47%
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26. The two major economic activities in the project area are tourism and industry. Tourism is important throughout all the area and is set to grow rapidly in the coming years, with Croatia's anticipated accession to the EU. Industry is localized at several limited sites, principally around Split and Zadar. It is likely to grow slowly and is increasingly subject to environmental management and pollution control. Agriculture, including forestry, livestock raising, and grape and olive cultivation is also common and most land in the project area is allocated to agricultural uses. Fishing, including shell-farms and fish-farms, is also important and set to grow in coming years, notably shell-fish farming. Other economic activities include transport, trade and mining. There is extensive coastal encroachment around coastal settlements, while elsewhere the level of urbanization is very limited. The four concerned coastal counties have a total population of less than one million. Due to the effects of the 1990-1995 war, the ongoing transition from a socialist to a market economy and the effects of the global economic recession that started in 2008, the economic situation in Croatia is still challenging, but is gradually improving. The Dalmatian region has lower incomes and higher levels of unemployment compared to the Croatian average, with particularly worrying economic and demographic situation on the islands. The economic situation is expected to improve starting from 2013 when Croatia will join the EU.⁵

27. The following Table 2 illustrates development index of the four counties targeted by the project activities, which shows that among the targeted counties Šibenik-Knin County is the least developed and Dubrovnik-Neretva County is the most developed.

Table 2 Development Assessment and Classification of the Counties in the Project Area⁶

County	Development Index	Group	
Šibenik-Knin	63.30%	<75%	I.
Split-Dalmatia	89.09%	75-100%	II.
Dubrovnik-Neretva	107.93%	100-125%	III.
Zadar	75.59%	75-100%	II.
Croatia	100.00%		

28. The Dalmatia region also has a high degree of coastal biodiversity and uniqueness. Common terrestrial habitats include various types of beaches and sand dunes, salt marshes, salt steppes and salt scrubs, cliffs, wet meadows, dry grasslands, deciduous thickets, maquis, garrigue and various types of forests. Low-intensity agriculture allows particularly high agro-biodiversity with many unique varieties of grape and olives. The area is a habitat to 165 endemic flora species and at least 70 threatened animal species that are listed under the Bern Convention.

29. As seen from the table, of all the surfaces of Croatia covered by national parks and nature parks, nearly 60% are located in the four Dalmatian counties targeted by the COAST project. Within its design and planned activities, the project has recognized the need to preserve the high level of biological diversity in the sensitive landscapes of the project area and importance to develop sustainable practices in the process of their management.

⁵ It is expected that Croatia will join the EU on July 1, 2013.

⁶ Source: Ministry of Regional Development and EU Funds, 2010.

B. Concept Development and Project Description

i. Concept Background

30. Given that the project concept originated more than 10 years ago, there was not significant detailed information on the genesis of the project concept. For additional information and background on the project development timing see Section III.B.iv below on milestones, and for additional information on the project design, see Section IV.A on key aspects of the project design.

ii. Threats and Barriers Targeted

31. The COAST project document includes a “threats, barriers and root causes” analysis (section 1.2 of the project document) that outlines the specific factors the project seeks to address. The direct threats to biodiversity identified include:

- Destruction and degradation of habitats and landscapes;
- Overharvesting of flora, fish, and other marine species;
- Changes in species and ecosystem structure; and
- Pollution.

32. These threats are identified as relating primarily to three main sectors: tourism, fisheries (including mariculture), and agriculture. The analysis goes on to identify the range of specific causes of these threats, and the barriers necessary to overcome to address them. The categories of barriers include:

- Data/information barriers
- Barriers in the private sector investment climate
- Fiscal and financial barriers
- Barriers in government administrative capacity
- Awareness/understanding/knowledge barriers

33. The project design was developed to address the threats, causes, and barriers identified. However, the project document does not include a threat matrix specifically outlining and linking different elements of the project intervention strategy in relation to the specific threats, causes and barriers.

iii. Project Description

34. The Croatia COAST project is classified as a GEF FSP, with total GEF support of \$6.99 million (not including \$0.32 in project development funding), and originally proposed co-financing is \$24.33 million USD, for a total project budget of \$31.32 million USD. UNDP is the GEF Agency, and the project is executed under UNDP’s NEX modality, with the Ministry of Environment and Nature Protection⁷ as the national executing partner. The project was executed over more than six years, from March 2007 through March 2013.⁸

35. As stated in the project document, the project’s overall goal *“to ensure that the development path of the Croatian coast is environmentally friendly, with the conservation of biological diversity firmly*

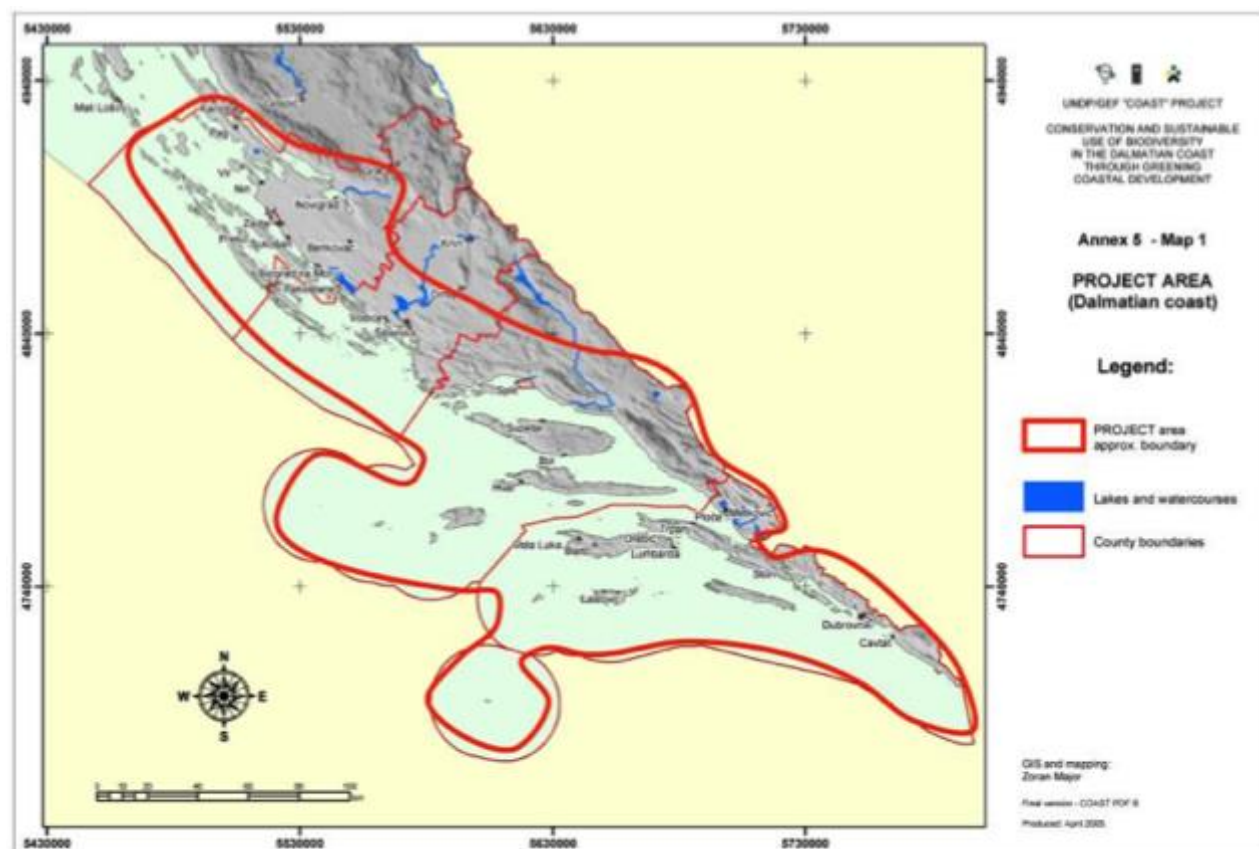
⁷ Formerly the Ministry of Environmental Protection, Physical Planning and Construction.

⁸ The project was originally planned for seven years, to close in February 2014, but had to be shortened due a reduction of the budget in the budget in real terms (in national currency) resulting from significant differences in the USD/kunas exchange rate relative to the exchange rate at project approval.

mainstreamed into that development path.” The project objective is “is to effectively transform the actions, practices and approaches of private operators in the tourism, agriculture and fisheries sectors in the four coastal counties, in part by influencing the banking sector, and thereby to mainstream biodiversity conservation into these sectors.” The project strategy was to remove key barriers to sustainable management and biodiversity conservation through a series of interventions focusing on both improving the investment climate and strengthening the capacity of the regulators. Pilot and demonstration activities were planned at the local and regional scale, while the project was also to address policy or legislative issues at the national level, as necessary.

36. As outlined in Section III.A above on the development context, the project covered the four counties of the Dalmatian coast. Figure 1 below shows the project area along the Dalmatian coast. While the project was implemented in the four counties, the project focused on the portions of the counties within a set distance of the coastal zone. For example, to be eligible for the GBSP, a project had to be within the territory of a coastal municipality.

Figure 1 Project Area of the Dalmatian Coast⁹



37. The project design was structured around four key outcomes, and associated outputs:

- **Outcome 1:** *Biodiversity friendly development models in the agriculture, fisheries and tourism sectors are demonstrated and promoted in four small, globally important, productive landscapes*
 - Output 1.1 On Pelješac Peninsula, Dubrovacko Primorje, Malostonski Bay and Malo More, biodiversity-friendly and diversified tourism is growing, all fish farms are biodiversity-friendly,

⁹ Source: Project sources.

- traditional shell-fish farming and BD-friendly agriculture has expanded, abandoned lands recultivated with traditional/endemic sorts / plants / herbs, and critical micro eco-systems are protected;
- Output 1.2 Across Vis Island and remote islands, sustainable use of biodiversity is driving economic development (notably, in the small hotel sector, the marina sector and in the micro-agricultural sector), degraded lands have been rehabilitated using traditional practices, and critical micro eco-systems are protected;
 - Output 1.3 In Krka estuary, significant number of large and small scale private sector enterprises (tourism, organic and traditional agriculture and shell-fish culture) are operating in a biodiversity-friendly manner, abandoned lands recultivated with traditional/endemic sorts / plants / herbs, all contributing to the local economy;
 - Output 1.4 In Northwest Zadar county, traditional agriculture and traditional food production has expanded and has increased in profitability, mariculture and family-run tourist enterprises are biodiversity-friendly, abandoned lands recultivated with traditional/endemic sorts / plants / herbs, and critical marine ecosystems are protected;
 - Output 1.5 The findings and the lessons learned from the four demonstration landscapes are systematically fed into county and national level practices (notably, through Outcomes 2 – 4).
- **Outcome 2:** *Investment climate and market opportunities and measures for BD-friendly enterprises improved across the four counties:*
 - Output 2.1 Increased availability of affordable capital;
 - Output 2.2 Functioning market-based incentives for biodiversity products;
 - Output 2.3 Increased consumer demand for biodiversity-friendly services and products;
 - Output 2.4 Improved approval processes for BD-friendly investments;
 - Output 2.5 Increased demand for capital to invest in profitable, biodiversity-friendly investments.
 - **Outcome 3:** *Compliance with biodiversity related legislation, regulations and guidelines relevant to the agricultural, fisheries and tourism has increased in all four counties:*
 - Output 3.1 A strong planning basis for regulating the biodiversity aspects of private sector investments and production;
 - Output 3.2 Strengthened capacity to increase compliance with biodiversity-related tourist regulations and guidelines;
 - Output 3.3 Strengthened capacity to increase compliance with biodiversity-related agriculture regulations and guidelines;
 - Output 3.4 Strengthened capacity to increase compliance with biodiversity-related fishery regulations;
 - Output 3.5 Strengthened capacity to increase compliance with biodiversity-related mariculture regulations;
 - Output 3.6 Strengthened capacity to control water quality;
 - Output 3.7 Strengthened capacity to enforce biodiversity regulations in and around Protected Areas.
 - **Outcome 4:** *National-, county- and local-level enabling environments (policy, legislation and regulations, planning, and institutional) are strengthened to support more biodiversity - friendly development in Dalmatia:*

- Output 4.1 Effective political support to the project goal from high-level government and high-level private sector decision-makers;
- Output 4.2 Essential policy and legislative changes in both government and private sector;
- Output 4.3 Project successes disseminated and communicated across project area and beyond.

38. While the project conceptual framework was designed around the four outcomes, in practical terms the project activities were grouped into six main thematic activities:

- 1) Improving baseline biodiversity information
- 2) Developing green action plans for main sectors
- 3) Establishing GBSP
- 4) Enabling environment for green businesses
- 5) Capacity building for nature conservation
- 6) Communication and dissemination

39. Key project stakeholders include the Ministry of Maritime Affairs, Transport and Infrastructure (former Ministry of Sea, Tourism, Transport and Development), the Ministry of Agriculture (former Ministry of Agriculture, Forestry and Water Management), former Ministry of Culture, State Institute for the Protection of Nature, Environmental Protection and Energy Efficiency Fund, Croatian Bank for Reconstruction and Development (HBOR), counties of Zadar, Šibenik, Split and Dubrovnik, Institute for Oceanography and Fisheries, and county tourism boards.

Stakeholder groups:	Key stakeholders identified:
1. <u>National level</u> : ministries, authorities and institutions, agencies, services	<u>Ministries</u> : MEPPPC, MSTTD, MAFWM, MC/SINP, MSES, MF Eco-fund <u>Others</u> : CTO, HBOR, CroBanks Association, CroWaters, CroForests, InstAgrServ, CroChEc.
2. <u>Project area level</u> : Counties, municipalities, national level dislocated departments, others	<u>Counties</u> : C-Administrations, C-InstPI, C-EnvProt., CTBs, ministries' and CroWaters, CroForests decentralized departments <u>Municipalities</u> : local authorities, LTBs <u>Others</u> : CPAs Agencies, CEntrep Centers
3. Business: banks, private companies, group or individual entrepreneurs, owners associations, co-operatives, individual entrepreneurs, owners of sites/estates of particular project interest	<u>National level</u> : included in point 1 <u>Project area level</u> : Large Hotels, Association of Small Hotel Owners, tourism agencies (Atlas, Elite, others); SMS, agriculture co-operatives and association of private agro-farmers; fisheries and fish-farmers and shell-fish-farmers co-operatives, associations and privates; local banks; estate owners: Pag salt pans, Vis edu-center, Pantan, about 15 outstanding individuals, a large number of potential applicants for CBRRF
4. <u>The scientific community, institutes</u> : universities, faculties, individual scientists and scholars, int. agencies	State Faculty of Economy, IOFSt, IOFDbk, WWF, PAP/RAC, individuals - members of AWG, Falconry Center
5. <u>Civil society</u> : NGOs, non/profit associations	Sunce, Otoce volim te, Lijepa nasa - Kastela, Dolphins Dream, school-children associations, a number of local NGOs
6. The <u>general public</u> at national, regional, local, micro-sites levels	General public, target sub-groups: schools, settlements in demo areas
7. <u>Media</u> : TV, radio, newspapers, at national, project area and local levels	Operational and mailing lists to be updated at project outset

iv. Project Timing and Milestones

40. The project's key milestone dates are shown in Table 3 below. The project PDF-A was approved in August 2002, the project entered what was at that time called the GEF "pipeline" in June 2003, and

PDF-B funding was approved in July 2003. It was uncommon for FSPs to have both a PDF-A and PDF-B stage, but it was appropriate for some projects, evidently including the COAST project. Ultimately the period from PDF-A approval to CEO Approval was 49 months, more than four years. Following GEF CEO Approval, the process for government approval was initiated, as is mandatory for all grants exceeding \$5 million USD.

41. The project inception workshop was held May 8 – 10, 2007 in Split. During the first day, the project team focused on discussing the technical aspects of the project, such as reviewing the logical framework matrix, indicators, risks and workplan for the first year of the project. On the second day of the inception workshop, the project objectives, strategy and workplan were presented to national, regional and local governments, research institutions, UNDP-CO, non-governmental organizations (NGOs) and media.

42. The start of project activities is represented by the inception workshop in May 2007, which was just over two months after UNDP Prodoc signature, and seven months after GEF CEO endorsement. The project was originally planned for a seven-year (84 months) implementation period, but fluctuations in the US dollar / Croatian kunas exchange rate reduced the project budget in local currency, necessitating an earlier project completion than anticipated. The actual project implementation period has therefore been from March 2007 through March 2013, a total of 73 months – 11 months shorter than originally planned. The total time from PDF-A approval to project completion was 127 months, more than 10 and a half years.

Table 3 Project Key Milestone Dates¹⁰

Milestone	Expected date [A]	Actual date [B]	Months (total)
1. PDF-A Approval	N/A	August 23, 2002	
2. Pipeline Entry	N/S	June 18, 2003	10 (10)
3. PDF-B Approval	N/A	July 30, 2003	1 (11)
4. GEF Approval	N/S	November 10, 2005	27.5 (38.5)
5. CEO Endorsement	N/S	September 28, 2006	10.5 (49)
6. Agency Approval (Prodoc Signature)	October 2006	February 27, 2007	5 (54)
7. Implementation Start (First Disbursement)	N/S	March 1, 2007	0 (54)
8. Inception Workshop	N/S	May 8-10, 2007	2 (56)
9. Mid-term Evaluation	September 2010	May 6, 2010	36 (92)
10. Terminal Evaluation	January 2014	March 9, 2013	34 (126)
11. Project Operational Completion	February 29, 2014	March 31, 2013	1 (127)
12. Project Financial Closing	December 31, 2014	December 31, 2013	9 (136)

C. Croatia COAST Project Relevance

43. Based on the assessment of project relevance to local and national priorities and policies, priorities related to relevant international conventions, and to the GEF's strategic priorities and objectives, overall project **relevance** rating is considered to be **relevant / highly satisfactory**. The

¹⁰Sources: 1.A. N/A; 1.B. GEF Online Database; 2.A. N/S; 2.B. 2009 PIR; 3.A. N/A; 3.B. GEF Online Database; 4.A. N/S; 4.B. GEF Online Database; 5.A. N/S; 5.B. GEF Online Database; 6.A. It is normally anticipated that UNDP Prodoc signature can take place within 30 days of GEF CEO Endorsement; 6.B. 2009 PIR; 7.A. N/S; 7.B. 2009 PIR; 8.A. N/S; 8.B. Inception Report; 9.A. 42 months (out of planned 84) after Prodoc signature; 9.B. MTE Report Date; 10.A. Within last three months of project operation; 10.B. Date of TE first draft; 11.A. 2008 PIR; 11.B. Project team; 12.A. Standard approximate timing for UNDP-GEF Projects; 12.B. Project team.

project is in line with current trends in green business on the global level and it introduces the topic into the Croatian daily practice that until now was not the case. On both national and local levels, the project has put focus on biodiversity as development resource and sustainable use of natural heritage also as development resource in locally relevant sectors that previously has not been one of the country's development priorities.

i. Relevance at Local and National Levels

44. The COAST project is of strong relevance to implementation of several national strategic documents such as the Croatian National Biodiversity Strategy (1999, revised in 2008), which is the most important strategic document of nature protection in the Republic of Croatia. Through this strategy, the Croatian government has committed itself to protection and sustainable management of natural heritage in line with the 1997 Convention on Biological Diversity. More specifically, the strategy consists of seven strategic goals, all of which are supported by the COAST project. The COAST project also follows priorities of the National Environment Strategy and the National Environment Action Plan (2002), which identify Dalmatian coast and Adriatic Sea area as one of the two priority ecosystems for conservation in Croatia. The project supports and pursues objectives of the national Sustainable Development Strategy (OG 30/09) where determinants of the sustainable development are integrated in the eight key areas (1. population, 2. environment and natural resources, 3. sustainable production and consumption, 4. social and territorial cohesion and justice, 5. energy independence and energy efficiency, 6. public health, 7. connecting the Republic of Croatia, 8. conservation of the Adriatic sea, coast and islands). To be more concrete, the COAST project activities are directly aligned to objectives of the strategy aimed to halting biodiversity loss in sensitive land and sea surfaces, integration of biodiversity concerns in spatial planning and promotion of establishing sustainable agricultural and fishery initiatives. Furthermore, the project also supports objectives of the strategy related to implementation of the projects within the framework of the county development strategies and contributes to the goal of solving the issue of negative demographic trends by developing economic programs based on utilization of the local resources.

45. In 2012, the Croatian Ministry of Entrepreneurship and Crafts has adopted Strategic Plan for the period from 2012-2014, which, amongst all, defines strengthening competitiveness of Croatian entrepreneurship through promoting development of "green" entrepreneurial projects. Through this document, the ministry defined priority activities for entrepreneurial sector in Croatia that include further investments in know-how, new technologies and financial support for innovative and environmentally friendly business ideas. The COAST project, mainly through the GBSP scheme, thus fully supports implementation of this strategic plan.

46. The COAST project also contributes to achievement of all the four strategic goals of the rural development of Croatia stipulated in the Strategy of Rural Development of the Republic of Croatia for the period from 2008 until 2013 issued by the Ministry of Agriculture in 2008. Introduction of innovative and sustainable agricultural methods, promotion of traditional Dalmatian agricultural products and organization of workshops for transferring knowledge of new agricultural practices for farmers are some of the activities by which the project supports the Strategic Goal 1. *Enhancing the Competitiveness of Agricultural and Forestry Sector*. Similarly, Strategic goal 2. *Preservation, protection and sustainable use of environment, landscape, natural and cultural heritage* is supported by encouragement and promotion of ecologic agricultural methods, while activities aimed at achievement of Strategic Goal 3. *Improvement of quality of life in rural areas and widening rural development programme* relate to supporting small and medium enterprises, development of agro-tourism etc. Strategic Objective 4. *Improvement of efficiency of the institutional environment* is supported by the COAST project through activities within

the Outcome 4., including establishment of LAGs and development of local development strategies in line with the EU LEADER approach.

47. Furthermore, at the local / regional level the project is fully in line with strategic goals and priorities of all the four targeted counties, including development strategies, environmental protection plans and tourism development strategy at the regional level. Development goals and priorities are listed in the county development strategies that represent their umbrella strategic documents and framework for implementing sustainable development projects. In addition to tourism as a primary focus, the counties committed themselves to sustainable development through promotion of specific forms of tourism - particularly rural tourism, eco-tourism, cultural tourism, health food production and employment growth in these sectors. In the context of GBSP scheme as the key result of the COAST project, all the four counties have integrated interventions of strengthening "green" entrepreneurship in their county development strategies within strategic goals and priorities related to increasing competitiveness of their economies. Also, all the four counties recognized the threat to landscape and biodiversity degradation due to inadequate management system of the valuable natural areas, but also because of intensive development of economic activities, especially tourism. Thus all of them also included in their county strategies strategic goals with a purpose of preserving biological diversity, underpinned by interventions aimed at stimulating more coordinated cooperation of all the stakeholders, improvement of monitoring, integration of biodiversity into other sectors etc.

48. Therefore the COAST project has served as a framework for further planning and sustainable management of development at local and regional level. Activities conducted by the project contributed to the further development of strategic local development documents (county development strategies) in the direction of greater involvement of green development components of environmental protection with the local development plans. Through the research of biological diversity, inventory and the development of habitat maps the project has contributed to the improvement of biodiversity friendly activities and natural heritage management with proposing a new approach for development of Croatian coastal areas that will not lead to degradation of biological and landscape diversity. The GBSP offered alternatives to commercial agricultural production through financially viable and environmentally sustainable business model, which reflects in multiple positive effects for the local community (socioeconomic, demographic, environmental, cultural). Through the COAST project 97 projects were approved, which are like micro dots scattered throughout Dalmatia; individually these projects don't make an impressively measurable impact on Dalmatia's biodiversity, but at each of those dots the biodiversity situation is better, and the replication of such projects inevitably leads to a greener renaissance of rural Dalmatia.

49. The project is of significant importance for scientists, and for the State Institute for Nature Protection since the activities related to mapping of flora and fauna in the priority areas resulted in discovery of many new species and taxa. In this context, it is also important to mention that the project was instrumental in collecting and consolidating bibliography of all data sources for fauna in the priority areas as well as in developing a number of guidelines on biodiversity and landscape friendly development plans. Project activities related to mapping and inventories of flora and fauna are also relevant from the aspect of fulfilling Croatia's environmental commitments in the light of forthcoming accession to the EU, namely complying with the EU Birds and Habitats Directives and establishing Natura 2000 ecological network. All these bases will be used to create Natura 2000 management plans and for monitoring biodiversity in the future.

50. At regional / local levels, the project involved a vast spectrum of individual stakeholders, namely all kinds of private sector operators, local personnel, farmers, NGOs, scientific community and banks and thus contributed to their capacity building and enhanced cooperation. Project development and project implementation was based on full participation of local stakeholders in order to improve livelihood of

the project area. The targeted project area of four Dalmatian coastal counties suffers from numerous developmental issues such as high level of unemployment, abandoned agricultural land, significant import of agricultural products and negative demographic trends. All four Dalmatian counties that were the target project areas actively participated in all the elements of the GBSP scheme (small grants, technical assistance, partial guarantees/loans), established by the COAST project. Last but not least important, the project was most relevant for capacity building of competent county institutions for nature and biodiversity conservation (county institutions for nature protection, county spatial planning institutions, county regional development agencies etc.).

ii. Relevance to Multilateral Environmental Agreements

51. The Convention on Biological Diversity (CBD), established in 1992, provides the framework and overall objective for biodiversity conservation projects supported by the GEF. The GEF is a designated financial mechanism for the United Nations CBD. As such, projects funded by the GEF must be relevant to and support the implementation of this convention.

52. Croatia ratified the United Nations CBD in January 1997 and is therefore fully eligible for technical assistance from UNDP and GEF. Through the expected outcomes and overall goal of mainstreaming biodiversity in development path of Croatia, the COAST project is relevant to supporting the implementation of the CBD. The project contributes to thematic programs of the CBD of such as Island Biodiversity, Marine and Coastal Biodiversity and Agriculture Biodiversity.

53. At the 10th Conference of Parties to the CBD, in 2010, in decision X/2, member nations of the convention adopted the Strategic Plan for Biodiversity 2011-2020, which included the Aichi Biodiversity Targets.¹¹ The Croatia COAST project is broadly supportive of most, if not all of the targets, but is specifically relevant to the following targets:

- *Target 1: By 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably.*
- *Target 2: By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems.*
- *Target 3: By 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed in order to minimize or avoid negative impacts, and positive incentives for the conservation and sustainable use of biodiversity are developed and applied, consistent and in harmony with the Convention and other relevant international obligations, taking into account national socio economic conditions.*
- *Target 4: By 2020, at the latest, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits.*
- *Target 5: By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced.*
- *Target 6: By 2020 all fish and invertebrate stocks and aquatic plants are managed and harvested sustainably, legally and applying ecosystem based approaches, so that overfishing is avoided, recovery plans and measures are in place for all depleted species, fisheries have no significant adverse impacts on threatened species and vulnerable ecosystems and the impacts of fisheries on stocks, species and ecosystems are within safe ecological limits.*

¹¹ See <http://www.cbd.int/decision/cop/?id=12268> for the full text of the decision, including the Aichi Targets.

