



**PROJECT IDENTIFICATION FORM (PIF)**  
**PROJECT TYPE: FULL-SIZE PROJECT**  
**THE GEF TRUST FUND**

**Submission Date:** May 23, 2008  
**Re-submission Date:** July 2, 2008

**PART I: PROJECT IDENTIFICATION**

**GEFSEC PROJECT ID<sup>1</sup>:**

**GEF AGENCY PROJECT ID:** 3424

**COUNTRY(IES):** Dominican Republic

**PROJECT TITLE:** Reengineering the National Protected Area System in order to achieve financial sustainability

**GEF AGENCY(IES):** UNDP, (select), (select)

**OTHER EXECUTING PARTNER(S):** Secretariat of Environment and Natural Resources (SEMARENA)

**GEF FOCAL AREA (S):** Biodiversity,

**GEF-4 STRATEGIC OBJECTIVE:** SO1: To Catalyze Sustainability of Protected Area Systems

**GEF-4 STRATEGIC PRIORITY:** SP1: Sustainable Financing of Protected Area Systems at the National Level

**NAME OF PARENT PROGRAM/UMBRELLA PROJECT:**

**A. PROJECT FRAMEWORK** (Expand table as necessary)

INDICATIVE CALENDAR	
Milestones	Expected Dates
Work Program (for FSP)	August 2008
CEO Endorsement/Approval	September 2009
GEF Agency Approval	October 2009
Implementation Start	November 2009
Mid-term Review (if planned)	May 2012
Implementation Completion	November 2014

**Project Objective:** Consolidation of the financial sustainability of the National Protected Areas System

Project Components	Type	Expected Outcomes	Expected Outputs	Indicative GEF Financing*		Indicative Co-financing*		Total (\$)
				(\$)	%	(\$)	%	
1. Increased and diversified NPAS funding	TA	- Annual Government funding for NPAS increased from \$3.0 m to \$5.1m by project end - \$1.5 m received from non-Government sources annually by project end (private sector, (PES) Payment for Ecosystem Services, etc.) - Endowment Fund capital stabilizes at \$10m during the life of the project.	- Permanent systems for valuation of PA benefits and channeling of information to decision makers - Visitation and service fees updated and piloted in public and private PAs - Water-based PES piloted in selected PAs. - Conservation easement schemes piloted. - Permanent private sector outreach	950,000	16	5,000,000	84	5,950,000

<sup>1</sup> Project ID number will be assigned initially by GEFSEC.

		- Increase in UNDP Financial Sustainability Scorecard Rating (baseline and target values to be determined during PPG phase)	program within SEMARENA - Protected Area Trust Fund regulated and capitalized					
2. Improved effectiveness and efficiency of PA management		- 100% of PAs have basic information on BD, natural resources and stakeholders to allow management planning (up from 45% at present) - 37 PAs (43%) have management plans (up from 17 or 20% at present) - NPAS has a strategic financial plan (0 at present) and 50% of key PA have financial plans (up from 0 at present). - 25% of NPAS income invested in infrastructure (up from 10% at present) - At least 70% of PAs have permanent staff presence (up from 40% at present) - Increase in PA METT score in high BD priority sites - Status of selected indicator species remains stable in a representative sample of PAs (the species and the PAs, together with baseline values	- Reviewed staff development and organizational plans in SEMARENA - NPAS strategy document identifying PA investment priorities based on BD and threat levels - Management plans for key PAs - Strategic financial plans for the NPAS and individual PAs - Administrative and operational regulations for PA staff - Revised sectoral PA Law in support of consolidation, decentralization and rationalization of the NPAS. - 100% of technical staff from PA and Biodiversity Subsecretariat - SEMARENA) with training in threats analysis, administration and financial planning	980,000	40	1,456,000	60	2,436,000

