



United Nations Development Programme
Project Document for projects financed by the various GEF Trust Funds

Project title: “Improved Financial Sustainability and Strengthened Resilience of Protected Areas Through Development of Sustainable Recreation and Partnership With Private Sector”	
Country(ies): Bosnia and Herzegovina	Implementing Partner (GEF Executing Entity): UNDP
Execution Modality: DIM	
Contributing Outcome (UNSDCF/CPD, RPD, GPD): Outcome 1. By 2025, people benefit from resilient, inclusive and sustainable growth ensured by the convergence of economic development, and management of environment and cultural resources	
Related Strategic Plan Outcome: Outcome 1: Advance poverty eradication in all its forms and dimensions; Outcome 2: Accelerate structural transformations for sustainable development	
UNDP Social and Environmental Screening Category: Moderate	UNDP Gender Marker: GEN 2
Atlas Award ID: 00128336	Atlas Project/Output ID: 00122351
UNDP-GEF PIMS ID number: 6439	GEF Project ID number: 10344
LPAC meeting date: TBC	
Latest possible date to submit to GEF: 03 December 2021	
Latest possible CEO endorsement date: 03 June 2022	
Project duration in months: 60 months	
Planned start date: 01 July 2022	Duration / Planned end date: 30 June 2027
Expected date of Mid-Term Review: 31 January 2025	Expected date of Terminal evaluation: 31 March 2027
Brief project description: The project objective is to achieve practical improvement in management of protected area estate of BiH, providing for better biodiversity status through strengthened resilience of key biodiversity values to climate change impact and increased revenues to protected areas from sustainable recreation. The project is called to reduce the gap between the current capacities of protected areas (PAs) with their increasing vulnerability to emerging threats, on the one hand, and the growing needs to preserve and sustainably maintain the biological and ecosystem diversity that is among the top five in Europe, on the other. The project will aim to reduce newly emerging threats to the key biodiversity values, and provide for sustainable management options and increased funding for PAs. The project will make an incremental effort in assisting the protected area management with tools and instruments aimed at diversifying and improving the sustainable, nature-based tourism offering in targeted PAs and neighbouring communities, thus providing for sustainable incremental income and a development option that will valorise the unique nature values without further threatening them. The project will also link the PAs to the funding opportunities provided by the governmental grant programmes for tourism development. Under Component 1, the project will work to reduce vulnerability of key biodiversity values and strengthen the resilience of target protected areas in BiH to climate change	

and support climate-neutral and BD-sensitive PA management and business planning. Component 2 will develop and test mechanisms for increased PA revenues from sustainable tourism.

FINANCING PLAN		
GEF Trust Fund grant		USD 2,640,000
UNDP TRAC resources		USD 150,000
(1) Total budget administered by UNDP		USD 2,790,000
CONFIRMED CO-FINANCING NOT ADMINISTERED BY UNDP		
FBiH Ministry of Environment and Tourism		USD 6,178,600
Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska		USD 6,560,500
Ministry of Trade and Tourism of Republika Srpska		USD 168,750
Environmental Protection Fund of FBiH		USD 2,500,000
Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina		USD 116,600
Municipality of Šamac		USD 24,375
Municipality of Ramo		USD 200,000
Sarajevo Canton PE for PAs		USD 150,000
Comitato Internazionale per lo Sviluppo dei Popoli, Rome, Italy (CISP)		USD 1,365,000
UNDP		USD 1,100,000
(2) Total confirmed co-financing not administered by UNDP		USD 18,363,825
(3) Grand total project financing (1)+(2)		USD 21,153,825
SIGNATURES		
Signature: print name below	Agreed by Government Development Coordination Authority¹	Date/Month/Year: <i>within 25 days of GEF CEO endorsement</i>
Signature: print name below	Agreed by Implementing Partner²	Date/Month/Year: <i>within 25 days of GEF CEO endorsement</i>
Signature: print name below	Agreed by UNDP³	Date/Month/Year: <i>within 25 days of GEF CEO endorsement</i>

¹ Other evidence of government agreement may be accepted in lieu of a signature, unless the programme country government requires a signature.

² Not required when UNDP is the implementing partner (i.e. DIM implementation modality). If an Agency/IGO is the implementing partner, and Agency/IGO have signed separate SBEAA, the Agency/IGO and the Government and UNDP sign the project document. If Agency/IGO has not signed SBEAA, the Government and UNDP only sign project document, the signed project document is attached to the PCA (Project Cooperation Agreement), UNDP and Agency/IGO sign PCA. If CSO is the implementing partner, the government and UNDP only sign the project document, the project document is attached to the PCA, UNDP and CSO sign the PCA.

³ For NIM projects this is the Resident Representative. For DIM projects in a single country this is the Resident Representative. For global, regional DIM projects this is BPPS.

Key GEF Project Cycle Milestones:

Project document signature: within 25 days of GEF CEO endorsement

First disbursement date: within 40 days of GEF CEO endorsement

Inception workshop date: within 60 days of GEF CEO endorsement

Operational closure: within 3 months of posting of TE to UNDP ERC

Financial closure: within 6 months of operational closure

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Acronyms

BD	Biodiversity
BAU	Business-as-usual
BiH	Bosnia and Herzegovina
BMZ	Bundesministerium für wirtschaftliche Entwicklung und Zusammenarbeit/ Federal Ministry for Economic Development and Cooperation
BPPS	Bureau for Policy and Programme Support
CBD	Convention on Biological Diversity
CEO	Chief Executive Officer
CESD	Centre for Environmentally Sustainable Development
CC	Climate Change
CISP	International Committee for the Development of Peoples (Comitato Internazionale per lo Sviluppo dei Popoli) , Rome, Italy
CO	Country Office
CPD	Country Project Document (UNDP)
CSO	Civil Society Organisation
CTA	Chief Technical Advisor
DIM	Direct Implementation Modality
DOA	Delegation of Authority
DRR	Deputy Resident Representative
EIA	Environmental Impact Assessment
ESIA	Environmental and Social Impact Assessment
ERC	Evaluation Resource Center
EPF FBiH	Environmental Protection Fund of Federation of Bosnia and Herzegovina
EP EEF RS	Environmental Protection and Energy Efficiency Fund of Republika Srpska
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
FAO	Food and Agriculture Organisation
FBiH	Federation of Bosnia and Herzegovina
FSP	Full Sized Project
GAP	Gender Action Plan
GEF	Global Environment Facility
GEFSEC	Global Environment Facility Secretariat
GIS	Geographic information system
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH/ German Corporation for International Cooperation
HCVFs	High Conservation Value Forests
ICF	Internal Control Framework
IGO	International Government Organisation
IUCN	International Union for Conservation of Nature
JSC	Joint Stock Company
KBA	Key Biodiversity Area
KM	Knowledge Management
LLC	Limited Liability Company
LLP	Limited Liability Partnership
LPAC	Local Project Appraisal Committee
M&E	Monitoring & Evaluation
MEA	Multi-lateral Environmental Agreement
METT	Management Effectiveness Tracking Tool
MET FBiH	Ministry of Environment and Tourism of Federation of Bosnia and Herzegovina
MOFTER	Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina
MSPCE RS	Ministry of Spatial Planning Construction and Ecology of Republika Srpska

MTT RS	Ministry of Trade and Tourism of Republika Srpska
MoU	Memorandum of Understanding
MSP	Medium-Sized Project
MTR	Mid-Term Review
NFP	National Focal Point
NCE	Nature, Climate and Energy
NIM	National Implementation Modality
NM	Nature Monument
NP	National Park
NTFP	Non-Timber Forest Product
OFP	Operational Focal Point
PA	Protected Area
PCA	Project Cooperation Agreement
PE	Public Enterprise
PH	Protected Habitat
PIF	Project Identification Form
PIMS+	Project Management Information System (UNDP)
PIR	GEF Project Implementation Report
PN	Park of Nature
PL	Protected Landscape
POPP	Programme and Operations Policies and Procedures
PPG	Project Preparation Grant
PTA	Principal Technical Advisor
RR	Resident Representative
RTA	Regional Technical Advisor
RS	Republika Srpska
SBAA	Standard Basic Assistance Agreement
SEE	South-Eastern Europe
SESP	UNDP Social and Environmental Screening Procedure
SIDA	Swedish International Development Agency
SLM	Sustainable Land Management
SME	Small-and-medium Enterprise
SoW	Scope of Work
SWOT	Strengths Weaknesses Opportunities Threats
TE	Terminal Evaluation
ToC	Theory of Change
ToR	Terms of Reference
STAP	GEF Scientific Technical Advisory Panel
SoER	State of Environment Report
SOW	Climate Threat Assessment
UNSDCF	United Nations Sustainable Development Cooperation Framework
UNCBD	United Nations Convention for Biodiversity
UNDP	United Nations Development Programme
UNDP-GEF	UNDP Global Environmental Finance Unit
UNECE	UN Economic Commission for Europe
UNEP	UN Environment
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention for Climate Change
UNSMS	United Nations Security Management System
USAID	United States Agency for International Development
WB	The World Bank
WWF	World Wide Fund for Nature

I. DEVELOPMENT CHALLENGE

1.1 Overall development context and challenge (socio-economic, sustainable development) and environmental context

1. Bosnia and Herzegovina (BiH) is located in South-Eastern Europe (SEE), in the central part of the Balkan Peninsula, and covers an area of 51,129 km². Bosnia and Herzegovina is a multi-ethnic state with a rich yet difficult historical background and a complex political and administrative system. It administratively consists of two entities (the Federation of Bosnia and Herzegovina and Republika Srpska) and the autonomous Brčko District of Bosnia and Herzegovina. The Federation of Bosnia and Herzegovina (FBiH) is further administratively made of 10 cantons (regions), which are then made of 79 municipalities. Republika Srpska (RS) is divided administratively into 62 municipalities.⁴

2. BiH is an upper middle-income country with 3.5 million population with the main population trends of gradual declining and aging. Bosnia and Herzegovina has experienced steady economic growth in the past two decades, yet its population has declined 20 percent. Unemployment remains high, at 15.7 percent in 2019 and 19.1% in the first quarter of 2021. The youth unemployment rate, at 47.3 percent (2019) and 20.3 percent (2021), is one of the highest in the world. BiH is ranking 75th according to the Human Development Index⁵, but is still below the average for the Europe and Central Asia region. Poverty is strongly associated with high unemployment, and over 17 percent of the population is estimated to live below the national poverty line⁶. Inequality and poverty remain a concern, particularly in rural areas and among minorities⁷. A more detailed description of the socio-economic context for the country is presented in the [Annex 16](#) to this document.

3. Bosnia and Herzegovina is susceptible to natural disasters and environmental shocks. Natural and man-made hazards represent a significant risk with over 20% of the country's territory prone to flooding. Land and ecosystem degradation typical for a transitioning country remain to threaten the sustainability of the country's development efforts. Capacities to effectively address hazards and crisis need to be further strengthened, as confirmed by the unfolding COVID-19 crisis.

4. The biological diversity of the country is represented by over 450 species of higher plants, several hundred invertebrates (predominantly insects), 12 fish species, 2 species of amphibians, 4 species of reptiles and numerous species of birds and mammals. The country is home to a number of endemic species and habitats as well as a series of relict ecosystems; species diversity has the highest level of endemism in Europe. A more detailed description of the biodiversity context for the country is presented in the [Annex 16](#) to this document.

5. In spite of the country's rich biodiversity, international obligations, and growing man-induced pressures, nature conservation efforts remain insufficient. Socioeconomic challenges, such as unemployment and poverty, have resulted in both the government communities focusing on immediate economic priorities rather than environmental issues, including biodiversity. Thus, biodiversity conservation is not seen as a national priority⁸. Although, in the long run, biodiversity used in a sustainable manner can contribute to economic growth and poverty alleviation, it is now being used mostly as a source of resource exploitation.⁹ According to the UNECE (2018), the inadequate integration of land, water, and biodiversity concerns into development planning has resulted in the emergence of threats of biodiversity loss.¹⁰

1.2 Threats and their immediate and root causes

6. The major threats to biodiversity in BiH include conversion of habitats, overexploitation of valuable biological resources, degradation of forests and loss of valuable forest resources, and climate change-induced effects and threats for valuable and/or vulnerable forests, freshwater ecosystems and wetlands, karst fields and natural caves.

7. Overexploitation of certain species of plants and animals stands out as one of the main reasons for the loss of biodiversity in general. BiH has over 700 species of medicinal and aromatic plants, of which 200 are harvested. Various non-wood forest products (NTFPs) are extensively utilized by the local population and by private companies, which hire local

⁴ Voluntary Review - Implementation of Agenda 2030 and the Sustainable Development Goals in Bosnia and Herzegovina. The United Nations . April 2019

⁵ Measuring average levels of income, health and education, the Human Development Index of BiH was at 0.769 in 2019, ranking it 75th among the countries with a high level of human development. [Human Development Indices and Indicators, 2019 Statistical Update](#), UNDP.

⁶ <https://data.worldbank.org/country/bosnia-and-herzegovina>

⁷ According to the latest available official data from 2015, the poverty is at 17% based on earnings below 60% of median national income. Household Budget Survey, 2015, BiH Agency of Statistics. The World Bank is predicting that the poverty in BiH is expected to rise from estimated 11.8% in 2019 to 12.9 to 14.6 % in 2020.

⁸ Bosnia and Herzegovina Biodiversity Analysis and Addressing the Biodiversity Needs. USAID/Bosnia and Herzegovina, February 2020

⁹ Bosnia and Herzegovina Environmental Performance Reviews. Third Review. UNECE. 2018

¹⁰ Same as above

people in the rural areas to collect mushrooms, medicinal plants, berries, etc. There are no clear statistics on the collection of NTFPs. It is estimated that around 100,000 people collect various types of NTFPs organized in companies registered for their collection and processing. Exploitation of freshwater resources in BiH primarily relates to fishing of economically important fish species. Overexploitation of natural resources in this sense implies both uncontrolled overfishing and the degradation of aquatic habitats, which lowers the rate of natural reproduction and renewal of populations, and has potential to impoverish and destabilize ecosystems.

8. The conversion of habitat is recognized as one of the major drivers of biological diversity loss due to uncontrolled urbanization and poor spatial planning, leading to fragmentation and loss of agricultural, forest, wetland and other habitats. Habitat degradation and fragmentation happens as a result of urbanization, construction of infrastructure facilities, fire, erosion, discharge of pollutants into the ground, and illegal construction of facilities. The biggest threat to fertile agricultural lands with agri-biological diversity is the process of urbanization and conversion into construction land.

9. For forest habitats, forest fires are the main cause of degradation and loss of forests, while other causes are illegal use, natural disasters, cattle, insects and plant diseases. Illegal logging is recognized by the governmental authorities as one of the most severe threats to valuable forests. The illegal logging is done by private people for subsistence needs (especially for firewood) and by organized groups of people for harvesting, transporting and processing at facilities without a permit. Forests in the country are vastly affected by forest fires and destructing attacks of pathogens and insect pests. The latter threats are closely associated with and aggravated by climate change.

10. The rich biodiversity of BiH – particularly the flora and fauna of protected areas situated near or at the Dinarides mountain range, karst fields and wetland areas – faces a range of potential climate impacts, including but not limited to: habitat shifts, loss and fragmentation; spread of invasive species; disrupted species migration patterns, changes in water level and quality; increased risk of water fires and increased vulnerability of forests to vermin and pathogens. Climate change and increased frequency and intensity of extreme climate events in Bosnia and Herzegovina have caused increased pressure in the sectors of agriculture, water management, health, forestry and tourism, as well as in management of water resources and protected areas. There is a record of an increase in variability and intensity of extreme weather conditions (heat waves, intense rainfall, windstorms, days with hail, etc.). In 2001, 2002, 2009, 2010, and 2014, extraordinarily disastrous floods hit large portions of the country.

11. The northeastern region of the country is most prone to drought. The worst drought in 120 years occurred in 2002 and resulted in a 60% drop in the country's agricultural production, which generated a serious food crisis. Landslides are a continuous and well-known hazard in BiH and represent a complex and ever-increasing problem for authorities at all levels, as well as for the affected communities. The Risk Assessment for BiH adopted by the Council of Ministers in 2012 registers more than 1,800 active landslides in the country. The lack of land use planning and geological analysis lead to unsustainable territorial development and infrastructure investments, which in the long-term aggravate the landslide risk.

12. Bosnia and Herzegovina is increasingly facing with several significant extreme climate and weather episodes that have caused substantial material and financial deficits, as well as casualties (Third National Communication to UNFCCC, 2017). Meteorological data shows that the problem of drought and drought periods is increasingly shifting toward the continental and hilly-mountainous region of BiH, and that an evident need for adaptation to the new situation is emerging. Droughts started to occur regularly in the winter period, which can significantly affect not only the provision of soil moisture reserve in spring, but also water supply.

13. A number of protected areas were recently struck by natural hazards including the following examples:

- National Park Sutjeska suffered a major landslide due to the heavy rainfalls in February, 2018, and
- the cave system of Vjetrenica, which is part of the Popovo Polje and Trebišnjica freshwater KBA and one of the finest examples of subterranean biodiversity in the world, was heavily flooded and damaged in October, 2015.

14. The 2018 Environmental Performance Review for BiH outlines high altitudinal communities, mountain landscapes and relict and refugial ecosystems as highly sensitive to climate change. The 6th National Report to UNCBD outlines the following specific ecosystems as most vulnerable to climate change:

- a) high-mountain landscapes (ecosystems of mountain pine forests, subalpine forests of Bosnian pines, firm snow areas and alpine grasslands on basic and acidic soils, and ecosystems of alpine rock-slides and in joints of carbonate and silicate rocks) such as those found in national parks Sutjeska and Drina;

- b) mountain landscapes (ecosystems of mixed deciduous and coniferous forests of beech and fir with spruce, spruce and fir forests, Serbian spruce, mountain moderately moist meadows, high and low cretaceous, mountain springs and streams, etc.), such as those found in PAs Konjuh, Trebevic, Kozara, Skakavac, Cicelj;
- c) relict-refugial landscapes (ecosystems in canyons and river cliffs, limestone, dolomite, silicate and ultrabasic rock joints, rock creep ecosystems, sub-Mediterranean and continental rocky grounds, xerophilic meadows, bright coniferous forests, forests of Bosnian pines, Illyrian black pine, thermophilic deciduous forests and thickets, mesophilic and hygrophilic polidominant forest communities, beech forests in canyons and cliffs, alder forests, thermal springs around habitats in semi-shadows, etc.), such as those found in NPs Sutjeska, Drina, Konjuh, Orlovaca, Vjetrenica;
- d) karst fields and wetlands, such as Hutovo Blato, Livanjsko Polje and Tisina.

15. Four national reports of BiH to the UN Framework Convention on Climate Change (2009, 2013, 2016, 2020) identify a significant impact of climate change on plants whose habitats are in the mountainous areas of BiH. In the long run, one can expect the migration of some woody plants in the direction of the Dinarides to the northwest and a decrease in the number of herbaceous plants of narrow ecological valence of the highest mountain areas. Possible causes are increases in average temperatures and stronger temperature extremes. In addition, the high sensitivity of fir forests was determined due to the narrow ecological valence in relation to temperature. It is important to highlight that, for species that constitute most mountain forest ecosystems, such as fir, Norway spruce and Scots pine, BiH is situated at their areal southern limit. The increase in average temperatures could have a negative impact primarily on the size of the population of these species, which, in combination with other anthropogenic factors may lead to their vulnerability and, ultimately, complete loss in the region. The loss of wetlands, such as the Hutovo Blato NP, which is one of the two main bird resting areas in BiH, could lead to the disappearance of bird and turtle populations that inhabit swamps during the year or are present only during migrations¹¹.

16. Climate change models predict that, as a result of rising temperatures, significant changes in precipitation levels will occur. This will have a strong effect on the distribution of plant species. Climate change is expected to have a significant impact on the flora of mountainous areas, resulting in the migration of certain tree species along the Dinarides, as well as a local reduction in the number of species. Grass species are likely to disappear in the high mountains. In addition, it is likely that wetlands, with their bird and turtle populations, and karst regions, will be particularly affected by the loss of flora and fauna. Some endemic species are also expected to disappear. The most affected ecosystems will be the high mountain areas in BiH at altitudes of more than 1,500 m, which corresponds to the border of the subalpine zone¹².

17. Negative effects of climate change on forest ecosystems have already been significant. The negative impact is manifested through increased droughts, forest fires, drying of certain species and declining groundwater levels. In addition, there are certain complex stress agents in forests and forest systems: insects, diseases, droughts, floods, landslides, unplanned logging, fires, etc.

18. Climate change factors contribute significantly when it comes to the reported increase in the number of forest fires. In some parts of BiH, an increased risk of forest fires caused by rising temperatures and changes in precipitation is expected, which calls for an expansion of fire protection capacity. Wildfires occur more intensively in the period before the vegetation in March-April, and in the period of drying of the vegetation, the end of summer, July-August and the first half of September. Open fires, and thus forest fires, endanger the population, property, infrastructure, and especially the environment. Areas under coniferous forests of pine, fir and spruce are especially endangered. Climate change leads to significantly longer and more intense drought periods with increase the fire risk index. In BiH, fire hazard indices are not calculated, nor are early warnings of dangerous occurrences issued, unlike in neighbouring countries, Serbia and Croatia.

19. Numerous natural lakes and wetlands of Bosnia and Herzegovina, including Nature Park Hutovo Blato and Livanjsko Polje Ramsar site, suffer from regular disturbances in the water regime that gravely affect fish stocks and migratory birds. Adaptation and resilience measures are not incorporated in conservation legislation nor management plans of affected protected areas, and funding is more often available for recovery than for risk reduction and prevention. Previous research has shown that the lakes in the area of high Herzegovina are already affected by the increase in temperature, which caused eutrophication and the accelerated disappearance of the lake. An increase in temperature was observed in all lakes of high Herzegovina (Orlovačko, Crno, Bare, Štirinsko, Kotlaničko).