- *Target 7: By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity.*
- *Target 8: By 2020, pollution, including from excess nutrients, has been brought to levels that are not detrimental to ecosystem function and biodiversity.*
- *Target 11: By 2020, at least 17 per cent of terrestrial and inland water, and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes and seascapes.*
- *Target 12: By 2020 the extinction of known threatened species has been prevented and their conservation status, particularly of those most in decline, has been improved and sustained.*
- *Target 13: By 2020, the genetic diversity of cultivated plants and farmed and domesticated animals and of wild relatives, including other socio-economically as well as culturally valuable species, is maintained, and strategies have been developed and implemented for minimizing genetic erosion and safeguarding their genetic diversity.*
- *Target 14: By 2020, ecosystems that provide essential services, including services related to water, and contribute to health, livelihoods and well-being, are restored and safeguarded, taking into account the needs of women, indigenous and local communities, and the poor and vulnerable.*
- *Target 19: By 2020, knowledge, the science base and technologies relating to biodiversity, its values, functioning, status and trends, and the consequences of its loss, are improved, widely shared and transferred, and applied.*

54. Croatia is also a party to many international initiatives to protect and manage natural resources in the Adriatic and Mediterranean. These include the Paris Convention on World Heritage Sites and the Barcelona Convention for the Protection of the Mediterranean Sea. As a signatory to the Paris Convention, Croatia agreed to identify, protect and conserve its natural heritage, which is also supported by the COAST project. Some of the most important objectives of the Barcelona Convention, to ensure sustainable management of natural marine and coastal resources and to integrate the environment in social and economic development, were also integrated in the COAST project.

55. The major Mediterranean Action Plan activities relevant for the COAST project are those related to the implementation of Coastal Area Management Programmes, Monitoring of Pollution of the Marine Environment from Land-based Sources and those related to Protected Areas and Biodiversity (notably the GEF/UNEP Strategic Action Plan for the Protection of Biodiversity in the Mediterranean Basin).

iii. Relevance to GEF Strategies, Priorities and Principles

56. The GEF has limited financial resources, and so has identified a set of strategic priorities and objectives designed to support the GEF's catalytic role and leverage resources for maximum impact. Thus, GEF supported projects should be, above all, relevant to the GEF's strategic priorities and objectives. While strategic priorities are reviewed and proposed for each four-year cycle of the GEF, in practice the overall focus of the GEF's support in the biodiversity focal area has remained relatively consistent over the years. The COAST project was approved during GEF-4 (July 2006 - June 2010). When approved, the project was classified as fully supporting the GEF biodiversity focal area Strategic Objective 2, mainstreaming biodiversity in production landscapes and sectors. Under this GEF-4 Strategic Objective, the project supported both of the strategic programs outlined: SP4 – Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity; and SP5 – Fostering Markets for Biodiversity Goods and Services. The relevant GEF focal area indicators for the Strategic Objective 2

include: i.) Number of hectares in production landscapes/seascapes under sustainable management but not yet certified; ii.) Number of hectares /production systems under certified production practices that meet sustainability and biodiversity standards; and iii.) Extent (coverage: hectares, payments generated) of payments for ecosystem services.

57. The COAST project has also been implemented under the GEF-5 (July 2010 – June 2014) strategic results framework. Again the project supports Strategic Objective 2: “Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes, and Sectors.” Under this Strategic Objective, the project supports Outcome 2.1: “Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation”, and Outcome 2.2: “Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks.”

58. While the GEF has moved away from the “Operational Program” classification system for projects (which for biodiversity projects related to different types of ecosystems), the COAST project was classified as an “OP 2” project, supporting Coastal, Marine and Freshwater Ecosystems. In line with this operational program, this project promotes the conservation and sustainable use of biological diversity and marine resources under threat. The project also has positive impact on forest, mountain and agricultural biodiversity, i.e. it is also supported OPs 3, 4 and 13.

IV. Project Design and Implementation

A. Key Elements of Project Design and Planning

59. The project document is well organized and covered all the necessary elements such as stakeholder and baseline analysis, threats, root causes and barrier analyses, logical framework analysis, monitoring and evaluation plan etc. On the whole, the project strategy was appropriate for the barriers and issues faced in the targeted region, the Dalmatian coast. The project scope was rather broad and the targeted area very large, but this was acceptable for a project of this planned size and duration.

60. As previously indicated in Section III.B.iii above describing the project structure, the project covered a range of sectors and technical approaches, from biodiversity monitoring and research to green entrepreneurship. A significant component of the project design was the GBSP, which was planned to provide financial support through various mechanisms for environmentally friendly private sector small and medium business development in Dalmatia. It was originally anticipated that some aspects of the project related to the GBSP would have a more national-level focus, including strong participation from HBOR; however, after further discussions at the start of project implementation it was determined that such an approach would not be feasible, and the project strategy related to the GBSP was refocused. There were bureaucratic and practical barriers to some of the original plans; yet as implemented the GBSP has been a highly successful element of the project, and numerous national-level stakeholders indicated during the terminal evaluation that it would be great to have such a program in other regions of the country.

61. The mid-term evaluation noted some weaknesses in the project document in terms of poorly worded project objective and outcomes. This terminal evaluation supports the mid-term evaluation view that there was room for improvement in the project document, and in general project documents should always seek to be as clear as possible – though not necessarily “precise”, as projects should have the flexibility to achieve the desired results through the means deemed most relevant and appropriate, and not be constrained to carrying out specific activities described in a project document. Fortunately this seems to have been the case for the COAST project, as the project has been implemented in a flexible and results-oriented manner.

62. The project team has paid attention to adaptive management in the process of project planning therefore the risks and associated mitigation strategies have been included in the Project Document. In

the risk assessment section, the main risks that pose a threat from the national level as well as from the project level have been realistically identified. For each risk, mitigation strategies have been developed as a prompt response if some of the risks appear.

63. During the inception phase the project team reviewed the risk matrix, reassessed the existing risks, and included some new risks in the inception report risk assessment table:

- The future of EU accession process: The EU accession process slows or stops due to external or political reasons. (Low)
- Collapse or downfall in European / regional tourism sector. (Medium)
- Changes in European market for organic and traditional agriculture do not develop quickly. (Medium)
- Co-financiers are unable to meet their commitments. (Medium)
- Project duration in view of available resources due to decline of exchange rate of US\$ to kunas. (High)
- Coastal Decree is suspended or repealed. (Medium to High)
- Possible changes in project (institutional) environment after Parliamentary elections in November 2007. (Medium to High)
- Underdeveloped local consultancy market for biodiversity and landscape related Project activities. (Medium)
- Changes in the banking sector. (Medium)

64. The inclusion of these new risks during the inception phase was due to changed circumstances in the period between project development and the start of implementation.

65. The project strategy and the project design were revised during the inception phase of the project, which lasted for six months (January – June 2007). As stated in the Inception Report, in this period the project team focused on discussing technical aspects of the project, such as reviewing the logical framework, and updating/revising the indicators. However, a thorough explanation on why the changes in the logframe were necessary was not given in the report. The indicators to measure the progress of the project were significantly simplified in the inception phase compared to the originally set indicators in the Project Document. Considering that there was no explanation for this, the mid-term evaluation team suggested that reasons for such changes seem to be due to restrictions in the project budget caused by US dollar/kuna exchange rate fluctuations.

66. To be more specific, there were originally three biodiversity indicators aimed at monitoring progress of the Outcome 1, however, they were cut to two in the inception phase with the first biodiversity indicator being replaced with the standard GEF mainstreaming indicator and the other one was defined as “to measuring species composition and abundance in saltmarsh habitats at three localities in the project areas” (originally there were six localities in the Project Document). Indicators related to Outcome 2 and Outcome 4 were also subject to changes, while for the Outcome 3 the indicators were completely changed in comparison to originally specified indicators in the Project document. Mid-term evaluation gave additional recommendations on how to improve and make the project’s indicators more aligned to the SMART criteria. In addition, it was suggested to reword the outcomes. According to this, Outcome 3 was reworded from “Compliance with biodiversity-related regulations has increased significantly across all sectors across all the four counties” to “Compliance with biodiversity related legislation, regulations and guidelines relevant to the agricultural, fisheries and tourism has increased in all four counties”. Once again, indicators were also revised and rephrased.

B. Project Management and Cost-Effectiveness (Efficiency)

67. Overall **efficiency** of the COAST project can be rated ***highly satisfactory***. Although it faced threats from some exogenous factors during the years of implementation, the project was managed in a cost-effective and efficient manner, largely in accordance with the workplan, schedule and budget. Furthermore, good progress was made in achieving majority of the targets set by the project.

i. Croatia COAST Project Implementation Arrangements

68. Management of the project and all operations were done according to UNDP rules and requirements and in line with national policies, legislation and procedures. The project was managed by a team of professionals – experts – fully capable to implement the objectives, respected by central and local government partners, entrepreneurs, NGOs banking sector and research community. Specific activities were implemented by external experts who were sub-contracted on a competitive basis to provide technical guidance and expertise in project priority areas. Also, international open biddings were conducted for more complex consultancy and analytical inputs e.g. habitats mapping, flora and fauna mapping. The Project Implementation Unit (PIU) was based in Split, primarily in offices granted by the regional UNEP Mediterranean Action Programme Office.

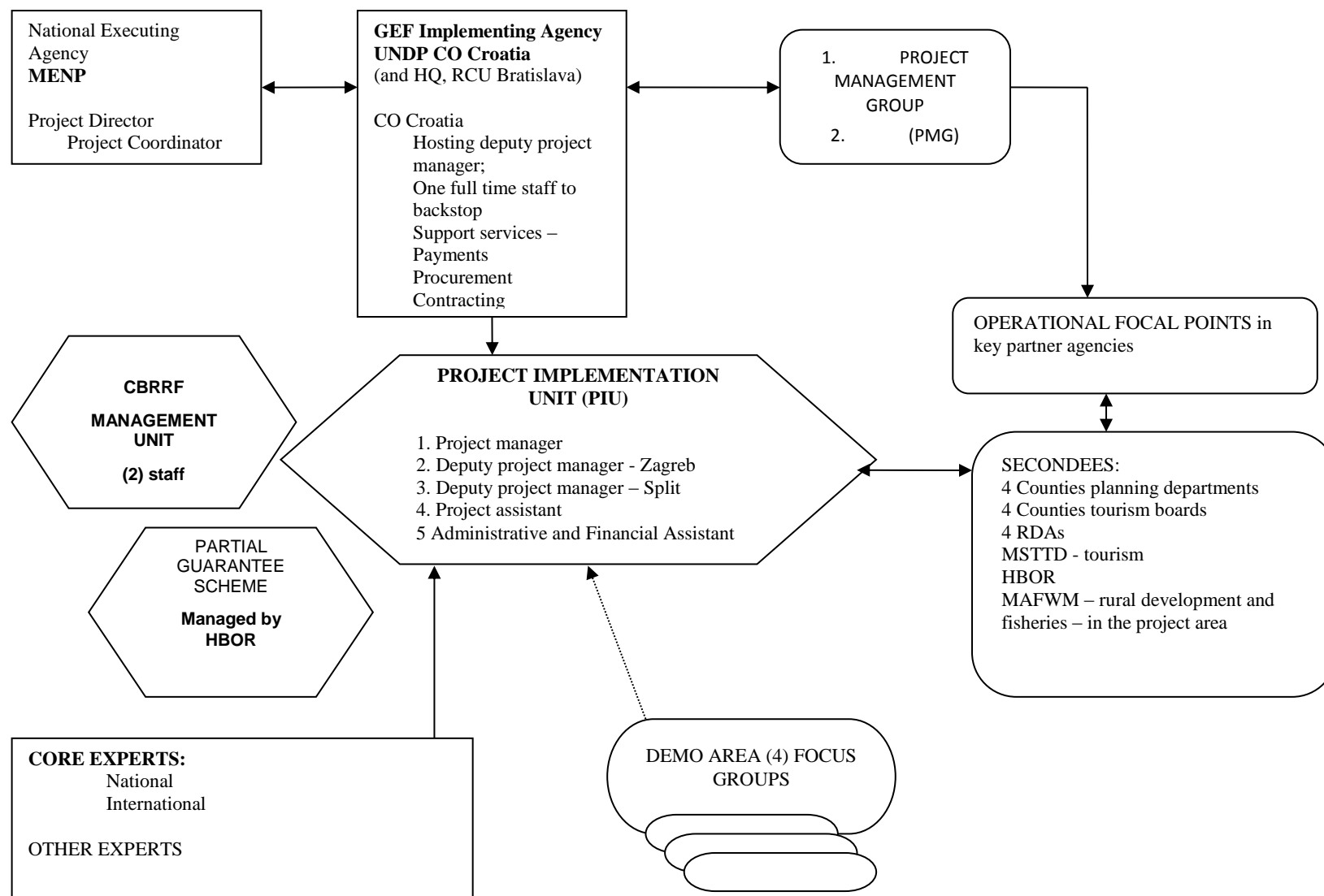
69. The composition of project management structure has been defined in the Project Document, but has after been revised in the Inception report due to changed circumstances in the organizational structures responsible for nature protection and in order to ensure better stakeholder participation.

70. A Project Steering Committee (PSC) was designed as the management decision-making body for the project, with meetings held annually. The PSC members were drawn from key relevant stakeholder organizations (Box 1). The government structure changed during the course of the project, and thus the institutions represented on the PSC were modified during implementation, but the main relevant stakeholder institutions and organizations remained with PSC membership. In some cases new PSC members were added; for example, at the 4th PSC meeting in 2010, a representative of the Central Office for Development Strategy and Coordination of EU Funds joined the PSC.

Box 1 Project Steering Committee Membership

1. Ministry of Environmental Protection, Physical Planning, and Construction	10. Environmental Protection and Energy Efficiency Fund
2. Ministry of the Sea, Tourism, Transport and Development	11. Croatian Bank of Reconstruction and Development
3. Ministry of Agriculture, Forestry and Water Management	12. Croatian Forests
4. Ministry of Culture	13. Croatian Waters
5. Ministry of Science, Education and Sports	14. Zadar County
6. Ministry of Economy, Labor, and Entrepreneurship	15. Sibenik-Knin County
7. Ministry of Finance	16. Split-Dalmatia County
8. State Institute for Nature Protection	17. Dubrovnik-Neretva County
9. Central Office for Development Strategy and Coordination of EU Funds	18. UNDP Country Office

71. A further critical and successful aspect of the project implementation arrangements was the secondees supported by the project in the four county development agencies, and in two of the PIMPAs. The secondees were funded by the project during implementation, and will be retained by the respective institutions following project completion. These individuals were well chosen as highly qualified and capable young professionals, and served as key communication and support linkages to the respective institutions. In addition, they were a primary means of support for implementation of the GBSP, and conducted much of the technical outreach and groundwork necessary to ensure the success of the GBSP.

Figure 2 COAST Project Revised Implementation Arrangements and Management Structure¹²

¹² Source: Project Inception Report. Note: In the course of the project the planned roles of some institutions in the organizational scheme were changed.

ii. Project Management and Implementation

72. Regarding work planning and financial expenditure, the project has done well. This means that the budgeted resources corresponded with the activities and outputs as they were planned in the Project Document and that fund management, monitoring and reporting was transparent and comprehensive.

73. Project workplans and associated budgets were discussed and agreed upon annually at the PSC meetings. Results were also presented at PSC meetings, and were further documented through quarterly and annual reports.

74. All of the above implies that the project is on a positive trend towards achieving its development objective, formulated as “sustainable development of the Croatian Dalmatian Coast.” In addition to this, the project supports the achievement of the global environmental objective identified as “to conserve and sustainably use the landscape, ecosystem, species and genetic biodiversity in the Dalmatian coast in Croatia.” The project was not threatened by any critical risks during its implementation and all the mid-term Evaluation Recommendations have been adopted according to the agreed management response plan except recruitment of a part-time Project Assistant (Economist). On the other hand, the mid-term evaluation team identified some issues that undermine project's efficiency, such as too complex project of a design with number of small activities and often engagement of external experts just to define inputs for an activity that is more costly than the activity itself. Based on the recommendations the project was revised and the activities are meaningfully integrated. The engagement of external experts who are the best experts in the fields was necessary given the diversity of the sector, which covers the project and expected outputs which the project team could not finalize at the expected top quality and top expertise. Furthermore, the outsourcing of experts contributed to the expansion and strengthening of the network of COAST project partners.

75. All the other targets are achieved or exceeded in a cost-effective manner. Therefore, overall cost-effectiveness of the COAST project can be evaluated as satisfactory as achieved good value for money.

iii. Financial Planning by Component and Delivery

76. Funds management and monitoring of the project through UNDP facilities are well advanced and annual targets have been entered in ATLAS system. Public supply procedures were performed according to UNDP rules. A key financial risk for the project was the shift in the U.S. dollar exchange rate, that caused a decrease in the value of the total budget by around 30% compared to the time the project was planned; therefore the project was shortened from seven years as originally planned to six years. In spite of this, it can be expected that by the end of the project (March 31, 2013), delivery of funds will reach 100%.

77. Table 4 below provides an overview of proposed and actual expenditures by component, including project management. The majority of the GEF resources (65.14%) supported Outcome 1. There was one budget revision in 2012 when the budget for Outcome 1 was significantly increased for 37% while drawing at the same time significant amounts of resources from the budget of other components, mostly from the Outcome 3 (45%). Project funds were operated through the UNDP account in Zagreb. Figure 3 below shows the planned vs actual expenditure for each of the project components, based on data from Table 4 below.

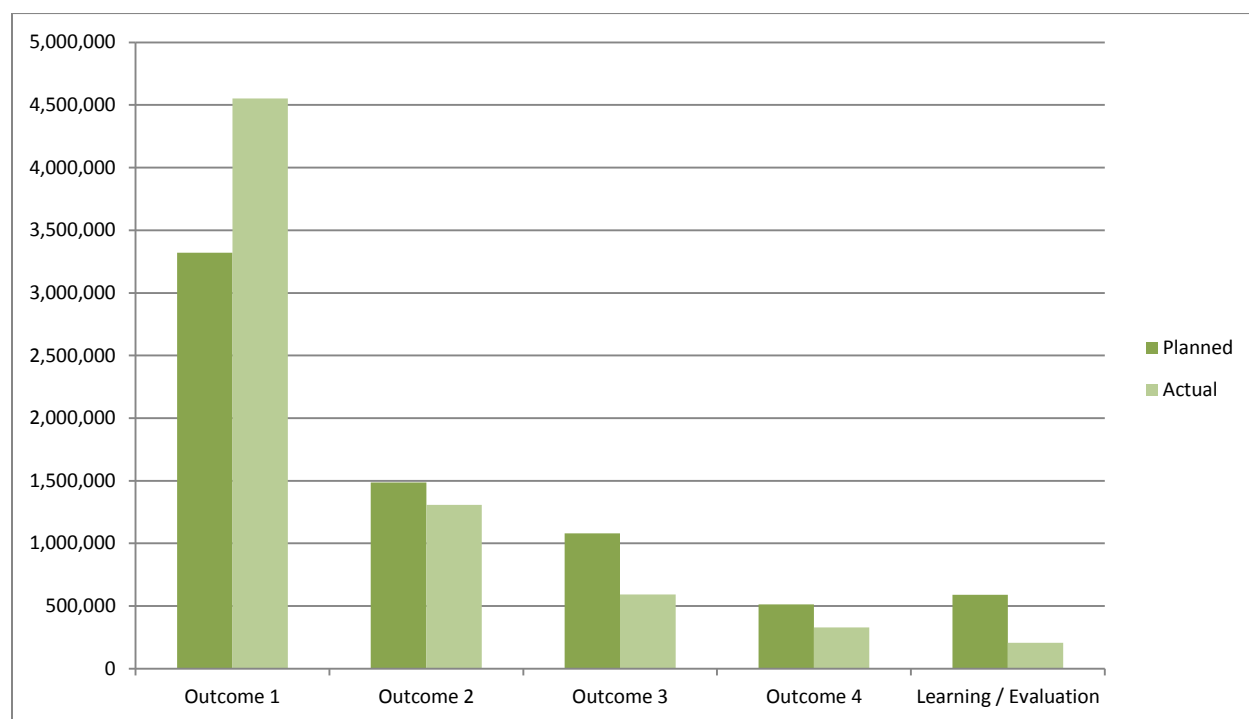
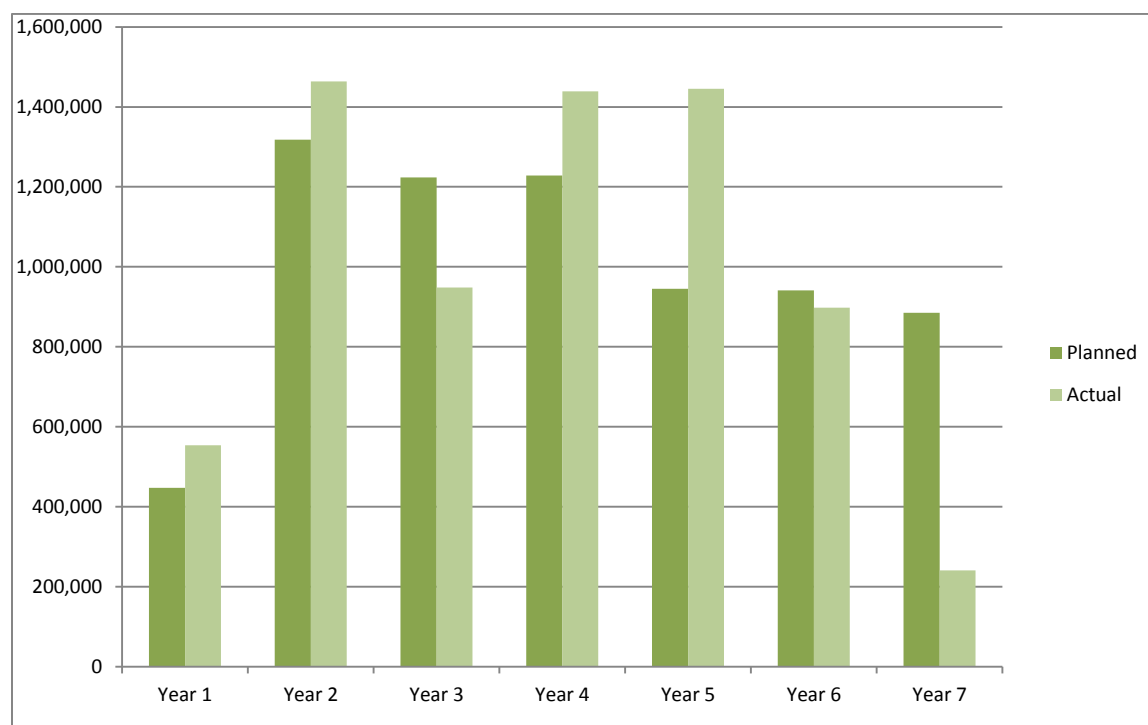
Figure 3 COAST Project Planned vs Actual Expenditure by Component**Figure 4 Croatia COAST Project Planned vs Actual Disbursement by Year**

Table 4 Project Planned Budget and Actual Expenditure Through January 31, 2013 (USD)

	GEF amount planned	% of GEF amount planned	Total planned	% of total planned	GEF amount actual	Actual % of GEF planned amount	Total actual‡	% of total actual
Outcome 1	\$3,319,500	47.5%	\$10,093,120	32.2%	\$4,552,131	137.1%	\$18,612,131	41.1%
Outcome 2	\$1,487,500	21.3%	\$6,443,320	20.6%	\$1,306,294	87.8%	\$4,216,294	9.3%
Outcome 3	\$1,079,300	15.4%	\$12,907,610	41.2%	\$592,984	54.9%	\$21,689,984	47.9%
Outcome 4	\$511,900	7.3%	\$1,677,950	5.4%	\$329,245	64.3%	\$804,245	1.8%
Learning / Eval / Adaptive Management	\$589,800	8.4%	Not specified	Not specified	\$207,345	35.2%	Not reported	Not reported
Monitoring and evaluation*	\$200,000	2.9%	\$200,000	0.6%	Not specified	Not specified	Not reported	Not reported
Project coordination and management**	Not available		Not available		Not available		Not reported	Not reported
Total	\$6,988,000	100.0%	31,322,000				\$45,322,654	100%

Sources: Project Document for GEF planned amount, and incremental cost table for total planned amount by outcome; actual amounts from COAST project team.

*The M&E budget is drawn from the Learning / Evaluation / Adaptive Management budget line, and is not additional to the amounts shown for project components.

** The project "management costs" were not specifically broken out in the project document, and during implementation were not tracked according to an individual budget line.

‡ The breakdown of co-financing was not specifically tracked by component because it was disbursed by the project partners rather than channeled through the project.

Table 5 Project Planned and Actual Co-financing Through December 31, 2012 (millions USD)

Co-financing (Type/Source)	UN Agency		Government**		NGOs		Other Sources*		Total Co-financing		Percent of Expected co- financing
	Proposed	Actual	Proposed	Actual	Proposed	Actual	Proposed	Actual	Proposed	Actual	Actual share of proposed
Grant	0.30	0.29	16.87	15.55	0.22	0.22	6.95	22.49	24.33	38.54	158.4%
Credits											
Loans											
Equity											
In-kind											
Non-grant instruments											
Other types											
Total	0.30	0.29	16.87	15.55	0.22	0.22	6.95	22.49	24.33	38.54	158.4%

Sources: Project Document for planned amount; data provided by project team for actual amount.

*Planned "Other Sources" were from the private sector, as leveraged through the GBSP.

** Planned government co-financing was to come from multiple government sources at the national and regional levels.

78. As highlighted in Section III.B.iv above on project milestones, the project's first disbursement was in March 2007, and the project closed in March 2013, a total implementation time of 73 months, compared to the original planned implementation period of 84 months. **Error! Reference source not found.** above shows project planned vs actual expenditure over time. As can be seen, because the project timeframe was shortened from the original timeframe, the project exceeded the planned delivery in years 1, 2, 4, and 5, and was only slightly below the planned amount in year 6.

iv. Project Planned and Actual Co-financing

79. The Croatia COAST project's planned and actual co-financing are shown in Table 5 above. Planned co-financing was \$24.33 million USD, while actual co-financing is estimated at least \$38.54 million, with the majority of co-financing related to the GBSP. For grant projects supported by the GBSP, the project provided a maximum of 30% of the budget.