		and targets, will be defined during the PPG phase)						
3. Co-management arrangements to underwrite PA management costs		<ul style="list-style-type: none"> <li>- 23 PAs under co-management agreements (up from 13 PAs to date)</li> <li>- Establishment of private reserves covering 5,000 ha.</li> <li>- 50% of PA estate with tenure conditions resolved allowing co-management</li> <li>- Reductions in rates of loss of natural ecosystems through agricultural encroachment in selected PAs (baseline and target values to be determined during the PPG phase)</li> </ul>	<ul style="list-style-type: none"> <li>- Co-management modules in training programs of SEMARENA staff</li> <li>- Operational regulations and procedures in NPAS in support of co-management and private reserves</li> <li>- Pilots of co-management and innovative PA management models</li> <li>- Regulatory framework for the establishment of private reserves.</li> <li>- Clarification of tenure conditions in PAs</li> </ul>	950,000	52	860,000	48	1,810,000
4. Project management				320,000	28	812,000	72	1,132,000
<b>Total costs</b>				3,200,000	28	8,128,000	72	11,328,000

#### B. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	Project Preparation	Project	Agency Fee	Total
GEF	134,000	3,200,000	333,400	3,667,400
Co-financing	133,500	8,128,000		8,261,500
<b>Total</b>	267,500	11,328,000	333,400	11,928,900

#### C. INDICATIVE CO-FINANCING FOR THE PROJECT (\$)

Sources of Co-financing	Type of Co-financing	Amount
Project Government Contribution (SEMARENA)	Cash	500,000
Project Government Contribution (SEMARENA)	In-kind	293,000
Project Government Contribution for PPG (SEMARENA)	In-kind/Cash	133,500
GEF Agency (UNDP TRAC funds)	Cash	45,000
Bilateral Aid Agency (AECI)	Cash	200,000
Government of Germany (GTZ)	In-kind	40,000

Government of Germany (KFW) contribution to Protected Area Trust Fund	Cash	2,000,000
Government of Germany (KFW)	Cash	500,000
NGO (TNC) contribution to Protected Area Trust Fund	Cash	2,000,000
NGO (TNC) contribution of PA investments	In-kind	2,500,000
NGO (CEDAF)	Cash	50,000
<b>Total co-financing</b>		<b>8,261,500</b>

## **PART II: PROJECT JUSTIFICATION**

### **A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:**

1. The Dominican Republic is very diverse, both physiographically and biologically. It has very singular bioclimatic and morphogenic features. It also has diverse bioclimatic zones, going from dry (450 mm/year) to humid (>2500 mm/year), varying with an altitudinal gradient, extending from 40 meters below sea level, up to more than 3,000 meters above sea level. Its geomorphologic diversity and its peculiar paleogeography has formed 9 different soil orders and more than 16 distinct bioclimatic regions, ranging from “thorny low hills” to “pluvius forests”. Within the coastal-marine zones, the tropical characteristics and the submarine geomorphology generate an equally diverse pattern of marine environments that include very deep trenches, coral reefs, barrier islands, deep and shallow estuaries, and a great variety of keys and mangroves. The country’s complex and diverse array of habitats supports a high degree of unique and globally significant biodiversity, in recognition of which it has been identified as a “Caribbean Hotspot”. Over 30 endemic birds, including the threatened Ridgeway’s hawk (*Buteo ridgwayi*) and the extremely rare La Selle’s thrush (*Turdus swalesi*.) and the Bay Breasted cuckoo (*Hyetornis ruficularis*.), in addition to 11 other endemics, are considered threatened. An additional 270 migratory bird species are found in the country’s natural areas, which constitute important components of the eastern flyway. Among these are the threatened Kirtland’s warbler (*Dendroica kirtlandii*), Bicknell’s thrush (*Catharus bicknelli*), and Cape May warbler (*Dendroica tigrina*). The country’s terrestrial bio-diversity shares a 30% co-endemism rate with the island of Cuba, highlighting the Dominican flora’s and fauna’s critical importance to the broader Antillean biodiversity profile. Three of the nation’s terrestrial ecosystems, the Hispaniola pine forest, the Hispaniola humid forests, and the wetlands of the Enriquillo basin, have been identified as being among the top conservation priorities for the ecoregion.