¹¹ UN Environment. 2019. State of the Environment Report (SoER) for BiH. Final draft. Sarajevo UNECE. 2018. Environmental Performance Reviews Bosnia And Herzegovina.

¹² [Climate Change Adaptation and Low-Emission Development Strategy for Bosnia and Herzegovina](#), 2014.

II. STRATEGY

2.1 The long-term solution

20. The proposed project is called to reduce the gap between the current capacities of protected areas with their increasing vulnerability to emerging threats, on the one hand, and the growing needs to preserve and sustainably maintain the biological and ecosystem diversity that is among the top five in Europe, on the other. The project will offer a sustainable alternative to the current functional model for the PA system in Bosnia and Herzegovina, aiming to reduce newly emerging threats to the key biodiversity values and providing for sustainable management options and increased funding for protected areas.

2.2 Key past and ongoing interventions

21. A large number of nature and biodiversity protection projects have been funded and implemented by both international and national institutions and organizations. Most active donors and international NGOs were: GEF, EU, SIDA, BMZ, GIZ, and [MAVA](#) Foundation. [Annex 17](#) summarizes key past and ongoing interventions in the field of relevance.

The project will be built upon the key achievements of the two recently completed UNEP/GEF MSP “Achieving Biodiversity Conservation through Creation, Effective Management and Spatial Designation of Protected Areas and Capacity Building”. The project supported the proclamation of national protection status for the part of the transboundary Dinaric Mediterranean limestone mountain range Mt. Orjen – Mt. Bijela Gora, a key sub-centre for mountain flora in the Coastal-Adriatic Dinaride, as Ramsar site and KBA. The project also supported the expansion of Vjetrenica protected landscape that now includes Popovo Polje – one of the most beautiful karst fields in the region. Both internationally recognized KBAs are now proclaimed as national PAs with the BD conservation and sustainable tourism development as key management priorities. The new GEF project will come to assist the new PA management with the tools and practical instruments for better protection, resilience and adaptation of vulnerable ecosystems, and sustainable development of eco-tourism potential. The current project proposal used and updated the PA finance data that was collected by the UNEP/GEF MSP, and expands on the recommendations developed by the project regarding the long-term financial sustainability of the PA system. Lessons learned through the implementation of the advocacy activities and communication of natural values and benefits of PAs to PA staff, conservation authorities, and decision-makers, will be utilised by the new GEF project; the latter will also focus on further, site-based promotion of different aspects of nature protection to local communities around the country, including gender-sensitive advocacy and public outreach programmes. During the final year of the UNEP/GEF project implementation and the PPG for the new project, the two teams under the leadership of UNDP CO communicated regularly to ensure complementarity, provide for synergies, and avoid duplication of activities and inputs. Conceptually, the new project builds upon the UNEP/GEF MSP’s interventions aimed at enhanced coverage and protection status, as well as system-level PA management improvement, and will focus on testing and actual implementation of PA financial sustainability options and tools, in line with the evolution of the GEF programming priorities.

The proposed project was developed in close synergy with another major and well-renowned project of a regional scale – Via Dinarica. Via Dinarica is a regional platform created to connect the countries and communities of the Dinaric Alps by creating a unique and diversified tourist offer. The first phase of the national Via Dinarica Project (October 2014 – August 2017) was sponsored by USAID with a total value of US \$ 1.6 million, has contributed to placing Bosnia and Herzegovina on the world tourism map as a nature-based tourism hotspot, changing the war-related negative image of the country. Over 2,800 km of trails have been assessed and GPS-marked, with more than 700 accommodation facilities, services and points of interest identified and recorded for three Via Dinarica trails. Significant improvements were made in tourism infrastructure and services, by offering over 1,000 beds in upgraded mountain huts and bed and breakfast accommodation, diversifying outdoor tourism offer by way of 20 new tourism services (e.g. hiking, mountain biking, rafting, etc.). The project has contributed to the development of the local community, the enterprises, supported creation of new jobs and the economic empowerment of local communities in mountainous and rural areas. Via Dinarica gained global visibility through publications in the world’s prestigious worldwide media and others that glorified its beauty and uniqueness. The Project’s Phase II was implemented in 2018-2020 has further affirmed and sustain Via Dinarica as a safe and internationally recognised tourism brand, and supported further development of Via Dinarica as a tourism platform offering economic development opportunities for local communities. Virtually all of BiH’s protected areas are situated on the Via Dinarica trails but their natural values have yet to be adequately promoted or capitalized by providing appropriate levels of customer service. This will be one of the key tasks for the UNDP/GEF project that will focus its intervention on the development of eco-tourism options within and in the vicinity of protected areas.

2.3 The projected baseline scenario

22. Nature conservation in a spatial context in Bosnia and Herzegovina, although not historically new (the first protected area was designated in 1962), is still a rather undervalued concept. The protected area network is the smallest in Europe, covering some 2.8% of the territory. It consists of 40 individual areas, with several more recently preparing for designation, both through the support from GEF and local governments. The underdevelopment of PA system in BiH is in sharp contrast to the conservation needs. The biological, climatic and landscape diversity of the country are among top five on the continent and have been a source of sustenance for its people throughout its history. The country is home to a number of endemic species and habitats as well as a series of relict ecosystems. BiH belongs to the Mediterranean Basin Biodiversity Hotspot, which is well known for its globally important biodiversity and is home to several key biodiversity areas (KBAs), important bird areas (IBAs), Ramsar sites and primeval forests.

23. The respective government authorities are making procedural steps required for expansion of PA network in the country. The National Ramsar Administrative Authority in Sarajevo works to prepare environmental legislation for proper recognition of Ramsar sites in the national PA system. The Spatial Plan of Republika Srpska and draft Spatial Plan of FBiH include PAs in the process of establishment (2.16% of total area planned for protection by the respective spatial plans), however, there are no detailed programmes on the designation of new areas.

24. In the baseline scenario, the current coverage and configuration of the PA network makes it extremely vulnerable to an increasing number of natural hazards. Conservation objectives of designated PAs are often not met: the lack of appropriate adaptive management measures combined with funding gaps and “invisibility” of protected areas lead to loss of habitat, species and further environmental degradation that is difficult to reverse. The climate change effects on the biodiversity values are not assessed per se; the climate change aspects are only formally touched upon in the proclamation studies and management planning framework of the protected areas. Very minimal efforts have been made so far to include key biodiversity values and vulnerable ecosystems, including the ones in protected areas, in current disaster risk management activities and risk mapping country-wise.

25. Protected areas in BiH are managed by public entities and institutions, while financing of those institutions is provided via the governmental (FBiH/RS) and/or cantonal environmental funds, revenues and income from fees (entry fee, fee for recreational fishing and sports activities, souvenirs, parking fees, camping etc), as well as grants and subsidies. The four national parks' baseline financing comes from entity environmental ministries' budgets; the public financing of PAs of cat. III and below wildly differs. In RS, those PAs usually stay with little to no financing from municipal budgets, while in FBiH the majority of PAs of lower category have a dedicated management authority with at least some funding from the cantonal level. Further on, nature conservation can and often is funded from the dedicated grant schemes of entity and cantonal environmental ministries and the entity environment funds. However, there is no guaranteed funding from the Environmental Funds of the entities dedicated solely for nature or nature-based tourism development. Both Environmental Funds do not provide continuous financial support to PA management authorities (public enterprises/institutions) in their establishment and operation, nor do they fund activities for protecting and improving the state of biodiversity according to adopted management plans. The funds operate through open calls for requests for funding of specific focused environment projects that may or may not be linked to the PAs. The overall capacity of PA managers to apply for competitive public funding remains low and public funding opportunities are often underutilized by PAs. The same goes for tourism development grants, as the PA managers rarely apply for this funding and have been continuously expressing the need for project management cycle trainings and more human resources to support the public and ODA funds absorption capacity. [Annex 16](#) to the project document presents an overview of the BD conservation and PA management framework in the country, and [Annex 18](#) analyses the PA finance pattern and provides data on PA baseline finance in detail.

26. Despite their relatively small number and small coverage, protected areas in Bosnia and Herzegovina have an enormous potential in eco-tourism development. However, the lack of well-developed tourist infrastructure, including lodging, is evident, as most of the visits to the protected areas are one-day visits. Only several protected areas in BiH offer consumer service to tourists and although the country has been experiencing a visitation increase every year until COVID-19 pandemic, there is very few tourism products that deal with the natural values of PAs. The PA network of BiH can offer a year-round set of attractive activities, such as trekking, winter sports, bird watching, water safaris, rafting, camping or rock climbing. Having different types of climates, the country is a prime example of weather diversity and a range of different ecosystems in a relatively small territory and is thus exemplary for the development of nature-based tourism products.

27. Protected areas in BiH have yet to become self-sustaining and are often closing financing gaps by unsustainable natural resource use (commercial logging, issuing hunting permits etc). Only one protected area in BiH, National Park Una, managed to have positive cash-flow for the last three consecutive years. Overall, the current funding levels barely close the PA staff

salary, and the majority of PAs is already understaffed. The conservation measures are often funded only through extra-budgetary allocations, third party-led projects or international assistance. Increasing the financial health of country's PAs and strengthening the own income generation through sustainable tourism development would have multiple positive effects on both conservation efforts in PAs and sustainable post-pandemic recovery of country's economy.

28. The majority of PAs including some nature parks and natural monuments still have not introduced visitor ticketing or other income-generating practices and a significant number of PAs (particularly cat. III-VI in the entity of Republika Srpska) exist without any funding allocations. Given the current number of visits, the baseline tourism offerings in the PAs, and the low growth trends for most of the PAs in BiH recently, a level of self-sustainability will be difficult to achieve in most PAs in the next few years without investing in content that will attract more visitors. Yet the PAs of BiH have a great potential to be the generators of local sustainable development, especially from the aspect of the sustainable tourism offer. The structure of expenses of the protected area management, which shows that promotion and information expenses range from 0% to 2% for many protected areas, indicates that in order to be self-sustainable and to increase their own income in their future business operations, the protected area managements will have to increase the investment in promotional activities, from the current percentage to 10-20%, in accordance with best practices in terms of promotion expenses.

29. The report on the impact of the COVID-19 pandemic on the work of protected areas in Bosnia and Herzegovina produced by UNEP and WWF in June 2020¹³ showed a significant effect of the public health crises on the overall management of PAs in the country, primarily related to a decrease in the number of visitors and budget cuts. Some of the managements that prior to the pandemic had significant visitation numbers reported a decrease of income as large as 80%. Most of the PAs have not received any recovery assistance from the governments apart from Sutjeska National Park. The implementation of conservation measures was hampered, and poaching rates increased in some protected areas due to insufficient control and monitoring.

30. According to the report, though a majority of PA managers did not plan for any alternative approaches to bridge the financing gaps caused by the COVID pandemic lockdowns, some saw the crisis as an opportunity and introduced new tourism packages focused on domestic tourists (e.g. Una National Park). Many PAs felt that more attention should be given to building stronger and more attractive local destinations out of protected areas and hope to receive support for these efforts in the future. Managers also felt that they lacked in capacity to apply for economic recovery schemes available in the country and stressed the need for more collaboration with the civil society and the private sector to overcome the financing gaps and access recovery funds.

31. In the baseline of the post-COVID recovery period, distorted government interventions in the sectors of nature conservation and sustainable tourism development can be expected. Already in 2020, the country slipped into its worst recession in 25 years. Real GDP growth contracted by 5.5 percent in 2020 and projected 2021 growth is 3.5% (MMF). The economic downturn of 2020 has most prominently affected the services sector, including tourism. However, a rise in domestic visits to – primarily – outdoor destinations in BiH provides a glimpse of hope for future openings of nature-based tourism. An increment to the baseline tourism development pattern and recovery strategy is required to ensure that the recovery efforts by the governments are streamlined towards increased attention to the considerations of nature, circular and sustainable economy and environmentally positive tourism.

2.4 Barriers and Theory of Change

32. As has been acknowledged in the [Climate Change Adaptation and Low-Emission Development Strategy for Bosnia and Herzegovina](#), 2014, climate change adaptation measures should be centred on expanding the network of protected areas in Bosnia and Herzegovina, and improving the management of the existing protected areas. A gap between the conservation and CC adaptation needs and the PA system capacity is one of the key barriers to the effective conservation effort and successful climate change adaptation nation-wide.

33. The "Protected Areas Benefit Assessment in Bosnia and Herzegovina" (WWF, 2016) identifies low capacities of PA management for income diversification as one of the principle PA management weaknesses. Other limitations of the PA management refer to the absence of effective cooperation between PA management bodies and local communities, limited outreach to stakeholders in general, and an overall low level of awareness of PA values and benefits. The third Environmental Performance Review for Bosnia and Herzegovina (UNECE, 2018) outlines missing or inadequate conservation measures as

¹³ Impact of the COVID 19 pandemic on the work of the protected areas in Bosnia and Herzegovina. UNEP BIH / WWF ADRIA, June 2020

one of the greatest issues in biodiversity conservation in the country, as well as the lack of capacity and resources to implement the existing ones. Further on, the 3rd Environment Performance Review (EPR) for BiH recognized that one of the major barriers to nature conservation in the country is a widespread lack of awareness regarding biodiversity issues among the population. In particular, knowledge and awareness about biodiversity values and benefits provided by protected areas, as well as sustainable use of resources, is assessed as being rather limited.

34. With the third highest tourism growth rate in the world before the COVID-19 pandemic, the baseline development agenda leaves the PA system behind the tourism development trends. The current recession in the tourism sector due to COVID-19 pandemic has set the protected areas further behind the financial sustainability and diversification of income; at the same time, the project stems from the assumption that it can be seen as an opportunity to explore new sustainable paths of tourism development that would integrate the protected areas and the nearby communities and green business in the new nature-based tourism offering focused on domestic tourists and the outstanding values and attractions of the PAs. A related assumption here is that the COVID-19 restrictions are likely to continue impacting the return of international tourism. Europe predicts that international flights alone would not return to the pre-pandemic level before 2026. Apart from international travel, we assume that the pandemic has more impact on larger companies with respect to their willingness to engage in novel partnerships. This assumption is based on the fact that we have seen impact on the private sector engagement, especially since the first two waves, and a lot of uncertainties in economic development at the macro level during the PPG phase. As discussed in the private sector engagement strategy, it affected the project in one of its activities, namely on the PA private concession, which led to the fact that the deal to conclude the PA private concession contract, while not discarded, requires more time to finalize and will be completed during the inception phase of the main project itself. As discussed in the private sector engagement strategy, this further required a certain correction of the approach under Outcome 2, namely to make sure that activities are not focused on international travel and big private companies alone, but rather are generally focussing on supporting sustainable local businesses.

35. As of November 2022, the country is actively developing the paths towards COVID-19 recovery, with specific focus on the tourism sector. The assumption is that recovery programming by the Government is very likely to continue and that it is going to focus on domestic nature-positive outdoor activities. Indeed, it is recognized that international tourism is unlikely to reach even pre-COVID-19 levels during the life of the project, and both the Government and the project team recognize that “domestic” tourism should be the key audience, and products should be designed accordingly. The underlying theory of change for the proposed intervention relies on the sustainable nature-based tourism development as a principal vector for the country and its PA estate, and assumes that eventually the COVID-19 crisis ceases and transits to the “green recovery” phase, presenting opportunities for tourism development. While the country does plan to gradually re-establish itself as an international destination, the focus is on setting new standards for domestic nature-based tourism as a key recovery strategy. The project strategy to focus on the domestic market is fully in line with this philosophy, and can be considered the mitigation strategy for risk of continued effects of COVID-19 as raised by the PTA and the STAP. BiH, as part of Europe, went through four waves of the pandemic, and the 3 and 4 waves were not involving shutting down the economy. Movement within the country was not heavily restricted, and with rising vaccination percent, the assumption is that it is quite likely to ensure domestic tourism market robustness in the projected continuation of COVID-19 effects. Specifically, nature tourism involves a lot of “staying outside”, and for accommodation – staying in small, isolated community-held local accommodation places, as opposed to massive congregations at international destinations. Promotion of domestic nature tourism, as envisaged in Outputs 2.1-2.3, therefore, highly correlates with the recovery directions of the Government, which thus enables project interventions stemming from our assumptions.

While support to domestic nature tourism is the best response to recovery, it is a complex process that requires a shift in the thinking and behaviour of both providers and consumers of tourism services, and this is where this project comes handy. The rewards of such a shift would be multiple: tourism in Bosnia and Herzegovina would develop in a more sustainable and non-intrusive direction by promoting slow tourism characterized by longer stays and shorter distances, while ensuring minimal contribution to any potential spread of COVID-19. Indeed, activities under Output 2.4 (participation in the government grant program) will help PAs and local communities to apply for recovery funding enabled by the Government. Promotion of nature-positive local livelihoods such as collection of NTFP and beekeeping is a separate line of operation under the project, while it is an example of concrete mechanism of engagement with the private-sector. Here, we agree with the PTA that similar nature focused activities are positively correlating with COVID-19 recovery, they can and should be promoted regardless of the severity of the pandemic, since they involve single individuals working in the open, and are extremely unlikely to cause spread of virus (provided basic safety regulations are observed). Support of such activities is envisaged by the Government in the recovery plans and project Output 2.4 will help potential beneficiaries apply and operate such assistance.

36. With the above approaches, the project will still be able to achieve its objective of increasing profits for communities and local business operators while focussing solely on biodiversity-positive impacts. This seems a plausible economic scenario, and it also greatly contributes to sustainable development. The GEF project was designed to be aligned with the tourism sector recovery priorities mentioned above, and the proposed project will contribute an essential increment to boost the high-yield low impact tourism development focused on the domestic tourist and boosting the PA role in the green recovery strategy for the tourism sector recovery. The second pillar of work in the recovery context is related to support of nature-based local livelihoods living in or around protected areas, focussing on non-timber forest resource collection and beekeeping. The main assumptions in this discussion can be summarized as: (1) full recovery to enable reinstatement of profits from international travel is unlikely before 2026, (2) Government continues to support nature-based domestic tourism as a key element of recovery.

37. The proposed solution to the barriers and constraints related to PA finance would be to address the system-wide funding gap for the management of protected areas through the development of nature-based tourism activities. The proposed intervention is designed to build ecotourism capacity and create a network of community-based destinations for birding, caving and other nature-based tourism activities, by developing a product package for pilot PAs as a tool to assist the PA management authorities and PA managers.

38. The proposed intervention will bring in the innovative elements in PA finance: a PA tourism concession pilot as a mechanism for strengthening PA sustainability and increasing financing for PA management, and modifications to the existing mechanism for governmental grant allocation that will include eco-tourism development within the protected areas as a priority funding window. Both will be introduced with the assumption that the relevant stakeholders are ready to cooperate in testing and eventual adoption of the innovative finance elements; for that, the institutional barriers and the risks should be factored, the adaptive management scenarios developed and capacity development actions planned to ensure the enabling environment and stakeholders buy-in.

39. Another innovative solution that will be tested on-the-ground is wetland and associated aquatic habitat restoration within a category IV-VI protected area. The main assumption related to the restoration activities proposed for the project are that a) the required regulations and permissions are either in place or can be arranged for with an incremental support from the project, and b) the relevant experience from abroad would be applicable for the specific locations identified as wetland restoration pilots.

40. Before any management innovations are supported with the required level of ownership and commitment, the planned intervention should make sure that the basic needs and requirements, as in Maslow's hierarchy of needs, are fulfilled. For this, the project planning relies on the baseline management and PA finance agenda, the stakeholder commitments confirmed at the project preparatory phase, and the parallel donor activities related to PA management support, tourism infrastructure development, capacity building, community engagement etc.

III. RESULTS AND PARTNERSHIPS

3.1 Project description and expected results

41. The proposed project will make an incremental effort in assisting the PA Management with tools and instruments aimed at diversifying and improving the sustainable tourism offering and enhanced visibility and promotion of the targeted PAs, thus providing for sustainable incremental income and a development option that will valorise the unique nature values without further threatening them. The proposed scenario aims at ultimately turning the PA system from a burden on the government budget to the locomotive of sustainable tourism development. The project will also capacitate the PAs and work with the public sector stakeholders to ensure a sustainable link to the funding opportunities provided by the governmental grant programmes for tourism development. At the same time, better biodiversity status will be achieved through strengthened resilience of key biodiversity values to climate change impact.

42. The project Objective is to achieve practical PA management improvement and better biodiversity status through strengthened resilience of key biodiversity values to climate change impact and increased revenues from sustainable recreation. The project's work will be implemented through three components. Under the Component 1, the project will work to reduce the vulnerability of key biodiversity values and strengthen the resilience of target protected areas in BiH to climate change. Component 2 will develop and test mechanisms for increased PA revenues from sustainable tourism. Project Component 3 groups the project knowledge management activities. The proposed structure of the project addresses the two most pressing needs in the area of nature conservation in BiH in the next 5 years. One is associated with the climate-

induced threats that, according to the latest country communication to the UN CBD, pose a key external risk. Failure to incorporate resilience solutions for PA functioning would in the long run render the PA system unable to support the biodiversity it hosts and attract people to it. While addressing the climate resilience issue, the next important area of focus is the administrative and financial capacity of nature conservation and specifically PA management, which requires innovative solutions including private-public partnerships and other measures proposed in this GEF project. Implementing just the climate resilience without strengthening the financial viability of the PAs would deprive the conservation sector of long-term resources to sustain itself. Ignoring the climate risks and focusing solely on the financial and administrative capacities of PAs in a small country such as BiH would pose the ecosystems at risk of losing their ecological qualities/functions/services and ultimately disabling the conservation industry from attracting people to it. Therefore, the two components of the project will work in synergy to address the most imminent needs and gaps of PA management in the country.