80. To further leverage co-financing the project employed a non-grant financial mechanism: a partial credit risk guarantee fund for green businesses. The fund was set-up jointly with the four Dalmatian county development agencies and in partnership with Splitska and Jadranska bank. This combined a credit line with a subsidized interest rate and guarantees funds (up to 50% of credit) through selected commercial banks, both based on the deposit made by UNDP and each partner county (\$100,000 from each party). Originally, the Partial Credit Risk Guarantee Facility was supposed to be provided by HBOR. As stated in the 2011 Project Implementing Report (PIR), the original key project financial instrument - the Partial Credit Risk Guarantee - was modified so that it combined a credit line with a subsidized interest rate and guarantees funds (up to 50% of credit) through selected commercial banks, both based on the deposit made by UNDP and partner county (\$100,000 each party). In the 2012 PIR, it was noted that an additional contribution of \$100,000 was made by UNDP to Zadar, Šibenik-Knin and Dubrovnik-Neretva counties. However, in the period between project preparation and project implementation, county development agencies were founded by all four Dalmatian counties, with a serious aim to become main drivers and support for local (regional/county) development. The county development agencies are responsible for supporting small and medium enterprises (SMEs) and business development, and have guarantee mechanisms at their disposal; thus they represent a logical project partner for the GBSP at the local level. At the same time, HBOR as a national bank realized that it is not able to support the financial scheme that covers only part of the Croatia - Dalmatian coast. Therefore the commitments of co-financing, undertaken by HBOR were taken over to counties and their regional development agencies. Co-financing by the project partners was mostly provided in kind. All in all, co-financing from the GBSP (businesses) leveraged was higher than initially anticipated. For this reason, it can be expected that the level of co-financing expected at the project development phase will be achieved or even surpassed.

v. Flexibility and Adaptive Management

81. Flexibility is one of the GEF's ten operational principles, and all projects must be implemented in a flexible manner to maximize efficiency and effectiveness, and to ensure results-based, rather than output-based approach. Thus, during project implementation adaptive management must be employed to adjust to changing circumstances.

82. As the implementing agency UNDP set the stage for successful adaptive management, explaining, for example, during the inception workshop that neither the project document nor the logframe are completely rigid, and that with the exception of project objectives, changes are allowed in all aspects of the project if the appropriate approval steps are respected. What is more, flexibility is one of the GEF's ten operational principles and therefore all projects must be implemented in a flexible manner to maximize efficiency and effectiveness, and to ensure results-based rather than output-based

approach. In other words, during project implementation, adaptive management must be employed to adjust to changing circumstances. The COAST project was implemented in a rather flexible manner and the approach the project team has applied provided the opportunity to effectively deal with changing project environment and new context, opportunities and issues arising.

83. Some changes were made at the inception workshop due to changes in the circumstances since the project approval:

- Changes to outputs: Exclusion of eco certification scheme from Output 3.3.; withdrawal from identification of shell fish farm zones in Dubrovnik-Neretva and Šibenik-Knin County and facilitation of shell fish farms permits (Output 1.1. and Output 1.3.);
- Recognition and involvement of recently established Regional Development Agencies as important project partners (Output 2.5);
- Revised risk matrix, i.e. some new risks have been added and the existing ones have been reassessed;
- Revised project management structure;

84. The latter was due to parliament elections in 2007, which resulted in the restructuring of certain institutions and personnel changes in ministries what consequently led to changes in the composition of the PSC. The project seems to have handled these changes quite well, as they did not significantly disrupt project operations. Similar changes occurred at the national level after parliamentary elections in 2011 when changes occurred not only at personal level, but also when the authorities and the scope of work of certain ministries had changed. Particularly important for the project is a significant change when the Ministry of Environmental Protection, Physical Planning and Construction became the Ministry of Environmental and Nature Protection of the Republic of Croatia (the management of nature protection was taken over from the Ministry of Culture).

85. Originally, the project was planned to last 84 months (seven years), with an expected completion by the end of February 2014. However, due to depreciation of the US dollar, the project budget was revised and some of the project activities cut (e.g. development of eco certification scheme, identification of shell fish farm zones etc.).

86. The project was also successful in adapting to the challenging economic conditions and the recession, which severely hit Croatian economy from 2008. The tourism sector is of great importance to the region and the other sectors that support the tourism sector. The tourism sector has not that much been affected by the economic crisis and indications are that tourism will continue to be the leading economic sector in the four counties. However, other production sectors were influenced by the downturn and in this sense the project team has managed to navigate the situation well and progress has still been made.

87. After mid-term evaluation, conducted in the first half of 2010, almost all recommendations given by the mid-term evaluation team were taken into account which led to the following changes in the project:

- Simplification of the structure of the project;
- Revision of the logframe;
- Putting focus on fewer activities, especially on the GBSP scheme;
- Accelerating procedures in processing applications in the GBSP scheme,
- Fostering cooperation with the stakeholders on the national level;
- Strengthening dissemination and promotion of the project results
- Stronger participation of NGOs in the project implementation

88. Looking at all the above changes, that have been included in the project structure according to the results of the mid-term evaluation, it should be mentioned that these adjustments have paid the project additional benefit.

vi. UNDP Project Oversight

89. UNDP is the responsible GEF Agency for the project, and carried general backstopping and oversight responsibilities, as well as handling the financial accounts. UNDP played a strong supportive role in all relevant aspects of oversight, and helped facilitate the project's success by enabling the project team and addressing bureaucratic issues as they arose. UNDP participated in the PSC meetings, and the relevant UNDP staff at the regional (supra-national) level conducted oversight monitoring missions approximately annually.

V. Croatia COAST Project Performance and Results (Effectiveness)

A. Progress Toward Achievement of Anticipated Outcomes

90. Considering the results achieved under each of the outcomes, and the progress toward the overall objective, the project effectiveness is rated ***highly satisfactory***. The COAST project generated numerous significant results, meeting a majority of the planned accomplishments, and in some aspects exceeding the results anticipated. The project objective was stated as *"To effectively transform actions, practices and approaches of private operators in the tourism, agriculture and fisheries sectors in the four coastal counties, in part by influencing the banking sector, and thereby mainstream biodiversity conservation into these sectors."* The project logframe indicators and targets are reviewed in detail in Section V.B below, following the summary of project results.

91. Based on the respective indicators and overall level of progress toward the four outcomes, the outcomes are rating as follows:

Table 6 COAST Project Outcome Rating

Outcome	Rating
Outcome 1: Biodiversity friendly development models in the agriculture, fisheries and tourism sectors are demonstrated and promoted in four small, globally important, productive landscapes	<i>Highly Satisfactory</i>
Outcome 2: Investment climate and market opportunities and measures for biodiversity-friendly enterprises improved across the four countries	<i>Highly Satisfactory</i>
Outcome 3: Compliance with Biodiversity related legislation, regulations and guidelines relevant to the agricultural, fisheries and tourism has increased in all four counties	<i>Satisfactory</i>
Outcome 4: National-, county- and local-level enabling environments (policy, legislation and regulations, planning and institutional)	<i>Satisfactory</i>
Overall Project Outcome Rating (Effectiveness)	<i>Highly Satisfactory</i>

92. Key results of the project include:

- The successful GBSP, which generated a portfolio across four counties of 97 green business projects with a portfolio value of more than \$28 million USD.
- Integration of biodiversity data in local and regional development strategies and spatial plans across the four counties of the Dalmatian coast, which directly covers 190,000 ha land surface and 702,000 ha sea surface and indirectly 1,090,000 ha land surface and 1,640,000 ha sea surface.

- Institutional capacity development of key government institutions in four Dalmatian counties: county development agencies, and public institutes for management of protected areas.
- Development of multiple guidelines for improved environmental management in the Dalmatian coast, including guidelines on development of green businesses, guidelines on beach management, and guidelines on environmentally friendliness of tourism activities (e.g. diving).
- Strengthening the enabling environment for sustainable rural development, for example through development of environmentally friendly certification schemes.
- Multiple valuable contributions to improving sustainability of the fishing sector, including awareness raising, technical studies for sustainable, development of MPA approaches, and contributions to European negotiations on valuable fishery resources in the Adriatic Sea.
- Contributions to development of three LAG LEADER strategies.
- Important contributions to establishing biodiversity baseline data in the Dalmatian coast.
- Significant communication and awareness raising activities on a range of biodiversity and environmentally focused topics across Dalmatia.

93. While the project effectiveness is rated highly satisfactory, it is clear that the project has not succeeded in fully shifting coastal development in Dalmatia to a sustainable path, nor could it have. This will be a long-term process, and there are numerous remaining barriers to be overcome. These are further discussed in the “Remaining Barriers” Section V.C at the end of this discussion of results.

94. The COAST project mid-term evaluation assessed some aspects of the project as less than satisfactory. The original design aspects of the project assessed as problematic remain, but other aspects of the project were significantly improved in the second half of the project. Notably, the project team applied numerous adaptive management measures (as highlighted in previous Section IV.B.v), including further development of the logframe indicators and targets to ensure a results-based implementation approach. Aspects of the GBSP identified as less than satisfactory at the mid-term included the application and processing procedures, which were refined and made more efficient in the second half of the project.

95. As previously discussed in Section III.B.iii, the project activities were grouped into six main thematic activities. This evaluation report reviews the project results according to these thematic areas of work instead of by the respective outcomes, as various project activities cut across multiple outcomes. Again, the six thematic areas of work are:

- 1) Improving baseline biodiversity information
- 2) Developing green action plans for main sectors
- 3) Establishing the GBSP
- 4) Enabling environment for green businesses
- 5) Capacity building for nature conservation
- 6) Communication and dissemination

i. Improving Baseline Biodiversity Information

96. In the early phase of the project, in 2007 and 2008, biodiversity inventories were conducted to fill key data gaps in the focused demonstration areas (not the entire counties). These included surveys on flora, fauna, habitat mapping, and landscape assessments. The State Institute for Nature Protection (SINP), as the main national level institution responsible for biodiversity data, was the primary partner involved in the biodiversity monitoring, inventorying, and mapping activities. Feedback from the SINP was very positive with respect to the extent, quality, and utility of data produced. Unfortunately the

data collection was limited to one field season for most activities, because the data was to serve as the basis for multiple subsequent project activities. Key outputs related to this aspect of the project included:

- Mapping of some flora and fauna groups (habitat maps at 1:25,000, and some species mapped at 1:5,000 scale) at selected sites in the four demonstration areas, including on the islands of Mljet, Vis and Bisevo, the Krka Estuary, and parts of the island of Pag;
- Fish stock assessments (see additional information in following Section V.A.ii);
- Surveys and mapping of valuable natural beaches and associated habitats and assessment of their state and pressures affecting them (mostly tourism), together with measures for their protection and sustainable use;
- Inventory and visitor interpretation of marine biodiversity around the islands of Bisevo and the southeast coast of Vis;
- On-going monitoring of populations of seabirds on the island of Vis and Lastovo archipelagoes and an inventory of marine mammals around the island of Vis (included as a GBSP project, carried out by the local NGO Blue World);
- Production of a high quality Croatian language field guide to the flowering plants of Dalmatia and its islands;
- Support for development of an informational website on Invasive Alien Species;
- Inventory and publication on native varieties and breeds of plants and animals, and wild plants that are useful for agriculture, and further contributions to development of the “green book” of rare native varieties and breeds;
- Figure 5 below shows some of the biodiversity information outputs from the project.

Figure 5 COAST Project Produced Marine, Terrestrial and Landscape Biodiversity Inventories



97. While Croatia does not have a national biodiversity monitoring system, the data collected under the COAST project was posted in a publicly available SINP online database, and was exported for potential use in GIS, by SINP and other government agencies. A great contribution of the project, especially for the scientific community, is in collecting the data sources for all the fauna species in the

targeted project area. As for flora mapping, some new species were discovered, while the information on the existing taxa has been updated and revised. These maps are the key source of information when planning economic development of the targeted area and also a foundation for further expansion of the national ecological network. A major contribution of the COAST project is also in a better understanding of agricultural biodiversity of Dalmatia. Thanks to research on traditional plants and animals, conducted within the framework of the COAST project, agricultural biodiversity has been recognized as an important element of biodiversity in general. In addition, the first synthesis of all present knowledge on agricultural biodiversity of Dalmatia has been made for the first time. Existing catalogues of vines, olive trees and other fruit trees have been revised and supplemented with important additions. Also, an inventory of aromatic, spicy, medicinal and wild edible plants has been made for the first time as part of the COAST project.

98. The project's contribution to improving biodiversity data and information in the Dalmatian coastal zone has been important for multiple reasons, and has contributed to broader catalytic results. For example, data produced under the project provided a key contribution for making specific delineations related to planning for Croatia's national ecological network in the form of Natura 2000 sites as part of the EU accession process. The SINP also indicated that data from the project will be extremely useful for actual management of these sites. Furthermore, the biodiversity data produced is considered crucial for Strategic Environmental Assessment and Environmental Impact Assessment processes, and this is expected to be a highly valuable catalytic result of the project for the future. SINP experts indicated that the project has been crucial for filling biodiversity data gaps, although it has only been for the four counties of Dalmatia. It was stated that work under the project helped identify new species in Croatia, and even species new to science. The project's work on fish stock assessments served as the basis for ongoing discussions with the fishing sector, through which proposals for no-take zones have been proposed, and agreed to by fishermen's associations (though such zones are still in the initial steps of implementation).

ii. Developing Green Action Plans for Main Sectors

99. There are two indicators for documenting results under this aspect of the project:

- Number of fishermen (members of fishermen associations) who are applying sustainable fishery practices;
- Guidelines for biodiversity and landscape friendly spatial and development planning (including tourism, agriculture and fisheries sectors) adopted by relevant ministries or used in formal professional capacity building programs.

100. Sector Action Plans: The project produced action plans for various sectors, such as eco/rural tourism in four specific areas of the region, organic agriculture, agricultural uses of domesticated native breeds and varieties, fisheries and mariculture in three designated locations.

101. Fisheries Sector: Soon after the project started it was correctly concluded that it would not be efficient or effective for the project to work at the level of the individual in addressing sustainable fishing practices, and thus a shift to focus on sector-wide activities was taken. The project made significant contributions to intensifying the cooperation of fishermen, institutions, scientists and experts, and enhancing knowledge and improving climate for the introduction of sustainable practices in the fishery sector. Four lines of work were pursued:

- Studies supporting development of scientifically based sustainable fisheries regulations were prepared, covering all main fishing subsectors, including trawling, coastal fishing and shellfish collecting. Studies were prepared in highly participatory manner that involved also some 150-200 fishermen. Studies' findings were then used to formulate "greening recommendations" for

consideration and integration into (then actual, and still ongoing) process of upgrading fisheries regulation (Law on marine fishing adopted in 2010 and Fisheries management plans, currently under preparation).

- To assist in easier compliance and enforcement of fishing regulations, GIS tools that facilitate application of fishing regulations – primarily spatial and temporal regulations – were prepared, and are ready to be used towards the end of 2013, once the final management plans that specify spatial-temporal regulations will be adopted. Initial work done by the project was incorporated in the Law on Marine Fisheries, adopted April 23, 2010.
- A number of information sharing, education, and awareness-raising activities have been implemented for fishermen highlighting the reasons and importance of sustainable stewardship of the fishing resource base, their responsibility for it, measures through which it can be achieved, and ways to partner in achieving it.
 - A series of meetings explaining issues relevant in ongoing process of preparation of management plans: 10 meetings in all main fishermen centers along the coast, with an average of 10-15 participants, including primarily representatives of all major fishermen associations organized both territorially and by type of fishing.
 - Booklet for fishermen: The publication “Croatian Marine Fisheries: challenges and perspectives at the entrance to EU” was prepared (see Figure 6), explaining the situation and proposing the most promising way forward for Croatian fisheries. The brochure was published in 1500 copies (all of them being distributed) and presented at the major annual fishermen assembly (October 2012) to hundreds of participants. A follow-up survey was conducted to assess the utility of this publication; the survey had a greater than 50% response rate, with a significant majority of respondents indicating that the publication improved or significantly improved their understanding of the issues and options.
- To communicate the increasingly recognized high potential of MPAs and “no take zones” as instruments of sustainable fisheries, a study tour was organized for 16 participants (including six representatives of fishermen associations) to a successful MPA (National Park Cabrera in Spain), and video clips prepared and put online, with “testimonies” of the main actors involved, on their experience with MPA introduction, and how it did change with time. Fishermen’s associations have recognized the necessity for no-take zones, but these are not yet implemented as the national fisheries department is in the process of developing fisheries management regimes in line with EU requirements and strategies.

Figure 6 Booklet on Croatian Fisheries and EU



102. A significant result of the project’s work on the fisheries sector was further research on the “Jabuka Pit” marine habitat feature as a highly important site for demersal fisheries in the Adriatic, and for which the status of stocks is declining. This site is outside the national jurisdiction of Croatia and Italy. The data for the site was discussed in a bilateral meeting with Italy, during which it was agreed that management and protection measures for the area would be discussed in the framework of EU fisheries

regulations and management. This bilateral coordination with Italy is a significant result, because regulations on fishing gear and practices must be harmonized between countries to be effective.

103. **Key Guidance on Specific Aspects of Effective Environmental Management:** A project activity designed to support replication and the project's catalytic role in Dalmatia and at the national level was the development of numerous guidance documents for biodiversity and landscape friendly spatial and development planning (including tourism, agriculture and fisheries sectors) (the logframe target was for guidelines documents in three sectors). The developed guidelines include:

- Landscape planning in coastal areas;
- Guidelines for environmental impact assessment, including wind farm development;¹³
- Guidelines for integration of nature conservation measures into municipal spatial plans;
- Guidelines for sustainable beach management (see Figure 7);
- Guidelines for biodiversity-friendly diving (see Figure 7); and
- Handbook for rural tourism development (see Figure 7).

104. These guidelines have filled the vacant area and covered the gaps in the expert literature in Croatia and have been used for capacity building programs. Based on initiatives from the field, project applications and documentation were prepared for several specific applications to EU funds and other sources of financing. According to national experts, the guidelines for environmental impact assessment related to wind farm development were used in two Dalmatian counties in preparing and modifying physical plans, including identification of zones sensitive to wind power development, and re-positioning or eliminating windmills planned in sensitive zones.

Figure 7 Guidelines on Sustainable Beach Management, Biodiversity Friendly Diving, and Handbook on Rural Tourism Development



105. Part of the COAST project's work in this area included the development of green certification guidelines for tourism, which was initiated in 2010. There is a basic level of environmental certification for environmentally friendly tourism products and services, but with the project's input and in

¹³ This was carried out in collaboration with the SINP, and built on a previous PHARE project. This is also feeding into a subsequent EU-funded project starting up on strengthening Strategic Environmental Assessments.

partnership with the Ministry of Environment, the “Q” label was developed, which is more stringent and demanding than the basic level of certification. The Ministry of Tourism commission that allocates hotel star ratings also reviews and verifies the applications for environmentally friendly certifications.

106. The project has contributed to the definition of county development strategies and to the application of LAG and the EU’s LEADER approach for sustainable integrated rural development, through development of local development strategies. The project supported three such processes: the Mareta LAG in Zadar county, local development strategy for the island of Hvar LAG (covering four communes), and the local development strategy for the LAG of the Peljiscac part of Dubrovnik-Neretva county (covering 11 communes). The project also provided support for the LAG process for Neretva Valley.

iii. Establishing the Green Business Support Program (GBSP)

107. Indicators relevant to the GBSP component of the project include:

- Number of loans (GBSP and other loan arrangements targeted by the project) in agriculture, fisheries and tourism sectors integrating biodiversity criteria developed by the COAST project into approval process;
- The volume of grant based co-financing invested into biodiversity friendly agriculture, fisheries / mariculture and tourism activities, through the GBSP across the four counties;
- The volume of GBSP investments through PGL Fund invested into biodiversity friendly agriculture, fisheries / mariculture and tourism activities, across the four counties;
- GBSP established and completed projects in agriculture, fisheries and tourism sectors in the four counties;
- Diversification of shellfish farming by introduction of new species.

108. All the indicator targets related to the GBSP have been achieved or surpassed. The volume of grant based co-financing invested into biodiversity-friendly agriculture, fisheries / mariculture and tourism activities through the GBSP is \$11.65 million USD, surpassing the target of \$6 million USD. Similarly the target of GBSP investments of \$6 million USD between 2010 and 2013 through the Partial Guarantee Loan Fund in biodiversity friendly agriculture, fisheries / mariculture and tourism activities has been achieved with a cumulative investment of \$7.2 million USD. This includes 16 projects with a total value of loans \$0.99 USD and guarantees of \$0.46 USD. There were 97 projects supported by the GBSP (compared to the original target of 80), most of which belong to the sectors of agriculture (67) and tourism (21) while a smaller number of supported projects belong to sectors of mariculture (5), fishery (3) and nature protection (1). The projects in the field of agriculture, with a value of 152.19 million HRK or 90% of the total value of all the 97 projects, have absorbed most of the funds from the GBSP scheme. The greatest value of GBSP projects is recorded in Šibenik-Knin county (69,382,000 HRK or 41,3% of the total value of all the projects) while the projects of least value have been co-financed and implemented in Split-Dalmatia county (18,542,000 HRK or 11% of the total value). Nearly 90% (4,638,000 HRK) of all the grants within the GBSP scheme were provided for the projects falling within the sectors of agriculture and tourism. In this context, Šibenik-Knin county has been given the greatest amount of grants, that is 1,425,000 HRK or 26,84% of the total amount of grants while projects in Dubrovnik-Neretva county have been supported with 1,215,000 HRK or 22,8% which was the least amount of grants provided among all the four counties. The rest of grants within the GBSP scheme, that is 2,748,000 HRK or 51,78% of the total amount of grants was given to co-finance mariculture, agriculture, tourism and fishery projects in Zadar county and Split-Dalmatia county.

109. Overall, the GBSP established by the COAST project has been successful. It has developed a sound model of support to local entrepreneurs and green small businesses. It provides a blend of technical assistance, pre-financing grants and access to finance, backed by credit guarantees. Hence, the

project has made significant impact in proposing innovative “green” business initiatives based on sustainable exploitation of natural and landscape values with the key goal of economic revival of the project area and improving the quality of life. For example, before the start of the project - according to the information from the Ministry of Agriculture - in Dalmatia there were only about 700 ha of agricultural land under organic production, and today the number is about three times higher (about 2000 ha). From 60 producers of organic farming in 2008, today in Dalmatia there are 180 (especially growing grapes and olives).

110. A prime focus has been on agri-tourism, which has great commercial potential in the region, while the guarantees have proven very useful to stimulate bank interest. All of the projects that have received the support from GBSP fall into one of the categories for which are biodiversity friendly and they are based on the preserved natural heritage. The habitats (and its sorts) in Dalmatia (with the exception of perhaps a couple of particularly valuable sites, which are already protected as a strict nature reserves) were influenced for thousands of years of migrations and emigrations from rural areas and they were transformed by natural succession (the forest of Aleppo pine) and have as a result lost lots of biodiversity. The GBSP fully supports biodiversity friendly business categories in agriculture (organic farming (which has been proven biodiversity and environmentally more friendly than conventional, indigenous varieties and breeds, preserved traditional agricultural landscapes and landscape diversity), in fishery and in mariculture (ecological fish farming of endangered species that are rare in the Adriatic, introduction of new species, which requires a clean environment and employs a community that would otherwise start poaching natural resorts); and in tourism (various types of tourism in rural areas, that base their offer on the interpretation and experience of preserved natural heritage and traditional organic agriculture).

111. In addition to achieved GBSP outputs in the scope of this component was the strengthening of capacities of local partners to support biodiversity friendly business and green developments, as well as the employment of secondees in development agencies and PIMPAs.

Table 7 Number of GBSP Projects by County and Sector

County	Mariculture	Agriculture	Fishery	Tourism	Nature protection	Total
Dubrovnik -Neretva	1	20	1	4	1	27
Split-Dalmatia		14	2	6		22
Sibenik-Knin	1	14		3		18
Zadar	3	18		6		27
All		1		2		3
Total	5	67	3	21	1	97

iv. Enabling Environment for Green Businesses

112. Indicators relevant to this set of project results include:

- Number of banks adopting biodiversity criteria developed by the project within SME financing application processes in the four counties by end of project;
- Number of units (hotels, camp sites, private guest houses, family farms, travel agencies) being awarded tourism eco-label accreditation in Project's target areas;
- Number of farmers gaining national 'eco' certification in Project's areas.

113. The first indicator target has been exceeded, as 178 farmers gained 'eco' certification during the project surpassing the target of 120. The project reached its target of 20 loans approved by the Partial Guarantee and Loan Fund in agriculture, fisheries and tourism sectors integrating biodiversity criteria. The indicator on number of banks adopting biodiversity criteria developed by the project with

SMEs financing applications currently stands at two with a target of four. However, a workshop was held to share the lessons learnt in the Dalmatian coast with banks at a national level in an attempt to get other banks to accept the criteria, and the negotiations with Zagrebačka Bank are now being finalized. All together, 46 tourism units (hotels, camp sites, private guest houses, family farms, and travel agencies) have been awarded a form of tourism eco-label accreditation, compared to the target of 25. This was split between both the regular lower level certification that is in-line with EU standards, and the more stringent Q label developed with project support.

v. Capacity Building for Nature Conservation

114. This aspect of the project aims to set in place the necessary national context to support achievement of project objectives in the four counties, that is: developing high-level support, advocating and supporting necessary reforms and ensuring capacity to replicate project success. The indicators relevant to this aspect of the project were set as follows:

1. The number of new or revised laws or regulations relevant to agriculture, fisheries / mariculture or tourism in Dalmatia that integrate recommendations biodiversity friendly business development produced by the COAST project;
2. Number of county and local development strategies that integrate recommendations provided by the COAST Project;
3. Positive monitoring and evaluation reports, both internal and external.

115. One of the strategic approaches built into the project design that supported the project in multiple ways was the sponsorship of secondees in the four county development agencies, and two of the PIMPAs. The first secondees were in place in 2009. These individuals were well-selected as qualified and motivated young (primarily) professionals, and have contributed greatly to the success of the project, and particularly the GBSP. There is a commitment from the respective county development agencies and PIMPAs that these individuals will be retained, with their salaries paid by the government following project completion. The addition of these individuals, who are well-informed and active on biodiversity and environmental issues, represents a significant contribution to the capacity of these institutions, and to the environmental management capacity in the region as a whole.