2. Dominican marine biodiversity is also of global importance for the conservation and reproduction of endangered species, especially those that are of commercial interest and subject to increased pressure, such as the queen conch (*Strombus gigas*), spiny lobsters (*P. argus* and *guttatus*), hawksbill turtles (*Eretmochelys imbricata*) and the manatee (*Trichechus manatus*). The region supports 4 of the world’s 7 sea turtle species. The Samana Bay and offshore banks (Banco La Plata) also support the largest Atlantic calving population of humpback whales. Dominican marine environments comprise part of the central Caribbean ecoregion, which has received the highest biological value ranking from both Conservation International and the WWF, who have listed it as among the top 5 conservation priority ecoregions in the world.

3. This diversity currently faces a number of threats, including expansion of urban settlements and agricultural areas into ecologically fragile ecosystems in both mountain areas and coastal zones. Deforestation and fragmentation of forest habitats is the major environmental problem threatening and reducing biological diversity, together with other vital natural resources such as water and soils. Deforestation rates are estimated at 1.2% per year. Other significant problems include the impacts of development activities (e.g., construction of economic free zones, tourism complexes and large infrastructural projects), air, water and soil pollution (for example from industrial and mining

activities and the application of agrochemicals), the degradation of coastal marine ecosystems (reefs, mangroves and seagrasses) due to extractive activities and pollution, and the over-exploitation of fisheries resources).

4. The National Protected Area System (NPAS), which is under the responsibility of the Sub-Secretariat of Protected Areas and Biodiversity of the Secretariat of Environment and Natural Resources (SEMARENA) has a vital role to play in countering these threats. The system currently includes 86 sites of various IUCN categories, covering nearly 11,500 km<sup>2</sup>, equivalent to 24% of the country's total area. The legislative framework in the country is generally favorable for protected areas management and includes provisions for the establishment of alternative sources of revenue for protected areas. In 2007 a Special Fund for the Maintenance of Protected Areas was created (the 'Protected Areas Trust Fund' or PATF), which is capitalized by funds from visitor fees and other forms of public use of protected areas. There is also growing interest among the private sector in the Dominican Republic in participation in environmental protection, as shown by the high levels of co-financing provided by the banking sector to the GEF-supported project "Demonstrating Sustainable Land Management in the Upper Sabana Yegua Watershed System".

5. The long term solution to these threats depends on the existence of an effectively managed protected area system that provides a refuge for a representative sample of the country's globally important biodiversity. This in turn depends on the existence in SEMARENA and other institutional actors in the NPAS of adequate capacities to generate income and to use it effectively and cost-efficiently for PA management, in collaboration with local stakeholders.

6. The first barrier to the effectiveness of the NPAS is the inability of SEMARENA to generate and channel adequate financial flows in support of their management. Funding needs for the NPAS over the period 2006-2015 are estimated at US\$42,876,571 (an average of US\$4.3 million per year), while the budgetary allocation for 2008 is only 70% of that figure (\$3.02 million), leaving a shortfall of almost US\$1.3 million per year. A survey in 2001 found that only 41% of PAs had management infrastructure and, despite the fact that 90% of the NPAS budget goes on salaries, only 46% had a permanent staff presence. The predicted budgetary shortfall of the NPAS over the 2006-2015 period, and the consequent operative deficiencies of its constituent PAs, are due to the existence of limited capacities to generate increased levels of income to capitalize the PATF, either from tourism or alternative sources; and an inadequate appreciation on the part of decision makers in Government of the economic benefits generated by PAs, above and beyond the income which they generate directly from visitor fees.

7. The second barrier is the fact that PA managers do not use the budget available to them in a cost-effective manner. NPAS staff members have little experience of long-term strategic financial planning, with the result that most PAs survive on a 'hand to mouth' basis with little provision for investments which might contribute to sustainability, and little buffering against unforeseen events. In 2001, only 18% of PAs had management plans, with the result that spending seldom relates accurately to needs or threats. This situation is compounded by the limited technical capacities of many PA staff members and limited access to accurate information on the location of priority BD and threats. Furthermore, cost-effectiveness is reduced by the dispersion of the PA estate: the average size of PAs decreased by more than 50% between 1980 and 2001, leading to reduced economies of scale. In reality, SEMARENA is currently unable to use the entire budget that is available to it, due to a combination of limited capacities for developing technically sound proposals for investments, limited personnel for supervising investments and cumbersome administrative procedures. In 2007, SEMARENA only executed 70% of the \$2.7 million budget that it was assigned. In addition, personnel have limited capacities for developing technically sound plans for the investment of monetary resources from public/private sources and the Fund in support of PAs.

