



Global Environment Facility

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December 08, 2008

Mr. Steve Gorman
GEF Executive Coordinator
The World Bank
1818 H Street, NW
Washington, DC 20433

Dear Mr. Gorman:

I am pleased to inform you that I am endorsing the project proposal entitled ***Croatia: Coastal Cities Pollution Control (APL2) under the WB-GEF Investment Fund for the Mediterranean Sea LME***, for \$6,400,000 in financing from the GEF Trust Fund (GEFTF), representing \$2,000,000 from GEF3 (GEF-U2601) and \$4,400,000 from GEF4 funds (GEF-U3229). I understand that this project proposal will be submitted for Agency approval in accordance with the World Bank procedures.

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

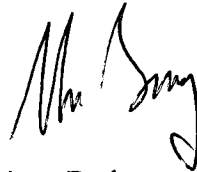
- (i) The grant agreement will be signed no later than January 2009;
- (ii) A report on the status of the project at mid-term will be submitted to the Secretariat no later than June 2011; and
- (iii) The closing date of the project grant will be no later than December 2013 and a terminal evaluation/project completion report will be submitted to the Secretariat within 6 months of such closing date.

You are requested to ensure that the GEF Secretariat is informed when each of these milestones is met. If any milestone is not achieved, and after consultations with your Agency, I may agree to revised milestones or recommend cancellation, termination, or suspension of the project, and I will communicate to the beneficiary country and your Agency the basis for such a recommendation.

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

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

Sincerely,



Monique Barbut
Chief Executive Officer and Chairperson

Attachments: GEF Project Tracking Sheet, GEFSEC Review Sheet
cc: Country Operational Focal Point, GEF Agencies, STAP, Trustee

Croatia: Costal Cities Pollution Control (APL 2)



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|-----------------|-----|-------|--|----------------|----------------|
| | 6.4 | 198.4 | | Recommendation | 08/12/08 |
| Program Manager | | | | Clearance | 08/12/08 |
| Team leader | | | | Approval | Monique Barbut |
| CEO | | | | | |

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|-----------------|-----|-------|--|----------------|------------|
| | 0.0 | 084 m | | Recommendation | 11/09/2008 |
| Program Manager | | | | Clearance | |
| Team leader | | | | Approval | #Error |
| CEO | | | | | |

SM

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|-----------------|--|--|--|----------------|-----------------|
| | | | | Recommendation | Ivan Zavadsky |
| Program Manager | | | | Clearance | Gustavo Fonseca |
| Team leader | | | | Approval | Monique Barbut |
| CEO | | | | | |

SM
11/05

| | | | |
|--|----------------------------------|---|------------------------------|
| | Need to circulate to Council for | >second review prior to CEO endorsement (4 weeks review period) | <input type="checkbox"/> Yes |
| | | >CEO endorsement (second review waived) | <input type="checkbox"/> Yes |

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|--|-----------------|----------------|----------|
| | Program Manager | Recommendation | 11/05/08 |
| | Team leader | Clearance | 11/05/08 |

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|--|-----------------|----------------|----------|
| | Program Manager | Recommendation | 12/08/08 |
| | Team leader | Clearance | 12/8/09 |
| | CEO | Approval | 12/18/08 |

SM
12/08

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|--|---------------------|----------|--|
| | Implementing Agency | Approval | |
|--|---------------------|----------|--|

Cummulative GEF Contribution _____