116. In 2010, mid-term evaluation team recognized good communication and cooperation between the project team and the local/regional level project partners, however, it was noticed that much less attention has been paid to the cooperation with the representatives of the national level of governance. Strengthened cooperation and closed contacts with project partners have resulted in six new regulatory measures in the sectors targeted by the COAST project, which surpassed a baseline indicator of at least two new measures. These include:

- Revision and upgrading of the legislation related to the official agricultural sorts and breeds lists, which satisfactorily integrates domesticated native taxa;
- In cooperation with the Ministry of Tourism by-law for rural tourism was amended and adopted introducing Q label which proves that rural tourism or agritourism is based on a traditional offer and organic products;
- Adopted Strategic Guidelines for Green Business Development;
- Fishing regulation for Jabuka Pit area has been proposed to European Commission by Croatian and Italian representatives;
- Amendments to the Law on Marine Fisheries (OG 56/2010) and integration of sustainable fishery practices into management plans for the fishery sector.

117. Multiple stakeholders highlighted the value of four training workshops held between April and October 2012 to support protected area management at the regional level, focusing on new demands for the supervisory services in the ecological network after Croatia accession to the EU, and also on values of ecological network in Dalmatia. A workshop was held in each county, with total participation of approximately 115 persons. The workshops were conducted by national experts, and focused on aspects of management such as monitoring and enforcement. Such workshops may seem basic, but rangers at the local level have little formal practical training in issues such as what Natura 2000 represents, and what concrete actions can and should be taken to support nature conservation in the field. Comprehensive protected area management effectiveness assessments have not been completed for the four counties, but activities such as these workshops have certainly made a positive contribution.

118. Multiple stakeholders noted that the project had a concrete positive influence on county development strategies and spatial plans, which are the basis for future development and decision-making. For example, international donor project proposals that the county development agencies apply for must demonstrate relevance to the elements of the county development strategy, which includes environmental priorities.

vi. Communication and Dissemination

119. The project did not have a strong communications program prior to the mid-term evaluation, but in the second half of the project this became a valuable and important part of the project. Overall, the communications program was a significant highlight of the COAST project, and serves as a good practice example for GEF projects around the world. Multiple stakeholders identified the project's contribution to building broad general awareness and understanding of biodiversity conservation and sustainable development as among the most valuable aspects of the project. Indeed, once adequate human resources were allocated for communications following the mid-term evaluation, the communications approach and activities executed was at a high level in almost all respects. The COAST project had among the most active communication program of almost any other environmental conservation project the evaluation team is aware of. Highlights of the communications program include:

120. Events: All together, the COAST project organized 67 events, of which 40 were workshops, seminars and round tables, 17 public events, and 10 presentations (including one ceremony event). Events including both awareness raising events (such as the "Two Faces of Dalmatia" photo contest and exhibition), and capacity development events (such as info sessions on the EU IPARD program targeting agriculture entrepreneurs). Among the highlights of the events organized was the "Voice of the COAST" concert held in Split on September 28th, 2012, marking the end of the sixth annual Mediterranean Coast Day in Split, which served as the host city for the entire Mediterranean. Approximately 3,000 persons attended the concert, and the performers were singer Oliver Dragojević, UNDP's Goodwill Ambassador for the Dalmatian Coast, Valentina Fijačko, the prima donna of the Croatian National Theater in Split and Dalmatian klapas. The President of the Republic of Croatia Ivo Josipović was the honorary guest at the concert.

121. Newsletters: The project produced quarterly newsletters beginning in late-2010. The newsletter was posted on the project website, and distributed electronically and print to project stakeholders through various channels.

Figure 8 Publication Cover

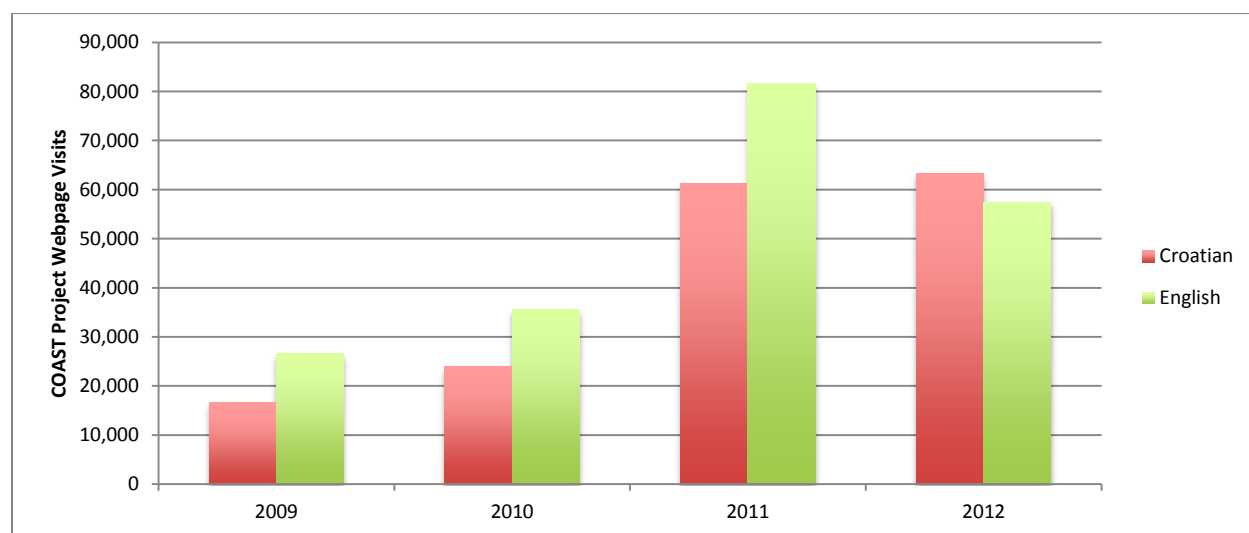
122. **Media engagement:** The project identified more than 300 specific media outputs (TV pieces, articles, radio pieces, etc., in 2010, 2011, and 2012) mentioning the project or project activities. The project also undertook specific activities, such as a radio show on organic agriculture that ran on one of the main Croatian radio stations in the Dalmatia region. The radio show included 117 episodes of approximately 20 minutes each, running from November 2009 to December 2012. According to information from Radio Split, the listening audience totaled approximately 100,000 people.

123. **Publications:** The project produced a number of high quality publications to document and further disseminate some of the project outputs, studies, and other work. The publications included the handbooks, manuals, and other guidance documents produced by the project, as discussed in the previous discussion on results. Figure 8 below shows an example of a project publication on biodiversity of domesticated native breeds and varieties in agriculture.

124. The weakest aspect of the communications program was the project website (<http://www.undp.hr/show.jsp?page=80292>), which was

limited by the UNDP internal IT infrastructure and online website design capabilities. Because the project was restricted in having a website that was only a sub-section of the UNDP Croatia Country Office website, the project team's ability to leverage this website into a highly dynamic and engaging portal for coastal sustainable development in Dalmatia was limited. Having the project information logged on the UNDP Croatia website has benefits in terms of sustainability, but it is not otherwise clear why the project did not have an individual project specific website, as many other UNDP-GEF projects do, as well as many other biodiversity conservation projects and initiatives. For example, a UNEP-GEF project addressing the South China Sea established a highly functional and dynamic website (<http://unepscs.org/>), that remains in existence after the project use. As it was, the COAST project webpage was the most visited webpage on the UNDP Croatia Country Office website in 2011 and 2012. As seen in Figure 9 below, the data available¹⁴ on the project website usage shows an annually increasing trend for both the Croatian and English versions of the website, with the exception of the English page from 2011-2012. In 2011 and 2012 the webpage averaged approximately 170 visits per day.

¹⁴ Data for 2012 is through November 2012. Other standard statistics of website usage are only available for the entire UNDP Croatia website.

Figure 9 COAST Project Webpage Usage, 2009-2012

125. It can be said that the COAST project has significantly improved understanding of the influence of unsustainable economic development on biodiversity, and it certainly drew attention to the need of preserving great natural abundance of the targeted project area. However, a real switch to more environmentally friendly behavior cannot be immediately seen.

126. A lesson from the communications aspect of the project relates to the critical importance of having a strong communications program in place from the beginning of the project. The COAST project did develop an initial communications plan, but once the project had a staff member focusing on these aspects after the mid-point of the project, this plan essentially had to be re-written and updated to be current and relevant to the needs, priorities, and opportunities for the project at that point. The project team was also uncertain about emphasizing communications aspects before the project had much to show in terms of results. However, it seems likely that having a strong communications program in place from the beginning would have been beneficial, and could have contributed to planned project results earlier.

B. Achievement of Logframe Indicator Targets

127. The COAST project results framework is provided in Table 8 below, with an assessment of the achievement of indicator targets. As can be seen in the table, all indicator targets have been met or exceeded.

Results Framework Assessment (below) Key

Green = Achieved	Yellow = Partially Achieved	Red = Not Achieved
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Table 8 COAST Project Results Framework Level of Achievement

Indicator Level	Description of Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2012	TE Assessment
Objective: To effectively transform actions, practices and	1. Application of GEF biodiversity "tracking tool" shows improvement in sectoral activities throughout life of project	Biodiversity Tracking tool attached	Improved ratings at the mid-term and final evaluation	n/a	The tracking tool has indicated an improvement in sectoral activities by the end of the project.
	2. Landscape/seascape area	(a) 0	(a) Direct	(a) 190,000 ha of land	Concur with self-assessment.

Indicator Level	Description of Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2012	TE Assessment
approaches of private operators in the tourism, agriculture and fisheries sectors in the four coastal counties, in part by influencing the banking sector, and thereby mainstream biodiversity conservation into these sectors.	directly (demo areas) covered by the project (ha)	(b) 0	contribution 190,000 ha of land surface 702,000 ha of sea surface	surface 702,000 ha of sea surface	The "direct" contribution relates to the specific demonstration areas in each of the four counties, including the sea area around the demonstration areas. The "indirect" influence relates to the area of the coastal communes in Dalmatia – essentially the full coastal landscape.
	Landscape/seascape area indirectly (all coastal municipalities) covered by the project (ha)		(b) Indirect contribution 1,090,000 ha of land surface 1,640,000 ha of sea surface	(b) 1,090,000 ha of land surface 1,640,000 ha of sea surface Comment: all on-going and planned activities, as well as Green Business Support Programme, deal with the same area, with increasing intensity and cumulative effects	
	3. Number of county development agencies which adopted and sustained BD friendly business support programmes	None	4	4 All four Dalmatian Counties actively participate in all elements of GBSP - grants, technical assistance (for GBSP instruments but also for other sources of funding, in particular EU IPARD) and partial guarantees/loans.	
	4. Increase in coverage of areas under organic cultivation (ha)	500 ha	1400 ha	1970 ha	Concur with self-assessment. The basis for the initial target value isn't clear, though it could be based on a bench-marking approach of the percentage of national territory under organic cultivation in other western European countries.
Outcome 1: Biodiversity friendly development models in the agriculture, fisheries and tourism sectors are demonstrated and promoted in four small, globally important, productive landscapes	5. The volume of grant based co-financing invested into biodiversity friendly agriculture, fisheries/mariculture and tourism activities, through the COAST GBSP across the four counties	None	US\$ 6,000,000 (2009 to 2013)	US\$ 20,026,000 (January 2013 update)	Concur with self-reported assessment. This relates to the co-financing provided and leveraged through the project contribution under the GBSP. The project contributed a maximum of 30% of a GBSP project budget through grants and/or loan guarantees.
	6. The volume of GBSP investments through PGL Fund invested into biodiversity friendly agriculture, fisheries/mariculture and tourism activities, across the four counties	None	US\$ 6,000,000 (2010 to 2013)	US \$ 9,038,000 (January 2013 update)	Concur with self-reported assessment. This relates specifically to the GBSP partial loan guarantee program, in which the project did not provide actual investment, just a 50% guarantee to reduce the investment risk for the loan provided by the bank, and leverage greater resources.
	7. GBSP established and completed projects in agriculture, fisheries and tourism sectors in the four counties	None	80	97 (85 completed) (January 2013 update)	Concur with self-reported assessment. The rationale for the target is not entirely clear, but may have been based on a previous GEF-World Bank project in Croatia (GEF ID #1133) that included a small grants component and had a target of around 25 projects; thus the COAST GBSP target was developed relative to the planned project small grants budget.

Indicator Level	Description of Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2012	TE Assessment
	8. Diversification of shellfish farming by introduction of new species	None	3	3 All 3 projects are under way, with Venus verrucosa project in Malostonski bay being near completion	Concur with self-reported results. One of the three projects had some difficulties, but the other two are expected to lead to benefits.
Outcome 2: Investment climate and market opportunities and measures for BD-friendly enterprises improved across the four counties	9. Number of loans (GBSP and other loan arrangements targeted by the Project) in agriculture, fisheries and tourism sectors integrating biodiversity criteria developed by the COAST Project into approval process	None	20 (by 2013)	21 21 approved for the Partial Guarantee and Loan Fund established with two partner banks (additional 5 PGLF applications in processing)	Concur with self-reported assessment.
	10. Number of banks adopting biodiversity criteria developed by the project within SME financing application processes in the 4 counties by end of project	None	4 (by 2013)	4 In addition, workshop with banking sector was held on Dec 7 when green banking experiences were presented to commercial banks aiming at replication of the green business model established in Dalmatia	Concur with self-reported assessment. However, the project primarily worked with two banks (Splitska and Jadranska), as the GBSP market was not big enough to actively engage other banks, though there were a total of four banks that were in fact involved in the program.
	11. Number of units (hotels, camp sites, private guest houses, family farms, travel agencies) being awarded tourism eco-label accreditation in Project's target areas	None	25 (by 2013)	46 Two eco-labeling schemes established: - "Prijatelj okoliša" (Friend of Environment) for hotels and camps (official gazette NN 70/08; 81/11) – eco label compliant with the European Eco label (EU flower). - Q label for agrotourisms (official gazette NN 05/08; 118/11) - Quality label with integrated eco-criteria in line with similar quality labels in Austria, Italy, and France. Altogether 46 units awarded with eco-label: - 10 hotels and 5 camps with eco label "Prijatelj okoliša" (official gazette NN 70/08; 81/11) - 11 family agrotouristic farms with formally awarded Q label (official gazette NN 05/08; 118/11) - 20 providers of agrotouristic offer satisfying criteria for Q label, officially certified by independent County certification committee – i.e. being awarded County Q label (which is requirement for inclusion of tourist operator in County touristic offer promoted by County).	Concur with self-reported assessment. Rationale for target value is not clear, but may be a combination of initial estimates about what was reasonable for the project to achieve based on the available time and budget, and what was necessary to achieve a reasonable number of demonstrations for further replication.
	12. Number of farmers gaining	30	120	178 (closer to 200 as of	Concur with self assessment.

Indicator Level	Description of Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2012	TE Assessment
	national 'eco' certification in Project's areas		(by 2013)	January 2013)	This relates to the official government organic registration from the Ministry of Agriculture.
Outcome 3: Compliance with biodiversity related legislation, regulations and guidelines relevant to the agricultural, fisheries and tourism has increased in all four counties	13. Number of fishermen (members of fishermen associations) who are applying sustainable fishery practices	None (or undetermined)	120	Depending on the interpretation of the indicator: a) At least 700-800 , if counting only those influenced through the project (estimated as 50% of total sum of 1500 brochure recipients, around 150 participants at series of meetings discussing management plans, 150-200 fishermen that more actively participated with their comments and suggestions in preparation of studies dealing with the major fishing types) b) Around 2000 , if concluding based on survey results which shows that at least 50% of currently existing 3500-4000 licensed professional fishermen are aware of the sustainability-related issues and willing to be part of the well thought of, discussed and agreed solutions	Concur with and support self-reported assessment. According to the project team, when the project (and indicator) was first designed, it was anticipated that the project could support a certain number of individual fishermen in shifting to fishing gear with reduced negative environmental externalities. However, once the project started, it became clear that shifting fishing gear can only happen at the sectoral, not individual, level. Thus the project undertook a number of activities targeted at improving the sustainability of the fishing sector as a whole.
	14. Guidelines for BD and landscape friendly spatial and development planning (including tourism, agriculture and fisheries sectors) adopted by relevant ministries or used in formal professional capacity building programmes	None	3 (by 2013), 200 participants in professional capacity building programmes	5 Guidelines for rural tourism development were completed and published by the Ministry of Tourism (2000 copies distributed through regional development agencies, 70 participants in 2 workshops in Dubrovnik Neretva County)	Concur with self-reported assessment. The target rationale is related to the number of sectors to be addressed. The indicator is output rather than results focused, but the project did actually take further steps to ensure a results-based implementation approach – not simply production of a number of guidelines. The guidelines produced include: - Guidelines on environmentally friendly diving practices - Guidelines on developing rural tourism - Guidelines on beach management; - Guidelines on sustainable fisheries; - Guidelines on green entrepreneurship (in completion)

Indicator Level	Description of Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2012	TE Assessment
Outcome 4: National-, county- and local-level enabling environments (policy, legislation and regulations, planning, and institutional) are strengthened to support more biodiversity friendly development in Dalmatia	15. The number of new or revised laws or regulations relevant to agriculture, fisheries/mariculture or tourism in Dalmatia that integrate recommendations biodiversity friendly business development produced by the COAST Project	None	6 at least 2 new measures respectively in agriculture, fisheries, and tourism by year 2013	6 Adopted by-law for rural tourism (Q label) Adopted Strategic Guidelines for Green Business Development Fishing regulation for Jabuka Pit area has been proposed to European Commission by Croatian and Italian representatives	Concur with self-reported assessment. This is also an output focused indicator, but the project also worked on adoption and implementation of the laws, regulations, and policies produced.
	16. Number of county and local development strategies that integrate recommendations provided by the COAST Project	None	5	5 One more local development strategy in Dubrovnik Neretva County applying Local Action Group (LAG) and LEADER approach is to be completed shortly	Concur with self-assessment, though the total could actually be considered as seven. This includes - Participation in three LEADER Local Action Groups (Mareta LAG, in Zadar; Island of Hvar LAG, covering 4 communes; Peljiscac LAG in Dubrovnik-Neretva county, covering 11 communes) - Each of the county development strategies.

C. Remaining Barriers to Sustainable Development and Conservation of Biodiversity on the Dalmatian Coast

128. The COAST project has undoubtedly been a success, as the many results highlighted above can attest. It is highly likely that in some measurable as well as immeasurable ways the COAST project has shifted the trajectory of coastal development in Dalmatia toward a more sustainable path. Unfortunately this does not necessarily mean that development in the region will now be fully sustainable, and that the biodiversity in the region will be fully conserved. According to project sources, 1,553 km (27%) of the Croatian coast is planned for development, almost double the amount that was urbanized up to the year 2000. The COAST project represented only a fraction of the scale and scope of actions necessary to ensure sustainable development in Dalmatia, and though the project was six years, ensuring sustainable development is a much longer process. The two overarching threats in the region are modern development pressures on the one hand, and on the other hand, the decline of traditional livelihoods in rural areas such as the reduction in pastoralism. Croatia is fortunate in that it has a higher average level of development than a number of other countries in the region¹⁵ (though there are great disparities within regions in Croatia), and with EU accession expected in 2013 the country has new economic opportunities ahead (though it remains to be seen how well these opportunities will be used).

129. Despite the success of the COAST project and the above mentioned expected positive factors, there are a number of remaining barriers to sustainable development and biodiversity conservation in Dalmatia. Some of these critical barriers are highlighted below, with the intention of providing context for the project successes, and highlighting the fact that although the project has made a significant contribution to achieving Global Environmental Benefits (the objective of the GEF), sustainable

¹⁵ Croatia falls into the group of countries classified as having a “very high” Human Development Index with an HDI of greater than 0.8; this is higher than all other countries in the Balkan regions and many in eastern Europe, including the EU member states Romania and Bulgaria. See http://en.wikipedia.org/wiki/List_of_countries_by_Human_Development_Index.

development and effective biodiversity conservation remains an ongoing process in which many actors must continue to make positive efforts.

130. Governance capacity: Government institutions at local, regional and national levels do not have the capacity required to implement, monitor and enforce environmental laws, policies and regulations, including, for example, the quality and level of application of procedures such as Environmental Impact Assessments and Strategic Environmental Assessments. Project stakeholders did note that one of the positive results of the project is that politicians are now more aware of environmental issues with respect to coastal development. In another example, there is currently a law that forbids construction with 500 m of the coastline, but enforcement of this law is not strong; government agencies are only now starting to undertake enforcement through remote-sensing technologies, which should help control coastal development in the future.

131. Nature conservation and environmental management capacity: The institutions and bodies with responsibility for nature conservation and environmental management do not have adequate capacity undertake effective management, particularly the county-level PIMPAs. These institutions may have only a few staff members, and are responsible for all non-national level protected areas, which cover almost half of the territory of the four Dalmatian counties. Capacity needs include individual capacity strengthening, improved quality and quantity of environmental data and analysis, and enforcement capacity.

132. Legislative and policy framework barriers: There remain various legislative, policy, and regulatory issues, which do not facilitate strong environmental management. For example, the county-level PIMPAs are only able to provide voluntary commentary on spatial plans, and government authorities are not required to abide by their input. In addition, spatial plans are not necessarily required to have strategic environmental assessments. Further, land ownership and legal registration issues are a national systemic issue.

133. Limited data on biodiversity status and trends: There is not a comprehensive system of monitoring biodiversity along the Dalmatian coast, and without adequate data effective management decisions to conserve biodiversity cannot be made.

134. There are still many barriers related to biodiversity friendly small and medium enterprises, such as eco-tourism and organic agriculture:

- Still small market for eco-friendly tourism and organic agriculture products
- Still insufficient access to capital for small and medium enterprises (following completion of COAST GBSP)
- Inadequate technical and extension support for development of green business, including organic agriculture
- Insufficient technical assistance for (potential) entrepreneurs on local (county) level including lack of specialized consultants, no consultant success track record
- Poor or no coordination and cooperation among different components of support infrastructure for small and medium enterprises, especially at local (county) level
- Non-existent monitoring and evaluation of the efficiency and effectiveness, no competitiveness and result based financing in the system
- Overlooked importance of various “indirect” (cluster level) support measures for small and medium enterprises, such as: facilitation of small and medium enterprises networking and cooperation, identification and establishment of standards, assistance in branding and market penetration / development

- Lack of understanding of the real potential of various types of small green businesses (agro, adventure, eco tourism, organic farming)
- Many existing structural barriers (unresolved ownership rights, rigid and inefficient physical planning system, aged population, lack of entrepreneurial spirit)

135. In addition, land tenure issues are key particularly with respect to the development of a thriving economically and environmentally sustainable system. As pointed out in the 2012 PIR, "When discussing any business initiative in Dalmatia (and whole Croatia as well) it must be pointed out that there are problems which are systemic barriers to any development and which are beyond the means of the COAST project. Unfortunately, given their persistence over decades, they are obviously beyond the means of many Croatian governments so far. From the project COAST experience two among them proved to be eliminating factors for many project proposals. The first one is fragmented land ownership (50% of farms in Dalmatia are less than 0.5 ha) and outdated property books. The second one is rigid and slow spatial planning system with overly complex, long-lasting and costly permit issuing procedures (combined not surprisingly with large number of illegal structures)."

VI. Key GEF Performance Parameters

A. Stakeholder Participation

136. As stated in the Project Document, the COAST project is a multi-sectoral and a multidisciplinary project. As such, the project objectives would be threatened without involvement of various stakeholder groups. Hence the full involvement of the stakeholders in Dalmatia has been secured and the project has established excellent relationship with the four county authorities and local authorities of the targeted project area. As for the national level, the relevant ministries and public institutional and companies mentioned before have participated in the project development and have also secured co-financing which makes the project preparation a fully participatory process.

137. During the implementation, all the partners have been invited to comment on the plans and outputs in different stages of their elaboration and finalization through workshops, consultative meetings, presentations and information for the media. However, this process has not been equally successful in all the activities. In general, partner institutions dealing with nature conservation were more ready to actively participate. Institutions at regional and national level that plan, coordinate and monitor the implementation of activities related to tourism and agriculture unfortunately did show limited interest and provide feedback during the implementation of activities. In fact, most of the sectors and institutions, except the SINP or PIMPAs, were not very enthusiastic in giving genuine consideration to biodiversity conservation aspects, given the present difficult situation in which conservation efforts do not reflect country and counties development priorities related to green entrepreneurs and biodiversity friendly businesses in everyday implementation and practice.

138. The involvement of different stakeholder groups is briefly summarized below. It was previously indicated in Section IV.B.i which organizations and institutions were represented on the Project Steering Committee.

139. *National Government* – The Ministry of Environment, and SINP were key national level partners for the project, and were fully committed to the project goals and objectives. The project also partnered with the Ministry of Agriculture and Ministry of Tourism on various specific project activities, particularly in the latter part of the project. The Ministry of Agriculture has limited institutional capacity devoted to promotion of and support for organic agriculture. HBOR was another important national quasi-governmental partner, but their role was reduced from what was originally envisioned since their focus is at the national level while the project was focused on a particular part of Croatia.

140. *Regional Government* – The County Development Agencies and PIMPAs within each of the counties were the critical and key primary partners at the regional level. There was a very good working relationship between the project team, UNDP and these institutions, thanks in large part to the stationing of the secondees supported by the project.

141. *Local Government* – Municipal government actors were not primary partners for the project, but the project did engage at this level on various activities. Notably, the project supported local development strategies for four LAGs linked with the LEADER program.

142. *Private Sector* – As has been outlined at various points previously in this evaluation report, through the GBSP the COAST project established strong and productive partnerships with private sector actors –in terms of small and medium enterprises, but also by providing risk buffers for private sector banks to provide investment capital for these businesses.

143. *Civil Society* – Civil society organizations were involved in project activities in various ways. Strong engagement and capacity development of the civil society sector was not a focus of the project, but, for example, environmental NGOs were involved in carrying out project-supported biodiversity monitoring activities, and were engaged as grantees of the GBSP (e.g. the Raptor Center). In the agriculture sector the project worked with the Association of Organic Producers of Dalmatia, and the NGO “Healthy City.”

144. *Local Communities* – The project did not broadly engage local communities, though all project activities were in support of sustainable development for local communities, and the GBSP participants all represented a segment of each of their local community.

145. *Research Institutes* – Experts from the SINP were actively involved in multiple aspects of the project, including biodiversity inventories and mapping, providing input on various project activities such as fisheries studies, and contributing to development of education and awareness materials. Technical experts from universities were also contracted for certain project activities.

B. Sustainability

146. While a sustainability rating is provided here as required, sustainability is a temporal and dynamic state that is influenced by a broad range of constantly shifting factors. It should be kept in mind that the important aspect of sustainability of GEF projects is the sustainability of results, not necessarily the sustainability of activities that produced results. In the context of GEF projects there is no clearly defined timeframe for which results should be sustained, although it is implied that they should be sustained indefinitely. When evaluating sustainability, the greater the time horizon, the lower the degree of certainty possible. There is also an important distinction between sustainability at local and national levels.