8. The third barrier is the fact that the SEMARENA and other agencies within the NPAS fail to take advantage of the opportunities that exist for local communities and the private sector to participate in

the management of the NPAS and its constituent PAs. The resulting alienation of local communities increases the level of threats to PAs from their productive activities, the resolution of which requires increased levels of financial investment and thereby further undermines financial sustainability. This situation is largely due to inadequate experience of the staff in SEMARENA and other agencies of working with non-Government actors, and the limited provisions that are made in operational and legislative instruments for alternative forms of management, including co-management.

9. The project will therefore adopt a multi-pronged, progressive approach consisting of three key components which will address the barriers set out above.

**10. Component 1. Increased and diversified NPAS funding:** Actions under the first component of the project will address the limited funding available for the NPAS. At the core of project's design is the PATF, which will be a permanent source of funding to cover recurrent costs of the NPAS, as well as initial investment costs. The PATF has been legally established under Decree 222-06 of 2007 and which will function as an umbrella fund, comprised of both an Endowment and a Revolving Fund (and with the ability to be expanded in the future with further sub-funds, such as a water fund, site specific fund, etc). The Revolving Fund will be funded by a number of mechanisms, such as user fees, PA entrance fees derived from international tourist visits, developer fees derived from agreements with developers, and multi-lateral and bi-lateral funding designated for the NPAS. With the DR currently receiving 4.4 million international visitors per year, a \$1 PA fee charged on each visitor would have the potential to generate \$4.4 million per year for the Revolving Fund. This income would be more than sufficient at present to cover the funding gap of the NPAS, which is currently estimated at \$1.3 million. The Endowment Fund, meanwhile, will be capitalized initially with \$4.25 million from project funds (\$250,000 from GEF RAF funds and the remainder from co-financing, detailed in Table C) and in addition with the surplus income perceived by the Revolving Fund over and above what is used to cover the funding gap of the NPAS. This surplus would initially be in the order of \$3.1 million per year (\$4.4 million income minus the \$1.3 million which will be taken off to cover the current funding gap of the NPAS), however it is expected that this would decrease progressively as the funding demands of the NPAS grow, reflecting the identification of new investment needs in the NPAS and its progressively increasing capacities to absorb and manage funds. This formula allows disbursements to be buffered against annual fluctuations in investment return, while ensuring that the endowment grows over time. Assuming that off-take needs by the NPAS eventually increase to around \$5 million per year (to be confirmed through analyses to be carried out during project preparation), it is estimated that the Endowment Fund capital would stabilize at a level of around \$10 million within the lifetime of the project. In order to avoid exceeding capacities for budgetary execution, which are as of yet limited, GEF funds will be used to support the development of operative regulations for the revolving part of the fund, allowing such income sources to be channeled into it in this way. As part of this process, the project will support a constitutional lawyer to draft these bylaws and will draw upon The Nature Conservancy's experiences helping governments to establish protected area trusts in other Latin American countries.

11. Capacities for developing funding proposals will be developed within the NPAS, through the provision of training to core staff and the preparation of manuals, which will focus on developing knowledge of the types of support provided by funding agencies and their respective application procedures. Staff at all levels will also receive training in processes of participatory and technical analysis required to develop innovative project ideas, combining conservation and development goals and integrating PAs with the management of the broader productive landscape, which are likely to attract donor interest. The project will liaise with existing initiatives in buffer areas and with projects with emerging payment for environmental service plans as described in Section D, to create synergies with other financial initiatives. The project would provide key decision makers in environment and finance ministries of concrete examples of the economic value and social importance of the hydrological and other environmental services provided by PAs, and of the potential of PA-based

tourism as a vehicle for local and national development, taking into account economic multiplier effects as well as visitor fees.

12. Administrative procedures will be streamlined and SEMARENA personnel will be trained in the development of technically sound plans for investments in PAs, thereby ensuring that the funds available to the institution are executed opportunistically. The staffing and organizational plans of the institution will also be reviewed in order to ensure that the human resources available are allocated in the most effective manner, and to identify priorities for expanding staffing levels.