Component 1: Strengthening PA resilience to climate change threats

Outcome 1: Managerial and technical capacities of targeted PAs in place helping ensure resilience of key biodiversity values to climate change

Output 1.1: Comprehensive climate threat assessment conducted for pilot PAs

43. A desk climate threat analysis for the pilot PAs was performed during the project preparatory phase (PPG) and is presented in [Annex 20](#) to the Project Document. The PPG desk analysis was focused on four National Parks in BiH – Drina, Sutjeska, Una, and Kozara – and several PAs of lower category where the climate change effects were either documented or possible to qualify based on the data available for targeted landscapes, ecosystems, and species: Skakavac Nature Monument, Prokosko Lake Nature Monument, Bijambare Protected Landscape, Vjetrenica-Popovo Polje Protected Landscape, Blidinje Park of Nature, and Orjen Park of Nature. The desk analysis is more detailed for the national parks that have a longer observation record supported by targeted research. The climate change effects on mountainous forest ecosystems are best documented, with the rising temperatures and changes in precipitation causing the drastic change in the plant species composition, migration of vulnerable species along the Dinarides, and a local reduction in the number of species, and increased vulnerability of small and fragmented populations of keystone coniferous species. Based on the data available and the expert assessment of the key climate impacts and pressures on the key biodiversity values within the targeted PAs, possible response scenarios and adaptation measures were proposed by the PPG experts. The emphasis of the analysis on the coniferous forest ecosystems is also justified by the fact that for particular species of spruce, fir, and white pine (which are building numerous communities in mountain landscapes), BiH represents the southern limit of distribution. Inclusion into the desk analysis of the PAs with the domination of lowland areas such as Vjetrenica-Popovo Polje, Blidinje, and Prokoško Lake is attributed to the unique and vulnerable karst and glacial lake ecosystems they host.

44. Building on the key results of the PPG desk analysis, and further focusing on the PAs with the management capacities and resources available for more focus on the climate change response and adaptation, in the first year of implementation the Project will commission a comprehensive climate threat assessment of the pilot PAs (National Parks Sutjeska, Kozara, Drina, and Una, Prokosko Lake Nature Monument, Blidinje Park of Nature, Vjetrenica Protected Landscape and Orjen Park of Nature), with the aim to:

- Identify the key climate impacts on biodiversity within the PAs;
- Identify species and ecosystems that enable resilience and adaptation;
- Assess the synergies between a variety of threats;
- Conduct species and ecosystem climate vulnerability assessments; and
- Develop threat response scenarios.

45. Reflective of the key findings of the PPG desk analysis, for Sutjeska NP, the scope for climate threat assessment (SOW) should include a detailed assessment of threats and ecosystem health for the targeted beech-coniferous forest communities located in the area of Zelengora, Perućica and other specific locations within the National Park that will help determine the status and the management measures for these critical ecosystems. An analysis of the condition of fir forests will be commissioned for National Park Kozara to support the elaboration of management, monitoring and control measures to improve the condition. For Blidinje PN, SOW should include an assessment of the impact of climate change on the growth of Bosnian pine (*Pinus heldreichii*). For Prokosko Lake NM and Una NP, SOW should include a status assessment for flagship species of ichthyofauna and key aquatic habitats.

46. The climate threat assessment will be planned to take into account UNDP SES requirements ([project SESP risk](#)) related to the susceptibility of project endeavours to climate and the extreme climate conditions, and will be responsive to the SES Standard 2.

47. The climate threat assessment will be accompanied by the development of an information system that would provide digital coverage of PAs ecosystem "inventory" as a tool for the management of climate change effects in these areas. For the climate threat assessment, many open sources of information will be considered, including historical data on climate, climate-related events, wildfires, floods, etc. In addition, the climate threat assessment will also include information on the vulnerability and exposure of the local communities (including increased vulnerabilities of ethnic minorities, women, youth, disabled, veterans etc) in the project area to a changing climate and details on how climate and non-climate stressors might interact to exacerbate climate risk, within the targeted PAs and their surrounding geographies. A customized geographic information system supporting the narrative climate threat assessment will be maintained and enhanced throughout the project lifetime to become a tool to identify drivers of vulnerability in specific areas, by combining public information data sources and remote sensing data (using IoT sensors). All data needed to complete the climate threat assessment would be candidates for gathering and processing in this system. Accompanied by ecosystem monitoring, the results of the comprehensive threat assessment will be incorporated in the future adaptive management actions and updated PA management framework (Output 1.2 below).

Output 1.2: PA management framework developed/updated and under implementation with due account of climate threats

48. The project will assist the pilot PAs with the preparation of management plans, as well as management guidelines and tools for taking into account the CC threats, threat response scenarios, ecosystems and local livelihoods resilience, and adaptation measures.

49. For the National Parks Sutjeska and Kozara, a climate threat management module will be developed to serve as the basis for the new 5-year management plans to be supported by the project after its mid-term. For the National Parks Drina and Una, the project will support the development of new management plans with due account of climate threats and climate neutrality objectives/indicators. For the new management entities of the Prokosko Lake Nature Monument, Vjetrenica Protected Landscape, and Una Park of Nature, the project will support prioritization of the management objectives and advanced management planning based on the comprehensive analysis of threats and pressures to the PA values, and the new development objectives. Based on the outcomes of the PPG desk climate threat analysis, a status assessment and an action plan for the endangered spruce forest and vulnerable peatland communities will be developed for Bijambare Protected Landscape. A comprehensive Management Plan will be developed for Orjen Park of Nature in follow-up to the initial 2-year management programme. The BD-sensitive and CC-neutral management planning for Vjetrenica Protected Landscape will be based on the new valorisation study (commissioned within the UNEP MSP Project to support re-classification of the area) and will include specific monitoring, assessment and management measures for rare/endangered habitat types (karst caves, basins and abyss ecosystems) and species sensitive to climate change (reducing water level, changes in water temperature, changes in water regime etc. It should be noted that the project supported PAs management plans will be developed in line with the UNDP SES requirements. The Management Plans will include measures for patrolling and enforcement of environmental regulation with an emphasis on collaborative methods, with respect to human rights and understanding of community rights and needs.

50. Under this output the project will implement the Process Framework (as indicated under ESMF Annex 23 and SESP Annex 5) in order to facilitate the consultations with local communities and avoid any potential risk of economic displacement resulting from the new PAs management plans and a stricter enforcement of environmental regulations. The Process framework will cover the following PAs: National Parks Sutjeska and Kozara; National Parks Drina and Una; Prokosko Lake Nature Monument, Vjetrenica Protected Landscape, and Una Park of Nature; Bijambare Protected Landscape; Orjen Park of Nature; Vjetrenica Protected Landscape.

51. The climate threats assessments (commissioned under Output 1.1.) will also include information on the climate vulnerabilities and exposures of local communities, thus enabling PAs managers to meaningfully engage with local municipal authorities and local communities representatives in devising appropriate adaptation measures that would equally benefit natural PAs ecosystems as well as the local livelihoods that depend on them.

Output 1.3: A portfolio of adaptation and resilience solutions for targeted species and ecosystems developed and set under implementation

52. Following the results of the desk climate threat analysis, the project PPG phase has offered a portfolio of climate change adaptation and resilience solutions developed for the targeted vulnerable forest ecosystems and flagship species in the targeted PAs presented below. The list of interventions may be amended following the outcomes of the Comprehensive climate threat assessment under Output 1.1, and will be designed in accordance with the UNDP SES requirements. The project team will conduct site-specific screening and appropriately scoped ESAs applied to these measures in order to identify prevent and mitigate potential impacts on ecologically sensitive habitats (please see ESMF, Annex 23).

53. A species management plan for the alpine newt (*Triturus alpestris*) will be developed to complement the enhanced management planning for Prokosko Lake NM (Output 1.2 above).

54. An adaptation plan for Serbian spruce (*Picea omorica*) with measures to improve status in natural populations, support to regeneration, monitoring of tree health, and pest control will be offered for Drina National Park. Targeted support to regeneration (planting near the natural habitats, collecting seeds from healthy trees and transferring them to suitable locations, with prior analysis and the necessary permits; production of seedlings on plantations) to Drina National Park Management.

55. An adaptation plan for Bosnian pine (*Pinus heldreichii*) will be developed for Blidinje Park of Nature; the public enterprise managing the area will be equipped with data and indicators, monitoring tools and a species management plan specific for the habitats located in the park and the pressure from the multiple land use and tourism activities.

56. The project will directly support activities in support to fire preparedness, prevention and response within the pilot protected areas. Forest fire management capacity building, including development and operationalisation of an early warning system and development of Fire Protection Action Plans with priority prevention measures will be offered to the national parks Sutjeska, Kozara and Drina, Orjen and Blidinje parks of nature, and Skakavac Nature Monument. The project will provide a targeted investment in fire-fighting equipment and tools for suppression of initial fires (water backpack pumps, fire-fighting brooms, face masks, goggles, helmets, gloves, mobile water pumps, petrol leaf blowers, etc.). The GEF incremental funding will be used for the installation of reservoirs/pools for water storage near the most fire endangered areas and repair of critical watchtowers. Screening (as per UNDP SES) and appropriately scoped ESIA (as needed) will be conducted by the project team and experts.

57. The project will contribute to the municipal effort for fire safety/prevention campaign – an awareness measure involving visitors and local communities.

58. The project will contribute to improving the coordination of the forest fire management activities (i.e. planning and implementation of wildfire preparedness, wildfire suppression, hazardous fuels reduction, landscape restoration and rehabilitation, fire reporting and communication and education) being undertaken by each of by the different fire-fighting agencies and units responsible for fire control and response within the protected areas and across the wider landscape. The project will facilitate the establishment of local rapid-response community fire-fighting teams who could be deployed by any of the responsible authorities to assist in controlling the outbreak of small, localised fires. If feasible, the project may further develop the capacity of these rapid response community fire-fighting teams to locally support more proactive fire management measures (e.g. block control burning, fire education and awareness, fire records, etc.) in forests. The capacity building for prevention and mitigation of fire hazards will be conducted by specialised experts and will adhere to the UNDP SES requirements and applicable national regulations (please see UNDP SES requirements under ESMF Annex 23).

59. Management guidelines with mechanisms of bark beetle outbursts control and the early response measures compatible with the PA regime will be developed for the management authorities of Sutjeska, Kozara, and Drina national parks, and the Sarajevo Canton PA public enterprise (Skakavac NM). For the bark beetle outburst control, particular pest control methods (pheromone traps) will be offered in accordance with the PA regulations and best practice available. UNDP will engage technical expertise (as part of SES implementation and quality assurance) to ensure that pheromones and/or other specific insecticides and harmful substances will be handled, stored, applied and disposed of in accordance with international good practice such as the FAO International Code of Conduct on the Distribution and Use of Pesticides.

60. Through the implementation of the targeted solutions above, the project will provide necessary capacity building for PAs to better understand and better react to the effects of climate change, and provide a better connection with the national CC adaptation planning and funding. The proposed solutions will make case-studies to be submitted to the PA management authorities and conservation authorities for replication.

Output 1.4: Demonstration of innovative restoration approaches

61. The restoration options will be offered for ecosystems severely affected by various negative climate factors. The restoration activities will be designed in accordance with the UNDP SES requirements. The project team will conduct site-specific screening and appropriately scoped ESIA as needed, in order to identify prevent and mitigate potential impacts on ecologically sensitive habitats and culturally important sites. Permissions for the wetlands restoration activities from affected land owners will be sought in a manner consistent with the UNDP SES requirements (please see ESMF, Annex 23).

62. The project will assist respective management authorities with the following sequence of actions:

- Demo sites for restoration screened and selected based on ecosystem types/threat imminence/current damage to ecosystem/its representativity and value;
- Restoration methodology and plan developed for the pilot sites to demonstrate options for its threatened ecosystems;
- Targeted support for selected restoration pilots provided;
- Engagement of local communities, landowners, private sector stakeholders, municipal authorities ensured;
- Restoration effects documented, pilots evaluated and proposed for dissemination and replication.

63. The rewetting of the Prokoško Lake Natural Monument (IUCN cat. III) was proposed as a restoration pilot in the project concept (PIF). During the PPG phase, numerous documents were analyzed as well as consultation meetings with relevant stakeholders (in particular PA management) where conducted. Key findings of the PPG feasibility analysis can be summarised as follows:

- The viability and sustainability of the restoration effect in the face of the growing pressures on the ecosystem is questionable. The enormous pressure of infrastructure development and the profit-oriented development agenda are the key factors in support to the development scenario when a full-scale rehabilitation and revitalization of the natural ecosystem and processes is not possible.
- According to Spahić et al, 2015, scientific and professional discourse was focused on the assessment of recent conditions of Prokosko Lake, which was not determined as satisfactory. Paper confirms the significant modification from the purely natural to the almost completely artificial habitat and stated that artificial interventions that were done on the lake and anthropogenic usurpation of the lake's basin contributed to the impossible denaturalization of this aqua complex.
- The manager is the Public Utility Company "Šćona" Fojnica. They have recently (in 2020) took over the management role having limited capacities and no experience in PA management and nature protection. Restoration activities are not a priority and are not currently defined and envisaged in the next 5-year period by the current PA Management. The reason for that is certainly lack of financial resources (in general the poor governmental financial support for this protected area), as well as the recent management change.

64. While re-considering the initially proposed pilot, the PPG consultations confirmed that the primary ecosystem type for piloting restoration would be wetlands within the PAs affected by multiple threats and CC-induced effects. The project will support wetland restoration and rehabilitation of wetland habitat at Tišina pond PL and Gromiželj PH. For both cases, revitalization of wetlands and wetland-marsh complexes will help preserve key species and restore the natural water regime, as well as help developing ecotourism in the area. The pilots will demonstrate a relatively simple and cost-effective way of improving the ecological status of the wetland habitats including aquatic communities (Tišina pond) and surrounding forests (Tišina and Gromiželj). For both cases, the PAs are at risk of losing their key values and characteristics without a restoration/revitalization effort. The methods and approaches to be tested in both pilots will be replicable to similar locations within the pilot areas and to other areas with similar landscape and biodiversity features.

The pre-feasibility analysis for the restoration pilots is presented as [Annex 21](#) to the Project Document. A summary of the proposed restoration demos is presented below.

Gromiželj

Gromiželj swamp is located in Semberija, in the north-eastern part of BiH, in the Municipality of Bijeljina. It is protected as protected habitat (IUCN cat IV) since 2018, with area of 831.3 ha (of which 67,39 ha is lowland peat). PA Manager is Gromiželj Association for the Protection of Flora and Fauna. The PA main values are rare and endangered species of birds (western marsh harriers, black storks, purple heron and little egret), fish (mudminnow) and their habitats, as well as habitats of endangered plant species – water violet, the marsh fern, yellow water lily and marsh fern. A total of 104 bird species were registered in the wider area of Gromiželj; there are two SPEC 1 species (*Haliaeetus albicilla* and *Aythya nyroca*), five SPEC 2

species, 43 strictly protected species from Annex II and seven protected species from Annex III of the Bern Convention. The area has a significant role in the migratory corridor to the Mediterranean and is an important wintering site for birds residing in the Sava and Drina valley. Swamp (locality Laketića vir) "guards" approx. 400 vascular plant species and is either one of the few remaining in Europe, or the only habitat for some species in BiH (e.g. fish *Umbra krameri*). The major threat to the BD values is associated with the wetland water regime: the pond dries following changes in water supply, when water is reducing both in total volume and depth.

The project will directly invest into the demo restoration for an area of 3.5 ha (clean-up of sediments) and a wider area of app. 50 ha of biodiversity rehabilitation. The prioritized list of activities required for stabilisation of the water regime includes:

- Revitalization of demo plots (wider area of Laketić vir that is still under water, in state ownership, app.3.5 ha), which includes: removal of fallen trees, removal of trees in the part that is being revitalized, removal of invasive willow species, removal of humus-mud i at depths of maximum 2 meters. This wider area was once under water (swamp) and now there is only moist soil full of silt-humus.
- Targeted afforestation of vulnerable plots around agricultural land (repression of acacia, and afforestation with ash, poplar and willow, 50 ha).

Tišina

The main values of "Tišina" wetland are swamps "Mala Tišina" and "Velika Tišina", Odmut marsh and Žandrak seasonal stream. This complex represents one of the continental wetlands in the Sava river (northern part of BiH) floodplain which is a significant factor of hydrological stability and flood protection, but also the important habitat for numerous species of plant and animal world, many of those being listed in the annexes of the EU Habitats Directive and the Birds Directive. It is a protected habitat (IUCN cat IV) since 2019, with an area of 196.49 ha. PA Manager is the Municipality of Šamac. 10-year Management Plan is under development). The complex is famous for its vast diversity of wetland flora and avifauna. The complex is an important breeding site for Whiskered Tern (35-45 pairs), Black-crowned Night Heron (30-40 pairs), Ferruginous Duck (2-4 pairs), Common Pochard (3-5 pairs) and several other bird species. During the migration, the flocks of Black Stork (up to 60 individuals), Little Egret, Great White Egret, Eurasian Spoonbill and other birds rest in the silty and shallow parts of the ponds. As part of the marsh complex Tišina and Odmut, 175 plant species are registered, as well as 123 bird species, 8 species of amphibians, 4 species of reptiles and 21 fish species. Out of the total number, 1 plant species, 1 amphibian species, 1 reptile species, 4 fish species and 33 bird species are endangered at the level of Europe and protected by international conventions. When it comes to birds, 7 internationally endangered species are recorded.

Intensive agriculture, construction of drainage channels and land drainage, expansion of settlements, industry and roads resulted in the fact that the former wetlands subsisted only on small areas, and as such do not provide many opportunities for the development and survival of plants and animals that are linked to them. Once wet areas have dried up and are walkable during the summer (which was not the case before). The marshes Mala and Velika Tišina and Odmut were separated from the Sava River due to the construction of channels and embankments, the natural hydromorphological processes such as meandering are lost, the river is neither hydrologically nor ecologically connected with the marshes to such an extent, the level of underground waters that the marshes supplied declined, and many habitats and species were lost. Bearing this in mind, it is evident that the protection of both river and marshland ecosystems requires active measures of protection, revitalization and sustainable use. The channels are largely neglected and overgrown by vegetation due to irregular maintenance, which significantly reduced their capacity and flow. In collaboration with Šamac Municipality, fishermen take care of the swamp by pumping in water during high summer temperatures to prevent the annihilation of fish.

For each marsh and swamp, the inflow of an adequate amount of water influences and supports the survival and development of many plant and animal species and it is very important for the circulation of matters and relations between aquatic and terrestrial living communities. Tišina and Odmut marshes do not necessarily require a constant amount of high levels of water, and that the occasional drainage of some parts, even the entire marsh, is not devastating from the ecological standpoint. The increased level of water and area under the water is required during the summer months.

The watercourses have unpronounced and highly abandoned and overgrown beds, so certain engineering and construction works are required to improve the inflow and amount of water that could be used for the marsh water supply. The project will finance the pilot restoration of the water inflow through the improvement of hydro-technical infrastructure for a demo plot of approx. 50 ha. Revitalization measures will include cleaning of the supply and drainage channels; cleaning and sludge removal from natural springs, supply and drainage channels of sediments and organic matter; overall improvement of the

hydrotechnical structure. The proposed demo site is mostly covered with water, according to the cadastral class it is characterized as a swamp and it is in public ownership.

Output 1.5: Replication and adaptation of pilot PAs solutions and demos to other sites

65. The project will work on the institutional and financial prerequisites for replication of innovative solutions piloted through Outputs 1.1.-1.4, to other sites. The lessons learned studies, the cost-benefit analyses, and the short- and long-term impact assessments will be made available for the respective authorities to inform of technical, financial and environmental viability of suggested solutions. Stakeholder consultations with the PA management authorities and municipal governments will facilitate the incorporation of successfully tested instruments into land use planning framework, municipal development programmes and PA management strategies, and catalyse replication of PA management planning models, threat response action planning, adaptation solutions for targeted species and ecosystems.

66. To provide sustainability and up-scale to the species management instruments targeting a wider landscape around the protected areas, the project will work with sectoral stakeholders responsible for resource use practices that are not imposed or managed by PAs. Expert proposals and justifications for the inclusion of vulnerable/threatened species, such as Balkan Chamois (*Rupicapra hydro morphological balcanica*), into the climate change regulations prohibiting hunting and encouraging species protection inside PAs (NPs Sutjeska, Drina).

67. The species management and adaptation scenarios to protected landscapes developed for the targeted PAs and ecosystems have been planned with a view of their replication and upscale potential. Specifically, the adaptation plans for valuable spruce and pine forest stands and the associated HCVF management measures will be designed with a view of further adaptation to other PAs with similar BD values but lower protection category – such as PLs Trebević and Konjuh.

68. The demo restoration effort for Gromizelj will be upscaled to tackle the effects of eutrophication due to the negative impact of agriculture in the wider area (local residents, privately owned land). The project will contribute to raising awareness of the importance of the area and the impact of anthropogenic activities on it; will support the promotion of ecotourism and the potential models of agroforestry among local farmers, and propose concrete mechanisms to ensure broader involvement of the population in non-agricultural activities and diversification of the offer of the area through e.g. bird watching services, promotional and educational activities for tourists, etc.