147. Based on GEF evaluation policies and procedures, the overall rating for sustainability cannot be higher than the lowest rating for any of the individual components. The overall **sustainability** rating for the Croatia COAST project for this terminal evaluation is likely.

i. Financial Risks to Sustainability

148. While the future of certain aspects of the project results remain to be determined, on the whole, financial risks to the sustainability of project results is limited, and sustainability in this respect is considered likely. The most significant question mark is how the GBSP experience and model will be continued and replicated, if at all. The GBSP was successful in many respects, but there are no confirmed plans to continue the program in its original form. With respect to COAST sustainability, it is not necessary that the GBSP be continued indefinitely as it was – what is important is that the lessons, experience, and demonstrated successful model of the GBSP be integrated in Croatia’s rural

development plans and strategies for the future. However there is not yet a clear picture if or how the Croatian government and other stakeholders will apply the GBSP experience in the future. For example, as part of the GBSP, the COAST project provided assistance to entrepreneurs in developing robust business plans. These business plans were a prerequisite for the banks involved in the scheme to award the loan. Concern is expressed that after the end of the project, green business entrepreneurs will find it difficult to get loans approved as a result of possible lack of assistance in writing business plans. Only Zadar County has so far appointed the secondees for this purpose permanently so it remains quite unclear how the GBSP will continue once the technical assistance provided by the project ends.

149. There are a number of other projects and initiatives that are starting up that the COAST project results will feed into; these include a World Bank funded Natura 2000 integration project,¹⁶ a UNDP-GEF project on strengthening the protected area system,¹⁷ and the EU funded project on strengthening Strategic Environmental Assessment / Environmental Impact Assessment procedures.

150. Another important aspect of financial sustainability is the state and viability of key market sectors related to green business and sustainable development in Dalmatia, as supported by the project – particularly biodiversity friendly tourism, organic agriculture, agriculture based on native breeds and varieties, and mariculture. While the current size of the organic agriculture market is not large, it is expected to continue growing. The biodiversity friendly tourism market is also expected to grow significantly as Croatia joins the EU in 2013. Thus the project's work to promote and support these sectors will be an important contribution and catalyst for further development of these markets.

151. One aspect of the GBSP, the Partial Guarantee Loan Fund, has the potential to remain in existence as the fund resources were never required for use as a loan guarantee. There is an open question about the exit strategy for the fund, as the fund was implemented differently in reality than had been actually anticipated in the project document. The project document foresaw HBOR as the main partner for implementing the fund, while in actuality the county development agencies became the main partner. This evaluation report provides a discussion and recommendation on the fund exit strategy as part of the main recommendations at the end of this report.

ii. Sociopolitical Risks to Sustainability

152. The full range of stakeholders in each of the project sites, and at the national level, expressed strong support for the ongoing work of mainstreaming biodiversity considerations in agriculture, tourism and small and medium entrepreneurship. This was particularly the case among the beneficiaries of the established GBSP scheme. The key government institutions that expressed interest in supporting the GBSP scheme after the termination of the project are the Environmental Protection and Energy Efficiency Fund, HBOR and Ministry of Agriculture, though it is unclear how or if this support will translate into practical implementation. The project has helped catalyze a growing interest in and access to products produced in an environmentally friendly manner on a sustainable basis, which can provide an increase in income and a diversification of economic activities. Strong cooperation with development agencies in counties and with public institutions for nature protection was achieved so it is expected that they will continue implementing part of the activities within their responsibilities. Increasing tourism and growing revenues from tourism services in the targeted project area are also positive influences. In addition, capacity building and awareness raising activities supported by the project will continue to have a positive influence on the ways in which people integrate economic activities with

¹⁶ This is a \$28.8 million World Bank loan approved by the World Bank board in February 2011, and which will continue to April 2016. See <http://www.worldbank.org/projects/P111205/eu-natura-2000-integration-project?lang=en> for more information.

¹⁷ GEF ID #4842, a \$5.08 million project that received GEF approval in mid-2012.

environmental considerations. On the whole, sociopolitical risks to sustainability are limited, and sustainability in this regard is considered *likely*.

iii. Institutional Framework and Governance Risks to Sustainability

153. Institutional roles and responsibilities are reasonably well-specified, though there is still a need for significant institutional capacity strengthening. For example, the institutional capacity of the PIMPAs is low, and these have different levels of capacity in each of the four counties. The County Development Agencies are key players, and collaborate with the municipalities and other institutional actors in managing development in Dalmatia. At the national level, high level discussion and agreement is needed at national /ministry level to secure further activities related to intensifying and promoting green entrepreneurship and securing necessary annual budgets for the continued operations of the GBSP scheme. On the other hand, the cooperation with nature conservation institutions at local and regional self-administration is well established, though there is a greater need for engagement of institutions involved in various economic sectors, including tourism and agriculture. The integration of secondees into the County Development Agencies and PIMPAs their employment by the Development Agencies illustrates the institutionalization of the project and the work the project is undertaking as part of the sustainability and exit strategy. All four counties, targeted by the project, have developed their County Development Strategies, which encompass as a practical tool for nature-friendly development of business and entrepreneurship on the coast.

154. The most significant governance risks to the sustainability of project results relates to government institutions willingness and capacity to implement, monitor and enforce environmental laws, regulations, plans and strategies in the face of intense economic development pressure. In some cases exceptions are granted for zoning or other development regulations, and there is weak institutional capacity to implement Strategic Environmental Assessments and Environmental Impact Assessments.¹⁸ Inadequate biodiversity monitoring data also makes effective development decision-making difficult. However, such issues are at the systemic, national level; they present some challenges and risks for sustainable, biodiversity-friendly development in Dalmatia, but present limited risks to the sustainability of project results. On the whole, institutional framework and governance aspects of sustainability are considered *likely*.

iv. Environmental Risks to Sustainability

155. The project promoted the preservation and sustainable use of natural and landscape values of Dalmatia, and while the project is considered a success, it was not of adequate scale to completely address all of the environmental threats in Dalmatia, and the threats identified in the project document remain relevant. For example, growing tourism expected in the region will be a pressure to the environment, and therefore requires careful planning and monitoring of ecological sites. The work of the project in multiple sectors should help to mitigate some future threats, through improved development strategies and planning, and improved sectoral practices in agriculture, tourism, and fisheries. There are not significant additional or new threats that of concern to the project results; development of the wind power sector is increasing and the potential environmental impact of wind power development should continue to be monitored, but this is not a threat to the broad positive achievements of the COAST project. Environmental sustainability is rated as *likely*.

¹⁸ An EU-funded technical assistance project to strengthen capacities at regional and local levels for strategic environmental assessment was initiated in early 2013. See <http://www.eptisa.com/en/news/news/eptisa-inks-its-first-awarded-contract-implementation-of-directives-on-strategic-environmental-assessment-in-croatia/>.

C. Catalytic Role: Replication and Scaling-up

156. All GEF projects are expected to be catalytic in order to increase the leverage of the GEF's limited resources. This takes the form of replication in other contexts of positive lessons and experiences, or scaling up of the approach piloted. Among the different project activities of the COAST project, GBSP has the highest replication potential. The GBSP, the biggest innovation scheme of the project, is a new model which shows how economic development can be fostered without threatening environment and biodiversity. Speaking of GBSP scheme, the project's benefit is evident in creating good and strong partnership with various stakeholder groups, such as banking sector, county development agencies small and medium enterprises, etc. This model is experimental, but might be used as a good example, and be replicated by other counties after the project ends or used on a country level.

157. As stated in the project document, the COAST project could in the longer term be scaled up across Croatia and internationally. The project document makes a number of claims about replication through capacity building and awareness raising activities, technical support and demonstration of successful practices.

158. The most important catalytic effect of the COAST project is evident on the regional level where the project brought together various local stakeholders, NGOs, focus groups and local governments. During the project lifetime new local initiatives have been developed, and activities that were supported by the project, such as GBSP or guidelines for development of green rural business in Dalmatia, are a key tool for scaling up. Small grants for green business ideas also have catalytic effect in developing "green entrepreneurship" approach which did not exist in Croatia before, but which presented the bases for several new project applications to EU funds. There may also be catalytic effects from the publications the project has produced and strong promotional activities of the project in the media. The project team should also be given additional credit for their efforts in building the project activities on the experiences of other projects. The project's influence on integrating environmental and biodiversity considerations in spatial plans and county development strategies is also anticipated to have positive long-term catalytic effects.

D. Monitoring and Evaluation

i. Project Monitoring, Reporting and Evaluation

159. The monitoring and evaluation plan for the COAST project is laid out in detail in the project document and in the project inception report. Annex 13 of the project document includes the indicative monitoring and evaluation plan and corresponding budget. More specifically, the summary table includes the planned monitoring and evaluation activity, responsible parties, budget and time frame. Such monitoring and evaluation plan conforms to standard UNDP and GEF monitoring and evaluation procedures, standards and norms. The COAST project involved a number of institutions as project partners. Their roles and responsibilities for monitoring and reporting were clearly defined and well understood. The main mechanisms were the PSC (planned to meet once a year), inception report, quarterly progress reports, annual project implementation reports, annual work plans terminal report and two independent evaluations – mid-term evaluation at the mid-point of the project and terminal evaluation at the end of the project implementation. The annual PIRs were completed in a realistic and comprehensive manner and fully used to support project adaptive management and implementation. Quarterly progress reports were completed in a timely manner and provide a short summary (150 words, as per UNDP ATLAS guidelines) on activities in the reporting period. On the whole, reporting was satisfactory and implemented as envisioned in a timely manner.

160. The key element of the project monitoring and evaluation system, the project logframe, had a number of shortcomings with respect to indicators, because they didn't meet GEF and UNDP minimum standard of SMART criteria. Hence the indicators were revised and adjusted during the inception workshop, with changes presented in the project inception report. More specifically, three indicators were removed from the logframe which can be connected to reduced project budget due to significant decline of exchange rate of US\$ to kuna. Namely, one biodiversity indicator was removed from the project goal, while two indicators were removed from the Outcome 1. Therefore, even though the inception report lacks description on the revision of the logframe, it can be concluded that the revision was needed to adapt to "changes in the circumstances that might affect project implementation" that were enumerated in the inception report. Upgraded and reviewed indicators did in a better way reflect the project objectives; however, they were still not insufficiently aligned to SMART criteria. In 2010, logframe was reviewed and reordered and indicators improved as mid-term evaluation team suggested project design to be too complex. For example, indicators for Outcome 3 were completely reformulated. Activities related to forest and water quality were not completely cut from the project but limited on subjects relevant for GBSP (e.g.: 1) sustainable management of small ponds by revitalization of their usage within sector of agriculture; 2) sustainable management of forest in coastal area with emphases on their recreational usage). In addition, Project Outcomes were slightly rephrased according to the mid-term evaluation suggestions but not substantially changed in order to keep the project initial design as approved by GEF secretariat. The logframe indicators were significantly improved by the adjustments made since the inception phase and mid-term evaluation results. Overall, due to improvements with respect to comprehensiveness and specificity of indicators, project monitoring and evaluation for the COAST project can be evaluated as satisfactory.

ii. Environmental Monitoring

161. Environmental monitoring was conducted in the COAST project at the level of the four demonstration areas which cover: (1) Dubrovnik-Neretva county, namely Pelješac peninsula, Dubrovačko primorje, Malostonski Bay and Malo more; (2) Split-Dalmatia county: Vis Island and the nearby remote islands; (3) Šibenik-Knin county: Krka Estuary (including town of Šibenik, St. Ante channel, Prvić, Zlarin and Krpanj islands) and (4) Zadar county: Northwest part of the county (including part of Pag island and Novigradsko and Karinsko more).

162. One of the important results generated by the COAST project is accumulating a significant number of high quality biodiversity data, which have a practical importance for various disciplines (spatial planning, sustainable development and management, biodiversity and environmental protection, education, monitoring invasive species etc.). This is of particular importance since before the COAST project there was no systematic data gathering on biodiversity in Dalmatia. The project team has developed a new methodology in flora, fauna and habitat mapping, based on a participatory approach, which can serve as a base for making the spatial plans. Using GIS, biodiversity data have been collected and processed to form a GIS database. The purpose of created flora, fauna, habitat and landscape inventories, as discussed in Section V.A.i on results, was to identify how much the landscapes of the targeted area are threatened by the economic activities. Therefore, the project team proposed measures that should be respected in future economic development in order to sustain abundance of biodiversity. A portion of the value of environmental monitoring conducted within the COAST project lays in the mapping methodology which was suggested through the COAST project and which was also used for environmental monitoring on pilot sites, also financed by the project.

163. Croatia does not have a national biodiversity monitoring system, but the project-produced biodiversity monitoring data is being applied and integrated in relevant decision-making and management processes. For example, the data collected is being used in county spatial plans, and in

Environmental Impact Assessment procedures. There is not consistent ongoing monitoring being conducted for most taxonomic groups or geographic areas in Dalmatia, and thus assessing the status and trends of biodiversity in Dalmatia in the future will be challenging, unless additional monitoring schemes are put in place. In the meantime, the baseline data collected under the project will provide at least a partial basis for future monitoring.

E. Project Impacts and Global Environmental Benefits

164. For the GEF biodiversity focal area project impacts are defined as documented changes in environmental status of species, ecosystems or genetic biodiversity resources. Global Environmental Benefits in the biodiversity focal area have not been explicitly defined, but are generally considered to involve sustained impact level results of a certain scale or significance.

165. Considering project's contribution to Global Environmental Benefits, as the global environmental objective the project document states that the COAST project "will conserve a dynamic and complex mosaic of habitats, ecosystems, landscapes, seascapes and land-uses, many of which have been recognised both internationally and at the European level. This biodiversity represents systems that were once common throughout the northern Mediterranean, but have almost disappeared from most sites in recent decades due to development pressures. The project will also help conserve a large number of rare and endemic species of plants, insects and marine fauna – on the coast, on islands and in marine ecosystems. Finally, the project will help conserve unique breeds and varieties, and unique indigenous uses and technologies."

166. While the broad strategic approach of the project is to shift the path of coastal development in Dalmatia onto a long-term path that is more biodiversity friendly and sustainable, there were at least a few concrete site-level impacts achieved during the course of the project. Examples include:

- Shifting or elimination of planned wind power development in zones identified as sensitive in two counties.
- The identification of beaches with high biodiversity values, and associated measures for their protection (see Section V.A.i above) that are incorporated in decision-making for concessions allocated by municipalities, which have included the identification of these beaches in their physical plans. Also, this information will be incorporated in the development of Croatia's Natura 2000 system, which will ensure the long-term protection of these valuable sites.
- Various small-scale site level impacts through the multitude of project in the GBSP. It is important to mention that the project team conducted research on diversity of flora species in vineyards and olive groves, to investigate the theoretical basis for providing support to organic producers. In the focus of research were olive groves on the island of Brač and vineyards on the island of Hvar. The flora has been compared between olive groves and vineyards where conventional agricultural methods are used and those olive groves and vineyards where ecological agricultural methods are used. The results indicate greater diversity of flora in those cases where ecological agricultural methods are used.

167. The original COAST project logframe as Annex 1 of the project document did include a number of impact indicators at the objective level. However, these were later deemed infeasible for monitoring and not adequately in-line with SMART criteria to be applied, and these indicators were later dropped when the logframe was revised.

168. Ultimately the project's impact will need to be assessed years in the future to appropriately consider how the conservation measures implemented across the Dalmatian coast are adequately supporting biodiversity conservation.

VII. Main Lessons Learned and Recommendations

A. Lessons from the Experience of the Croatia COAST Project

169. Below are lessons considered by the evaluation team to be some of the more significant lessons drawn from the project experience, but should not necessarily be considered comprehensive. The project team and stakeholders should continue analyzing and drawing on the project experience to identify additional or more comprehensive lessons, and support dissemination of these lessons through documentation in knowledge products. Lessons that were collected during the project COAST are useful in the preparation and implementation of some future projects from two aspects: experience in project management and experience in introducing the concept of green entrepreneurship as a driver of local/regional development in Croatia and beyond. Starting from the knowledge related to project management in the process of project preparation and later in project implementation the following key lessons were learnt:

170. **Lesson 1:** An important experience gained from the COAST project has been to demonstrate that a relatively small amount of money is required to leverage much larger investments for “green” development and business. In the case of the COAST project, the total amount of financial support (grants, technical assistance, and loan guarantees) provided by the project under the GBSP amounted to \$1.65 million USD, and this investment generated a portfolio of green business investment totaling \$28.96 million – a leverage of 17.6 times the GEF investment. For some large investments the project contribution to the overall investment was relatively low (as low as 1% of the total investment), but the project was able to leverage the investment into the “green” or “sustainable” sphere of investment.

171. **Lesson 2:** The COAST has been one of the few biodiversity focal area projects seen by the evaluation team that has successfully established meaningful partnerships with the private sector, and in particular the banking sector. The project was successful in this area for multiple reasons, but a key element was having project staff with an economic background. The project hired an economist, and the banks involved noted that it was easy to work with the project because there were people involved who spoke the same language, and understood the banks’ business. Another factor for the successful private sector partnership represented by the GBSP was the fact that the banks saw the project team and the team of secondees supporting the GBSP as directly engaged in the success of the GBSP projects, and therefore the COAST project represented a kind of additional layer of due diligence that made it easier for the banks to be open to investing in the GBSP projects.

172. **Lesson 3:** While the COAST project was highly successful in establishing partnerships with two banks, there were limitations to these partnerships based on the size of the market. Both banks were engaged partially with the goal of publicizing positive corporate social responsibility that creates a competitive advantage with other banks. Because the GBSP “market” was still relatively small, the project found it was not able to engage a larger number of banks without risking losing the strong partnership with the banks originally engaged. Thus the lesson is that engagement of the banking sector in “green” investment can only grow as the market grows. In other words, it may not be possible to catalyze a “green” portfolio for a large number of banks until this segment of the market is larger. The positive side of this situation is that it is clear that the banks see real value in supporting “green” investments for public relations and corporate social responsibility, on top of the fact that such projects are financially viable.

173. **Lesson 4:** Developing a successful green investment program takes a significant amount of time. While the COAST project was implemented over six years, it was only in the last few years that the GBSP became fully operational, and the program did not complete two full rounds of investment. A lot of time is required to initially plan and design a program like the GBSP, then to familiarize stakeholders with the

program, provide the technical assistance necessary to successfully achieve absorption of the program by the targeted stakeholders, and then for projects to be implemented and results documented. Thus, other projects should not attempt such a program in a time much shorter than the COAST project, and in fact, a longer period for implementing the program would have been useful.

174. **Lesson 5:** Perhaps the most important aspect of establishing a program like the GBSP is the technical assistance input required for engaging stakeholders, and supporting successful applications for the program. Green business development requires intensive field work with entrepreneurs who are engaged in these activities through education, information, preparation of project applications, etc. The COAST project succeeded in this area with support from the secondees in the regional development agencies.

175. **Lesson 6:** In Croatia there are numerous activities related to the promotion of entrepreneurship from different sources and with different intent which should be coordinated and encourage further work on green, but also other entrepreneurial activities, organize multiple projects with clear responsibilities and deadlines for their implementation.

176. **Lesson 7:** Based on concrete examples, pilots projects demonstrated that in rural Dalmatia there is a wide possibility for green businesses, which either reduce the negative impact on biodiversity or have a positive effect on the state of valuable biodiversity. Green businesses are economically viable, which will become evident particularly through the further development of specific forms of tourism (adventure, agro-tourism, cultural tourism, health tourism) and by extending the tourist season. Green business presents a growing opportunity for Croatia, usable either through rural development (through funds available from European Agricultural Fund), through the growing tourism industry, or through sophisticated technological processes and innovations.

177. **Lesson 8:** As has been seen in many GEF projects focusing on environmental conservation in the coastal zone, effective sustainable management of coastal and marine resources requires an integrated approach bringing together all relevant economic sectors. Coastal and marine resources are relevant to a large number of sectors, including tourism, fisheries, agriculture, and construction. The COAST project demonstrated the value and synergies in working with multiple sectors at the same time, while also highlighting the necessity of an integrated approach in the coastal zone.

178. **Lesson 9:** While it is important for many projects to be focused for success, the COAST project has demonstrated that with adequate time, financial resources, and appropriate technical expertise, it is possible for a project to successfully engage in activities in multiple sectors. The COAST project made valuable contributions in the tourism, agriculture, fisheries, and physical planning sectors. And, as noted above, addressing all of these sectors is necessary to support sustainable development and biodiversity conservation in the coastal zone. The COAST project had a relatively large amount of GEF funding for the biodiversity focal area, and was implemented over six years (planned for seven), which is also above average for GEF biodiversity projects. In addition, the project had a team of Chief Technical Experts, with a highly qualified individual addressing each relevant sector. This combination of factors allowed the project to make useful contributions in multiple sectors.

179. **Lesson 10:** The COAST project experience has shown the high value of having a project managed by a competent and dedicated professional project team, and that human and financial resources are adequate to achieve the planned outputs. Project management must be flexible, and in that sense the COAST project team showed high capacity for adaptive management.

180. **Lesson 11:** For projects such as the COAST project, which are addressing environmental issues and engaging a wide range of stakeholders over a larger geographic area, a strong communications program is vital to project success. This has been found in other UNDP-GEF projects in the region as well, such as the regional Prespa Lake project (GEF ID #1537). The COAST project found partway through

implementation that it needed to strengthen its communications approach, and invested in this area by engaging a communications specialist. Continuous, meaningful and targeted public relations activities from the very beginning of project activities contribute to the visibility of the project results to the public, and therefore to its effects on development.

181. **Lesson 12:** Generic indicators are helpful but require customization to local setting and guidance to make their application useful. Project inception stage is very important for reconsideration of indicators and discussion should be encouraged while the mid-term may be the right time to fine tune targets. It is important to point out at the beginning that indicators and their target values are not carved in stone and when there are good reasons they can be modified.

182. **Lesson 13:** It is important to gather and involve project stakeholders from the early stage of the project design and also to ensure their participation later in the process of the project implementation, particularly government stakeholders. This is crucial for establishing the feeling of ownership of the project results. From the early stages the COAST project established stakeholder involvement as one of the key approaches for implementation of project activities. There is no doubt that participation in decision-making enables conflict minimization and improves ownership of the solutions.

183. **Lesson 14:** It is very useful to have field-based trainings and practical demonstrations of policies, laws, and regulations. The COAST project did some field-based training for protected area rangers and civil servants, and it was found to be a useful approach sharing knowledge particularly about aspects related to EU environmental regulations and directives. This type of practical training is preferred, or at least is a necessary complement to non-field based presentations of theoretical aspects related to EU directives, and aspects such as what the Natura 2000 system is all about, how to do regular environmental monitoring, how to implement biodiversity conservation measures on a daily basis, and other responsibilities for managing and ensuring effective biodiversity conservation.

184. **Lesson 15:** In biodiversity mainstreaming projects where projects are providing biodiversity inventory, census, and other monitoring data for integration in land use planning processes, it would be very helpful to develop vertical reporting mechanisms about how this biodiversity data is actually applied. In the COAST project, for example, the State Institute for Nature Protection indicated that it would be very helpful and interesting to how this biodiversity data is used in physical planning, and how it is otherwise being put into use by regional and local stakeholders.

B. Recommendations

185. The recommendations from this terminal evaluation are provided below, with the targeted audiences included in brackets after each recommendation. Although the project is ending, there is still scope for recommendations to be followed-up by the project partners.