13. **Component 2. Improved effectiveness and efficiency of PA management:** The project will also enable the funds available to the NPAS to be managed in a more efficient manner through: i) facilitating the targeting of resources on the areas of greatest BD values and threats; ii) developing capacities for planning and administration among key institutions and iii) expanding partnerships with local communities and organizations capable of assisting the Government in the management of PAs. Targeting of PA resources will be optimized through the development of capacities and systems for gathering and managing information on BD in the NPAS and for feeding this into decision-making. Management effectiveness will be maximized by the development of management plans for priority PAs, which will also identify opportunities for income generation. Standard formats and methodologies will be developed for Strategic Financial Plans for the NPAS and individual PAs, each spanning a period of several decades, which will combine projections of needs for recurrent and investment funding with projections of funding availability under a range of different scenarios and develop funding strategies accordingly. This support will be complemented by the provision of staff training in administrative and managerial procedures, strategic financial planning and alternative funding opportunities (e.g. environmental service payments, ecotourism fees and public/private alliances). In order to optimize management effectiveness and social sustainability and to relieve the burden of PA funding on the Government, the project will support the development of co-management models in a number of pilot sites throughout the country, and the systematization of these and existing experiences.

14. **Component 3. Co-management arrangements to underwrite PA management costs:** The project will take advantage of the potential of local communities and the private sector to contribute to the management and/or financing of the NPAS and its constituent PAs, thereby reducing the funding burden on the Government and increasing the effectiveness and social sustainability of threat reduction measures. Capacities of SEMARENA staff to interact with such potential collaborators will be enhanced through the incorporation of co-management principles and practice into their training programs. Awareness of the potential of co-management will further be enhanced among actors at all levels and in different institutions by the provision of support to pilot experiences of innovative PA management models such as co-management. Operational regulations and procedures will be developed in NPAS in support of co-management and private reserves, and support will be provided to the formulation of a regulatory framework for the establishment of private reserves. Contributions from the private sector would be increased through the development and institutionalization of a private sector outreach program. This program will increase awareness in the private sector of opportunities for directing their corporate environmental program towards the country's PAs, and providing them with simplified procedures for entering into the required institutional partnerships and for ensuring the accountability of their donations.

15. The project will generate global environmental benefits in the form of reductions in the pressures affecting globally important biodiversity in the country's PAs, by virtue of the increased availability of funding for the NPAS, improved effectiveness in its use and improved synergies between the Government and local and private sector stakeholders in PA management and funding. These benefits will be large, in relation to the GEF funds requested, due to the large number of endemic species in the country which will benefit, and the inclusion in the NPAS of a wide range of terrestrial and marine habitats.

**B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL PRIORITIES/PLANS:**

16. The proposed project is consistent with the new organic environmental law (Law 64-00) that defines protected areas for both bio-diversity and anthropocentric concerns in a holistic context. It would also make operational the recommendations generated by SEMARENA during a strategic planning process in 2007 that addressed the continuity of effective biodiversity management in the country. The GEF project process will accompany and facilitate the development of the National Protected Areas Policy, which is in the initial phase of development. It will also make operational a proposal for the conservation of biodiversity by the government within the context of the Millennium Development Goals. The project will coordinate with and be a counterpart to the Man and the Biosphere program. Tourism development is a national priority and it is expected that this project will contribute to the establishment of feasible mechanisms to allow tourism and conservation of PAs to contribute to the sustainability of the whole system. The Dominican Republic is party to the major recent multi-lateral environmental conventions and agreements. The country is in the process of preparing a National Biodiversity Strategy and Action Plan, which is expected to be ready within 12 months. The emphasis of this project on the strengthening of the NPAS reflects the priorities of the environment ministry SEMARENA and as such will be reflected in the NBSAP.