69. To upscale and provide a landscape dimension to the restoration demo activities for Tisina, the project will work in synergy with the parallel restoration activities funded by EuroNatur (meadows and pastures) – with a focus on sustainable grazing and community benefits. The project will offer the management planning instruments and practical solutions to ensure regular mowing of the rehabilitated floodplain meadows, removal of shrubs, and sustainable livestock management on damp meadows. Thus, the GEF 7 effort will be upscaled to include both the aquatic complexes and wet meadows, and a stronger linkage to the broader landscape and nearby community livelihoods will be ensured.

Component 2: Improving financial sustainability of targeted PAs through sustainable tourism development

Outcome 2: Financial sustainability of targeted PAs improves

Output 2.1: Sustainable tourism products developed for pilot PAs

70. The project will provide a follow-up to the PA financial sustainability analysis commissioned by UNEP-GEF MSP and the PPG expert team for the current project, and will offer incremental assistance to the PA management authorities helping them to update the business plans for individual PAs, design marketing plans, and develop optimisation schemes for the PA recurrent costs.

71. The project will build ecotourism capacity and create a network of community-based destinations for sustainable and safe tourism activities within PAs, by developing high quality conservation-focused ecotourism products for pilot PAs as a tool to assist the PA management authorities and local tourism operators to actively promote PA managers as tourism destination managers in the 4C tourism model (Conservation, Compassion, Connection, Community). The UNDP BiH Accelerator Lab, as the innovation team, will support these efforts, bringing global good practices and innovative approaches.

72. The following key steps will lead to the expansion of their sustainable tourism development effort:

- Conduct a Socio-Economic Assessment (in coordination with the Climate threat assessment under Output 1.1.) in order to identify local sustainable tourism and alternative livelihood strategies in the targeted project areas, including highlighting the measures to benefit the poorest and marginalised groups. This assessment will also feed into the Stakeholders Engagement Plan and will be based on identifying and consulting with representatives of stakeholders groups, local authorities, local communities representatives, local associations and NGOs. Based on these analyses, the project will offer equal opportunities for the local communities, including the vulnerable groups, for participation in the project activities and in the envisaged community-based network for sustainable tourism.
- Conduct a COVID-19 Risk Assessment and mitigation measures, associated with the promotion of the envisaged sustainable tourism product and support to the local community-based tourism network;
- Identify specific tourism products that are both sustainable and economically viable. This will include an estimate of the initial investment, operational cost, and projected returns;
- Conduct social and environmental screening aligned with UNDP SES requirements during the development of each tourism product and associated infrastructure improvements (please see SESP Annex 5 and ESMF instructions under Annex 23).
- Outline possible financial models, quantify potential direct financial and indirect economic benefits;
- Suggest packaging of the selected products and models for branding and marketing;
- Develop environmental guidance for tourism development in the pilot areas;
- Establish connection and partnership with tourism clusters or other tourism-oriented organizations.

73. The project will assist PA managements in development and packaging of tourism products tailored to fit individual values, capacities, opportunities and limitations of the targeted PAs. To encourage demand for local entrepreneurs' services, the project will target areas where a nature-based vacation could help to enrich important ecosystems for both people and the environment.

74. As requested by the respective PA management authorities and responsible ministries, the following targeted support will be made available for the pilot PAs:

Drina NP: sustainable tourism offer packaging and targeted support for infrastructure development consistent with UNDP SES requirements

Bijambare PL: development of programmes for eco-tourism, eco-agriculture, environmental awareness and education, with targeted implementation support

Vjetrenica PL: Co-financing of tourism infrastructure consistent with UNDP SES requirements;

Orjen PN: A roadmap for traditional businesses and tourism development - beekeeping, use of medical plants, and ecotourism. Support to local community engagement aligned with UNDP SES requirements and Stakeholders Engagement Plan.

75. The following activities will be supported across the PA system:

- Good harvesting practices for NTFP collected and a hands on training on the use and control of NTFP for the PA management, ranger services, and adjacent communities
- Capacity building measures aimed to assist the PA management authorities and local tourism operators to actively promote PA managers as tourism destination managers and to meaningfully engage with the local communities and vulnerable groups.

Output 2.2: Functional partnerships with the private sector stakeholders are in place to provide community engagement and increased income streams from legal nature resource use activities (incl. recreation) occurring in the targeted PAs

76. While both Outputs 2.1 and 2.2 aim to improve the PA tourism offer, Output 2.2 looks outside the PAs at the broader landscape and wider stakeholder engagement for multiple benefits to the PAs, the adjacent communities, and green businesses. The stakeholder consultations and feasibility analyses during the PPG phase were focused on the identification of possible pilot(s) that would demonstrate enhanced finance opportunities for the PAs associated with a unique tourist offer that could be developed in cooperation with the municipal governments, local community organizations and private sector partners, will expand the "baseline" PA tourism offer with no harmful effects on the BD values of the PA and the adjacent landscape, and produce community benefits. The project team in the project implementation phase will ensure that the proposed tourist offers/ products will be aligned with UNDP SES requirements and will include opportunities for all

the community groups, including women and marginalised groups to benefit from increased economic and social opportunities that these demonstrative partnership will bring to the communities. The demo partnership project identified for the GEF funding under Output 2.2 is described below.

Cooperation with the privately-owned sustainable business for the development of a tourism product as for the PA and adjacent landscape: Popovo Polje mills restoration

As a result of the recent expansion of Vjetrenica PL it now includes a larger area of Popovo Polje (Popovo karst field); the management objectives for the expanded areas include wider community engagement and diversification of the tourist offer. For the last several years, the PA income is generated solely from the entrance fee they collect and does not have a sufficient secured budget to manage an expanded area. To implement the management objectives and secure more stable funding from a diversified tourism product, the following pilot activity was suggested as a result of consultations with the relevant stakeholders.

Ponor mills are a unique feature along the riverbanks of the Trebisnjica river, Popovo Polje, combining cultural heritage and nature value associated with karst processes (oscillating level of underground water). The area of Popovo Polje is a unique hydrological and geological object and is also an important productive landscape with a rich grain-bearing area. Mills were there for centuries, built over the mouth of a karst ponor (= karst sink or swallow hole), harnessing the hydropower of the surface-water which is naturally discharging from a surface stream or river into the ponor and caves beneath. This ingenious use of hydro-energy was employed to drive the flour mills which processed the grain cultivated in Popovo Polje. Nowadays, all of 43 originally existing mills are abandoned and the majority is ruined or inaccessible.

The project will co-finance the restoration of an existing mill nearby the Vjetrenica cave in ownership of Ravno municipality, to enhance the tourism offering for the nearby PA and contribute to the preservation of the cultural heritage of the area. The pilot will ensure partnership with the Ravno Municipality and will possibly engage a private sector partner in case the mill is put under a long-term concession. The project will support the promotion of the site and the linkage between the private tourist business and the Vjetrenica PL to ensure increased revenues for the PA directly, the enhanced visitation and quality of tourist program at Vjetrenica, and provide economic and social benefits to the wider landscape of Popovo Polje. Such a model would increase the local community involvement and help identify the PA as a booster of the local sustainable development and would contribute to the attractiveness of the area and longer retention of tourists through the enrichment of the offer.

77. The project in the main phase will look for other opportunities to have tourism sector stakeholders engaged to encourage sustainable tourism development and income generation for PA management authorities and people living in the vicinity of protected areas. The project is expected to foster activities aimed at developing tourism offer and increasing the self-sustainability of PAs through cooperation with regional tourism clusters (Herzegovina and Krajina regions), mountain ski tourism operators, and whitewater rafting operators and small businesses along the Via Dinarica that operate in or nearby pilot protected areas.

Output 2.3: Eco-tourism concession model developed and piloted in Sutjeska National Park

78. Project Output 2.3 offers a unique opportunity to test a first ever concession model for the eco-tourism development within a model protected area (Sutjeska National Park) in the country. The PPG phase updated the feasibility study of options for long-term outsourcing of Sutjeska National Park Assets and Services that was prepared in early 2018 by a consortium of consulting and legal service companies and financed by UNDP¹⁴. The updated analysis and a tentative roadmap for the pilot concession at Sutjeska National Park is presented as [Annex 19](#) to this document.

79. In 2020 during the project PPG phase, an initial mapping of the potential private sector companies potentially interested in and eligible for partnering in the NP Sutjeska tourism concession model showed a somewhat discouraging result, as no partner was ready to express a firm interest as the potential concession bidder. One initially considered private partner has not made any commitment or readiness for an agreement on the implementation of the concession model due to political reasons and uncertainty at the tourism market caused by the new normality of COVID-19 restrictions and implications. However, the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska, being the competent

¹⁴ Deloitte d.o.o. Belgrade, ENOVA Engineering and Consulting Company d.o.o. Sarajevo, AdvokatskakanclarijaStevanDimitrijevic (2018). Study of Options for Long-Term Outsourcing of Sutjeska National Park Assets and Services

institution for implementation of the model, as well as Sutjeska National Park expressed their interest in the implementation of the concession model and declared their readiness to actively cooperate in this process.

80. Through the initial screening, it became clear that the potential private sector investors are not likely to materialize before the Ministry for Spatial Planning, Construction and Ecology of Republika Srpska releases the official information about the future concession pilot at the feasible level of detail. On the other hand, the absence of potential partners on the ground is a primary reason why the competent Ministry does not consider the concession pilot as an immediate priority for the moment and is reluctant to express any commitment in this regard. The GEF project in the main phase will step in to moderate the process and stimulate all potential partners towards more active engagement. For this purpose, a comprehensive assessment of the concession benefits was prepared to inform further consultation process with the competent Ministry and the National Park. The PPG experts also presented a road-map listing the activities to be implemented to operationalize the concession process, summarised below.

81. Due to limited opportunities for comprehensive stakeholder consultations and business engagement in 2020, the desk study performed at the PPG stage should be completed with a comprehensive feasibility assessment to be performed by a contractor and result in formulation of a business case for the first pilot concession at Sutjeska National Park in the FSP phase. The contractor, in cooperation with relevant stakeholders, should present a clear business case and plan outreach and communication activities to get the market ready and attract high-quality concessionaires to take on the proposed business opportunity.

82. The PPG analysis confirmed the feasibility of concessions for assets and services for a model protected area located in Republika Srpska. The Concession Law of RS provides straightforward regulations for the procedure for awarding the concession agreements. The Concession Law allows for up to 50-year concessions for the use of areas and buildings of natural, cultural and historical heritage, and hotel and restaurant services. Republika Srpska has accumulated a positive practice of concession agreements concluded mostly for energy facilities and mining; there are examples of concession agreements in tourist and hospitality activities.

83. All of the existing assets within the territory of the National Park are owned by the Government of Republika Srpska (RS). The park management authority (a public institution) does not generate sufficient revenues to cover basic operational costs, nor does it have the financial capacity to invest in upgrading/modernization of tourism infrastructure and service improvement. The primary financial benefits are associated with an outsource of the tourist assets which are currently in half-ruined state and almost unusable, would be revitalized and reconstructed by a private partner, and after a concession period would be returned to RS in a completely functional state. It is expected that the tourist flow and the duration of stay will increase as the tourist facilities are reconstructed. There are examples of concession agreements in tourist and hospitality activities; the staff costs of the NP can be reduced following a stable income generation by the improved tourist facilities once the concession is implemented; the NP staff will get hands-on experience in successful tourism business organisation. The concession will produce local benefits associated with higher local employment and self-employment, both through the NP and the development of local businesses associated with the improved tourist offer of the National Park.

84. One essential element that is currently missing in the legal and regulatory framework of BiH, the reinvestment of the financial return to the Government from the revenues generated through a specific concession, back to the protected area. Although these provisions may not be stipulated in the Concession Law and respective regulations, the UNDP/GEF project will lobby for fair and transparent financial arrangements regarding the concession benefits.

85. One regulatory obstacle that should be tackled before the concession is conceived is associated with property maintenance. The property subject to the potential concession vests with the RS Government. The RS Government would need to withdraw these assets from NP Sutjeska books. Also, the asset management issues should be regulated through an agreement between the RS and JUNP before the concession is granted.

86. Some NP assets are located in Commemorative Complex Tjentiste, established by the decision of the RS National Assembly („Official Gazette of RS“ No. 90/09). This decision prescribes a specific regime of protection in the complex:

- prohibiting further construction in the narrow zone of the complex (including construction on buildings located on the land parcels Nos. 129 and 133, Cadastral Municipality Tjentište, which includes Hotel Mladost) and
- restricting construction activities in the wider zone only to ancillary facilities to constructed objects such as parking lots (including buildings located on the land parcel No. 140, Cadastral Municipality Tjentište).

Therefore, if the exploitation of outsourced assets would include work exceeding restrictions prescribed by the decision of the RS National Assembly, the decision should be amended in order to allow further works on these assets by excluding them from the area of Commemorative Complex Tjentiste or, alternatively, the asset in question should be excluded from the list of outsourced assets.

87. Finally, land parcels where the assets are located will also be subject to the concession. As the area of land parcels includes different types of land and the size of parcels may significantly exceed the needs of the potential concessionaire, it is advisable to divide some land parcels into smaller land lots prior to the outsourcing.

88. The assets for the concessions have been defined in consultation with the National Park as presented in Annex 19. Once confirmed, the asset list will be finalised for the concession proposal; possibly, Hotel Mladost and other identified assets from the Commemorative Complex Tjentiste will be excluded from the concession; land parcels could be reduced to ease the terms of the concession agreement.

89. Prior to the formalisation of the concession package, the optimal concession management options will be described to support the informed opinion of the competent ministry. The subjects of the concession will be clearly defined; the direct and indirect financial benefits and the community benefits will be confirmed; the mechanisms for the adequate reflection of community interests in the future concession agreement will be proposed in consultation with the local stakeholders. Finally, the risks associated with the concession pilot will be identified and the risk management scenarios developed.

90. As mentioned above, a UNDP contractor will be responsible for outreaching the potential private sector partners and informing them about the proposed business opportunity. Pre-screening of the potential concessionaires will be performed together by the contractor, UNDP, the project team, and the representatives from the competent Ministry and the National Park.

91. Based on the overall PA strategy on marketing and branding of the ecotourism product, a UNDP contractor will prepare the promotional package and also assist the competent Ministry with the preparation of the bidding documents. Its key role would be to help defining the criteria and methodology for the assessment of concession bids.

92. Once the concession agreement is signed, UNDP-GEF project team will be involved in the technical monitoring and oversight as agreed with the competent Ministry. The project experts will provide protected area managers with tools and skills for concession management, compliance monitoring and enforcement. The project team will liaise with the concessionaire, the local businesses and the NP responsible staff in order to ensure the engagement and capacity building for the PA staff and community representatives engaged in concession business. The UNDP-GEF project will make sure that the monitoring and control over the concession activities is performed according to the agreed methodology and criteria, and will document lessons learned from the applied processes.

93. During the project implementation the project team will also conduct screening and appropriately scoped ESIA as part of the finalisation of the Concession Agreements, feasibility studies and Guidelines for further replication of this experience; the risk management measures will be embedded in these agreements and guidelines. The concession activities will be designed to avoid adverse indirect/consequential impacts to critical and/or sensitive habitats and/or ecosystems and ecosystem services. The concession agreement will be very specific regarding the social and environmental concerns and limitations related to any infrastructural changes on the site. Any significant infrastructure developments (e.g. construction of a mountain chairlift) are subject to EIA and will not be carried out in conflict with the PA regime. The project implementation team and Output 2.2 experts will check national requirements (e.g. for EIA) meet or exceed the requirements of the SES, and, with support and guidance from UNDP CO, consider if any specific SES assessments management plans are required for the Output 2.2. Specific conditions regarding the cultural and historical values of the park will be embedded into the concession criteria (please see Annex 5 SESP and Annex 23 ESMF).

94. The project will prepare a case-study from the concession pilot in Sutjeska National Park and ensure its presentation and distribution to relevant stakeholders in BiH as well as to partner projects in the region. Once the first concession pilot is implemented, the project will engage an expert group to suggest replication scenarios for relevant PAs in the system. As a follow-up to the pilot concession experience, Sustainable Concession Management Guidelines will be developed based on best available practice applicable to the existing legislative framework. The Guidelines will identify strategic opportunities for investment, and suggest partnerships between the tourism industry, PA authorities and the community affected by tourism development. The Guidelines will be developed in full alignment with UNDP SES requirements, and will be expected to promote transparent governance mechanism and equitable share of concession benefits between the central government, the PA management and the local community. Based on international practice standards, such as [Global Sustainable Tourism Criteria](#) and [Guidelines for tourism partnerships and concessions for protected areas: Generating](#)

[sustainable revenues for conservation and development](#) (CBD, IUCN, 2017), the Guidelines will define key requirements for the concessionaires, suggest the methodology and criteria for monitoring of concession activities, and assessments of the end results, impacts and benefits.

Output 2.4: PA participation in the governmental grant programmes is ensured in a sustainable manner

95. Both entities of Bosnia and Herzegovina regularly support local tourism development through significant annual budgetary transfers aimed at co-financing of infrastructure development and tourism products or services. The government grants are channelled annually by the two line ministries: RS Ministry of Trade and Tourism and FBiH Ministry of Environment and Tourism. However, no amount of said budgetary allocations are directed towards protected areas *per se*. In cooperation with responsible authorities in both entities, the UNDP-GEF project will support modifications to the existing mechanism for grant allocation that will include eco-tourism development within the protected areas as a priority funding window to boost both the absorption capacity of PA management authorities and their interest in positioning as operative tourism destination managers. The project-supported criteria will be prepared in a manner that is aligned with SES requirements. The project will also address the lack of capacities of PA managers and conservation authorities for accessing other available external funding and start taking part in the competition process for the available grant funding for tourism development. Focused training activities will be designed to increase understanding and interest in external funding sources. The existing networks of PAs in the country (such as the PA Managers Day and communities of practice) will be utilized to mobilize wider interest in non-budgetary income streams for PAs.

Output 2.5: Promotion of natural values, products and services in the targeted PAs is improved

96. The project, together with its key partners, will support a series of activities aimed at enhanced PA visibility and promotion of PA content and values in sustainable tourism development initiatives in the country. The project-supported products and services under this Output will be prepared in a manner that is aligned with SES requirements.

97. Under this Output, the project will build its intervention strategy on the most recent and internationally recognized regional effort at enhanced visibility, promotion and marketing of nature values in the Balkan region, [Via Dinarica](#). Via Dinarica is a regional platform created to connect the countries and communities of the Dinaric Alps by creating a unique and diversified tourist offer. The Via Dinarica is a mega trail with three main trails (White, Green, and Blue) that stretches across the Western Balkans from Slovenia to Albania. The first phase of the national Via Dinarica Project (October 2014 – August 2017) has made a significant contribution to promoting Bosnia and Herzegovina as a nature-based tourism hotspot, and highlighting the protected areas along Via Dinarica trails as sustainable tourist destinations. The project has contributed to the development of the local community, the enterprises, supported creation of new jobs and the economic empowerment of local communities in mountainous and rural areas. Via Dinarica gained global visibility through publications in the world's prestigious worldwide media such as [National Geographic](#), [The Guardian](#), [Lonely Planet](#), [Outside Magazine](#), [The Vogue](#), [The Independent](#) and others which glorified its beauty and uniqueness. Via Dinarica Project's Phase II was implemented in 2018-2020 with an overall objective to seek further economic development opportunities in Bosnia and Herzegovina by supporting sustainable nature-based tourism development. The project invested directly into the enhanced promotion, marketing and visibility of Via Dinarica trails and Via Dinarica tourism offer, and supported connections and experience exchange with the leading international initiatives and tourism businesses (such as [Via Alpina international trails](#)). Virtually all of BiH's protected areas are situated on the Via Dinarica trails but their natural values have yet to be adequately promoted or capitalized by providing appropriate levels of customer service. This will be one of the key tasks for the UNDP/GEF project that will focus its intervention on the development of eco-tourism options within and in the vicinity of protected areas.

Via Dinarica is a project that has proven to be successful in the development of sustainable tourism in mountainous, rural and other areas that includes certain trails along the way. The project primarily initiated basic activities for the development of sustainable tourism in such a way that traveling along the trail, users in certain locations have available basic conditions for vacation within households (farm Mešić, Household Bosniak, hunting lodge, etc.) or separate accommodation (motels and mountain lodges that provide accommodation services) which encouraged the involvement of the local population. Domestic activities and services to Via Dinarica users included the development of local products, gastronomy, souvenirs, indigenous products, etc. Due to the demands and the best possible presentation of certain areas, traditional (Bosnian Katun houses in Lukomir) were restored, traditional culture and customs were developed, traditional way of working and returning old crafts (Lukomir, Ravno, Blidinje) as part of the attractive offer of this area. All these activities have an impact on stopping emigration and improving the basic infrastructure in mountain villages (road repairs, internet). Through support to

households in product development with the aim of tourism development, the Va-Dinarica project already shows a public-private partnership (Ravno).

98. The activity plan for Output 2.5. will include the development of promotion packages and marketing of products and services in the targeted PAs. The GEF-7 project effort at enhanced visibility and promotion of PA content will ensure the sustainability of EU-funded work for the PAs in BiH covered by Via Dinarica, and expand and upscale the impact to the PAs outside the Dinaric Alps. The project will contribute to the improved visibility and connectivity of targeted PAs through joint promotion efforts for the following groups of PAs linked geographically with a view of providing a more comprehensive offer to visitors and promote longer visitation periods: Kozara - Una PN (RS) - Liječanski knez - Jelića Brdo Forest - Žuta Bukva; Tajan - Konjuh – Bijambare; Skakavac - Orlovača cave - Trebević - River Prača Canyon - Bentbaša; Cicelj - Sutjeska – Kuk.