186. **Recommendation 1:** There is a strong need to intensify cooperation with relevant government institutions and ministries to continue strengthening and supporting the concept of green business, and enable post-project continuation of the GBSP approach, its possible scaling-up to national level, and integration with other small-business support mechanisms. The efforts taken so far are a positive step, however, it appears partners from the local/regional level were more committed to achievement of project results than ministries and other partners from the national level of governance. This is somewhat understandable given that the project was not nationally focused; however, without national support to this "green" way of doing business it will be much more difficult to continue and replicate the best practices gained through the project in the project area and in the rest of Croatia. Additional steps should be taken prior to EU accession to define the platform and efforts with wider application of green business concept and more actively include institutions such as the Ministry of Entrepreneurship and Crafts. [UNDP, Project Team, Ministry of Environment and Nature Protection, Ministry of Regional Development and EU Funds, HBOR]

187. Recommendation 2: The GBSP scheme was a key result of the COAST project. Its innovative approach is in engaging the private banking sector in co-financing green business ideas, by reducing investment risk through innovative mechanisms. In addition, the project highlighted the importance of small business support infrastructure at the regional level – in other words, actual implementation of high level national policy targets. The GBSP approach and types of assistance is deserving of further attention and replication. It would be useful to scale-up implementation of this scheme to the national level by active collaboration with the HBOR, and stimulating engagement of other banks in Croatia to financially support green entrepreneurship, particularly in relation to strengthening capacity for implementation of business management principles. The project experience has indicated that smaller regional banks are good partners for these innovative forms of financing entrepreneurial activities, and the lessons and experiences from the GBSP scheme should be applied by engaging other banks in other regions of the country. Further effort is necessary to promote investments in green business projects within the banking sector in the whole of Croatia. This is also supportive of sustainability of the project results. The COAST project experience should be replicated in other regions in Croatia through preparation of financing from EU funds for regional and rural development (e.g. European Agricultural Fund for Rural Development). *[UNDP, Government of Croatia]*

188. Recommendation 3: As Croatia moves toward and becomes a member of the EU, there will be a number of opportunities to finance local level sustainable development and environmental protection. The experience of countries that joined the EU in 2007 – Romania and Bulgaria – has been that the countries have been very slow to absorb EU structural operational program funding. Data from the EU showed that as of late 2012, Romania had absorbed less than 10% of the Structural and Cohesion funds allocated by the EU for the 2007-2013 programming period, while the absorption rate for Bulgaria was less than 20%. These were both the lowest rates of all 27 EU member nations. Countries that participated in the 2004 EU enlargement have also had difficulty absorbing funds, with countries like the Czech Republic and Slovakia only reaching in the 20-30% range. Given these precedents, the Croatian government should take all possible measures to increase absorption capacity and identify appropriate opportunities for uptake of EU funds. Multiple aspects of the COAST project have demonstrated success, particularly the GBSP program. The model of green rural development of Dalmatia established by the COAST project satisfies all criteria defined by strategic documents and rural development programs of the EU. Particularly valuable are the Guidelines produced by the COAST project on Green Rural Entrepreneurship Development, which provide key recommendations on improving rural small business infrastructure at the regional level. Such support is a critical pre-requisite for the successful absorption of EU funding available for rural development in the 2014-2020 programming period, particularly resources available under the European Agricultural Fund for Rural Development. With UNDP support the COAST project strengthened regional institutional capacity with training and information dissemination for accessing donor funding. The government of Croatia should leverage UNDP's support and expertise in this area, and build on the successes of the COAST project as one significant opportunity for increasing absorption of EU funding for the 2014-2020 programming period. *[Ministry of Regional Development, Ministry of Environment, Ministry of Finance, other relevant institutions of the Croatian government]*

189. Recommendation 4: The COAST project supported capacity strengthening of the regional institutions involved in nature conservation and sustainable development of the Dalmatia region – namely, the PIMPAs and Regional Development Agencies for the four counties targeted under the project. However, there remains a significant need and opportunity for further work in this area, particularly with the PIMPAs. These organizations are tasked with managing large numbers of sub-national PAs covering significant portions of their counties, but have few staff and limited financial and technical resources to establish effective management. There is also a need for development of

sustainable financing mechanisms to support protected area management in the four Dalmatia counties, as well as a need for strengthening the legal and policy mandates of these institutions. This is an area that should receive further donor support, and there is the opportunity to include this type of work in the forthcoming GEF-funded project in Croatia on protected area management. UNDP and the government of Croatia should include capacity strengthening of the PIMPAs in future nature conservation efforts in Croatia, considering the potentially significant role these institutions could play in regional-level biodiversity conservation. *[UNDP, Ministry of Environment, State Institute for Nature Protection, other relevant institutions of the government of Croatia]*

190. Recommendation 5: The COAST project has successfully demonstrated an integrated approach to green rural development, and the approach has shown its potential value in catalyzing development that is not only environmentally sustainable, but socially and economically sustainable as well. Yet, scaling-up and further application of green rural development requires ongoing and additional integration by relevant stakeholders, particularly at the policy level by government line agencies responsible development of Croatia's rural development strategies and programs. This includes, for example, Ministries of environment, agriculture, entrepreneurship, tourism, and regional development. This evaluation recommends that Croatia's national government institutions responsible for rural development draw on the COAST project example of integrated green rural development in Dalmatia, and further develop this approach in the national context to support rural development strategies and programs that will not only be successful, but which will stand on the three pillars of sustainable development as well – economic, social, and environmental sustainability. *[UNDP, Ministry of Environment and Nature Protection, Ministry of Agriculture, Ministry of Tourism, Ministry of Regional Development and EU Funds]*

191. Recommendation 6: The project contributed to increased biodiversity monitoring data in the project region, which should be further developed and linked with biodiversity data in the rest of Croatia. Monitoring approaches applied under the project included the use of GIS tools, which could be further developed and used by competent authorities in the field of nature protection and biodiversity conservation. Spatial data analysis has proven useful in numerous contexts for tracking biodiversity trends, and for integrating consideration environment limitations when making economic development decisions. In Croatia there are several different databases on biodiversity and they should be brought together into a unique standard database at the national level; the contributions of the COAST project should be integrated in national environmental monitoring systems. *[Ministry of Environment and Nature Protection, State Institute for Nature Protection]*

Recommendation 7: Discussion and Recommendation for Exit Strategy of the Partial Guarantee Loan Fund

One of the key elements of the GBSP was the Partial Guarantee Loan Fund, which provided a 50% guarantee for green business loans provided by the private sector banking partners. This part of the GBSP was successful not only in the sense that it helped catalyze investment in green businesses (with 20 projects supported under the fund), but also in that the projects supported ultimately did not require use of the fund resources; not a single investment supported under the fund defaulted and required use of fund resources. Therefore the fund balance now remains, at the end of the COAST project. It was originally envisioned that the fund would be implemented in partnership with HBOR, though ultimately it was carried out in partnership with the four county development agencies. The project document foresaw that if the fund was successful, the fund's exit strategy should be to grant the funds to HBOR to continue the program, depending on various factors such as market demand and HBOR performance, as well as "HBOR's ability to mobilise additional funding to increase the ratio of maximum guarantee program capacity to GEF funding."

The guarantee fund has been operating well in each of the four counties, but in the absence of the larger GBSP framework the county development agencies may not wish to maintain support for and operation of the fund, and doing so may not be cost-effective. Going forward, the COAST project secondees in the county development

agencies that have supported the GBSP will have other responsibilities once their salaries are fully paid by the county development agencies. While the fund has been successful in the context of the COAST project, at its current size and level of activity, the fund is only supporting 2-3 businesses per county per year, which may not be an adequately significant number to maintain the fund. In addition, the county development agencies' mandate is actually somewhat different than that of HBOR, and the agencies are not in a position to raise additional funding to further capitalize the guarantee fund (as foreseen in the project document that HBOR would do if assuming full responsibility of the fund following project completion).

In an ideal world, following project completion the Partial Guarantee Loan Fund resources would remain where they are to continue supporting operation of the fund, overseen by the county development agencies. If the county development agencies agree to continued operation of the fund for a set number of years (two, or three, etc.), they should be allowed to do so on the condition that they report annually to the Ministry of Environment and UNDP on the performance of the fund. In such a case, a sunset clause should be included in the amended agreements with the counties; for example, whenever the fund is to be wound down, options for integrating the fund resources into other similar programs focusing on biodiversity conservation should be examined, and a selection made in consultation with the Ministry of Environment on the most appropriate outlet for the fund.

Alternatively, if the county development agencies decline to continue supporting the Partial Guarantee and Loan Fund following completion of the COAST project, an appropriate dissolution of the resources could be for the county development agencies to apply the fund balance for implementation of biodiversity conservation related elements of their county development strategies, for example as project co-financing for applications for other donor funding (e.g. EU structural funds, etc.).

The challenge in dissolving such a fund is to ensure that the funds will indefinitely continue to be used appropriately and responsibly to support activities in-line with the originally intended purpose. The longer after COAST project completion the fund remains in existence, the less likely this is to be the case, even if there is a professed strong commitment to the indefinite operation of the Partial Guarantee Loan Fund by the counties. Thus, while there may still be market demand and potential utility of the funds in their current form, unless it is anticipated that within six months the fund is going to be further capitalized and scaled-up, other approaches for useful dissolution of the fund in the short-term (such as contributions to implementation of biodiversity-related aspects of the county development plans) would be the preferred exit strategy.

Therefore, this evaluation recommends that as an exit strategy, the project team, county development agencies, Ministry of Environment and UNDP take the following steps: A.) Identify and review any comparable programs or initiatives (supporting biodiversity conservation in Dalmatia) into which the funds could be folded, including any programs to potentially start-up upon EU accession; B.) Consult with the county development agencies on their ability and willingness to continue supporting and operating the fund, including the technical assistance necessary to generate and process quality applications, and potential for future scaling-up of the fund; C.) Assess the potential to liquidate the fund through use of the resources to support implementation of biodiversity related elements of county development strategies (including, as relevant, partnership activities in collaboration with the PIMPAs). Following this brief review of exit strategy options, a consensus decision should be taken by the relevant partners, with a preference for options that involve a short winding down time horizon - unless there is an iron-clad commitment by the county development agencies to continue operating the fund, a realistic outlook that that commitment would be maintained for years to come, and opportunities for future scaling up the fund. [UNDP, Ministry of Environment, County Development Agencies, Project Team]

VIII. Annexes

Annex 1: Evaluation Terms of Reference

Annex 2: GEF Operational Principles

Annex 3: Full Terminal Evaluation Ratings Table with Qualitative Summaries

Annex 4: Evaluation Criteria and Matrix

Annex 5: Interview Guide

Annex 6: Final GEF SO-2 Tracking Tool

Annex 7: Evaluation Itinerary and List of Persons Interviewed

Annex 8: List of Publications from the COAST Project

Annex 9: Additional External Documents and References Reviewed

Annex 1: Terminal Evaluation Terms of Reference

Note: For space considerations the annexes of the TORs have not been included, but are listed.

Revised¹⁹ Terms of Reference

for the terminal evaluation of the UNDP/GEF Project
Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast
Through Greening Coastal Development - COAST

INTRODUCTION

In accordance with UNDP and GEF M&E policies and procedures, all full and medium-sized UNDP support GEF financed projects are required to undergo a terminal evaluation upon completion of implementation. These terms of reference (TOR) sets out the expectations for a Terminal Evaluation (TE) of the “Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast through Greening Coastal Development – COAST” (PIMS 2439.)

The essentials of the project to be evaluated are as follows:

This Final Evaluation is initiated by the UNDP Croatia as the Implementation Agency for this project and it aims to provide managers (at the Project Implementation Unit, UNDP Croatia Country Office and UNDP/GEF levels) with a comprehensive overall assessment of the project and an opportunity to critically assess administrative and technical strategies, issues and constraints associated with large international and multi-partner initiatives. The evaluation will also collate and analyze lessons learned and best practices obtained during the period of the project implementation that can be further taken into consideration during development and implementation of other GEF projects in Croatia and elsewhere in the world.

The purpose of the Final Evaluation is:

- To assess overall performance against the Project objective and outcomes as set out in Project Document and other related documents,
- To assess the effectiveness and efficiency of the Project,
- To analyze critically the implementation and management arrangements of the Project,
- To assess the progress to date towards achievement of the outcomes,
- To assess the sustainability of the project’s interventions,
- To list and document initial lessons concerning Project design, implementation and management,
- To assess Project relevance to national priorities.

Project performance will be measured based on Project’s Logical Framework Matrix (see Annex III), which provides clear performance and impact indicators for project

¹⁹ Note: The evaluation Terms of Reference was updated following the evaluation mission but before the draft evaluation report was completed to reflect current UNDP and GEF standard terminal evaluation requirements.

implementation along with their corresponding means of verification. Many of these indicators relate to the mainstreaming of biodiversity conservation into tourism, agriculture and fisheries sectors. Success and failure will be determined by taking into account adjustments to the project strategy, as reflected in the Project Inception Report and Mid-term Evaluation Report.

The Report of the Final Evaluation will be stand-alone document that substantiates its recommendations and conclusions.

This evaluation is to be undertaken taking into consideration the GEF Monitoring and Evaluation policy (<http://www.thegef.org/gef/node/4184>) and the UNDP Monitoring and Evaluation Policy (<http://web.undp.org/evaluation/policy.htm>).

PROJECT SUMMARY TABLE

Project Title:	Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast through Greening Coastal development			
GEF Project ID:	PIMS 2439		<i>at endorsement</i> (Million US\$)	<i>at completion</i> (Million US\$)
UNDP Project ID:	50301	GEF financing:	6.988	6.988
Country:	Croatia	IA/EA own:	2.191	1.095
Region:	ECA	Government:	15.418	14.762
Focal Area:	Biodiversity	Other:	6.725	22.400
FA Objectives, (OP/SP):		Total co-financing:	24.334	38.257
Executing Agency:	Ministry of Environmental Protection and Nature	Total Project Cost:	31.322	45.245
Other Partners involved:		ProDoc Signature (date project began):		7 Feb 2007
		(Operational) Closing Date:	Proposed: 28 Feb 2014	Actual:

OBJECTIVE AND SCOPE

The overall goal of the COAST project is to effectively transform actions, practices and approaches of private operators in the tourism, agriculture and fisheries sectors in the four coastal counties, in part by influencing the banking sector, and thereby mainstream biodiversity conservation into these sectors.

This project will help Croatia seize a unique and short-lived opportunity to improve the conservation of globally significant biodiversity in the Dalmatian coastal region before tourism and related economic development cause irreversible damage to the ecosystems. The project will remove barriers to transforming socio-economic sectors and so unleash positive forces for sustainable use of biodiversity. The project, with GEF and multi-source co-financing, will also have important impacts on income generation and sustainable livelihood.

The project works at three levels. At the local or demonstration level, the project demonstrates barrier removal at four demonstration landscapes. At the county level, the project uses the results of the demonstration to transform the productive sectors across the four counties - using both market-based and regulatory approaches. Notably, the project works with key stakeholders in the banking sector, creating innovative banking sector tools to support sustainable use of biodiversity. At the national level, the project directly strengthens the national-level enabling environment. At all levels, the project determines approaches to reducing conflicts across the project area.

Finally, the project implements specific activities to ensure dissemination duplication and replication of project successes. Although there will be some trade-offs, economic development will continue and globally important ecosystems will be protected. Due to the distribution of biodiversity in coastal Croatia, only a small amount of biodiversity can be realistically protected through standard Protected Areas. Hence, this project has been strategically designed to assure the sustainable use of biodiversity lying outside of Protected Areas. This complements national efforts to improve management of Protected Areas.

Details of a particular outcome can be seen in the Logical Framework Matrix (Annex 3 of this ToR).

The main outcomes of the project are as follows:

Outcome 1

Biodiversity friendly development models in the agriculture, fisheries and tourism sectors are demonstrated and promoted in four small, globally important, productive landscapes;

Outcome 2

Investment climate and market opportunities and measures for BD-friendly enterprises improved across the four counties;

Outcome 3

Compliance with biodiversity related legislation, regulations and guidelines relevant to the agricultural, fisheries and tourism has increased in all four counties;

Outcome 4

National, county and local level enabling environments (policy, legislation and regulations, planning, and institutional) are strengthened to support more biodiversity friendly development in Dalmatia.

The key stakeholders for the implementation of this project are:

The project is executed by the Ministry of Environment and Nature Protection (MENP). Project Steering Committee oversees the project implementation. The PSC membership includes representatives of concerned Ministries and other relevant institutions, as well as representatives of the four counties from the project area and of two NGOs from Dalmatia.

Planned project duration: 7 years

Project location: four Dalmatian counties (Dubrovnik-Neretva (1), Split-Dalmatia (2), Sibenik-Knin (3), Zadar (4)).

Project demo areas: (1) – Peljesac Peninsula, Dubrovacko primorje, Malostonski Bay and Malo More (2) – Vis Island and the nearby remote islands, (3) – Krka Estuary (including town of Sibenik, St. Ante channel, Prvic, Zlarin and Krapanj islands, (4) – Northwest part of the county (including part of Pag island and Novigradsko and Karinsko more).

Project Implementation Unit based in Split consists of 6 project team members. Overall management of the project is the responsibility of Project Manager, who is a full time employee of the project.

Project website: <http://www.undp.hr/coast>

Mid-term evaluation of the project was completed in May 2010.

EVALUATION APPROACH AND METHOD

An overall approach and method²⁰ 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. A set of questions covering each of these criteria has been drafted and is included with this TOR (Annex C). The evaluator is expected to amend, complete and submit this matrix as part of an evaluation inception report, and shall include it as an annex to the final report.

The evaluation must provide evidence-based information that is credible, reliable and useful. The evaluator is expected to follow a participatory and consultative approach ensuring close engagement with government counterparts, in particular the GEF operational focal point, UNDP Country Office, project team, UNDP GEF Technical Adviser based in the region and key stakeholders. The evaluator is expected to conduct a field mission to Croatia (Zagreb, Split, Šibenik, Zadar, Dubrovnik), including the following GBSP (Green Business Support Programme) project site. Interviews will be held with the following organizations and individuals at a minimum: Ministry for Environment and Nature Protection; State Institute for Nature Protection, Ministry of Agriculture; Ministry of Tourism, Croatian Bank for Reconstruction and Development, Development Agency, Public Institute for the Management of Protected Natural Areas, Dubrovnik-Neretva County, Split-Dalmatia County, Sibenik-Knin County, Zadar County.

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,

²⁰ For additional information on methods, see the [Handbook on Planning, Monitoring and Evaluating for Development Results](#), Chapter 7, pg. 163

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. A list of documents that the project team will provide to the evaluator for review is included in Annex B of this Terms of Reference.

EVALUATION CRITERIA AND RATINGS

An assessment of project performance will be carried out, based against expectations set out in the Project Logical Framework/Results Framework (see Annex A), which provides performance and impact indicators for project implementation along with their corresponding means of verification. The evaluation will at a minimum cover the criteria of: relevance, effectiveness, efficiency, sustainability and impact. Ratings must be provided on the following performance criteria. The completed table must be included in the evaluation executive summary. The obligatory rating scales are included in Annex D.

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

PROJECT FINANCE / COFINANCE

The Evaluation will assess the key financial aspects of the project, including the extent of co-financing planned and realized. Project cost and funding data will be required, including annual expenditures. Variances between planned and actual expenditures will need to be assessed and explained. Results from recent financial audits, as available, should be taken into consideration. The evaluator(s) will receive assistance from the Country Office (CO) and Project Team to obtain financial data in order to complete the co-financing table below, which will be included in the terminal evaluation report.

Co-financing (type/source)	UNDP own financing (mill. US\$)		Government (mill. US\$)		Partner Agency (mill. US\$)		Total (mill. US\$)	
	Planned	Actual	Planned	Actual	Planned	Actual	Actual	Actual
Grants								
Loans/Concessions								
• In-kind support								
• Other								
Totals								

MAINSTREAMING

UNDP supported GEF financed projects are key components in UNDP country programming, as well as regional and global programmes. The evaluation will assess the

extent to which the project was successfully mainstreamed with other UNDP priorities, including poverty alleviation, improved governance, the prevention and recovery from natural disasters, and gender.

IMPACT

The evaluators will assess the extent to which the project is achieving impacts or progressing towards the achievement of impacts. Key findings that should be brought out in the evaluations include whether the project has demonstrated: a) verifiable improvements in ecological status, b) verifiable reductions in stress on ecological systems, and/or c) demonstrated progress towards these impact achievements.²¹

CONCLUSIONS, RECOMMENDATIONS & LESSONS

The evaluation report must include a chapter providing a set of conclusions, recommendations and lessons.

IMPLEMENTATION ARRANGEMENTS

The principal responsibility for managing this evaluation resides with the UNDP CO in Croatia. The UNDP CO will contract the evaluators and ensure the timely provision of per diems and travel arrangements within the country for the evaluation team. The Project Team will be responsible for liaising with the Evaluators team to set up stakeholder interviews, arrange field visits, coordinate with the Government etc.

EVALUATION TIMEFRAME

The total duration of the evaluation will be 25 days according to the following plan:

Activity	Timing	Completion Date
Preparation	3 days	2013-12-31
Evaluation Mission	10 days	2013-02-01
Draft Evaluation Report	10 days	2013-03-10
Final Report	2 days	2013-03-31

EVALUATION DELIVERABLES

The evaluation team is expected to deliver the following:

Deliverable	Content	Timing	Responsibilities
Inception	Evaluator provides	No later than 2 weeks	Evaluator submits to UNDP

²¹ A useful tool for gauging progress to impact is the Review of Outcomes to Impacts (ROtI) method developed by the GEF Evaluation Office: [ROtI Handbook 2009](#).

	clarifications on timing and method	before the evaluation mission.	CO
Presentation	Initial Findings	End of evaluation mission	To project management, UNDP CO
Draft Final	Full report, (per annexed template) with annexes	Within 3 weeks of the evaluation mission	Sent to CO, reviewed by RTA, PCU, GEF OFPs
Final Report*	Revised report	Within 1 week of receiving UNDP comments on draft	Sent to CO for uploading to UNDP ERC.

*When submitting the final evaluation report, the evaluator is required also to provide an 'audit trail', detailing how all received comments have (and have not) been addressed in the final evaluation report.

TEAM COMPOSITION

The evaluation team will be composed of a team of an International Consultant (Team Leader) and a National Expert. The consultants shall have prior experience in evaluating similar projects. Experience with GEF financed projects is an advantage. 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 evaluation will be conducted by two specialists who shall cooperate with each other in performing the work specified in these ToR. Although both specialists are expected to review all of the aspects of the Project, the task related to variations aspects of evaluation and writing the Final Report will be shared and distributed between the two specialists as follows. 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 Croatian 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.

Evaluation Team will have on their disposal an Interpreter/Translator which will accompany evaluators for the field visits when she/he will be under the direct supervision of the Team Leader.

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 Team members must present the following qualifications:

- Minimum 10 years of relevant professional experience
- Knowledge of UNDP and GEF
- Previous experience with results- based monitoring and evaluation methodologies;
- Technical knowledge in the targeted focal area(s)
- Post University degree in natural resources economics and at least 10 years of relevant experience;
- Experience applying participatory monitoring approaches;
- Experience applying SMART indicators and reconstructing or validating baseline scenarios;
- Competence in Adaptive Management, as applied to conservation or natural resource management projects;
- Recognized expertise in dealing with the mainstreaming of biodiversity into productive sector projects;
- Familiarity with nature management and conservation policies;
- Familiarity with agriculture and green economy aspects will be considered an asset;
- Experience with nature management and conservation policies in South-Eastern Europe and/or Mediterranean region will be considered an asset;
- Demonstrable analytical skills;
- Excellent, proven management, communication and team-building skills;
- Project evaluation experiences within United Nations system will be considered an asset;
- Excellent English communication skills.

EVALUATOR ETHICS

Evaluation consultants will be held to the highest ethical standards and are required to sign a Code of Conduct (Annex E) upon acceptance of the assignment. UNDP evaluations are conducted in accordance with the principles outlined in the UNEG 'Ethical Guidelines for Evaluations'

PAYMENT MODALITIES AND SPECIFICATIONS

%	Milestone
20%	At contract signing
10%	After finalization of the field work
30%	Upon circulation of draft Evaluation Report
	Upon finalization of the Evaluation Report (incorporating comments received on revised draft) following tasks

APPLICATION PROCESS

The Vetted roster- Ecosystem and Biodiversity, was used as a pre-selection tool for identification of the most suitable candidates. Potential experts were identified by checking their P11 and if available their CVs uploaded.

Applicants are requested to send their applications no later than August 15, 2012, 16 h to UNDP CO Croatia at tender.hr@undp.org. Individual consultants are invited to submit applications together with their CV for these positions. The application should contain a current and complete C.V. in English with indication of the email and phone contact. Shortlisted candidates will be requested to submit a price offer indicating the total cost of the assignment (including daily fee, per diem and travel costs).

UNDP applies a fair and transparent selection process that will take into account the competencies/skills of the applicants as well as their financial proposals. Qualified women and members of social minorities are encouraged to apply.

TOR ANNEXES

- Project Logframe
- List of Documents to be Reviewed by the Evaluators
- Evaluation Matrix with Questions for Main Evaluation Criteria
- Rating Scales
- Evaluation Consultant Code of Conduct and Agreement Form
- Evaluation Report Outline
- Evaluation Report Clearance Form (blank/empty)

Annex 2. GEF Operational Principles

<http://www.gefweb.org/public/opstrat/ch1.htm>

TEN OPERATIONAL PRINCIPLES FOR DEVELOPMENT AND IMPLEMENTATION OF THE GEF'S WORK PROGRAM

1. For purposes of the financial mechanisms for the implementation of the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change, the GEF will **function under the guidance of, and be accountable to, the Conference of the Parties (COPs)**. For purposes of financing activities in the focal area of ozone layer depletion, GEF operational policies will be consistent with those of the Montreal Protocol on Substances that Deplete the Ozone Layer and its amendments.
2. The GEF will provide new, and additional, grant and concessional funding to meet the agreed **incremental costs** of measures to achieve agreed global environmental benefits.
3. The GEF will ensure the **cost-effectiveness** of its activities to maximize global environmental benefits.
4. The GEF will fund projects that are **country-driven** and based on national priorities designed to support sustainable development, as identified within the context of national programs.
5. The GEF will maintain sufficient **flexibility** to respond to changing circumstances, including evolving guidance of the Conference of the Parties and experience gained from monitoring and evaluation activities.
6. GEF projects will provide for **full disclosure** of all non-confidential information.
7. GEF projects will provide for consultation with, and **participation** as appropriate of, the beneficiaries and affected groups of people.
8. GEF projects will conform to the **eligibility** requirements set forth in paragraph 9 of the GEF Instrument.
9. In seeking to maximize global environmental benefits, the GEF will emphasize its **catalytic role** and leverage additional financing from other sources.
10. The GEF will ensure that its programs and projects are **monitored and evaluated** on a regular basis.

Annex 3: Full Terminal Evaluation Ratings Table with Qualitative Summaries

Note: Criteria in *italics* are those specifically required in the UNDP-GEF evaluation guidelines. Additional ratings, as per the evaluation TORs and the experience of the evaluators are also included without italics.