**C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND STRATEGIC PROGRAMS:**

17. The project's focus on the sustainability of the NPAS is fully aligned with Strategic Objective 1 of the Biodiversity Focal Area. It will focus specifically on Strategic Priority 1, given that inadequate access to reliable funding is currently the major obstacle to the lasting improvement of the sustainability and effectiveness of the NPAS. In accordance with GEF 4 guidance, it will increase the overall level of funding available to the NPAS by enabling it to take advantage of opportunities for funds from the private sector, commercial enterprises and external sources to complement Government budgets; and by developing capacities and procedures for sound long-term business planning within the NPAS, matching projections of expenditure and income and developing innovative strategies to fill the gap between the two (GEF guidance on SP1 refers to "agencies responsible for managing protected areas with sufficient capacity to manage protected areas based on sound principles of business planning as well as conservation biology principles"). Through its activities under Component 3, it will also (again in line with GEF guidance) promote the incorporation of local communities in protected area conservation and management in order to increase management effectiveness and reduce operational and financial burdens on the Government, and thereby contribute to the financial sustainability of the NPAS, as well as contributing to social sustainability.

**D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:**

18. This project is aligned with other potential GEF projects associated with the "Caribbean Challenge" initiative, including potential national projects in the Bahamas and Jamaica, and a sub-regional project in the Eastern Caribbean. These projects are all proposed to focus on similar actions particularly in the areas of sustainable finance of PA systems and MPAs. The "Caribbean Challenge" initiative will develop a mechanism to facilitate the exchange lessons and experiences amongst these projects. The "Caribbean Challenge" was developed from the concept of the Micronesia Challenge, in which 5 Pacific island nations pledged to protect 20% of their marine resources by 2020 and leverage \$100 million for conservation. The project is also aligned with the Global Island Partnership (GLISPA). Launched in March 2006, GLISPA aims to build leadership and partnerships committed to actively address critical island issues and support the implementation of the Island Biodiversity Programme of Work under the Convention for Biological Diversity (CBD) and other related global policies.

19. This project will also build on the successful experience of public/private sector associations, as demonstrated in the GTZ PROCARYN initiative and GEF projects developed through the "Demonstrating Sustainable Land Management in the Upper Sabana Yegua Watershed System"

project currently under implementation in the Dominican Republic, and UNDP-GEF Management of the Artibonito Bi-National Watershed Project. The BD values generated under this project will greatly support an important aspect of management planning in a very diverse and geo-politically important watershed with significant global BD. The financing structures that will be developed under that project will also support the sustainable financing of three PAs that occupy large areas of territory within that watershed. This territory is also located within the proposed Tri-national (Cuba-Haiti-Dominican Republic) biological corridor.

20. During the PPG phase, mechanisms will be defined for the interchange of experiences between this project and the PA financing project in Haiti, which is currently under design. There are a number of common elements between the two projects, including the diversification of income sources, the strengthening of operational and administrative capacities and co-management; however there are also major differences between the two countries in terms of governance conditions, levels of dependence on external cooperation and management conditions in protected areas.

21. The proposed project is in line with the United Nations Development Assistance Framework (UNDAF) for 2007-2011. It will fall within the cooperation area of Sustainable Environmental Management, the aim of which is that “by 2011, the country will have national and local policies and training for protection and sustainable management of the environment, including risk management and responses to emergencies and disasters”. It will contribute to Outcome 2 of the UNDAF, “national capacity for environmental management strengthened and coordinated with strategies for sustainable rural development”, and will strengthen capacities for the management of the National System of Protected Areas, contributing to the achievement of Product 2.3, “A National System of Protected Areas is strengthened and integrated into local and national development”. The indicator for P2.3 is “at least 25% of protected areas have adequate plans and management.”

**E. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING :**

22. There are sound economic justifications for the Government to increase its investment in protected area management in the Dominican Republic, given the important contribution which PAs currently and potentially make to national development. There are also major opportunities for generating additional income through alternative sources, such as the private sector. These opportunities are not adequately realized at present due to the existence of inadequate capacities for directing funds towards the NPAS and for managing them in an efficient manner, and for exploiting the potential for synergies with local communities. As a result, under the baseline situation financial resources allocated to the NPAS through the governmental budgetary process are likely to remain stable, or perhaps even decline in relation to growing needs; the impacts generated with the available funding, in the form of the effective protection of globally important BD, would be inadequate; and the potential of alternative sources of funding and collaboration in PA management would go largely unrealized. This situation could be overcome through the provision of short-term catalytic support by GEF, aimed at the one-off development of capacities and procedures for defining funding needs and opportunities, attracting funding and maximizing the impact of the funding available. This support will be complemented by co-financing from a range of sources focused on developing NPAS staff capacities and increasing the cost-effectiveness of protected area management.