99. The Project will develop promotion packages and implement action plans for enhanced PA visibility and outreach and co-financing outreach activities for recently established/re-classified PAs: Vjetrenica PL and Orjen PN.

100. The project will work together with the Public enterprise "Nature Park Blidinje" and attract expertise and resources to support the tourist platform development and "Visit Blidinje" brand.

101. A web-based [Via Dinarica Platform](#) will be sustained as a comprehensive virtual resource featuring key nature values of Via Dinarica trails. A sub-platform dedicated to the national protected areas of BiH within Via Dinarica trails will be developed as a GEF 7 increment to this major visibility and outreach instrument developed by Via Dinarica.

102. The project will facilitate a discussion of a unified branding effort for the PAs under the jurisdiction of FBiH and RS, to provide a system-level dimension, synergy, and efficiency of the PA branding effort. The project will use the example of Croatia and suggest replication of the "[Parkovi Hrvatske](#)" experience for PAs in Bosnia and Herzegovina. This country-level effort will also be built on Via Dinarica success in affirmation of Via Dinarica as a tourism brand, replicating and up-scaling this experience to BiH. A unified branding effort will be piloted for cave nature monuments and delivered in a package with the joint promotion support for the caves.

103. The project will provide an increment towards the improvement of the management of the PA visitors, supporting the use of tourism products to expand the visitor experience. The project will co-finance the establishment and equipment of visitor facilities for the national parks Drina and Una. Specifically for Una National Park, as requested by the FBiH Ministry of Environment and Tourism, the project will commission a regulatory (urban) plan for visitor zones in the area of NP Una (Martin Brod, Kulen Vakuf and visitor zone Štrbački buk-Lohovo).

104. The project will build its PA-system level intervention targeting the PA visibility and enhanced outreach effort on the key results and outcomes of the PA public campaign that was organized under the [UNEP/GEF MSP](#) in 2020.

105. The project will organise a series of workshops, hands-on trainings and other KM activities aimed at PA staff capacity building for enhanced communication, promotion, and marketing of PA content, values, products and services. Before organizing workshops and activities, a short survey will be organized via the distribution of questionnaires, to get the opinion of local community representatives and visitors, which can help understand the level of satisfaction with the offer, service, and client attitude. In this way, tourist (dis) satisfaction would be investigated, but guidelines would be given to the staff on what they should pay attention to. As part of the preparation of the workshops, it would be good to explore or involve the local community as it is an important stakeholder in the development of the destination. The developmental role of a protected area, however, depends on the degree of recognition or rejection by the local population, especially due to the importance of public and private sector development in order to expand and create content in the PA.

106. In order to improve media presentation, i.e. relations with the media and influential people (influencers and bloggers), project communication specialist should be included in the KM and outreach activities in order to inform project and PA staff about the importance of communication, stakeholders and other visitors and the way of presenting the protected area assets and tourism products. The importance of social networks in the promotion of the area should not be underestimated.

Component 3: Knowledge management and communication

Outcome 3: Knowledge management and communication

Output 3.1: Knowledge management and communication ensured throughout project implementation

107. The project will ensure the documentation of lessons learnt from the implementation of activities aimed at: (i) PA climate threat assessment and climate impact monitoring, (ii) PA management planning including a more effective engagement with local communities in order to raise awareness on the climate-induced threats and devise appropriate adaptation measures that would benefit natural ecosystems and local livelihoods; (iii) participative ecosystem restoration, (iv) tourism concessions, etc., (v) and the collation of the guidelines and tools developed. The knowledge database will be made accessible to different stakeholder groups in order to support better future decision-making processes in protected areas and more consistent adoption of best practice. Results from the project will be disseminated within and beyond the project intervention zone through existing regional information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyse, and share lessons learned that might be beneficial in the design and implementation of similar future projects. The project will also contribute to, and make best use of, the digital transformation of both the tourism and conservation work in BiH and will engage in the digital promotion and dissemination of project's results and lessons learned.

108. Knowledge products commissioned by the project, such as threat assessments, innovative management tools for protected areas, results of ecosystem restoration demos, etc. will be made available on Information System for Nature Conservation in both entities of BiH, managed by FBiH Environmental Fund and Republic Institute for Protection of cultural, historical and natural heritage of RS.

109. The project will be built on the GEF 6 UNEP MSP effort in capacity building for PA managers. The project will invest in capacity building for fundraising and preparation of proposals for external funding; introduction of user charges and other market-based sources of PA finance; advanced management planning; promotion of PA values and awareness, etc. A PA Manager Day established under the GEF 6 project can serve as a platform for knowledge management, experience exchange, learning and individual capacity building.

Component 4: Monitoring and Evaluation

Outcome 4: Project results properly monitored and evaluated

110. The project monitoring and evaluation arrangements are described below in Section V.

3.2 Stakeholder engagement, partnerships and coordination

For the needs of this project, the Comprehensive Stakeholder Engagement Plan (hereinafter referred to as "the SEP") is developed and available as [Annex 12](#).

The indicative information on the key stakeholders' roles and means of engagement, that will be necessary to ensure stakeholder engagement throughout the project duration, is presented below. Full stakeholder list with stakeholder's power/importance analysis and full stakeholder engagement program is available in the SEP.

Stakeholder/ stakeholder group	Stakeholder interests and role for the project	Concrete areas for cooperation and synergy defined through PPG consultations
Ministry of Foreign Trade and Economic Relations (MoFTER) of Bosnia and Herzegovina	The Ministry defines policies, basic principles, coordinating activities and harmonizing plans of the Entity authorities and institutions at the international level. The Ministry will have the coordination role for the project at the level of the state. The Ministry will be invited to participate in joint decision-making for the project	MoFTER will play a coordination role in the project as a liaison between different governmental levels in BiH, and will dedicate staff time and expertise to the project. The Ministry shall assist the project execution by harmonizing plans of the Entity environmental authorities and manage/provide fulfilment of the international level obligations and collaborations since it has the competence for the implementation of multilateral and bilateral international treaties and conventions on environmental protection on the level of BiH.

	and nominate their representative for the Project Steering Committee.	
Ministry of Environment and Tourism, Federation of Bosnia and Herzegovina	<p>The Ministry covers recurrent operating expenditures for the existing national parks in FBiH and allocates grants for sustainable tourism development.</p> <p>The Ministry will provide strategic guidance, validate project results and reports, coordinate project activities within its mandate, ensure liaison to federal level project partners. The Ministry will provide technical expertise through its personnel and networks, facilitate access to sites and locations, address logistical issues, e.g. through organization of meetings and provision of relevant facilities, support project management and regular project reporting.</p> <p>The Ministry will be directly involved in project strategic oversight and decision-making as the key development partner, through participation in the work of the Project Steering Committee.</p> <p>The Ministry will provide co-financing for the project and will ensure complementarity between its baseline and parallel activities with the project plans, and cooperate with the project to ensure sustainability, replicability and scale-up of project results.</p>	<p>The Ministry will cooperate with project plans that have Una National Park as a pilot. The Ministry will ensure access to historical data and analysis of the existing information to support a comprehensive climate threat assessment for National Park Una, and elaboration of the targeted management measures for affected/vulnerable ecosystems and species, including enhanced monitoring of aquatic habitats and ichthyofauna. The Ministry will make sure that the threat response scenarios and ecosystem resilience and adaptation measures are prioritized in the management framework that will be developed/updated as planned by the project. The Ministry requested the project to support the GIS management model introduction for Una NP. The Ministry requested that the project supports the development of visitor zones in the area of Una National Park.</p> <p>The Ministry will ensure coordination and synergy with USAID “Tourizam” project plans to develop a sustainable visitor management plan and community engagement plan for Una National Park. The Ministry will make sure that the efforts of the two donor projects are coordinated with the Una National Park Management.</p> <p>The direct co-financing for the project from the Ministry will include support to advanced management planning for Una National Park, capacity building, development of partnerships for PA sustainable income generation, sustainable tourism infrastructure, and enhanced visibility activities that include the development of the visitor center for Una National Park.</p> <p>The Ministry will also cooperate with the project within Output 2.4 by channelling the tourism development grants to PAs in FBiH more systematically.</p>
Public Enterprise “National Park Una”	<p>The Public Enterprise (PE) is in charge of the management of Una National Park and reports to the Ministry of Environment and Tourism, Federation of Bosnia and Herzegovina. The National Park is one of the project pilot protected areas and the PE is therefore project beneficiary.</p> <p>The PE will work directly with the project implementation team to ensure ownership of relevant project results and capacity building for the utilization of PA management and planning instruments developed within the project.</p>	<p>As the management authority for Una National Park, the PE will cooperate with the project in the development of the new Management Plan for the Park, which will include innovative response to the newly emerging threats, including those associated with climate change effects, strengthened cooperation with the local tour operators, and increased visitation as the key priorities for the area. The PE will ensure necessary capacity building, maintenance, and utilization of the GIS instrument in management planning for the national park. The PE will work directly with the project implementation team and cooperate with project development partners to ensure cooperation and synergies between various inputs aimed at sustainable tourism development in and around Una National Park, business planning, marketing and promotion of the tourism product of the park. Together with the project implementation team, the PE will collect knowledge and experience in sustainable tourism development, PA income generation, and green business development, for possible application for other PAs in and outside the country.</p>
Ministry of Spatial Planning, Construction and Ecology of the Republika Srpska	<p>The Ministry covers recurrent operating expenditures for the existing national parks in Republika Srpska.</p> <p>The Ministry will provide strategic guidance, validate project results and</p>	<p>The Ministry will cooperate with project plans that have three national parks in RS, namely Sutjeska, Kozara, and Drina as project pilot PAs.</p> <p>The Ministry will ensure access to historical data and analysis of the existing information to support a comprehensive</p>

	<p>reports, coordinate project activities within its mandate, ensure liaison to federal level project partners. The Ministry will provide technical expertise through its personnel and networks, facilitate access to sites and locations, address logistical issues, e.g. through organization of meetings and provision of relevant facilities, support project management and regular project reporting.</p> <p>The Ministry will be directly involved in project strategic oversight and decision-making as the key development partner, through participation in the work of the Project Steering Committee.</p> <p>The Ministry will provide co-financing for the project and will ensure complementarity between its baseline and parallel activities with the project plans, and cooperate with the project to ensure sustainability, replicability and scale-up of project results.</p>	<p>climate threat assessment for the three national parks, and elaboration of the targeted management measures for affected/vulnerable ecosystems and species. The Ministry will make sure that the threat response scenarios and ecosystem resilience and adaptation measures are prioritized in the management framework that will be developed/updated as planned by the project. The annual budgetary funds channelled through the Ministry will be allocated to co-finance project efforts at forest fire management capacity building, including the development and operationalization of an early warning system and prevention of Fire Protection Action Plans with priority prevention measures. The Ministry will cooperate with the project on forest pests' outbursts control and the early response measures compatible with the PA regime, for the three national parks in RS. The Ministry will coordinate the national effort and the GEF increment for the sustainable tourism development in the three national parks and co-finance diversification of the tourist offer, promotion of the parks' content and attractions, marketing of the tourism product, and enhanced visibility for the national parks. The Ministry will contribute to knowledge management and replication of positive PA management experience to other PAs in the country, using domestic expertise, working contacts, and information channels.</p> <p>The Ministry requested the inclusion of management planning and PA promotion support for the recently established protected areas in Republika Srpska: Orjen, Vjetrenica, and Una Park of Nature.</p>
Public enterprise "National Park Sutjeska"	<p>The Public Enterprise (PE) is in charge of the management of Sutjeska National Park and reports to the Ministry of Spatial Planning, Construction and Ecology of the Republika Srpska. The National Park is one of the project pilot protected areas and the PE is therefore project beneficiary.</p> <p>The PE will work directly with the project implementation team to ensure ownership of relevant project results and capacity building for the utilization of PA management and planning instruments developed within the project.</p>	<p>As the management authority for Sutjeska National Park, the PE will cooperate with the project in the preparation of a comprehensive climate threat assessment (Output 1.1.) and a climate threat management module development for the new Management Plan for the Park. The latter will be supported by the project after its mid-term and will include innovative response to the newly emerging threats, climate change adaptation measures for vulnerable species and ecosystems, strengthened financial sustainability and diversified financial flows, and enhanced tourism offer as key priorities for the area. The PE will make sure that the human capacities are in place to utilise new management planning instruments. The PE will participate in the development of Fire Protection Action plan and forest fire management capacity building. The PE will make sure that the in-house expertise and experience in pest control is available to contribute to the development of the management guidelines for bark beetle outbursts control and early response measure compatible with the PA regime. Together with the project implementation team, the PE will collect knowledge and experience in sustainable tourism development, PA income generation, and green business development, for possible application for other PAs in and outside the country.</p> <p>For the concession pilot (Output 2.3.), the PE will be engaged in concession management, compliance monitoring and enforcement. The PE will contribute to knowledge management related to the concession pilot implementation and will participate in the preparation of the case-study, discussion of replication scenarios, and preparation of Sustainable Concession Management Guidelines.</p>

Public enterprise “National Park Kozara”	<p>The Public Enterprise (PE) is in charge of the management of Kozara National Park and reports to the Ministry of Spatial Planning, Construction and Ecology of the Republika Srpska. The National Park is one of the project pilot protected areas and the PE is therefore project Beneficiary.</p> <p>The PE will work directly with the project implementation team to ensure ownership of relevant project results and capacity building for the utilization of PA management and planning instruments developed within the project.</p>	<p>The PE will cooperate with the project in the preparation of a comprehensive climate threat assessment (Output 1.1.) and a climate threat management module development for the new Management Plan for the Park. The latter will be supported by the project after its mid-term and will include innovative response to the newly emerging threats, climate change adaptation measures for vulnerable species and ecosystems, strengthened financial sustainability and diversified financial flows, and enhanced tourism offer as key priorities for the area. The PE will make sure that the human capacities are in place to utilise new management planning instruments. The PE will participate in the development of Fire Protection Action plan and forest fire management capacity building. The PE will make sure that the in-house expertise and experience in pest control is available to contribute to the development of the management guidelines for bark beetle outbursts control and early response measure compatible with the PA regime.</p>
Public enterprise “National Park Drina”	<p>The Public Enterprise (PE) is in charge of the management of Drina National Park and reports to the Ministry of Spatial Planning, Construction and Ecology of the Republika Srpska. The National Park is one of the project pilot protected areas and the PE is therefore project beneficiary.</p> <p>The PE will work directly with the project implementation team to ensure ownership of relevant project results and capacity building for the utilization of PA management and planning instruments developed within the project.</p>	<p>the PE will cooperate with the project in the preparation of a comprehensive climate threat assessment (Output 1.1.) and the development of a new management plan with due account of climate threats and climate neutrality objectives/indicators (Output 1.2). The PE will provide technical expertise and knowledge in the preparation of an adaptation plan for Serbian spruce (<i>Picea omorica</i>) with measures to improve status in natural populations, support to regeneration, monitoring of tree health, and pest control. The PE will make sure that the human capacities are in place to utilise new management planning instruments. The PE will participate in the development of Fire Protection Action plan and forest fire management capacity building. The PE will make sure that the in-house expertise and experience in pest control is available to contribute to the development of the management guidelines for bark beetle outbursts control and early response measure compatible with the PA regime. The PE will work together with the project on the sustainable tourism offer packaging (Output 2.1) and oversee the establishment and equipment of visitor facilities.</p>
Ministry of Trade and Tourism of Republika Srpska	<p>The Ministry allocates grants for sustainable tourism development. The Ministry will be a member of the Project Steering Committee, will ensure coordination of project activities within Outcome 2 dedicated to sustainable tourism development for the PAs, and the policy and regulatory support for the protected area concession model in Republika Srpska.</p>	<p>The Ministry will cooperate with the project under its Outcome 2 and our parallel co-financing for the project through annual grants in support of local tourism development, including infrastructure and tourism products and services. The Ministry has agreed to redesign the criteria with the project support in order to enhance PA participation in the grant scheme. As the project will have its concession model tested first at the national park Sutjeska in Republika Srpska, the Ministry will also support this endeavour with necessary policy and regulatory developments.</p>
Environmental Protection Fund of FBiH	<p>The Fund takes care of conservation fundraising, as well as preparation, implementation and development of programs, projects and on-the-ground activities supporting the sustainable use of nature resources and environment protection. The Fund provides PA finance opportunities in the form of annual calls for grants on tourism development, biodiversity conservation, research, promotion, etc. The PAs have no special</p>	Output 2.4

	window or preference criteria for such granting schemes.	
Environmental Protection and Energy Efficiency Fund of Republika Srpska	The Fund takes care of conservation fundraising, as well as preparation, implementation and development of programs, projects and on-the-ground activities supporting the sustainable use of nature resources and environment protection	Output 2.4
Concession Commission for Republika Srpska	An independent regulatory body established for concession management in Republika Srpska	The Commission will ensure the concession award for the Sutjeska NP tourism assets and services, in accordance with the Concession Law of the Republika Srpska (Output 2.3). The project will cooperate with the Commission for the development of the concession criteria and guidelines. It is expected that the Concession Commission will provide their technical expertise for the development of the legal and regulatory framework of BiH a the reinvestment of the financial return to the Government from the revenues generated through a specific concession, back to the protected area. The Commission will be invited to participate in the optimal concession management options and risk management scenarios. The Commission will be expected to review the final concession package before the official concession call, and ensure quality assurance and adherence to the relevant rules and regulations at the level of RS.
Other governmental authorities: • Cantonal ministries and other institutions competent for environmental protection and tourism • Inter-Entity Steering Committee for the Environment		The Ministry of Trade, Tourism and Environment of Herzegovina-Neretva Canton supports local tourism development through annual calls for projects, making funds available for tourism infrastructure development and packaging of tourism products and services.
Cantonal Public Institution for Natural protected areas of the Sarajevo Canton	The Cantonal Public Institution for Natural protected areas of the Sarajevo Canton is in charge of the management of protected areas of the Canton of Sarajevo. Bijambare Protected Landscape, Skakavac waterfall Nature Monument, Trebević Protected Landscape are project pilot protected areas and the PE is therefore project beneficiary. The PE will work directly with the project implementation team to ensure ownership of relevant project results and capacity building for the utilization of PA management and planning instruments developed within the project.	The Cantonal Public Institution for Natural protected areas of the Sarajevo Canton is interested in the inclusion of all cantonal PAs in the comprehensive climate threat assessment and threat response planning under project Output 1.1. The PE will ensure the baseline data and research results available for a status assessment and an action plan for the endangered spruce forest and vulnerable peatland communities within Bijambare Protected Landscape (Output 1.2). Skakavac Nature Monument was confirmed as the pilot for forest fire management capacity building, including development and operationalisation of an early warning system and development of Fire Protection Action Plans with priority prevention measures. The PE will co-finance targeted investment in fire-fighting equipment and tools for suppression of initial fires. The PE is interested in the methodology and management guidelines with mechanisms of bark beetle outbursts control and the early response measures compatible with the PA regime (Output 1.3). For Bijambare PL, the project will cooperate with the PE on the development of programmes for eco-tourism, eco-agriculture, environmental awareness and education, with targeted implementation support (Output 2.1). The PE is interested in participation in the training

		on the use and control of non-timber forest products (NTFP) for the PA management, ranger services, and adjacent communities (Output 2.1). The PE managers will participate in capacity building measures aimed to promote PA managers as tourism destination managers (Output 2.1), trainings of PA managers for generation of non-budgetary income streams for PAs; building capacities of PAs for their successful participation in the competition process for the available grant funding for tourism development, and successful implementation and reporting on such projects (Output 2.4). The project will cooperate with the PE in capacity building for the development of promotion packages and marketing of products and services in the targeted PAs (Output 2.5)
Public Enterprise (PE) "Nature Park Blidinje"	The Public Enterprise (PE) is in charge of the management of Blidinje Nature Park which is the project pilot protected area and the PE is, therefore, project beneficiary. The PE will work directly with the project implementation team to ensure ownership of relevant project results and capacity building for the utilization of tourism development and increased visitation techniques and instruments developed within the project.	The PE will cooperate with the project in the preparation of a comprehensive climate threat assessment (Output 1.1.) The PE will make sure that the human capacities are in place to utilise the results of the threat assessment in management planning for the area. The PE will participate in the development of Fire Protection Action plan and forest fire management capacity building. The project will work together with the Public enterprise "Nature Park Blidinje" and attract expertise and resources to support the tourist platform development and "Visit Blidinje" brand.
Municipality of Novi Grad	The Municipality is in charge of the management of Una Park of Nature which is the project pilot protected area and the Municipality is, therefore, project beneficiary. The Municipality will work directly with the project implementation team to ensure ownership of relevant project results and capacity building for the utilization of PA management and planning instruments developed within the project.	The Municipality will cooperate with the Project in the development of the PA management plan with due account of climate threats and climate neutrality objectives/indicators
Municipality of Fojnica	The Municipality is in charge of the management of Prokosko Lake Nature Monument which is the project pilot protected area and the Municipality is, therefore, project beneficiary. The Municipality will work directly with the project implementation team to ensure ownership of relevant project results and capacity building for the utilization of PA management and planning instruments developed within the project.	The Municipality will cooperate with the Project in the development of the PA management plan with due account of climate threats and climate neutrality objectives/indicators
Municipality of Šamac	The Municipality is in charge of the management of Tišina Protected Landscape which is the project pilot protected area and the Municipality is, therefore, project beneficiary. The Municipality will work directly with the project implementation team to ensure ownership of relevant project results and capacity building for the	The Municipality will cooperate with the project on the implementation of the wetland restoration pilot activity. The Municipality will support the wetland restoration project with the data and expertise available locally, and ensure expert assessment and discussion of the proposed activities with the Institute for the Protection of Cultural and Historical Monuments and Natural Heritage of the Republika Srpska, and obtaining of necessary permits. The Municipality will coordinate the UNDP-GEF wetland restoration activities with

	implementation of wetland restoration techniques. The Municipality will provide technical expertise for knowledge management related to the restoration pilot, for its replication to other locations within Tišina Protected Landscape.	the work of the grassland habitat restoration financed by Euronatur, in order to utilise experience of wetland pasture restoration and extend the restoration effort to aquatic habitat restoration within the protected landscape under their management.
Public Enterprise "Vjetrenica"	The Public Enterprise (PE) is in charge of the management of Vjeternica PL which is the project pilot protected area and the PE is, therefore, project beneficiary. The Municipality will work directly with the project implementation team to ensure ownership of relevant project results and capacity building for the utilization of PA management and planning instruments developed within the project.	Together with the project, the PE will develop a management plan for the recently expanded protected area. Together with the GEF 7 project, the PE will make sure that the new management plan is based on the recent valorisation study (commissioned within the UNEP MSP Project in 2020) and will prioritize specific monitoring, assessment and management measures for rare/endangered habitat types (karst caves, basins and abyss ecosystems) and species sensitive to climate change. The PE will contribute their technical and administrative capacities to the Comprehensive Climate Threat Assessment and the development of a climate threat management module to complement the management plan for the protected area, and ensure the institutional ownership and local capacities in place to implement the new management planning instruments. The PE will co-finance tourism infrastructure development for the protected area (viewpoint and an educational trail. The PE will cooperate with the project under Output 2.2. aimed at piloting wider community engagement and diversification of the tourist offer for Vjetrenica – Popovo Polje; the PE will ensure partnership with the Ravno Municipality, support the community engagement effort and provide a platform for joint work with the local communities and private businesses in the wider area of Vjetrenica – Popovo Polje. The PE will co-finance the project activities on enhanced promotion, PA visibility, and outreach.
Association for the Protection of Flora and Fauna Gromiželj	The Association is in charge of the management of Gromiželj Protected Habitat which is the project pilot protected area and the Municipality is, therefore, project beneficiary. The Association will work directly with the project implementation team to ensure ownership of relevant project results and capacity building for the implementation of wetland restoration techniques. The Municipality will provide technical expertise for knowledge management related to the restoration pilot, for its replication to other locations within Tišina Protected Landscape.	The Association will cooperate with the project on the implementation of the wetland restoration pilot activity. The Municipality will support the wetland restoration project with the data and expertise available locally, and ensure expert assessment and discussion of the proposed activities with the Institute for the Protection of Cultural and Historical Monuments and Natural Heritage of the Republika Srpska, and obtaining of necessary permits.
Cultural centre Pale Municipality of Ribnik Municipality of Šipovo Municipality of Gacko Municipality of Trebinje Municipality of Foča Municipality of Bileća Municipality of Sokolac	Tourist organisations of the Municipalities organize and promote tours to the cave nature monuments	Output 2.5
Institute for the Protection of the Cultural, Historical	The Institute is an administrative organization within the Ministry of Education and Culture of the Republic of	The institute will partner with the project and co-finance the activities related to climate change issues, research, monitoring and restoration. The Institute will be requested