Criteria	Rating	Qualitative Summary
Project Formulation		
<i>Relevance</i>	<i>R / HS</i>	<i>The project is relevant from all the aspects of biodiversity policies and it is especially significant to Croatia in terms of introducing the globally accepted concept of green entrepreneurship. The project directly contributes to local environmental and economic development priorities. It fits into UNCBD and GEF strategic priorities, as well as into Croatia's national biodiversity strategy and action plan.</i>
Conceptualization / design	MS	Overall the project strategy is appropriate, though a number of aspects specified in the original project document could have been better designed. Improvements were made at multiple points (inception, mid-term) during project implementation.
Country-drivenness	HS	The COAST project was initiated by national stakeholders; it is fully based on national strategic documents and it supports the realization of local /regional development strategies and environmental protection strategies.
Stakeholder involvement in design	HS	In the preparatory phase the project was designed in a fully participatory approach that involved all relevant stakeholders.
IA & EA Execution		
<i>Quality of UNDP Implementation</i>	<i>S</i>	<i>UNDP fully and adequately supported the project and ensured appropriate implementation oversight.</i>
<i>Quality of Execution – Executing Agency</i>	<i>HS</i>	<i>The project was managed by a team that was fully capable in executing the project's objective and managing the project according to UNDP rules and requirements. The project team received adequate support from the executing body, the Ministry of Environment and Nature Protection.</i>
<i>Overall Quality of Implementation / Execution (Efficiency)</i>	<i>HS</i>	<i>The project was implemented in a cost-effective manner, applying strong adaptive management, and with a results-based focus that ensured efficient use of resources. Overall the project was implemented and executed in a highly professional, responsible, participatory, adaptive, and results-based manner.</i>
Use of the logical framework	S	The original logframe design required adjustment at various points during project implementation, first at the inception phase, and then again at the mid-term. The project team relied on the logframe to guide a results-based project implementation approach.
Financial planning and management	S	Financial management was satisfactory in spite of exchange rate fluctuations, which were the main

Criteria	Rating	Qualitative Summary
		financial risk of the project.
Adaptive management	HS	The project team responded well to changing exogenous factors (e.g. exchange rate fluctuations, parliament elections etc.), and maintained a results-focused approach.
Use and establishment of information technologies	MS	The project's use of GIS was strong, including for inventory and evaluation of areas of significant biodiversity and landscape diversity, as well as other aspects of the project. The project also used information technologies in disseminating results and informing the public on project activities. The project could have had a more dynamic and effective website to bring together stakeholders and establish a stronger image and identity for sustainable development on the Dalmatian Coast.
Operational relationships between the institutions involved	S	There was excellent participation of the local/regional stakeholders in the project implementation. As for national institutions involved in the project, apart from the State Institute for Nature Protection, there is a general impression that the other national stakeholders had limited participation in the project activities until the end of the project when the incentive for the cooperation by the project team became significantly more intense.
<i>Monitoring and Evaluation</i>		
<i>M&E Design at Entry</i>	<i>MS</i>	<i>Logframe indicators did not meet SMART criteria, though other aspects of M&E were in line with GEF and UNDP minimum standards.</i>
<i>M&E Plan Implementation</i>	<i>S</i>	<i>The M&E activities were carried out in a fully adequate and appropriate manner, which supported ongoing oversight, implementation, and adaptive management of the project.</i>
<i>Overall Quality of M&E</i>	<i>S</i>	<i>Monitoring and evaluation plan was adequately budgeted and implemented effectively. The project team implemented the self-evaluation of its work through questionnaires, etc. The critical element of the monitoring system was to establish indicators according to SMART criteria. The indicators were revised and improved by taking into account recommendations of the mid-term evaluation.</i>
<i>Stakeholder Participation</i>		
Production and dissemination of information	S	The project team produced and disseminated a significant number of publications and project materials that were disseminated to a wider scope of potential users (through workshops, seminars and a network of tourist bureaus), and which drew significant attention from the media.
Local resource users and civil society participation	S	The project was well accepted at the local level, including by government and local resource users. A wide network of local experts was used. The GBSP, as the key project result, was especially well accepted by

Criteria	Rating	Qualitative Summary
		the local banks, county development agencies and local entrepreneurs. Involvement of NGOs in the project activities was significantly improved after recommendations given by the mid-term evaluation.
Establishment of partnerships	HS	The project managed to form partnerships between various groups of stakeholders (banking sector, NGOs, SMEs, experts, county development agencies). The partnerships developed between various private sector entities for implementing the GBSP were particularly innovative and successful.
Involvement and support of governmental institutions	MS	There was strong support from the Ministry of Environment as an executing agency, and the State Institute for Nature Protection. Not all other relevant national institutions were as engaged throughout the project as would have been useful. The project team intensified the cooperation at the end of the project to enhance the sustainability of the project.
Overall stakeholder participation	S	There was excellent participation by the stakeholders directly involved in nature conservation, in capacity building activities, and in GBSP especially from the local/regional level of governance. On the other hand, there was more limited participation and subsequent ownership of the project results, from national level institutions till the end of the project when the cooperation became significantly more intense.
<i>Assessment of Outcomes</i>		
Outcome 1: Biodiversity friendly development models in the agriculture, fisheries and tourism sectors are demonstrated and promoted in four small, globally important, productive landscapes	HS	In the scope of this outcome flora and fauna habitat mapping was implemented by creating maps and landscape analysis, through building sustainable development plan for the project's three sectors – tourism, agriculture and fishing, and developing action plans for their implementation. This outcome resulted in introducing the concept of green entrepreneurship in Croatia, introducing GBSP and developing concrete pilot biodiversity friendly businesses.
Outcome 2: Investment climate and market opportunities and measures for biodiversity-friendly enterprises improved across the four countries	HS	The project's Outcome 2 ensured the increased availability of affordable capital for biodiversity friendly businesses in the project area. This outcome contributed to the popularization of green businesses in Croatia and provided support for marketing activities and biodiversity friendly green products and services. The project contributed in introducing and implementing sustainable practices in tourism, agriculture and fisheries sector.
Outcome 3: Compliance with Biodiversity related legislation, regulations and guidelines relevant to the agricultural, fisheries and tourism has increased in all four counties	S	This outcome enabled the review of existing regulations relevant for the project sector and enhancing compliance with EU directives. Through this outcome a series of guidelines on regulatory frameworks were prepared, as well as popular brochures, capacity building events, and very significant operating instructions for agro-

Criteria	Rating	Qualitative Summary
		environmental measures in Dalmatia and the proposal to establish a network of marine protected areas. Moreover, the integration of biodiversity and landscape concerns into spatial planning was enabled.
Outcome 4: National-, county- and local-level enabling environments (policy, legislation and regulations, planning and institutional)	S	Through Outcome 4 the project was successful in drawing attention by various media and wider public on project activities and results, especially in the period 2010 – 2012. The participation of project partners was enhanced and excellent progress in integrating project's recommendations in local and regional strategies and the set target has been significantly achieved. The efforts aimed at understanding and cooperation in support of the development of green businesses at national level, one of the major problems of the project, which focused towards capacity building.
<i>Overall Project Outcome Rating (Effectiveness)</i>	HS	<i>The planned outcomes were achieved, and in some aspects the project exceeded the expected results. Multiple value and important results were produced in each of the main sectors the project addressed. Some challenges were encountered during project implementation that required an adaptive approach, but the project responded appropriately to take advantage of opportunities and address challenges when encountered.</i>
Objective: To effectively transform actions, practices and approaches of private operators in the tourism, agriculture and fisheries sectors in the four coastal counties, in part by influencing the banking sector, and thereby mainstream biodiversity conservation into these sectors.	S	<i>Overall the project made significant contributions and progress toward the overall objective of biodiversity conservation and sustainable development in the Dalmatian coast. There remain barriers to fully achievement of this long-term objective, but thanks to the project's efforts there has been much more significant movement in this direction than there otherwise would have been.</i>
<i>Sustainability</i>		
<i>Financial Resources</i>	L	<i>Overall the main significant results of the project do not face significant financial risks, though there are some elements that have more question marks than others. For example, it is not clear that the GBSP will be continued as an ongoing in its current form without the resources provided by the project, but the results of the individual grants will be sustained, and the program is expected to serve as an example for other similar approaches to be supported in the future by the Croatian government and external donors.</i>
<i>Socio-political</i>	L	<i>The full range of stakeholders expressed their support for the project results, especially at the regional and local levels. The project realized a new business approach in the region, enabled employment and set the framework and knowledge for further widening of globally accepted concept of green entrepreneurship.</i>
<i>Institutional Framework and Governance</i>	L	<i>There are limited institutional and governance risks to</i>

Criteria	Rating	Qualitative Summary
		<i>sustainability, though as indicated elsewhere in this report, a number of barriers remain to fully sustainable coastal development, and management and conservation of biodiversity resources, and many of these barriers relate to limited institutional and governance capacities, such as ensuring the implementation of county physical plans and development strategies.</i>
<i>Environmental</i>	<i>L</i>	<i>There are no significant new environmental risks to the project results. The project did not have the scope and scale to fully address the environmental threats faced in the Dalmatian coast, and those significant threats remain, including land-based pollution, poor development, climate change, decline of traditional livelihoods, and unsustainable use of biodiversity.</i>
<i>Overall Likelihood of Sustainability</i>	<i>L</i>	<i>Based on the sustainability ratings of each of the sustainability components below, the overall sustainability of the project is likely.</i>
<i>Progress Toward Impact</i>		
<i>Environmental Status Improvement</i>	<i>M</i>	<i>There were multiple positive site-based improvements achieved through the GBSP, as well as some specific project activities, such as the work on fisheries and beach management.</i>
<i>Environmental Stress Reduction</i>	<i>M</i>	<i>As mentioned under environmental status improvement, there were numerous site-based instances of environmental stress reduction achieved through the GBSP and other project activities.</i>
<i>Progress Towards Stress/Status Change</i>	<i>S</i>	<i>The project made significant progress toward reducing environmental stresses and improving biodiversity, but these have not yet occurred at the systemic scale. There are multiple project results that have the potential to contribute to systemic level impacts, including the project's work on fisheries, eco-tourism, green entrepreneurship, support for Local Action Groups, and capacity strengthening at the regional level.</i>
Overall Project Results	HS	<i>For the COAST project, the high quality of implementation and execution, and the extent and value of the results produced warrant a highly satisfactory rating. The project was larger (in terms of GEF funding) and longer than the average GEF biodiversity conservation project and thus significant results should have been expected, but the project exceeded the planned results in multiple areas, as assessed at the most basic level through the project results framework indicators and targets. In addition, multiple valuable results are not fully captured through indicators. There were various issues faced during implementation (starting with revisions at the inception stage), but the project and relevant stakeholders responded appropriately, and ensured</i>

Criteria	Rating	Qualitative Summary
		<i>that the project stayed on track. The most significant shortcoming is that there remain many open questions about how the project results will be carried on, replicated, scaled up, and further applied in the coming years as Croatia goes through the transition of EU accession.</i>

Note: The ratings for the main evaluation criteria are narratively highlighted in the report; other ratings are not.

<i>Ratings for Outcomes, Effectiveness, Efficiency, M&E, Implementation and Execution</i> 6: Highly Satisfactory (HS): no shortcomings 5: Satisfactory (S): minor shortcomings 4: Moderately Satisfactory (MS): moderate shortcomings 3: Moderately Unsatisfactory (MU): significant shortcomings 2: Unsatisfactory (U): major problems 1: Highly Unsatisfactory (HU): severe problems	<i>Sustainability Ratings</i> 4. Likely (L): negligible risks to sustainability 3. Moderately Likely (ML): moderate risks 2. Moderately Unlikely (MU): significant risks 1. Unlikely (U): severe risks	<i>Relevance Ratings</i> 2. Relevant (R) 1. Not relevant (NR) <i>Impact Ratings</i> 3. Significant (S): Large-scale impacts 2. Minimal (M): Site-based impacts 1. Negligible (N): Little or no impacts
<i>Additional ratings where appropriate</i> Not Applicable (N/A) Unable to Assess (U/A)		

Annex 4: Evaluation Criteria and Matrix

Primary GEF and UNDP Evaluation Criteria²²

Relevance
<ul style="list-style-type: none"> The extent to which the activity is suited to local and national development priorities and organizational policies, including changes over time. The extent to which the project is in line with the GEF Operational Programs or strategic priorities under which the project was funded. Note: Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances.
Effectiveness
<ul style="list-style-type: none"> The extent to which an objective has been achieved or how likely it will be achieved.
Efficiency
<ul style="list-style-type: none"> The extent to which results have been delivered with the least costly resources possible; also called cost-effectiveness or efficacy.
Results
<ul style="list-style-type: none"> The positive and negative, foreseen and unforeseen changes to and effects produced by a development intervention. In GEF terms, results include direct project outputs, short to medium-term outcomes, and longer-term impact including global environmental benefits, replication effects and other local effects.
Sustainability
<ul style="list-style-type: none"> The likely ability of an intervention to continue to deliver benefits for an extended period of time after completion. Projects need to be environmentally, as well as financially and socially sustainable.

Evaluation Questions	Indicators	Sources	Data Collection Method
<i>Evaluation Criteria: Relevance</i>			
<ul style="list-style-type: none"> Did the COAST project's objective align with the priorities of the local government and local communities? 	<ul style="list-style-type: none"> Level of coherence between project objective and stated priorities of local stakeholders 	<ul style="list-style-type: none"> Local stakeholders Document review of local development strategies, environmental policies, etc. 	<ul style="list-style-type: none"> Local level field visit interviews Desk review
<ul style="list-style-type: none"> Did the project's objective fit within Croatia's national environment and development priorities? 	<ul style="list-style-type: none"> Level of coherence between project objective and national policy priorities and strategies, as stated in official documents 	<ul style="list-style-type: none"> National policy documents, such as National Biodiversity Strategy and Action Plan, National 	<ul style="list-style-type: none"> Desk review National level interviews

²² Source: UNDP. 2012. "Project-level Evaluation: Guidance for Conducting Terminal Evaluations of UNDP-Supported, GEF-financed Projects."

Evaluation Questions	Indicators	Sources	Data Collection Method
		Capacity Self-Assessment, etc.	
<ul style="list-style-type: none"> Did the project concept originate from local or national stakeholders, and/or were relevant stakeholders sufficiently involved in project development? 	<ul style="list-style-type: none"> Level of involvement of local and national stakeholders in project origination and development (number of meetings held, project development processes incorporating stakeholder input, etc.) 	<ul style="list-style-type: none"> Project staff Local and national stakeholders Project documents 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> Did the project objective fit GEF strategic priorities? 	<ul style="list-style-type: none"> Level of coherence between project objective and GEF strategic priorities (including alignment of relevant focal area indicators) 	<ul style="list-style-type: none"> GEF strategic priority documents for period when project was approved Current GEF strategic priority documents 	<ul style="list-style-type: none"> Desk review
<ul style="list-style-type: none"> Did the project's objective support implementation of the Convention on Biological Diversity? Other relevant MEAs? 	<ul style="list-style-type: none"> Linkages between project objective and elements of the CBD, such as key articles and programs of work 	<ul style="list-style-type: none"> CBD website National Biodiversity Strategy and Action Plan 	<ul style="list-style-type: none"> Desk review
Evaluation Criteria: Efficiency			
<ul style="list-style-type: none"> Was the project cost-effective? 	<ul style="list-style-type: none"> Quality and adequacy of financial management procedures (in line with GEF Agency and national policies, legislation, and procedures) Financial delivery rate vs. expected rate Management costs as a percentage of total costs 	<ul style="list-style-type: none"> Project documents Project staff 	<ul style="list-style-type: none"> Desk review Interviews with project staff
<ul style="list-style-type: none"> Were expenditures in line with international standards and norms? 	<ul style="list-style-type: none"> Cost of project inputs and outputs relative to norms and standards for donor projects in the country or region 	<ul style="list-style-type: none"> Project documents Project staff 	<ul style="list-style-type: none"> Desk review Interviews with project staff
<ul style="list-style-type: none"> Was the project implementation approach efficient for delivering the planned project results? 	<ul style="list-style-type: none"> Adequacy of implementation structure and mechanisms for coordination and communication Planned and actual level of human resources available Extent and quality of engagement with relevant partners Quality and adequacy of project 	<ul style="list-style-type: none"> Project documents National and local stakeholders Project staff 	<ul style="list-style-type: none"> Desk review Interviews with project staff Interviews with national and local stakeholders

Evaluation Questions	Indicators	Sources	Data Collection Method
	monitoring mechanisms (oversight bodies' input, quality and timeliness of reporting, etc.)		
<ul style="list-style-type: none"> Was the project implementation delayed? If so, did that affect cost-effectiveness? 	<ul style="list-style-type: none"> Project milestones in time Planned results affected by delays Required project adaptive management measures related to delays 	<ul style="list-style-type: none"> Project documents Project staff 	<ul style="list-style-type: none"> Desk review Interviews with project staff
<ul style="list-style-type: none"> What was the contribution of cash and in-kind co-financing to project implementation? 	<ul style="list-style-type: none"> Level of cash and in-kind co-financing relative to expected level 	<ul style="list-style-type: none"> Project documents Project staff 	<ul style="list-style-type: none"> Desk review Interviews with project staff
<ul style="list-style-type: none"> To what extent did the project leverage additional resources? 	<ul style="list-style-type: none"> Amount of resources leveraged relative to project budget 	<ul style="list-style-type: none"> Project documents Project staff 	<ul style="list-style-type: none"> Desk review Interviews with project staff
<i>Evaluation Criteria: Effectiveness</i>			
<ul style="list-style-type: none"> Are the project objectives likely to be met? To what extent are they likely to be met? 	<ul style="list-style-type: none"> Level of progress toward project indicator targets relative to expected level at current point of implementation 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> What were the key factors contributing to project success or underachievement? 	<ul style="list-style-type: none"> Level of documentation of and preparation for project risks, assumptions and impact drivers 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> What are the key risks and barriers that remain to achieve the project objective and generate Global Environmental Benefits? 	<ul style="list-style-type: none"> Presence, assessment of, and preparation for expected risks, assumptions and impact drivers 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> Are the key assumptions and impact drivers relevant to the achievement of Global Environmental Benefits likely to be met? 	<ul style="list-style-type: none"> Actions undertaken to address key assumptions and target impact drivers 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<i>Evaluation Criteria: Results</i>			
<ul style="list-style-type: none"> Have the planned outputs been produced? Have they contributed to the project outcomes and objectives? 	<ul style="list-style-type: none"> Level of project implementation progress relative to expected level at current stage of implementation Existence of logical linkages between project outputs and outcomes/impacts 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> Are the anticipated outcomes likely to be achieved? Are the outcomes likely to contribute to the 	<ul style="list-style-type: none"> Existence of logical linkages between project outcomes and impacts 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review

Evaluation Questions	Indicators	Sources	Data Collection Method
achievement of the project objective?			
<ul style="list-style-type: none"> Are impact level results likely to be achieved? Are the likely to be at the scale sufficient to be considered Global Environmental Benefits? 	<ul style="list-style-type: none"> Environmental indicators Level of progress through the project's Theory of Change 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
Evaluation Criteria: Sustainability			
<ul style="list-style-type: none"> To what extent are project results likely to be dependent on continued financial support? What is the likelihood that any required financial resources will be available to sustain the project results once the GEF assistance ends? 	<ul style="list-style-type: none"> Financial requirements for maintenance of project benefits Level of expected financial resources available to support maintenance of project benefits Potential for additional financial resources to support maintenance of project benefits 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> Do relevant stakeholders have or are likely to achieve an adequate level of "ownership" of results, to have the interest in ensuring that project benefits are maintained? 	<ul style="list-style-type: none"> Level of initiative and engagement of relevant stakeholders in project activities and results 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> Do relevant stakeholders have the necessary technical capacity to ensure that project benefits are maintained? 	<ul style="list-style-type: none"> Level of technical capacity of relevant stakeholders relative to level required to sustain project benefits 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> To what extent are the project results dependent on socio-political factors? 	<ul style="list-style-type: none"> Existence of socio-political risks to project benefits 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> To what extent are the project results dependent on issues relating to institutional frameworks and governance? 	<ul style="list-style-type: none"> Existence of institutional and governance risks to project benefits 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> Are there any environmental risks that can undermine the future flow of project impacts and Global Environmental Benefits? 	<ul style="list-style-type: none"> Existence of environmental risks to project benefits 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review

Annex 5: Interview Guide

Overview: The questions under each topic area are intended to assist in focusing discussion to ensure consistent topic coverage and to structure data collection, and are not intended as verbatim questions to be posed to interviewees. When using the interview guide, the interviewer should be sure to target questions at a level appropriate to the interviewee. The interview guide is one of multiple tools for gathering evaluative evidence, to complement evidence collected through document reviews and other data collection methods; in other words, the interview guide does not cover all evaluative questions relevant to the evaluation.

Key

Bold = GEF Evaluation Criteria

Italic = GEF Operational Principles

I. PLANNING / PRE-IMPLEMENTATION

A. **Relevance**

- i. Did the project's objectives fit within the priorities of the local government and local communities?
- ii. Did the project's objectives fit within national priorities?
- iii. Did the project's objectives fit GEF strategic priorities?
- iv. Did the project's objectives support implementation of the relevant multi-lateral environmental agreement?

B. *Incremental cost*

- i. Did the project create environmental benefits that would not have otherwise taken place?
- ii. Does the project area represent an example of a globally significant environmental resource?

C. *Country-drivenness / Participation*

- i. How did the project concept originate?
- ii. How did the project stakeholders contribute to the project development?
- iii. Do local and national government stakeholders support the objectives of the project?
- iv. Do the local communities support the objectives of the project?
- v. Are the project objectives in conflict with any national level policies?

D. Monitoring and Evaluation Plan / Design (*M&E*)

- i. Were monitoring and reporting roles clearly defined?
- ii. Was there either an environmental or socio-economic baseline of data collected before the project began?

II. MANAGEMENT / OVERSIGHT

A. Project management

- i. What were the implementation arrangements?
- ii. Was the management effective?
- iii. Were workplans prepared as required to achieve the anticipated outputs on the required timeframes?

- iv. Did the project develop and leverage the necessary and appropriate partnerships with direct and tangential stakeholders?
- v. Were there any particular challenges with the management process?
- vi. If there was a steering or oversight body, did it meet as planned and provide the anticipated input and support to project management?
- vii. Were risks adequately assessed during implementation?
- viii. Did assumptions made during project design hold true?
- ix. Were assessed risks adequately dealt with?
- x. Was the level of communication and support from the implementing agency adequate and appropriate?

B. Flexibility

- i. Did the project have to undertake any adaptive management measures based on feedback received from the M&E process?
- ii. Were there other ways in which the project demonstrated flexibility?
- iii. Were there any challenges faced in this area?

C. Efficiency (cost-effectiveness)

- i. Was the project cost-effective?
- ii. Were expenditures in line with international standards and norms?
- iii. Was the project implementation delayed?
- iv. If so, did that affect cost-effectiveness?
- v. What was the contribution of cash and in-kind co-financing to project implementation?
- vi. To what extent did the project leverage additional resources?

D. Financial Management

- i. Was the project financing (from the GEF and other partners) at the level foreseen in the project document?
- ii. Were there any problems with disbursements between implementing and executing agencies?
- iii. Were financial audits conducted with the regularity and rigor required by the implementing agency?
- iv. Was financial reporting regularly completed at the required standards and level of detail?
- v. Did the project face any particular financial challenges such as unforeseen tax liabilities, management costs, or currency devaluation?

E. Co-financing (catalytic role)

- i. Was the in-kind co-financing received at the level anticipated in the project document?
- ii. Was the cash co-financing received at the level anticipated in the project document?
- iii. Did the project receive any additional unanticipated cash support after approval?
- iv. Did the project receive any additional unanticipated in-kind support after approval?

F. Monitoring and Evaluation (M&E)

- i. Project implementation M&E

- a. Was the M&E plan adequate and implemented sufficiently to allow the project to recognize and address challenges?
 - b. Were any unplanned M&E measures undertaken to meet unforeseen shortcomings?
 - c. Was there a mid-term evaluation?
 - d. How were project reporting and monitoring tools used to support adaptive management?
 - ii. Environmental and socio-economic monitoring
 - a. Did the project implement a monitoring system, or leverage a system already in place, for environmental monitoring?
 - b. What are the environmental or socio-economic monitoring mechanisms?
 - c. Have any community-based monitoring mechanisms been used?
 - d. Is there a long-term M&E component to track environmental changes?
 - e. If so, what provisions have been made to ensure this is carried out?
- E. Full disclosure
- i. Did the project meet this requirement?
 - ii. Did the project face any challenges in this area?

III. ACTIVITIES / IMPLEMENTATION

A. Effectiveness

- i. How have the stated project objectives been met?
- ii. To what extent have the project objectives been met?
- iii. What were the key factors that contributed to project success or underachievement?
- iv. Can positive key factors be replicated in other situations, and could negative key factors have been anticipated?

B. Stakeholder involvement and public awareness (*participation*)

- i. What were the achievements in this area?
- ii. What were the challenges in this area?
- iii. How did stakeholder involvement and public awareness contribute to the achievement of project objectives?

IV. RESULTS

A. Outputs

- i. Did the project achieve the planned outputs?
- ii. Did the outputs contribute to the project outcomes and objectives?

B. Outcomes

- i. Were the anticipated outcomes achieved?
- ii. Were the outcomes relevant to the planned project impacts?

C. Impacts

- i. Was there a logical flow of inputs and activities to outputs, from outputs to outcomes, and then to impacts?
- ii. Did the project achieve its anticipated/planned impacts?
- iii. Why or why not?

- iv. If impacts were achieved, were they at a scale sufficient to be considered Global Environmental Benefits?
 - v. If impacts or Global Environmental Benefits have not yet been achieved, are the conditions (enabling environment) in place so that they are likely to eventually be achieved?
 - D. Replication strategy, and documented replication or scaling-up (*catalytic role*)
 - i. Did the project have a replication plan?
 - ii. Was the replication plan “passive” or “active”?
 - iii. Is there evidence that replication or scaling-up occurred within the country?
 - iv. Did replication or scaling-up occur in other countries?
- V. LESSONS LEARNED
 - A. What were the key lessons learned in each project stage?
 - B. In retrospect, would the project participants have done anything differently?
- VI. SUSTAINABILITY
 - A. Financial
 - i. To what extent are the project results dependent on continued financial support?
 - ii. What is the likelihood that any required financial resources will be available to sustain the project results once the GEF assistance ends?
 - iii. Was the project successful in identifying and leveraging co-financing?
 - iv. What are the key financial risks to sustainability?
 - B. Socio-Political
 - i. To what extent are the project results dependent on socio-political factors?
 - ii. What is the likelihood that the level of stakeholder ownership will allow for the project results to be sustained?
 - iii. Is there sufficient public/stakeholder awareness in support of the long-term objectives of the project?
 - iv. What are the key socio-political risks to sustainability?
 - C. Institutions and Governance
 - i. To what extent are the project results dependent on issues relating to institutional frameworks and governance?
 - ii. What is the likelihood that institutional and technical achievements, legal frameworks, policies and governance structures and processes will allow for the project results to be sustained?
 - iii. Are the required systems for accountability and transparency and the required technical know-how in place?
 - iv. What are the key institutional and governance risks to sustainability?
 - D. Ecological
 - i. Are there any environmental risks that can undermine the future flow of project impacts and Global Environmental Benefits?

Annex 6: Final GEF SO-2 Tracking Tool

Tracking Tool for Biodiversity Projects in GEF-3, GEF-4, and GEF-5

Objective 2:
Mainstreaming Biodiversity Conservation in Production Landscapes/Seascapes and Sectors

Objective: To measure progress in achieving the impacts and outcomes established at the portfolio level under the biodiversity focal area.

Rationale: Project data from the GEF-3, GEF-4, and GEF-5 project cohort will be aggregated for analysis of directional trends and patterns at a portfolio-wide level to inform the development of future GEF strategies and to report to GEF Council on portfolio-level performance in the biodiversity focal area.

Structure of Tracking Tool: Each tracking tool requests background and coverage information on the project and specific information required to track portfolio level indicators in the GEF-3, GEF-4, and GEF-5 strategy.

Guidance in Applying GEF Tracking Tools: GEF tracking tools are applied three times: at CEO endorsement, at project mid-term, and at project completion.

Submission: The finalized tracking tool will be cleared by the GEF Agencies as being correctly completed.

Important: Please read the Guidelines posted on the GEF website before entering your data

I. General Data	Please indicate your answer here	Notes
Project Title	Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast through Greening Coastal Development ("COAST" Project)	
GEF Project ID	PIMS 2439	
Agency Project ID	50301	
Implementing Agency	UNDP	
Project Type	FSP	FSP or MSP
Country	Croatia	
Region	ECA	
Date of submission of the tracking tool		Month DD, YYYY (e.g., May 12, 2010)
Name of reviewers completing tracking tool and completion date		Completion Date
Planned project duration	7	years

Actual project duration	6	years
Lead Project Executing Agency (ies)	Ministry of Environmental Protection and Nature	
Date of Council/CEO Approval	September 28, 2006	Month DD, YYYY (e.g., May 12, 2010)
GEF Grant (US\$)	6,988,000	
Cofinancing expected (US\$)	24,334,000	
Please identify production sectors and/or ecosystem services directly targeted by project:		
Agriculture	1	1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project
Fisheries	1	1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project
Forestry	2	1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project
Tourism	1	1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project
Mining	2	1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project
Oil	2	1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project
Transportation	2	1: Primarily and directly targeted by the project 2: Secondary or incidentally affected by the project
Other (please specify)		

II. Project Landscape/Seascape Coverage

1. What is the extent (in hectares) of the landscape or seascape where the project will directly or indirectly contribute to biodiversity conservation or sustainable use of its components? An example is provided in the table below.