**F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED, AND IF POSSIBLE INCLUDING RISK MEASURES THAT WILL BE TAKEN:**

<b>Risk</b>	<b>Level</b>	<b>Mitigation Strategy</b>
Failure of decision-makers to reflect contribution of PAs to national	Low	The Endowment Fund, capitalized by an initial donation and by ongoing injections from sources such as visitor fees channeled through the Revolving Fund, will buffer fluctuations in political will. Visitor fee mechanisms and the Endowment and Revolving

development in budget allocation		funds will be subject to regulations to ensure that the funds are used specifically for the NPAS.
Limited interest of private sector in investing in protected areas	Low	Private sector outreach supported by the project will help to maintain awareness of the dependency of the highly lucrative ecotourism sector on the condition of protected areas. As above, fluctuations in inputs will be buffered by the existence of the Trust Fund.
Sudden changes in institutional structures and responsibilities for PAs	Low	The project will invest in high level awareness raising and the development of procedures that will transcend institutional changes, and will also involve stakeholders outside of the Government.
Reductions in interest rates	Low	Even with a 25% reduction in interest rates the Endowment Fund would still stabilize during the project's lifetime, albeit at a lower level. Interest rate fluctuations will be buffered by the fact that the Endowment Fund will also receive inputs from other sources such as the visitor fees to be channeled through the Revolving Fund.
Climate change	Low	Natural disasters related to climate change may place additional pressure on the Government funding for which the NPAS has to compete, however through its advocacy strategy the project will raise awareness among decision-makers of the potential of well-managed PAs to buffer such events.

**G. DESCRIBE, IF POSSIBLE, THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT:**

23. The inclusion in the project of Components 2 and 3 will significantly improve cost-effectiveness, compared to the alternative of solely focusing on generating more income, through the activities proposed under Component 1. Component 2 will focus on ensuring that the funds generated for PA management under Component 1 are used in a cost-effective manner, by streamlining administrative procedures and building the capacities of PA planners and managers to develop and implement effective management strategies which make the best use of the funds available in countering threats to PAs. Activities under Component 3, meanwhile, will contribute to cost-effectiveness by limiting the levels of threats that are generated by local communities and the corresponding financial investments required for their mitigation, and will also contribute to improved focusing and social sustainability, and therefore cost-effectiveness, of management interventions.

**H. JUSTIFY THE COMPARATIVE ADVANTAGE OF GEF AGENCY:**


24. This project is one of several comprehensive PA finance projects that UNDP is supporting across the world (in Thailand, Philippines, Namibia, Haiti, Venezuela, Rwanda and Botswana) and will build on UNDP's experience and expertise in this arena. UNDP also has specific institutional capacities in the assessment and monitoring of financial sustainability in national protected area systems through the use of the 'financial scorecard' which it has developed. This project would in addition take full advantage of UNDP's comparative advantage in the areas of human resource development and institutional strengthening. UNDP has a long-established Country Office in the Dominican Republic, which has allowed it to develop strong relationships with diverse institutional actors at all levels in both public and private sectors. It is thereby ideally placed as an agency to facilitate the kind of multi-stakeholder discussions which will be necessary in this project, in relation to the raising of awareness in Government of the importance of adequate budget allocation for protected areas, and the negotiation of public/private partnerships for the funding of protected areas. UNDP is the leading UN agency in the Dominican Republic supporting natural resources and biodiversity projects, and has hosted the GEF SGP for 10 years.

**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

- A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the [country endorsement letter\(s\)](#) or [regional endorsement letter\(s\)](#) with this template).

<i>Lic. Omar Ramírez Tejada. Secretario de Estado- Secretaría de Estado de Medio Ambiente y Recursos Naturales</i>	Date: June 24, 2008
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**B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.	
 UNDP/GEF Agency Deputy Executive Coordinator	Project Contact Person: Santiago Carrizosa Regional Technical Advisor
Date: July 2, 2008	Tel. and Email: +507-302-4510 Santiago.carrizosa@undp.org