<p>and Natural Heritage of Republika Srpska</p>	<p>Srpska. The Institute participated in many projects related to environmental conservation and restoration, analyses and studies for the proclamation of protected areas of natural and cultural heritage.</p>	<p>by the Government to ensure technical quality assurance for project plans (relevance) and results (technical components and outputs, mostly within Outcome 1). The Institute has a continuous cooperation with relevant academic institutions and international organisations, such as the Institute for Protection of Monuments of the Republic of Serbia, Institute for Nature Protection of the Republic of Serbia, University of Banja Luka, UNESCO, IUCN. These connections will be used to attract best available knowledge and expertise to project innovative developments, such as climate-smart PA management planning and GIS-based climate threat/effect modelling, climate adaptation for vulnerable species and ecosystems, and wetland restoration.</p>
<p>National and local environmental CSOs and NGOs: Center for Environment, Banjaluka Ornithological Society “NašePtice”, Sarajevo Society for Biological Research and Protection of Nature “Bio.Log”, Sarajevo Society for Research and Protection of Biodiversity Banjaluka</p>	<p>The Center for the Environment is a non-profit association established to advocate changes in society by influencing relevant policies and public awareness of the environment in Bosnia and Herzegovina and internationally. The Ornithological Society “NašePtice” is involved in protection and monitoring of birds and birds’ habitats, relevant awareness-raising, conservation programs, research and educational programs. The Ornithological Society “NašePtice” has experience in productive restoration of pastures and meadows, and promotion of bird watching in BiH. Bio.Log is a non-governmental, non-profit, organisation of young experts in the field and volunteers with aims to environmental protection, habitats conservation, research in the field, education and raising public awareness on biodiversity values and protection. Bio.Log has extensive experience in research and in situ conservation of species in high mountain ecosystems and karst freshwater ecosystems. Society for Research and Protection of Biodiversity Banjaluka biological has carried out research, protection, inventory of species, biodiversity monitoring for selected areas, estimation of vulnerability of species for Red List</p>	<p>The NGOs have relevant competencies and experience related to scientific research, species assessments and conservation, capacity building, awareness-raising and environmental education. They also have network of partners in local communities connected to PAs.</p>
<p>Community based organisations (CBOs): Culture Center of Pale Municipality Tourist organisation of Foča Municipality</p>	<p>Culture Center of Pale Municipality manages Orlovača cave as an administrative unit of the Municipality. The cave is located on land in private ownership, so the Center will help the project team outreach the land managers. Tourist organisation of Foča municipality cooperates with National Park Sutjeska offering tours in rafting, mountain climbing, hiking, cycling, canoeing etc.</p>	<p>Output 2.5</p>
<p>Private sector stakeholders: Tourism Cluster Una-Sana</p>	<p>The Tourism Cluster Una-Sana undertakes activities aimed to advocate for better</p>	<p>The project will cooperate with the Tourism Cluster Una-Sana within Output 2.1 where it concerns the promotion of</p>

<p>Tourism Cluster Herzegovina Visit Sarajevo – Tourism Association of Canton Sarajevo</p>	<p>business conditions for the development of sustainable tourism sector. The Tourism Cluster Herzegovina plays an important role in incorporating protected areas of Herzegovina region in the tourism offer. Visit Sarajevo – Tourism Association of Canton Sarajevo works to respond to the needs of development, preservation and protection of tourist and cultural values in the Sarajevo Canton</p>	<p>the BD values of the National Park “Una” as a principal tourist destination. The Tourism Cluster Herzegovina can be a key partner for capacity building of PA management authorities on destination management. Visit Sarajevo – Tourism Association can be a partner for promotion of the natural values of six protected areas within Sarajevo Canton (Output 2.5)</p>
<p>Communities/people who may be directly affected by the project</p>	<p>Local communities will be informed of the project’s plans and results through official communication handled by the project team/Implementing Partner and channelled through municipal resources as well as project-based communication means such as regular project newsletters, and coverage in social media, website, national, municipal press and TV. As part of SES risk mitigation, the project will ensure early disclosure of information and engagement on all activities that may affect local communities. A Grievance Redress Mechanism (see below) will be developed as a mechanisms for addressing possible grievances and complaints associated with the direct project impact or co-financing activities. Local community representatives and institutions will be informed and asked for inputs where their livelihoods are concerned, such as enhanced compliance with the PA regime, local nature-based tourism development, support to sustainable use of NTFPs.</p>	<p>Outcome 2</p>

For other specific activity packages as well as aspects of the project, different stakeholder will be closely engaged and consulted, as follows:

- **Climate change- related activities and restoration:** the project will be working closely with representatives of the scientific community (faculties of science and forestry), professional institutions/institutes for nature protection and NGOs dealing with these issues. For restoration pilot(s) engagement of local communities, landowners, private sector stakeholders, municipal authorities is envisaged, as well as potential involvement of visitors in these activities (in line with IUCN best practice).
- **Forest fire management set of activities, including early warning system:** the project will be working closely with the Coordination Body of BiH for Protection and Rescue and the Ministry of Security, the civil protection authorities at entity and district level, as well as the civil protection services within the municipalities along with the municipal civil protection headquarters, including the mayors as leaders of these headquarters. Equally important stakeholders will be the relevant departments within the entities ministries of forestry (Federal Ministry of Agriculture, Water-Management and Forestry and Ministry of Agriculture, Forestry and Water Management of Republika Srpska). Municipal governments will also facilitate cross-sectoral collaboration for integrated fire/fighting response for the areas within and in the vicinity of the targeted PAs.
- **Sustainable tourism products development:** the project will be working closely with the tourism operators, local businesses in tourism and other private sector representatives (e.g. organizations involved in collecting NTFPs),

local communities as well as community-based organisations and associations (e.g. beekeeping associations). Municipal and cantonal (sub-entity level) governments will play a key role for the project activities dedicated to a) community engagement and b) collaboration with the private sector to ensure the long-term economic sustainability of the targeted PAs. The project will partner with the respective municipal and cantonal authorities in community support and promotion of local agro-tourism and ecotourism through the production and marketing of high-quality local agri-products and conservation-focused tourism packages. Special attention will be paid to cooperation with municipalities that are in charge of cave nature monuments in RS.

Engagement of civil society: Relevant national and local CSOs such as the Centre for Environment from Banja Luka, NašePtice (Our birds), Centre for Environmentally Sustainable Development (CESD), BIO.LOG will be encouraged to take an active role in implementing project activities, notably in the involvement of the local communities to ensure enhanced collaboration for the long-term economic sustainability of the targeted PAs. National and local CSOs will actively participate in the stakeholder engagement processes for project activities.

Private sector engagement and partnerships: The project is expected to foster activities aimed at developing tourism offerings and increasing the self-sustainability of PAs through cooperation with regional tourism clusters (Herzegovina and Krajina regions), mountain ski tourism operators, water rafting operators and small businesses along the Via Dinarica that operate in or near pilot protected areas. Specifically, project Output 2.3 offers a unique opportunity to test a first ever concession model for the eco-tourism development within a model protected area (Sutjeska National Park) in the country. In 2020 during the project PPG phase, an initial mapping of the potential private sector companies potentially interested in and eligible for partnering in the NP Sutjeska tourism concession model showed a somewhat discouraging result, as no partner was fully ready to express a firm interest as the potential concession bidder. An element of hesitation from the private sector was connected to uncertainty in the tourism market caused by the new COVID-19. However, the Ministry of Spatial Planning, Construction and Ecology of Republika Srpska, being the pertinent institution for implementation of the model, as well as Sutjeska National Park, expressed strong interest to retain the private PA concession model under the GEF project and declared firm support to conclude the search for a private operator during the inception phase of the GEF project. Through the initial screening, it became clear that the potential private sector partners for the concession are counting on the Ministry for Spatial Planning, Construction and Ecology of Republika Srpska to releases official government conditions for the future concession pilot with a reasonable level of detail, which was barred by the COVID pandemic. The GEF project in the main phase will aim to help conclude the negotiations process and launch the concession. For this purpose, a comprehensive assessment of the concession benefits prepared as input during the PPG phase will be used. The PPG experts also presented a road-map listing the activities to be implemented to operationalize the concession process during the inception phase of the project.

There are feasibility constraints associated with the concession pilot, and the project strategy, therefore was made responsive to this, suggesting more “dispersed” approach to working with private sector representatives, i.e. through a diversity of options for private sector engagement in sustainable tourism development for the benefit of the PAs and the local communities. Specifically, the project will work with the private sector stakeholders enhancing the domestic ecotourism capacity sector, ensuring collaboration between private sector tourism operators and protected areas, and facilitating the creation of a network of community-based destinations for sustainable and safe domestic tourism activities with the PAs at its core. This includes development of high quality conservation-focused ecotourism products (Output 2.1), and tourism product management partnerships with the private sector (Outputs 2.2 and 2.3). The PPG demonstrated high willingness and potential for the governmental stakeholders and PA administrations to engage in functional partnerships with the private sector which means that private business goals can be pursued at the same time as deriving local community benefits and social and biodiversity goals. The project is focusing on removing barriers to increased income opportunities from sustainable tourism development, primarily focusing on the domestic market (partly due to COVID-19 situation) and addressing legal aspects for promotion of nature resource use activities, with focus on targeted PAs. Tourism operators and local businesses are expected to cooperate, with the help of the project, in sustainable economic activities such as collection of NTFPs, and beekeeping. Municipal and cantonal (sub-entity level) governments will play a key role in setting up regulatory incentives for community engagement and collaboration with the private sector to ensure the long-term economic sustainability of demonstrated activities.

The stakeholder consultations and feasibility analyses during the PPG phase were focused on the identification of such offerings that could (1) generate profit while (2) supporting local community organizations and (3) having no harmful effects on the BD values. One such partnership, a model that is new to the country, will be developed between the Vjetrenica-

Popovo Polje PA and the adjacent businesses (Output 2.2). Specifically, the project will co-finance a public-private partnership for restoration of an existing mill nearby the Vjetrenica cave, which is owned by the Ravno municipality, to enhance the tourism offerings for the nearby PA and contribute to the preservation of the cultural heritage of the area. GEF funds will be used incrementally for the marketing of the site thus supporting potential revenue streams. GEF funds will be useful for enhanced visitation and quality of the tourist products at Vjetrenica.

As to due diligence, that is yet to take place. In accordance with the POPP [private sector due diligence policy \(undp.org\)](https://www.undp.org/private-sector-due-diligence-policy) UNDP undertakes due diligence of its private sector partners before both parties commit to a partnership. As no solid partnership, even in the case of Vjetrenica-Popovo Polje was possible to form at the PPG stage, the due diligence procedures will take place during project implementation. In accordance with the policy, and as part of the PPG stakeholder engagement process, an initial prescreening ensuring that the potential partner does not fall under the exclusionary criteria and is not involved in a high-risk sector and/or any significant controversies) took place before reaching out the potential partners for Outputs 2.2 and 2.3.

3.3 Gender equality and women's empowerment

111. The Gender Action plan for the project is presented as [Annex 13](#) to the Project Document. The gender issues which are of the importance of the project implementation can be summarized as follows:

- Women are underrepresented among high-level decision-makers in national and local institutions in charge of PA management and BD conservation in general. It compromises the possibility to take into account the diversity of opinions, ideas and experiences in the decision-making process.
- Women are underrepresented as beneficiaries when it comes to access to innovations, best available knowledge and practice, capacity building and training.
- Women remain substantially underrepresented as leaders in tourism sector development; the private businesses run by women are rare and lack access to best business development practice and opportunities to enhance skills and promote businesses.

112. Based on the results, recommendations and best practices, as well as in accordance with GEF guidance on gender equality¹⁵, the project will focus on the following gender aspects:

- Balanced representation and meaningful participation of women and men in key project activities, including those related to capacity building and management planning for protected areas, BD threat and risk assessments, PA management and business planning, introduction of climate-smart PA management solutions and responses to CC threats and effects, sustainable tourism development with PA engagement, PA promotion and marketing;
- Engagement and mobilization of individuals, local women groups, women NGOs, etc. to participate in its implementation of the Project and to benefit from business opportunities that are created under the particular Project components;
- Encouragement of and better access for women entrepreneurs and women's businesses.

113. Development of ecotourism products and involvement of the private sector in the PA management work will primarily impact more remote rural communities where women are traditionally underrepresented where it comes to the economic and empowerment opportunities. The project will ensure that the decision-making, local capacity development and economic incentives are sensitive to these gender issues and will actively promote women and girls participation in relevant project activities in the field.

114. The project will seek to enhance social inclusion in all stages of the implementation, thus contributing to the creation of equal opportunities when it comes to access and use to natural values, public infrastructure and services in protected areas, employability and access to knowledge. The socially excluded groups in Bosnia and Herzegovina are unemployed women and youth and long-term unemployed people, Roma representatives, persons with disabilities, returnees and internally displaced persons.

¹⁵ GEF Guidance to Advance Gender Equality GEF Projects and Programs. - Available online: <https://www.thegef.org/sites/default/files/publications/GEF%20Guidance%20on%20Gender.pdf>

115. During the project implementation, the output products will consider gender mainstreaming and inclusion and representation of all ethnic and religious groups found in the region of implementation. In line with the Results Architecture for GEF-7, the project will report on direct project beneficiaries disaggregated by gender, as a co-benefit of the GEF investment.

3.4 Risks to project success and social/environmental safeguards

Risks to project success and the mitigation measures could be summarized as follows:

Risk	Rating	Mitigation
<p>1. One of the most significant institutional risks relates to the complex institutional structure and division of authorities and responsibilities between the state government, the two entities in BiH, the line ministries of both entities, and the municipal authorities. Also, the different management arrangements for PAs according to their category, spatial belonging and mandate might provide complications for the implementation of targeted project activities and cause coordination challenges for the project.</p>	M	<p>This risk will be mitigated through close collaboration with relevant stakeholders from the outset and by determining collaborative strategies and focal points in each of the key institutions for the Project Steering Committee. The project implementation team and UNDP will use the relevant experience from the previous projects and will rely on the Comprehensive Stakeholder Engagement Plan to make sure that the institutional barriers are tackled timely and efficiently.</p>
<p>2. For the project interventions focused on the newly established/expanded protected areas, the future project activities, inputs and effects will be much determined by the management capacities in place. This is particularly relevant for Orjen Park of Nature that, at the time of the project submission, does not yet have a management authority</p>	M	<p>The planned project interventions involving the PAs under establishment/re-classification will be subject to adaptive management depending on the development of adequate institutional, financial and capacity building solutions for these PAs.</p>
<p>3. Project impact on the status of biodiversity and ecosystems might be limited by climate change as a direct driver of habitat conversion and biodiversity loss in the country.</p>	L	<p>Climate change adaptation and resilience is a core of the project strategy. Under Component 1, the project will work to reduce the vulnerability of key biodiversity values and strengthen the resilience of target protected areas in BiH to climate change.</p> <p>A desk climate threat analysis for the pilot PAs was performed during the project preparatory phase (PPG). Based on the data available and the expert assessment of the key climate impacts and pressures on the key biodiversity values within the targeted PAs, possible response scenarios and adaptation measures were proposed by the PPG experts. Building on the key results of the PPG desk analysis, and further focusing on the PAs with the management capacities and resource available for more focus on the climate change response and adaptation, in the first year of implementation the Project will commission a comprehensive climate threat assessment of the pilot PAs. The threat assessment will be planned to take into account the project SESP risk related to the susceptibility of project endeavours to climate and the extreme climate conditions and will be responsive to the SES Standard 2.</p> <p>The project will further assist the pilot PAs with the preparation of management plans, as well as management guidelines and tools for taking into account the CC threats, threat response scenarios,</p>

		<p>ecosystem resilience and adaptation measures. The CC-sensitive management planning will also be responsive to the requirement of the UNDP SES Standard 2.</p> <p>A portfolio of adaptation and resilience solutions for targeted species and ecosystems will be developed and set under implementation under project Output 1.3. Pilot restoration options will be offered for ecosystems severely affected by various negative climate factors. Finally, stakeholder consultations with the PA management authorities and municipal governments will catalyse replication of climate threat response action planning, adaptation and resilience solutions for targeted species and ecosystems. Thus, a comprehensive response to the CC impact has already been embedded in the project strategy. Although the project will obviously not be able to prevent extreme climate events during climate events, it was designed to provide incremental steps towards building the long-term CC resilience.</p>
<p>4. There is a risk that the mechanisms and solutions to be offered by the project for the sustainable PA finance will not prove their desired financial effect, and the mobilized additional finance may not be sufficient to supplement the PA government budgetary contributions in the long term.</p> <p>This risk takes into account the effects of the COVID19 to the budgetary allocations of the respective ministries and funds that will be considered in achieving sustainability of the PA finance.</p>	M	<p>In response to this risk, the project will perform a comprehensive cost-benefit analysis of the proposed PA finance opportunities, develop the mechanisms to ensure the long-term sustainability of the financial models, and ensure political buy-in.</p>
<p>5. There is a risk that the planned partnerships with the private sector partners will fail to yield the expected benefits. The private sector stakeholders may be reluctant to take on financial commitments and new partnerships due to negative implications of COVID-19 pandemic and the overall economic recession on their businesses.</p>	M	<p>The project will do its best to mitigate this risk via the development of a detailed private sector engagement strategy, planning of private sector engagement models with multiple benefits, performing thorough cost-benefit analyses and assessment of financial risks, and implementing early awareness raising among potential private sector partners.</p> <p>This risk particularly applies to Output 2.3 being a concession model for the eco-tourism development within a model protected area (Sutjeska National Park). In 2020 during the project PPG phase, an initial mapping of the potential private sector companies potentially interested in and eligible for partnering in the NP Sutjeska tourism concession model showed a somewhat discouraging result, as no partner was ready to express a firm interest as the potential concession bidder. The feasibility assessments and the preparatory work performed at the project PPG stage do not guarantee that the concession pilot will be implemented for sure; it is possible that the mechanism of concessions will not be confirmed as being realistic within the project timeframe as well as being suited to the local context at the moment (including the private sector affected by the COVID-19 pandemic); it is possible that not only the initial potential partner cannot confirm their interest in the concession, but no other partner is willing to commit to the concession arrangements and/or is able to comply with the concession criteria and requirements. There</p>

		<p>are feasibility constraints associated with the concession pilot, and if the risk materialises as described above, an adaptive management scenario where the project strategy will focus on other options for private sector engagement in sustainable tourism development for the benefit of the PAs and the local communities (Output 2.2), while still providing for increased capacities to implement a PA tourism concession in the future.</p>
<p>6.The negative effects of the post-COVID recession may hamper project plans towards increased financial sustainability of the pilot PAs, increased visitation, improved tourism offering, and enhanced management capacities</p>	<p>M</p>	<p>The project intervention strategy will be sensitive to the effects of COVID-19 crisis on the overall management of PAs in the country. The target indicator level for increased visitation will be re-visited at project MTR following the recovery scenarios available for the PAs. The project will apply an extra capacity building effort to make sure that the PA managers are able to apply for economic recovery funds and develop collaborations and partnerships with the private sector to overcome the financing gaps and access recovery funds. Last but not least, the GEF increment for promotional activities for the pilot PAs will hopefully become one of the principal risk management measures and will help mitigating the obstacles towards self-sustainability and enhanced operational management.</p> <p>The tourism development sector has been severely affected by the COVID-19 crisis. The focus of the recovery strategy for the sector would be on the development of domestic tourism in a sustainable, efficient manner. Thus, the project objective coincides with the tourism recovery priorities. No significant adaptive management and strategic change would be required as the tourism sector and the project with its increment will have to focus on developing and promoting the tourism product that has the PA values at its core and is focused on the domestic market.</p> <p>The adaptive management scenarios for the project strategy under Outputs 2.1, 2.2, and 2.3 will depend on the covid lockdown/restriction arrangements set by the Government as a major factor determining the severity and the magnitude of the negative economic impact, as well as the tourism sector response to the crisis. A total lockdown will of course be a reason for major changes in the project strategy. However, given the current trends, it is highly unlikely that the Government should consider lengthy lockdowns as a viable measure; it is a well-known fact that no country in Europe has imposed a lockdown during the second and subsequent pandemic waves (due to improvements with the cases registered, availability of vaccines and economic considerations). The restriction arrangements are likely to impact the international tourism which result in the reduction of visitation rates for the PAs; this will impact one particular indicator of the Project logframe but does not involve any changes to the project strategy. The covid restrictions negatively affect the tourism destinations with a high concentration of visitors; again, the social distancing as a visitation requirement for sustainable tourism within and around the PAs can easily be maintained and the particular safety requirements can be met without a major change in the way the tourist services had been provided before the epidemics. Thus, the covid recovery towards less-impact higher-efficiency domestic tourism development, even hampered by the economic consequences of the covid crisis, seems a very probable scenario.</p>

Social and environmental risks and safeguards

Eleven risks were identified in the SESP ([Annex 5](#) to this project document), of which ten were assessed as moderate risk, and one risk assessed as low risk. Therefore, the project overall in relation to SESP measures is considered moderate risk.