Foreseen at project start (to be completed at CEO approval or endorsement)

Landscape/seascape ^[1] area <u>directly</u> ^[2] covered by the project (ha)	200,000 land, 702,000 sea	
Landscape/seascape area indirectly ^[3] covered by the project (ha)	1,090,000 land, 1,640,000 sea	
Explanation for indirect coverage numbers:	Direct coverage includes 4 demo areas, both terrestrial and marine, where activities on BD inventory surveys, sectoral action planning and GBSP projects are concentrated. Indirect coverage includes all the municipalities, GBSP eligible, that lie along the Dalmatian coast.	Please indicate reasons
Actual at mid-term		
Landscape/seascape ^[1] area <u>directly</u> ^[2] covered by the project (ha)	30%	
Landscape/seascape area indirectly ^[3] covered by the project (ha)	30%	
Explanation for indirect coverage numbers:	as above	Please indicate reasons
Actual at project closure		
Landscape/seascape ^[1] area <u>directly</u> ^[2] covered by the project (ha)	100%	
Landscape/seascape area indirectly ^[3] covered by the project (ha)	100%	
Explanation for indirect coverage numbers:	as above	Please indicate reasons

[1] For projects working in seascapes (large marine ecosystems, fisheries etc.) please provide coverage figures and include explanatory text as necessary if reporting in hectares is not applicable or feasible.

[2] Direct coverage refers to the area that is targeted by the project's site intervention. For example, a project may be mainstreaming biodiversity into floodplain management in a pilot area of 1,000 hectares that is part of a much larger floodplain of 10,000 hectares.

[3] Using the example in footnote 2 above, the same project may, for example, "indirectly" cover or influence the remaining 9,000 hectares of the floodplain through promoting learning exchanges and training at the project site as part of an awareness raising and capacity building strategy for the rest of the floodplain. Please explain the basis for extrapolation of indirect coverage when completing this part of the table.

2. Are there Protected Areas within the landscape/seascape covered by the project? If so, names these PAs, their IUCN or national PA category, and their extent in hectares		
Name of Protected Areas	IUCN and/or national category of PA	Extent in hectares of PA
Krka	II / National Park	11,100 ha
Lastovo Islands	V and VI / Nature Park	5,200 land surface; 14,300 sea surface
3		
4		

3. Within the landscape/seascape covered by the project, is the project implementing payment for environmental service schemes? If so, please complete the table below. Example is provided.		
<i>e.g. Foreseen at Project Start</i>	<i>e.g. Water provision</i>	<i>Please Indicate Environmental Service</i>
	<i>e.g. 40,000 hectares</i>	<i>Extent in hectares</i>
	<i>e.g. \$ 10 per hectare per year</i>	<i>Payments generated (US\$)/ha/yr if known at time of CEO endorsement</i>
Foreseen at project start (to be completed at CEO approval or endorsement)	no	Please Indicate Environmental Service
		Extent in hectares
		Payments generated (US\$)/ha/yr
Actual at mid-term		Please Indicate Environmental Service
		Extent in hectares
		Payments generated (US\$)/ha/yr
Actual at project closure		Please Indicate Environmental Service
		Extent in hectares
		Payments generated (US\$)/ha/yr

Part III. Management Practices Applied

4. Within the scope and objectives of the project, please identify in the table below the management practices employed by project beneficiaries that integrate biodiversity considerations and the area of coverage of these management practices. Please also note if a certification system is being applied and identify the certification system being used. Note: this could range from farmers applying organic agricultural practices, forest management agencies managing forests per Forest Stewardship Council (FSC) guidelines or other forest certification schemes, artisanal fisherfolk practicing sustainable fisheries management, or industries satisfying other similar agreed international standards, etc.

e.g. Foreseen at Project Start	<i>E.g., Sustainable management of pine forests</i>	Please indicate specific management practices that integrate BD
	<i>FSC</i>	Name of certification system being used (insert NA if no certification system is being applied)
	<i>120,000 hectares</i>	Area of coverage
Foreseen at project start (to be completed at CEO approval or endorsement)	BD-friendly organic agricultural practices (baseline is 500 ha in year 2006)	Certified organic agriculture
	National Eco label	Name of certification system being used (insert NA if no certification system is being applied)
	1400 ha	Area of coverage
Actual at mid-term		Please indicate specific management practices that integrate BD
		Name of certification system being used (insert NA if no certification system is being applied)
	1100 ha	Area of coverage
Actual at project closure		Please indicate specific management practices that integrate BD
		Name of certification system being used (insert NA if no certification system is being applied)
	1970 ha	Area of coverage

Part IV. Market Transformation

5. For those projects that have identified market transformation as a project objective, please describe the project's ability to integrate biodiversity considerations into the mainstream economy by measuring the market changes to which the project contributed. The sectors and subsectors and measures of impact in the table below are illustrative examples, only. Please complete per the objectives and specifics of the project.

Foreseen at project start		
		Unit of measure of market impact

Name of the market that the project seeks to affect (sector and sub-sector)	<i>E.g., Sustainable agriculture (Fruit production: apples)</i>	<i>E.g., US\$ of sales of certified apple products / year</i>
	<i>E.g., Sustainable forestry (timber processing)</i>	<i>E.g., cubic meters of sustainably produced wood processed per year</i>
Name of the market that the project seeks to affect (sector and sub-sector)	Shellfish farming products	tons/year
Actual at mid-term		
		Unit of measure of market impact
Name of the market that the project seeks to affect (sector and sub-sector)	<i>E.g., Sustainable agriculture (Fruit production: apples)</i>	<i>E.g., US\$ of sales of certified apple products / year</i>
	<i>E.g., Sustainable forestry (timber processing)</i>	<i>E.g., cubic meters of sustainably produced wood processed per year</i>
Name of the market that the project seeks to affect (sector and sub-sector)	Shellfish farming products	tons/year
	3200	
Actual at project closure		
		Unit of measure of market impact
Name of the market that the project seeks to affect (sector and sub-sector)	<i>E.g., Sustainable agriculture (Fruit production: apples)</i>	<i>E.g., US\$ of sales of certified apple products / year</i>
	<i>E.g., Sustainable forestry (timber processing)</i>	<i>E.g., cubic meters of sustainably produced wood processed per year</i>
Name of the market that the project seeks to affect (sector and sub-sector)	Shellfish farming products	tons/year

sub-sector)	3800	
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Part V. Policy and Regulatory frameworks

6. For those projects that have identified addressing policy, legislation, regulations, and their implementation as project objectives, Please complete these tables for each sector that is a primary or a secondary focus of the project. Please answer (1 for YES or 0 for NO) to each statement under the sectors that are a focus of the project.

<i>Biodiversity considerations are mentioned in sector policy</i>		
Agriculture	1	Yes = 1, No = 0
Fisheries	1	Yes = 1, No = 0
Forestry		Yes = 1, No = 0
Tourism	1	Yes = 1, No = 0
Other (please specify)		Yes = 1, No = 0
<i>Biodiversity considerations are mentioned in sector policy through specific legislation</i>		
Agriculture	1	Yes = 1, No = 0
Fisheries	1	Yes = 1, No = 0
Forestry		Yes = 1, No = 0
Tourism	0	Yes = 1, No = 0
Other (please specify)		Yes = 1, No = 0
<i>Regulations are in place to implement the legislation</i>		
Agriculture	1	Yes = 1, No = 0
Fisheries	1	Yes = 1, No = 0
Forestry		Yes = 1, No = 0
Tourism	0	Yes = 1, No = 0
Other (please specify)		Yes = 1, No = 0
<i>The regulations are under implementation</i>		

Agriculture	1	Yes = 1, No = 0
Fisheries	1	Yes = 1, No = 0
Forestry		Yes = 1, No = 0
Tourism	0	Yes = 1, No = 0
Other (please specify)		Yes = 1, No = 0
<i>The implementation of regulations is enforced</i>		
Agriculture	1	Yes = 1, No = 0
Fisheries	1	Yes = 1, No = 0
Forestry		Yes = 1, No = 0
Tourism	0	Yes = 1, No = 0
Other (please specify)		Yes = 1, No = 0
<i>Enforcement of regulations is monitored</i>		
Agriculture	1	Yes = 1, No = 0
Fisheries	0	Yes = 1, No = 0
Forestry		Yes = 1, No = 0
Tourism	0	Yes = 1, No = 0
Other (please specify)		Yes = 1, No = 0

All projects please complete this question at the project mid-term evaluation and at the final evaluation, if relevant:

7. Within the scope and objectives of the project, has the private sector undertaken voluntary measures to incorporate biodiversity considerations in production? If yes, please provide brief explanation and specifically mention the sectors involved. An example of this could be a mining company minimizing the impacts on biodiversity by using low-impact exploration techniques and by developing plans for restoration of biodiversity after exploration as part of the site management plan.

Part VI. Tracking Tool for Invasive Alien Species Projects in GEF 4 and GEF 5

Objective: The Invasive Alien Species Tracking Tool has been developed to help track and monitor progress in the achievement of outcome 2.3 in the GEF-5 biodiversity strategy: "improved management frameworks to prevent, control, and manage invasive alien species" and for Strategic Program 7 in the GEF-4 strategy.

Structure of Tracking Tool: The Tracking Tool addresses four main issues in one assessment form:

- 1) National Coordination Mechanism;
- 2) IAS National Strategy Development and Implementation;
- 3) Policy Framework to Support IAS Management; and
- 4) IAS Strategy Implementation: Prevention, Early Detection, Assessment and Management.

Assessment Form: The assessment is structured around six questions presented in table format which includes three columns for recording details of the assessment, all of which should be completed.

Next Steps: For each question respondents are also asked to identify any intended actions that will improve performance of the IAS management framework.

Prevention, control, and management of invasive alien species (IAS)

Tracking Tool

Issue	Please	Scoring Criteria		
National Coordination Mechanism				
1) Is there a National Coordination Mechanism to assist with the design and implementation of a national IAS strategy? (This could be a single "biosecurity" agency or an interagency committee).	0	0: National Coordination Mechanism does not exist 1: A national coordination mechanism has been established 2: The national coordination mechanism has legal character and responsibility for development of a national strategy 3: The national coordination mechanism oversees implementation of IAS	Comment: Within the frames of the WWF MedPo project "Protected Areas for a Living Planet – Dinaric Arc Ecoregion: Study on invasive species" WWF has financed making of draft proposal for the development of a National Strategy on Invasive Alien Species in Croatia. This document describes Croatian regulatory framework relevant to the IAS issue, and details the key actions required to address the problems caused by IAS (development and/or improvement of regulatory/legislative framework to prevent invasions, establishment of early detection and rapid response system, decision support tools to implement measures to remove established IAS, or managed them when removal is not appropriate). Representatives of Ministry of Culture – Nature Protection Directorate and Directorate for Nature Protection Inspection, State Institute for Nature Protection and Croatian Environment Agency have been included in the project in order to help with data input and expertise.	Next

		National Strategy		
	0	Bonus point: Contingency plans for IAS emergencies exist and are well coordinated 0: NO 1: Yes		
IAS National Strategy Development and Implementation				
2) Is there a National IAS strategy and is it being implemented?	2	0: IAS strategy has not been developed 1: IAS strategy is under preparation or has been prepared and is not being implemented 2: IAS strategy exists but is only partially implemented due to lack of funding or other problems 3: IAS strategy exists, and is being fully implemented	Comment: Croatia does not have national IAS strategy, but Strategy and Action Plan for the Protection of Biological and Landscape Diversity of the Republic of Croatia (Official Gazette No. 143/2008) which defines strategic objectives and action plans in relation to IAS. According to the Strategy, prevention of the introduction of IAS, resolving the issues of existing IAS, systematic monitoring of IAS distributions and raising public awareness on IAS are recognised as critical issues. Partially are implemented.	Next
Policy Framework to Support IAS Management				

3) Has the national IAS strategy lead to the development and adoption of comprehensive framework of policies, legislation, and regulations across sectors.	4	<p>0: IAS policy does not exist</p> <p>1: Policy on invasive alien species exists (Specify sectors in comment box if applicable)</p> <p>2: Principle IAS legislation is approved (Specify sectors in comment box if applicable. It may be that harmonization of relevant laws and regulations to ensure more uniform and consistent practice is most realistic result.)</p> <p>3: Subsidiary regulations are in place to implement the legislation (Specify sectors in comment box if applicable)</p> <p>4: The regulations are under implementation and enforced for some of the main priority pathways for IAS (Specify sectors in comment box if applicable)</p> <p>5: The regulations are under implementation and enforced for all of the main priority pathways for IAS (Specify sectors in comment box if applicable)</p> <p>6: Enforcement of regulations is monitored (Specify sectors in comment box if applicable)</p>	<p>Comment: The method of producing and conducting the risk assessment study of introducing and reintroducing into nature, as well as the method of ascertaining public opinion is prescribed by the Ordinance on the method of preparing and implementing risk assessment studies with respect to introduction, reintroduction and breeding of wild taxa (Official Gazette No. 35/2008). According to the Ordinance on requirements for issuing approvals to legal persons for performing professional environmental protection activities (Official Gazette No. 57/2010), risk assessment studies for introduction, reintroduction and breeding of wild taxa can only be performed by a legal person authorised for performing this kind of assessments in the field of nature protection. The Ordinance on transboundary movement and trade of protected wild species (Official Gazette No. 72/2009, 143/2010 and 87/2012) regulates the import of live specimens of alien taxa and contains a list of species whose import is prohibited. Also, this ordinance stipulates the need of import permits for all live specimens of alien species.</p> <ul style="list-style-type: none"> • Ordinance on ballast water management and inspection (Official Gazette No. 128/2012) was adopted in 2012 on the basis of the Maritime Code (Official Gazette No. 181/2004, 76/2007, 146/2008, 61/2011). The central state administration body in charge of maritime affairs is responsible for dealing with this issue on the national level. 	Next
Prevention				
4) Have priority pathways for invasions been identified and actively managed and monitored?	0	<p>0: Priority pathways for invasions have not been identified.</p> <p>1: Priority pathways for invasions have been identified using risk assessment procedures as appropriate</p> <p>2: Priority pathways for invasions are being actively managed and monitored to prevent invasions (In comment section please specify methods for prevention of entry: quarantine laws and regulation, database establishment, public education, inspection, treatment technologies (fumigation, etc) in the comment box.)</p> <p>3: System established to use monitoring results from the methods employed to manage priority pathways in the development of new and improved policies, regulations and management</p>		Next

		approaches for IAS		
Early Detection				
5) Are detection, delimiting and monitoring surveys conducted on a regular basis?	0	<p>0: Detection surveys[1] of aggressively invasive species (either species specific or sites) are not regularly conducted due to lack of capacity, resources, planning, etc</p> <p>1: Detection surveys (observational) are conducted on a regular basis</p> <p>2: Detection and delimiting surveys[2] (focusing on key sites: high risk entry points or high biodiversity value sites) are conducted on a regular basis</p> <p>3: Detection, delimiting and monitoring surveys[3] focusing on specific aggressively invasive plants, insects, mammals, etc are conducted on a regular basis</p>		
	0	<p>Bonus point: Data from surveys is collected in accordance with international standards and stored in a national database.</p> <p>0: NO</p> <p>1: Yes</p>		
	0	<p>Bonus point: Detection surveys rank IAS in terms of their potential damage and detection systems target the IAS that are potentially the most damaging to globally significant biodiversity</p> <p>0: NO</p> <p>1: Yes</p>		
Assessment and Management: Best practice applied				
6) Are best management practices being applied in project target areas?	3	<p>0: Management goal and target area undefined, no acceptable threshold of population level established</p> <p>1: Management goal and target area has been defined and acceptable threshold of population level of the species established</p> <p>2: Four criteria are applied to prioritize species and infestations for control in the target areas: a) current and</p>	<p>Comment: a) Order for eradication of signal crayfish (<i>Pacifastacus leniusculus</i>) from inland waters (Official Gazette No. 39/2012) was issued on April 4, 2012 by the Ministry of Environmental and Nature Protection in order to prevent further spread of signal crayfish and its negative impact to the Croatian biodiversity.</p> <p>b) Order for eradication of wild boar (<i>Sus scrofa</i>) from the Adriatic islands (Official Gazette No. 49/2012) was issued on April 27, 2012 by the Ministry of Environmental and Nature Protection in order to prevent further spread of wild boar and its negative impact to the Croatian biodiversity.</p> <p>c) In February 2012 one specimen of signal crayfish was recorded in the river Korana, after which a rapid response was initiated. Activities were coordinated by SINP and involved Ministry of Environmental and Nature Protection, Faculty of Science of the University of Zagreb, Public Institution for Governing Protected Natural Assets in the Karlovac County "Natura Viva" and volunteers from local NGO's Sedra, RK Žabac and KPA Karlovac.</p>	Next

		<p>potential extent of the species; b) current and potential impact of the species; c) global value of the habitat the species actually or potentially infests; and d) difficulty of control and establishing replacement strategies.</p> <p>3: Eradication, containment, control and management strategies are considered, and the most appropriate management strategy is applied to achieve the management goal and the appropriate level of protection in the target areas (Please discuss briefly rationale for the management strategy employed.)</p>	<p>Different measures were conducted:</p> <ul style="list-style-type: none"> • Education and public awareness • Field research and preparation of eradication plan • Eradication action with 150 crayfish traps, done by 20 local volunteers. <p>Main goal is to stop and control future dispersion of signal crayfish upstream and downstream. Eradication activities have started after preliminary research was done and area of occurrence was defined.</p> <p>d) NGO Biom conducted a research project in collaboration with the Public Institution Nature Park Lastovo. The project's goal was experimental eradication of the black rat (<i>Rattus rattus</i>) on three small islands, as well as to determine influence of these measures on nesting success of two bird species - the Cory's Shearwater (<i>Calonectris diomedea diomedea</i>) and the Yelkouan Shearwater (<i>Puffinus yelkouan</i>). Preliminary results showed nesting success and positive trends on two out of three islands.</p> <p>e) In May 2010 the final draft of "Action plan for eradication of the wild boar (<i>Sus scrofa</i>) from the islands of Krk and Cres" was prepared by the five-member working group, formed by the experts and scientists from the Faculty of Agriculture and the Faculty of Forestry, University of Zagreb, the Ministry of Agriculture, Forestry and Water Management (Department for hunting) and the State Institute for Nature Protection. The proposed action plan lists the activities and measures to be taken to eradicate the wild boar on the islands of Krk and Cres, where it is alien. According to the available information implementation of this Action Plan has not yet been considered.</p>	
	0	<p>Bonus point: Monitoring system (ongoing surveys) established to determine characteristics of the IAS population, and the condition of the target area.</p> <p>0: NO 1: Yes</p>		
	0	<p>Bonus points: Funding for sustained and ongoing management and monitoring of the target area is secured.</p> <p>0: NO 3: Yes</p>		
	0	<p>Bonus point: Objective measures indicate that the restoration of habitat is likely to occur in the target area.</p> <p>0: NO 1: Yes</p>		
	9	TOTAL SCORE		
	29	TOTAL POSSIBLE		

[1] Detection survey: survey conducted in an attempt to determine if IAS are present.

[2] Delimiting survey: survey conducted to establish the boundaries of an area considered to be infested or free from a pest.

[3] Monitoring survey: survey to verify the characteristics of a pest/IAS.

Annex 7. Itinerary and List of Persons Met and Interviewed During Evaluation Mission

Date	Location	Person	Position	Organization
21-01-2013	Zagreb	Hrvoje Galičić	Executive director of Credit division	Croatian Bank for Reconstruction and Development
	Zagreb	Tugomir Majdak	Head of the sector for management of EU rural development programmes	Ministry of Agriculture
		Tomislav Petrović	Head of department for organic farming	Ministry of Agriculture
		Marija Ševar	Head of department for organic farming	Croatian Agriculture Extension Service
22-01-2013	Zagreb	Ramona Topić Ana Maričević Neven Trenc Aljoša Duplić Davorin Marković Matija Franković Toni Nikolić Roman Ozimec		State Institute for Nature Protection
	Zagreb	Robert Pende Ankica Jakšić Jelena Šobat	Assistant to Minister of tourism Mr. Pende's assistant	Ministry of Tourism
	Zagreb	Hrvoje Dokoza Gordana Ruklić	Deputy Minister and COAST PROJECT DIRECTOR GEF FOCAL POINT in Croatia	Ministry of Environment and Nature Protection
	Zagreb	Sandra Vlašić	GREEN office team	UNDP
23-01-2013	Split	Gojko Berlengi Lada Lušić Ognjen Škunca Aiša Milović Snježana Mihinica Anja Makjanić	CAOAST PM PM admin-fin assistant COAST DPM COAST associate COAST associate COAST associate	UNDP, COAST team
	Split	Ranko Milić	Representative in COAST PSC	NGO Healthy City
	Split	Vesna Rožić Šibić	GBSP beneficiary	NGO Dalmacija Eko
24-01-2013	Split	Jelena Petrov Ante Guć	1 st GBSP secondee in 2009 3 rd GBSP secondee in 2011/12	SDC Development Agency
	Split	Ivan Gabelica Gvido Piasevoli	Director Key expert	SD PIMPA
	Split	Nedo Vrgoč	Project CTE	Institute for Oceanography and Fisheries
		Dando Bojić	President	National Fishermen's Association
25-01-2013	Dubrovnik	Helena Kangjera	1 st GBSP secondee	DNC Development Agency
	Dubrovnik	Ivo Mujo	Head of department for tourism	DNC, Department for Tourism
	Dubrovnik	Marija Crnčević	Director	DNC PIMPA
		Mr Vukas	Organic oil producer	DNC GBSP partner
		Mr Katičić	Agrotourism operator	DNC GBSP partner

		Ane Gavrilović	Shellfish farming	DNC GBSP partner
	SDC	Andrija Ribičić	Animal husbandry	SDC GBSP partner
		Denis Rubić	Organic orchard	SDC GBSP partner
28-01-2013	SDC	Antonija Gomezelj	Organic vegetable producer	SDC GBSP partner
	SKC	Mr Kursan	Organic olive orchard and vineyard	SKC GBSP partner
		Drago Matić Damir Buntić	Director GBSP secondee	SKC Development Agency
	SKC	Ante Huljev Vice Bralić Mićo Klarić	Autochthonous Buša cattle Autochthonous Buša cattle Autochthonous Buša cattle	SKC GBSP partner
29-01-2013	Šibenik	Anita Babačić Tina Dragutin Filip Smolčić		SKC PIMPA
		Robert Podrug	Eco-agrotourism	SKC GBSP partner
		Emilio Mendušić	Bird of prey center	SKC GBSP partner
	Zadar county	Rade Bobanović	Organic olive orchard and vineyard	ZC GBSP partner
		Ivan Čupić	Fish stock monitoring	LAG Laura
30-1-2013	Zadar	Šime Erlić Marica Babić	1 st GBSP secondee 2 nd GBSP secondee	ZADRA
		Zvonimir Vitlov	Head of credit department for legal persons	Splitska Banka
		Mirko Đinđić Morana Babajko	Director Key expert advisor	Zadar County PIMPA
	Zadar county	Mr. Kuduz Mr. Škaulj	Humus producer Top notch organic wine producer	ZC GBSP partners
31-1-2013	Zagreb	Željka Medven		Ministry of Regional Development and EU Funds
		Sandra Vlašić Gojko Berlengi		UNDP

Annex 8: List of Publications from the Coast Project

- Green business in Dalmatia - an opportunity for a nature friendly development
- Green Business - Rural development based on the preservation and sustainable use of natural and cultural heritage
- Sustainable beach management in Croatia - Guidelines and priority actions
- Diving in the most amazing part of the Mediterranean - Diving guide for the Šibenik-Knin County
- Handbook on rural tourism - Step by step to a successful business
- Manual for the assessment of the impact of projects on the ecological network
- The evaluation of biological diversity of the area of Dalmatia and provisional assessment of acceptability for the construction of wind power plants
- Pilot study of the main assessment of the impact of project on the ecological network for the planned wind power plant VE Čemernica
- Croatian sea fisheries

Action plans

The Plan for Eco and Rural Tourism Development for the municipalities of Ston and Dubrovačko primorje

The Plan for Eco and Rural Tourism Development for the wider area of the river Krka estuary

The Plan for Eco and Rural Tourism Development of the island Vis

The Plan for Eco and Rural Tourism for North-Western area of Zadar, island Pag, Novigrad and Karin Sea

Local Action Groups:

Mareta Local Action Group (LAG) in Zadar County

Local development strategy for Neretva area

Local development strategy for island part of Dubrovnik Neretva County

Legislation

Law on Marine Fisheries, NN 56/2010

Ministry of Tourism, By-law for granting quality label to hotels; NN 36/2012

The COAST project also suggested development and adoption of the by-law for eco-certification in tourism (so far not adopted).

Annex 9: Additional External Documents and References Reviewed

1. Sustainable Development Strategy of the Republic of Croatia, NN 30/2009.
2. Government of the Republic of Croatia. Strategic options for the development of the green economy. Croatian green development. Draft. Zagreb, September 2011; available at: [http://www.mzoip.hr/doc/Propisi/153. - 1.3.pdf](http://www.mzoip.hr/doc/Propisi/153.-1.3.pdf)
3. *The Strategy and Action Plan for the Protection of Biological and Landscape Diversity of Croatia*, NN 81/1999, NN 143/2008.
4. National Environmental Strategy and National Environmental Action Plan, NN 46/2002.
5. Ministry of Entrepreneurship and Crafts. Strategic plan for the period from 2012 until 2014, Zagreb, January 2012, available at: <http://www.minpo.hr/UserDocsImages/MINPO%20STRATE%C5%A0KI%20PLAN%202012%20DO%202014.pdf>
6. Ministry of Agriculture. Strategy of Rural Development of the Republic of Croatia for the period 2008 – 2013, available at: <http://www.mps.hr/default.aspx?id=3652>
7. Development Strategy of Split Dalmatia county 2011-2013. (Draft), September 2011, available at: <http://www.dalmacija.hr/Portals/0/docs/Tajnistvo/%C5%BErs%20sd%C5%BE.pdf>
8. Development Strategy of Šibenik Knin county 2011-2013, March 2011, available at: http://www.sibensko-kninska-zupanija.hr/dokumenti/RazvojnaStrategija/Razvojna_strategija.pdf
9. County Development Strategy of Zadar County 2011-2013, available at: <http://www.zadarska-zupanija.hr/dokumenti/raz.pdf>
10. County Development Strategy of Dubrovnik Neretva County 2007-2013, February, 2009., available at: <http://www.dunea.hr/rop/ZRS.pdf>