As per standard UNDP requirements, the Project Manager will monitor risks quarterly and report on the status of risks to the UNDP Country Office. The UNDP Country Office will record progress in the UNDP ATLAS risk log ([Annex 6](#) of this Prodoc). Risks will be reported as critical when the impact and probability are high (i.e. when impact is rated as 5, and when impact is rated as 4 and probability is rated at 3 or higher). Management responses to critical risks will also be reported to the GEF in the annual PIR. The social and environmental safeguards are further detailed in the Environmental and Social Management Framework (ESMF) developed at the PPG stage, annexed to this Project Document (Annex 23) to specify the processes that will be undertaken by the project for the additional assessments of potential impacts and identification and development of appropriate risk management measures, in line with UNDP's Social and Environmental Standards (SES). The ESMF also details the roles and responsibilities for its implementation and includes a budget and Monitoring and Evaluation plan.

3.5 Innovativeness, sustainability and potential for scaling up

116. Innovativeness.

The project will assist the PA management authorities with the innovative management planning that will take into account the climate-induced threat response pattern, and offer customized management planning options for lower category PAs, to be adopted for the first time in the national PA system.

The project will capacitate the PA management, conservation practitioners, experts and PA planners to perform site-specific climate threat analysis, develop threat response scenarios, design and implement adaptation and enhanced resilience solution for vulnerable species and ecosystems. The project will offer ecosystem-based comprehensive practical responses to climate change threats for the targeted PAs, ecosystems and species. A totally innovative element, a climate threats management model to support BD-sensitive and CC-neutral PA management planning will be offered to the pilot PA and the institutions in charge of their management.

One significant innovation in terms of institutional capacities and collaborative governance will be offered within Outcome 1 as the project will develop the cross-sectoral collaboration models for fire-fighting / flood response within and in the vicinity of protected areas. . Also, a customized geographic information system supporting the narrative climate threat assessment will be maintained and enhanced throughout the project lifetime to become a tool to identify drivers of vulnerability in specific areas, by combining public information data sources and remote sensing data (using IoT sensors).

The project Output 1.4 will be dedicated to innovative restoration approaches. The restoration of freshwater ecosystems and rehabilitation of wetland habitats will be implemented at full scale for the first time in the country; there is some experience in restoration of wetland meadows and pastures (which in general are in a considerably better shape than the degraded wetlands, marshes, ponds and aquatic associations) but none targeting the hydrotechnical facilities and water inflow regime. The stakeholder consultations at the PPG stage confirmed a unique innovation value of and considerable interest in the suggested restoration of the wetland habitats including aquatic communities (Tišina pond) and surrounding forests (Tišina and Gromiželj).

The project will test an innovative private sector engagement modality for sustainable PA finance. Although the country has examples of concession agreements in tourism sector, for the first time a concession model will be tested for a protected area. Based on the pilot concession experience, the project will develop a system-wise reference tool for ecotourism concession management and private sector engagement in PA sustainable finance.

117. Sustainability.

The proposed project interventions will be incremental to the baseline PA management scenarios in the country, and will be implemented in collaboration and synergy with the sectoral authorities and institutions. The project intervention strategy will ensure early buy-in and ownership at the level of individual PAs and key stakeholders, for the long-term effect interventions such as innovative PA management planning, system-wise climate change resilience solutions, ecosystem restoration demos, sustainable tourism development plans for PAs, and private sector engagement mechanisms and models. The project efforts at enhanced PA visibility, promotion of PA value and content in sustainable tourism development will be sustained and up-scaled by the relevant authorities and partner initiatives.

118. Replication and potential for scaling up:

The project will propose “packaged” adaptation and resilience solutions for targeted ecosystems within the individual PAs that will be applicable to similar PAs in the system, transboundary PAs in the Dinaric region, and will be available for the regional community of practice as case-studies for possible adaptation and replication.

The methods and approaches to be tested in the restoration pilots will be replicable to similar locations within the pilot areas and to other areas with similar landscape and biodiversity features.

Sustainable tourism business models, although not new for the tourism sector in the country, will be for the first time focused on protected areas.

The project will assist the pilot PA managements in development and packaging of tourism products which elements and approaches to expansion and diversification of the tourist offer can be replicable to non-pilot PAs for the project.

The concession model at Sutjeska National park can potentially be adapted and replicated for other national parks in RS and Una National Park in BiH. The project will organize experience-sharing exercises on a regular basis; the climate impacts research and monitoring module will be replicated in PAs beyond the initially selected pilots, and once updated with relevant data, the DRAS software would be open to include the entire national PA network. The project will work on establishing a close relationship with the tourism clusters and private sector to ensure that PAs are recognized as valuable tourism destinations, providing for their sustained interest in active BD conservation. The project will map relevant regional initiatives and organize a lessons learned exchange with them and the transboundary PAs.

3.6 Knowledge management

119. The project activities include extraction and dissemination of lessons learned and good practices to enable adaptive management and upscaling or replication at local and global scales. The PA management practices and tools will be captured, analysed and discussed at experience sharing events, as well as shared and recommended through the existing communication links between the PAs and the governmental authorities in charge of their management in the country. The project will contribute to scientific, policy-based and/or any other networks as appropriate (e.g. by providing content, and/or enabling participation of stakeholders/beneficiaries).

120. Results from the project will be disseminated within and beyond the project intervention area through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to the project. The project will identify, analyse and share lessons learned that might be beneficial to the design and implementation of similar projects and disseminate these lessons widely. There will be continuous information exchange between this project and other projects of similar focus in the same country, region and globally.

3.7 South-south and triangular cooperation

121. Learning opportunities and technology transfer from peer countries will be further explored during project implementation. To present opportunities for replication in other countries, the project will codify good practices and facilitate dissemination through global ongoing South-South and global platforms, such as Africa Solutions Platform, the UN South-South Galaxy knowledge sharing platform and PANORAMA¹⁶.

122. In addition, to bring the voice of Bosnia and Herzegovina to global and regional fora, the project will explore opportunities for meaningful participation in specific events where UNDP could support engagement with the global development discourse on biodiversity conservation, PA estate management and building PA resilience to climate-induced threats. The project will furthermore provide opportunities for regional cooperation with countries that are implementing initiatives on innovative PA management planning and sustainable PA finance models.

¹⁶<https://panorama.solutions/en>

IV. PROJECT RESULTS FRAMEWORK

This project will contribute to the following Sustainable Development Goal (s): <i>SDGs 12, 13, and 15</i>				
This project will contribute to the following country outcome (UNSDCF /CPD, RPD, GPD): Outcome 1. By 2025, people benefit from resilient, inclusive and sustainable growth ensured by the convergence of economic development, and management of environment and cultural resources. RELATED STRATEGIC PLAN OUTCOME: Outcome 1: Advance poverty eradication in all its forms and dimensions; Outcome 2: Accelerate structural transformations for sustainable development.				
	Objective and Outcome Indicators (no more than a total of 20 indicators)	Baseline	Mid-term Target	End of Project Target
Project Objective: To achieve practical PA management improvement and better biodiversity status through strengthened resilience of key biodiversity values to climate change impact and increased revenues from sustainable recreation	Mandatory Indicator 1 (GEF Core Indicator 11): # direct project beneficiaries disaggregated by gender (individual people)	0	100,000 (incl. 50,000 women)	314,900 (incl. 157,260 women)
	Mandatory Indicator 2 (GEF Core Indicator 1.2): <i>Indicator 2: Terrestrial protected areas under improved management effectiveness (Hectares)</i>	0 (as project impact is zero)	113,451 ha	113,451 ha
	Mandatory Indicator 3 (GEF Core Indicator 3.4): Area of wetlands restored	0	0	120 ha
Project Component 1	Strengthening resilience of targeted PAs to climate change impacts			
Project Outcome 1: Managerial and technical capacities of targeted PAs in place helping ensure resilience of key biodiversity values to climate change impacts	<i>Indicator 4: At least 15% increase in METT score for the targeted national PAs</i>	0 (see baseline METT scores in the METT scorecard)	10% increase (on average) from the baseline METT scores	15% increase (on average) from the baseline METT scores
	<i>Indicator 5: At least 5 PA management planning instruments with due account of climate threats developed and set under implementation</i>	0	5	9
	<i>Indicator 6a: Non deterioration of population of Serbian spruce (Picea omorika) population within Drina NP</i>	2020 available data on population	-	Non-deterioration as compared to 2020 data.

	<p><i>Indicator 6b:</i> Non-deterioration of Alpine newt (<i>Triturus alpestris</i>) population in Prokosko Lake NM stable or increasing</p> <p><i>Indicator 6c:</i> Non-deterioration of Bosnian pine (<i>Pinus heldreichii</i>) within Blidinje PN</p>	distribution of the indicator species		
	<p><i>Indicator 7a:</i> % reduction in extent (ha/annum) of forests detrimentally impacted by fires: Orjen PN, Sutjeska NP, Kozara NP, Drina NP, Skakavac PL, Blidinje PN</p> <p><i>Indicator 7b:</i> At least two functional community-based fire-fighting units established and functional</p>	<p><i>7a: baseline data and viable end-of-project target (%reduction) to be obtained in the Year 1</i></p> <p>7b: 0</p>	-	<p><i>7a: 15% from baseline</i></p> <p><i>7b: 2</i></p>
Outputs to achieve Outcome 1	<p>Output 1.1: Comprehensive climate threat assessment conducted for pilot PAs</p> <p>Output 1.2: PA management framework developed/updated and under implementation with account of climate threats</p> <p>Output 1.3: A portfolio of adaptation and resilience solutions for targeted species and ecosystems developed and set under implementation</p> <p>Output 1.4: Demonstration of innovative restoration approaches</p> <p>Output 1.5: Replication triggered through incorporation of project solutions into forestry, land-use and disaster risk management programmes at other sites</p>			
Project Component 2	Improving financial sustainability of targeted PAs through sustainable tourism development			
Outcome 2: Financial sustainability of targeted PAs improves	<i>Indicator 8:</i> At least 20% reduction of the funding gap for targeted PAs	0	-	20%
	<i>Indicator 9:</i> At least 1 mutually beneficial public-private agreement (including concessions, leases, rentals) formalised and operational	0	0: All prerequisites for concession operationalization ensured	1: Concession formalized and operational
	<i>Indicator 10:</i> At least 4 PAs participate in governmental tourism grant programmes	1	2	4
	<i>Indicator 11:</i> At least 20% increase in the annual number of visitors and service users in targeted PAs (data disaggregated by gender)	0	5%	20%
Outputs to achieve Outcome 2	<p>Output 2.1: Sustainable tourism products developed for pilot PAs</p> <p>Output 2.2: Cooperation with the private sector in place to provide increased income streams from legal nature resource use activities (incl. recreation) occurring in the targeted PAs</p>			

	Output 2.3: Eco-tourism concession model developed and piloted in Sutjeska National Park Output 2.4: PA participation in the governmental grant programmes is ensured in a sustainable manner Output 2.5: Promotion of natural values, products and services in the targeted PAs is improved			
Project Component 3	Knowledge management			
Outcome 3: Knowledge management	<i>Indicator 12: At least 3 knowledge products related to PA climate threats assessment and climate impact monitoring, PA integration into sustainable tourism, and tourism concessions developed and disseminated</i>	0	0	3
	<i>Indicator 13: Number of women and men getting access to innovations, best available knowledge and practice, through project-supported capacity building, training, and knowledge building</i>	0	tbd	tbd
Outputs to achieve Outcome 3	Output 3.1: Knowledge products and lessons learned documented and disseminated			
Project Component 4	M&E			
Outcome 4: Monitoring and Evaluation	<i>Indicator 14: Project M&E requirements and plans implemented in a timely and comprehensive manner</i>	<i>M&E has not started</i>	<i>n/a</i>	<i>Project M&E aspects receive positive assessment and satisfactory range rating by the Terminal Evaluation</i>
Outputs to achieve Outcome 4	Output 4.1: Set of project activities to ensure proper monitoring and evaluation of the project			

V. MONITORING AND EVALUATION (M&E) PLAN

123. The project results, corresponding indicators and mid-term and end-of-project targets in the project results framework will be monitored annually and evaluated periodically during project implementation. If baseline data for some of the results indicators is not yet available, it will be collected during the first year of project implementation. The Monitoring Plan included in [Annex 7](#) details the roles, responsibilities, and frequency of monitoring project results.

124. Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the [UNDP POPP](#) and [UNDP Evaluation Policy](#). The UNDP Country Office is responsible for ensuring full compliance with all UNDP project monitoring, quality assurance, risk management, and evaluation requirements.

125. Additional mandatory GEF-specific M&E requirements will be undertaken in accordance with the [GEF Monitoring Policy](#) and the [GEF Evaluation Policy](#) and other [relevant GEF policies](#)¹⁷. The costed M&E plan included below, and the Monitoring plan in [Annex 7](#), will guide the GEF-specific M&E activities to be undertaken by this project.

126. In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report.

Additional GEF monitoring and reporting requirements

Inception Workshop and Report

127. A project inception workshop will be held within 60 days of project CEO endorsement, with the aim to:

- a. Familiarize key stakeholders with the detailed project strategy and discuss any changes that may have taken place in the overall context since the project idea was initially conceptualized that may influence its strategy and implementation.
- b. Discuss the roles and responsibilities of the project team, including reporting lines, stakeholder engagement strategies and conflict resolution mechanisms.
- c. Review the results framework and monitoring plan.
- d. Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP and other stakeholders in project-level M&E.
- e. Update and review responsibilities for monitoring project strategies, including the risk log; SESP report, Social and Environmental Management Framework and other safeguard requirements; project grievance mechanisms; gender strategy; knowledge management strategy, and other relevant management strategies.
- f. Review financial reporting procedures and budget monitoring and other mandatory requirements and agree on the arrangements for the annual audit.
- g. Plan and schedule Project Board meetings and finalize the first-year annual work plan.
- h. Formally launch the Project.

GEF Project Implementation Report (PIR)

128. The annual GEF PIR covering the reporting period July (previous year) to June (current year) will be completed for each year of project implementation. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR. The PIR submitted to the GEF will be shared with the

¹⁷ See https://www.thegef.org/gef/policies_guidelines

Project Board. The quality rating of the previous year's PIR will be used to inform the preparation of the subsequent PIR.

GEF Core Indicators

129. The GEF Core indicators included as [Annex 8](#) will be used to monitor global environmental benefits and will be updated for reporting to the GEF prior to MTR and TE. Note that the project team is responsible for updating the indicator status. The updated monitoring data should be shared with MTR/TE consultants prior to required evaluation missions, so these can be used for subsequent groundtruthing. The methodologies to be used in data collection have been defined by the GEF and are available on the GEF [website](#).

130. The required Protected Area Management Effectiveness Tracking Tool (METTs) have been prepared and the scores include in the GEF Core Indicators.

Independent Mid-term Review (MTR)

131. The terms of reference, the review process and the final MTR report will follow the standard templates and guidance for GEF-financed projects available on the [UNDP Evaluation Resource Center \(ERC\)](#).

132. The evaluation will be 'independent, impartial and rigorous'. The evaluators that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project under review.

133. The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the evaluation process. Additional quality assurance support is available from the BPPS/GEF Directorate.

134. The final MTR report and MTR TOR will be publicly available in English and will be posted on the UNDP ERC by 31 January 2025. A management response to MTR recommendations will be posted in the ERC within six weeks of the MTR report's completion.

Terminal Evaluation (TE)

135. An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance for GEF-financed projects available on the [UNDP Evaluation Resource Center](#).

136. The evaluation will be 'independent, impartial and rigorous'. The evaluators that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project being evaluated.

137. The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the terminal evaluation process. Additional quality assurance support is available from the BPPS/GEF Directorate.

138. The final TE report and TE TOR will be publicly available in English and posted on the UNDP ERC by 31 March 2027. A management response to the TE recommendations will be posted to the ERC within six weeks of the TE report's completion.

Final Report

139. The project's terminal GEF PIR along with the terminal evaluation (TE) report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the Project Board during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

Agreement on intellectual property rights and use of logo on the project’s deliverables and disclosure of information

140. To accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy¹⁸ and the GEF policy on public involvement¹⁹.

Monitoring and Evaluation Plan and Budget:		
GEF M&E requirements	Indicative costs (US\$)	Time frame
Inception Workshop	2,000	Within 60 days of CEO endorsement of this project.
Inception Report	None	Within 90 days of CEO endorsement of this project.
M&E of GEF core indicators and project results framework indicators	40,000	Annually and at mid-point and closure
GEF Project Implementation Report (PIR) and other regular project reporting as required by IP and UNDP	4,000	Annually typically between June-August
Risk monitoring, including SESP risks, SES screening, ESMP development and monitoring	6,000	On-going
Monitoring of Gender Action Plan indicators	10,000	On-going
Mid-term and Terminal GEF Tracking Tool (an independent assessor)	4,000	Prior to MTE PIR and TE PIR
Supervision missions	None	Annually
Independent Mid-term Review (MTR)	26,000	31 January 2025
Independent Terminal Evaluation (TE)	26,000	31 March 2027
Translation cost associated with M&E	4,000	MTR and TE
TOTAL indicative COST	122,000	

VI. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Roles and responsibilities of the project’s governance mechanism:

Implementing Partner

141. The Implementing Partner for this project is UNDP. Based on consultations with the Government and Global Environment Facility at the PIF and PPG stages and as discussed with GEF Secretariat upstream (record of communications with GEF is uploaded in PIMS and available on request), this project will be executed through the Direct Implementation Modality (DIM). The project implementation modality with UNDP as an Implementing Partner

¹⁸ See http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/

¹⁹ See https://www.thegef.org/gef/policies_guidelines

was endorsed at the project concept stage. The reasons behind the request for DIM implementation modality are associated with the extremely complex administrative and governance structure of the country, and the absence of a single entity or government partner that can take over the responsibility for the overall implementation of the project. The DIM implementation modality is considered as a risk mitigation measure, considering the complexity and specificity of the country's governance structure. According to the communication from the GEF Operational Focal Point, the PPG consultations with the key governmental partners for the project and UNDP confirmed that DIM remains the most realistic and risk-free modality for the implementation of the above-mentioned project in the country. UNDP was, therefore, requested to carry out the full range of execution services for the project, on an exceptional basis. UNDP Country Office (CO) in Bosnia and Herzegovina has the required capacities to provide implementation / execution support to national project partners in line with DIM rules. The CO is fully equipped to do so in full compliance with UNDP rules and regulations and GEF policies.

142. The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of donor resources and the delivery of outputs, as set forth in this document. UNDP as the Implementing Partner is responsible for executing this project. Specific tasks include:

- Project planning, coordination, management, monitoring, evaluation and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.
- Risk management as outlined in this Project Document;
- Procurement of goods and services, including human resources;
- Financial management, including overseeing financial expenditures against project budgets;
- Approving and signing the multiyear workplan;
- Approving and signing the combined delivery report at the end of the year; and,
- Signing the financial report or the funding authorization and certificate of expenditures.

143. UNDP is accountable to the GEF for the implementation of this project. This includes overseeing project execution undertaken by the Implementing Partner to ensure that the project is being carried out in accordance with UNDP and GEF policies and procedures and the standards and provisions outlined in the Delegation of Authority (DOA) letter for this project. The UNDP GEF Executive Coordinator, in consultation with UNDP Bureaus and the Implementing Partner, retains the right to revoke the project DOA, suspend or cancel this GEF project. UNDP is responsible for the Project Assurance function in the project governance structure and presents to the Project Board and attends Project Board meetings as a non-voting member.

144. The GEF OFP has requested UNDP to provide full range of execution support services in line with DIM modality. This mechanism has been discussed and agreed with the GEF. UNDP, therefore, combines the role of a GEF agency in charge of the project implementation with that of an implementing partner for this project. A strict firewall will be maintained between the delivery of project oversight and quality assurance performed by UNDP and project execution undertaken by UNDP. "Project management" will be undertaken by personnel on non-staff contracts (i.e. Service Contract holders) specifically hired for the management of this project, forming the so-called Project Management Unit. In line with standing ICF, their financial and legal accountability will not involve any actions from the category of "execution support", or "oversight"; it will be limited to preparing TORs, specifications, requests, and arranging for a proper process for all project management activities. Separation of functions and reporting lines between those at UNDP providing oversight with those at UNDP providing execution support has been planned for in line with relevant POPP. UNDP will not charge GEF any cost for execution support. The cost of oversight will be recovered solely from the GEF fee.

145. The execution services provided by UNDP include:

- Procurement of goods, services, and works on a transparent and competitive basis, including preparation of procurement plans, terms of reference, and procurement packages, ensuring procurement processes,

contracting and contract management, required to implement all technical outputs and manage the project properly.

- Identification and/or recruitment of project personnel and consultants according to UNDP norms and requirements, management of consultant activities, other HR-related services, to enable implementation of all technical outputs and proper project management.
- Financial services, including processing of payments for the project under all technical outputs and project management activities, creating vendors, payment reconciliation, and preparation of expenditure reports to partners and donors;
- Logistics support services, including duty travel for project personnel and consultants working under technical outputs, project event management;
- Equipment and Asset Management services, including IT equipment maintenance, licenses and ICT support for the project team and project activities;
- Maintenance of records of all project-related documentation.

Execution support staff reports to relevant Heads of Operations Units who report to CO Operations Manager.

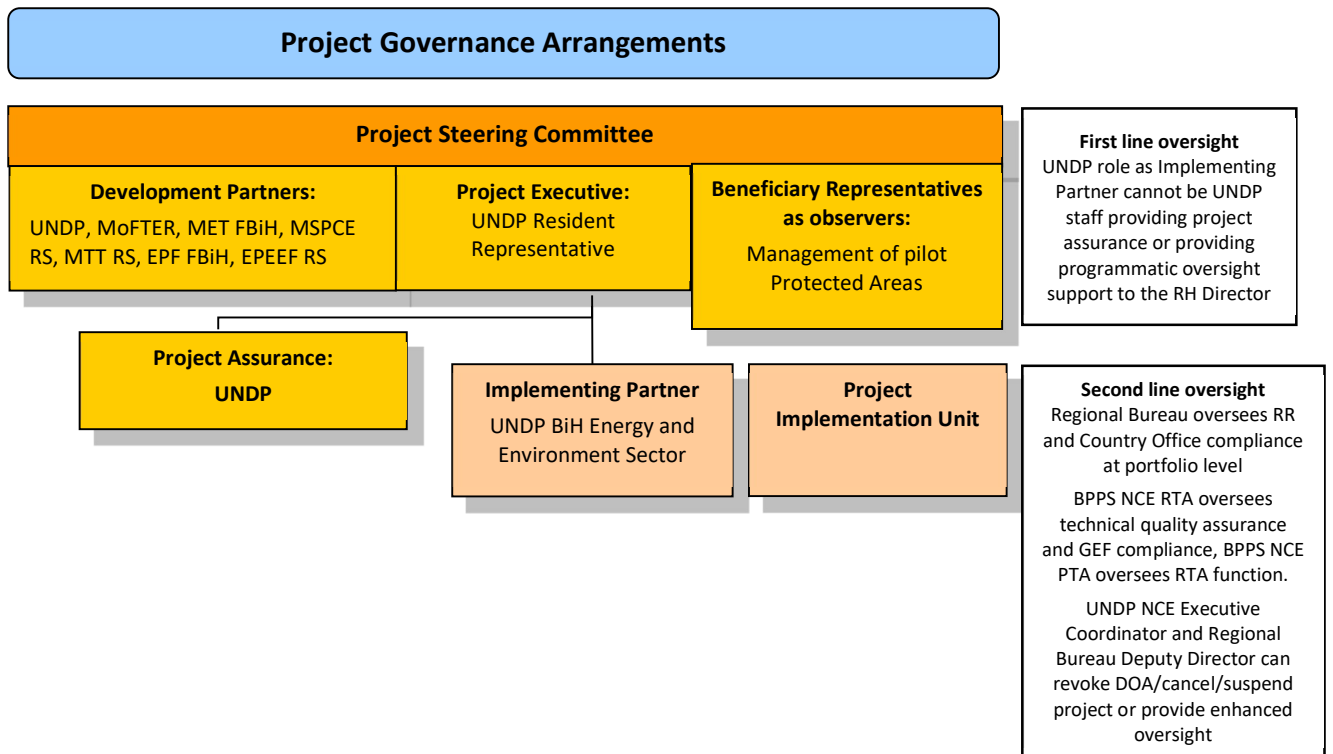
Project stakeholders and target groups:

146. The participation and contribution of stakeholders and key target groups are critical for the success of the project, for stakeholders at both the national and local levels. The project applies multiple strategies and mechanisms to ensure stakeholder engagement. First and foremost is the Project Steering Committee, or the Project Board (as discussed further below), involving the Ministry of Foreign Trade and Economic Relations (MoFTER) of Bosnia and Herzegovina, FBiH Ministry of Environment and Tourism (MET FBiH), Ministry of Spatial Planning, Construction and Ecology of the Republika Srpska (MSPCE RS), Ministry of Trade and Tourism of Republika Srpska (MTT RS), Environmental Protection Fund of FBiH (EPF FBiH), Environmental Protection and Energy Efficiency Fund of Republika Srpska (EPEEF RS), and UNDP.

147. The project will provide for transparent decision-making, facilitate participatory planning processes and support the capacity development of stakeholders and partners. Formal and informal partnerships will be developed and established with gender balance, and gender mainstreaming approaches in mind.

148. The project will highlight at various points the mechanisms and channels of communication that stakeholders may employ if they have any grievances related to the social and environmental impacts of the project. For example, this point will be indicated during the project inception workshop, and through the project education and awareness activities.

Project organisation structure:



149. The UNDP Resident Representative assumes full responsibility and accountability for oversight and quality assurance of this Project and ensures its timely implementation in compliance with the GEF-specific requirements and UNDP’s Programme and Operations Policies and Procedures (POPP), its Financial Regulations and Rules and Internal Control Framework. A representative of the UNDP Country Office will assume the assurance role and will present assurance findings to the Project Board, and therefore attends Project Board meetings as a non-voting member.

Segregation of duties and firewalls vis-à-vis UNDP representation on the project board:

150. As noted in the [Minimum Fiduciary Standards for GEF Partner Agencies](#), in cases where a GEF Partner Agency (i.e. UNDP) carries out both implementation oversight and execution of a project, the GEF Partner Agency (i.e. UNDP) must separate its project implementation oversight and execution duties, and describe in the relevant project document a: 1) Satisfactory institutional arrangement for the separation of implementation oversight and executing functions in different departments of the GEF Partner Agency; and 2) Clear lines of responsibility, reporting and accountability within the GEF Partner Agency between the project implementation oversight and execution functions.

151. UNDP’s implementation oversight role in the project – as represented in the project board and via the project assurance function – is performed by Head of Energy and Environment Sector within the UNDP BiH CO. UNDP’s execution role in the project is performed by the respective staff of Finance, Procurement, and HR Units, who will report to CO Head of Operations and the DRR.

Roles and Responsibilities of the Project Organization Structure:

152. Project Board (also called Project Steering Committee): All UNDP projects must be governed by a multi-stakeholder board or committee established to review performance based on monitoring and evaluation, and implementation issues to ensure quality delivery of results. The Project Board (also called the Project Steering Committee) is the most senior, dedicated oversight body for a project.

The two main (mandatory) roles of the project board are as follows:

- 1) **High-level oversight of the execution of the project by the Implementing Partner** (as explained in the [“Provide Oversight”](#) section of the POPP). This is the primary function of the project board and includes annual (and as-needed) assessments of any major risks to the project, and decisions/agreements on any management actions or remedial measures to address them effectively. The Project Board reviews evidence of project performance based on monitoring, evaluation and reporting, including progress reports, evaluations, risk logs and the combined delivery report. The Project Board is responsible for taking corrective action as needed to ensure the project achieves the desired results.
- 2) **Approval of strategic project execution decisions of the Implementing Partner** with a view to assess and manage risks, monitor and ensure the overall achievement of projected results and impacts and ensure long term sustainability of project execution decisions of the Implementing Partner (as explained in the [“Manage Change”](#) section of the POPP).

Requirements to serve on the Project Board:

- ✓ Agree to the Terms of Reference of the Board and the rules on protocols, quorum and minuting.
- ✓ Meet annually; at least once.
- ✓ Disclose any conflict of interest in performing the functions of a Project Board member and take all measures to avoid any real or perceived conflicts of interest. This disclosure must be documented and kept on record by UNDP.
- ✓ Discharge the functions of the Project Board in accordance with UNDP policies and procedures.
- ✓ Ensure highest levels of transparency and ensure Project Board meeting minutes are recorded and shared with project stakeholders.

Responsibilities of the Project Board:

- ✓ Consensus decision making:
 - The project board provides overall guidance and direction to the project, ensuring it remains within any specified constraints, and providing overall oversight of the project implementation.
 - Review project performance based on monitoring, evaluation and reporting, including progress reports, risk logs and the combined delivery report;
 - The project board is responsible for making management decisions by consensus.
 - In order to ensure UNDP’s ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.
 - In case consensus cannot be reached within the Board, the UNDP representative on the board will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.
- ✓ Oversee project execution:
 - Agree on project manager’s tolerances as required, within the parameters outlined in the project document, and provide direction and advice for exceptional situations when the project manager’s tolerances are exceeded.
 - Appraise annual work plans prepared by the Implementing Partner for the Project; review combined delivery reports prior to certification by the implementing partner.
 - Address any high-level project issues as raised by the project manager and project assurance;
 - Advise on major and minor amendments to the project within the parameters set by UNDP and the donor and refer such proposed major and minor amendments to the UNDP BPPS Nature, Climate and Energy Executive Coordinator (and the GEF, as required by GEF policies);
 - Provide high-level direction and recommendations to the project management unit to ensure that the agreed deliverables are produced satisfactorily and according to plans.
 - Track and monitor co-financed activities and realisation of co-financing amounts of this project.

- Approve the Inception Report, GEF annual project implementation reports, mid-term review and terminal evaluation reports.
- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project.
- ✓ Risk Management:
 - Provide guidance on evolving or materialized project risks and agree on possible mitigation and management actions to address specific risks.
 - Review and update the project risk register and associated management plans based on the information prepared by the Implementing Partner. This includes risks related that can be directly managed by this project, as well as contextual risks that may affect project delivery or continued UNDP compliance and reputation but are outside of the control of the project. For example, social and environmental risks associated with co-financed activities or activities taking place in the project's area of influence that have implications for the project.
 - Address project-level grievances.
- ✓ Coordination:
 - Ensure coordination between various donor and government-funded projects and programmes.
 - Ensure coordination with various government agencies and their participation in project activities.

Composition of the Project Board:

153. The composition of the Project Steering Committee must include individuals assigned to the following three roles:

- a. **Project Executive:** As this project is implemented by UNDP, the role of the Project Executive is vested with UNDP.
- b. **Beneficiary Representative(s):** Individuals or groups representing the interests of those who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. Often civil society representative(s) can fulfil this role. The Beneficiary representative (s) is/are the Management of the project pilot protected areas. They will be invited, during the project inception phase, to participate as observers in the project Steering Committee meetings.
- c. **Development Partner(s):** Individuals or groups representing the interests of the parties concerned that provide funding and/or technical expertise to the project. The Development Partner(s) is/are the members of the project Steering Committee.

154. The key development partners for the project, namely the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, the Ministry of Environment and Tourism of the Federation of Bosnia and Herzegovina, the Ministry of Spatial Planning, Construction and Ecology of the Republika Srpska, the Ministry of Trade and Tourism of Republika Srpska, the Environmental Protection Fund of FBiH, and the Environmental Protection and Energy Efficiency Fund of Republika Srpska, will form the Project Steering Committee, together with UNDP as Project Executive and Project Assurance. The Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina (MOFTER) will be invited to chair the project Steering Committee, and the FBiH Ministry of Environment and Tourism and the RS Ministry of Spatial Planning, Construction and Ecology will be expected to nominate their representatives as co-chairs.

155. **Project Assurance:** Project assurance is the responsibility of each project board member; however, UNDP has a distinct assurance role for all UNDP projects in carrying out objective and independent project oversight and monitoring functions. UNDP performs quality assurance and supports the Project Board (and Project Management Unit) by carrying out objective and independent project oversight and monitoring functions, including compliance with the risk management and social and environmental standards of UNDP. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. Project assurance is totally independent of project

execution. A designated representative of UNDP playing the project assurance role is expected to attend all board meetings and support board processes as a non-voting representative. It should be noted that while in certain cases UNDP's project assurance role across the project may encompass activities happening at several levels (e.g. global, regional), at least one UNDP representative playing that function must, as part of their duties, specifically attend board meeting and provide board members with the required documentation required to perform their duties.

156. Project Management – Execution of the project: The Project Implementation Unit will be formed of high-qualified national professionals selected and recruited based on an open competitive process. The PIU will consist of the Project Manager – Principal Technical Coordinator (PM), Project Technical Officer, Project Communication and KM consultant, and Project Assistant. The PM is the senior-most representative of the PIU and is responsible for the overall day-to-day management of the project on behalf of the Implementing Partner, including the mobilization of all project inputs, supervision over project staff, responsible parties, consultants and sub-contractors. The PM presents key deliverables and documents to the board for their review and approval, including progress reports, annual work plans, adjustments to tolerance levels and risk registers. The Project Manager – Principal Technical Coordinator will provide technical leadership and guidance to the Project Implementation Unit and will be technically supervising project staff, consultants and sub-contractors. The Project Technical Officer will be providing technical input for the implementation of the project, supporting the Project Manager / Principal Technical Coordinator in the technical supervision over implementation of project technical Outcomes, KM and M&E, as well as with substantive reporting. The Project Assistant will support operational and programmatic management of the project according to the project document, GEF corporate rules and UNDP standards & procedures. The PIU will be further strengthened by a part-time Coordination Officer function outposted from the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina (MOFTER), to perform a liaison role with the Government and be responsible for meeting government obligations under the project and making sure that project plans and activities are implemented in coordination and synergy with the parallel initiatives undertaken by the project development partners, PAs and other project stakeholders.

VII. FINANCIAL PLANNING AND MANAGEMENT

157. The total cost of the project is USD 21,153,825. This is financed through a GEF grant of USD 2,640,000 administered by UNDP, USD 150,000 in cash co-financing as UNDP TRAC resources to be administered by UNDP and USD 18,363,825 in parallel co-financing not administered by UNDP. UNDP, as the GEF Implementing Agency, is responsible for the oversight of the GEF resources and the cash co-financing transferred to UNDP bank account only.

158. Confirmed Co-financing: The actual realization of project co-financing will be monitored during the mid-term review and terminal evaluation process and will be reported to the GEF. Note that all project activities included in the project results framework that will be delivered by co-financing partners (even if the funds do not pass through UNDP accounts) must comply with UNDP's social and environmental standards. Co-financing will be used for the following project activities/outputs is presented in detail in [Annex 23](#) to the Project Document.

159. Budget Revision and Tolerance: As per UNDP requirements outlined in the UNDP POPP, the project board will agree on a budget tolerance level for each plan under the overall annual work plan allowing the project manager to expend up to the tolerance level beyond the approved project budget amount for the year without requiring a revision from the Project Board.

160. Should the following deviations occur, the Project Manager/CTA and UNDP Country Office will seek the approval of the BPPS/GEF team to ensure accurate reporting to the GEF:

- a) Budget re-allocations among components in the project budget with amounts involving 10% of the total project grant or more;
- b) Introduction of new budget items that exceed 5% of original GEF allocation.

161. Any over expenditure incurred beyond the available GEF grant amount will be absorbed by non-GEF resources (e.g. UNDP TRAC or cash co-financing).
162. Audit: The project will be audited as per UNDP Financial Regulations and Rules and applicable audit policies. Audit cycle and process must be discussed during the Inception workshop.
163. Project Closure: Project closure will be conducted as per UNDP requirements outlined in the UNDP POPP. All costs incurred to close the project must be included in the project closure budget and reported as final project commitments presented to the Project Board during the final project review. The only costs a project may incur following the final project review are those included in the project closure budget.
164. Operational completion: The project will be operationally completed when the last UNDP-financed inputs have been provided and the related activities have been completed. This includes the final clearance of the Terminal Evaluation Report (that will be available in English) and the corresponding management response, and the end-of-project review Project Board meeting. **Operational closure must happen with 3 months after posting the TE report to the UNDP ERC.** The Implementing Partner through a Project Board decision will notify the UNDP Country Office when operational closure has been completed. At this time, the relevant parties will have already agreed and confirmed in writing on the arrangements for the disposal of any equipment that is still the property of UNDP.
165. Transfer or disposal of assets: In consultation with the Implementing Partner and other parties of the project, UNDP is responsible for deciding on the transfer or other disposal of assets. Transfer or disposal of assets is recommended to be reviewed and endorsed by the project board following UNDP rules and regulations. Assets may be transferred to the government for project activities managed by a national institution at any time during the life of a project. In all cases of transfer, a transfer document must be prepared and kept on file²⁰. The transfer should be done before Project Management Unit complete their assignments.
166. Financial completion (closure): The project will be financially closed when the following conditions have been met: a) the project is operationally completed or has been cancelled; b) the Implementing Partner has reported all financial transactions to UNDP; c) UNDP has closed the accounts for the project; d) UNDP and the Implementing Partner have certified a final Combined Delivery Report (which serves as final budget revision).
167. The project will be financially completed **within 6 months of operational closure or after the date of cancellation**. Between operational and financial closure, the implementing partner will identify and settle all financial obligations and prepare a final expenditure report. The UNDP Country Office will send the final signed closure documents including confirmation of final cumulative expenditure and unspent balance to the BPPS/GEF Unit for confirmation before the project will be financially closed in Atlas by the UNDP Country Office.
168. Refund to GEF: Should a refund of unspent funds to the GEF be necessary, this will be managed directly by the BPPS/GEF Directorate in New York. No action is required by the UNDP Country Office on the actual refund from UNDP project to the GEF Trustee.

²⁰ See

https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PPM_Project%20Management_Closing.docx&action=default.

VIII. TOTAL BUDGET AND WORK PLAN

TOTAL BUDGET AND WORK PLAN			
Atlas Proposal (Award) ID:	00128336	Atlas Primary Output Project ID:	00122351
Atlas Proposal or Award Title:	Biodiversity Protected Areas		
Atlas Business Unit	BIH10		
Atlas Primary Output Project Title	Improved Financial Sustainability and Strengthened Resilience of Protected Areas Through Development of Sustainable Recreation and Partnership With Private Sector		
UNDP-GEF PIMS No.	6439		
Implementing Partner	UNDP		

Total Budget	Amount	Amount	Amount	Amount	Amount	Total
	Year1	Year 2	Year 3	Year 4	Year 5	
	GEF					
Component 1 Strengthening PA resilience to climate change impacts (Outcome 1)	71,600	283,600	263,600	305,600	209,600	1,134,000
Component 2 Improving financial sustainability of targeted PAs through sustainable tourism development (Outcome 2)	63,600	198,600	283,600	294,600	201,600	1,042,000
Component 3 Knowledge Management (Outcome 3)	30,000	39,000	42,000	50,000	56,000	217,000
Component 4 Monitoring and Evaluation (Outcome 4)	14,000	12,000	42,000	12,000	42,000	122,000
Component 5 Project management costs	33,000	23,000	23,000	23,000	23,000	125,000
Total GEF	212,200	556,200	654,200	685,200	532,200	2,640,000
	UNDP					
Component 5 Project management costs	30,000	30,000	30,000	30,000	30,000	150,000
Total UNDP	30,000	30,000	30,000	30,000	30,000	150,000
TOTAL (GEF+UNDP)	242,200	586,200	684,200	715,200	562,200	2,790,000

Summary of Funds:

Summary of Funds	Amount	Amount	Amount	Amount	Amount	Total
	Year1	Year 2	Year 3	Year 4	Year 5	
GEF	212,200	556,200	654,200	685,200	532,200	2,640,000
Donor 2 (UNDP)	30,000	30,000	30,000	30,000	30,000	150,000
Subtotal Co-finance	1,200,000	3,400,000	4,600,000	4,800,000	4,363,825	18,363,825
TOTAL	1,442,200	3,986,200	5,284,200	5,515,200	4,926,025	21,153,825

IX. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Bosnia and Herzegovina and UNDP, signed on 07.12.1995. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by UNDP (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations or UNDP concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries.

X. RISK MANAGEMENT

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]²¹ [UNDP funds received pursuant to the Project Document]²² are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

21 To be used where UNDP is the Implementing Partner

22 To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:

- a. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
- b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
- c. In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.
- d. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
- e. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a)UNDP Policy on Fraud and other Corrupt Practices and (b)UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
- f. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its(and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
- g. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-

recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- h. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- i. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- j. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

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- XI. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.