

1. Project Data

Summary project data			
GEF project ID		3946	
GEF Agency project ID		4281	
GEF Replenishment Phase		GEF-4	
Lead GEF Agency (include all for joint projects)		UNDP	
Project name		Ensuring Financial Sustainability of the Protected Area System of Serbia	
Country/Countries		Serbia	
Region		Europe and Central Asia	
Focal area		Biodiversity	
Operational Program or Strategic Priorities/Objectives		SP-1 Catalyzing Sustainability of Protected Area Systems and Sustainable Financing of Protected Area	
Executing agencies involved		Ministry of Agriculture and Environmental Protection	
NGOs/CBOs involvement		None involved	
Private sector involvement		None involved	
CEO Endorsement (FSP) /Approval date (MSP)		01/21/2010	
Effectiveness date / project start		06/17/2010	
Expected date of project completion (at start)		January 2014	
Actual date of project completion		05/31/2015	
Project Financing			
		At Endorsement (US \$M)	At Completion (US \$M)
Project Preparation Grant	GEF funding	0.5	-
	Co-financing	0.5	-
GEF Project Grant		0.95	0.95
Co-financing	IA own	1.835,748	1.5
	Government	2.071,005	4.76
	Other multi- /bi-laterals	-	-
	Private sector	0.649,667	-
	NGOs/CSOs	0.25	-
Total GEF funding		1.0	0.95

Total Co-financing	4.631,420	6.260
Total project funding (GEF grant(s) + co-financing)	5.631,420	7.210
Terminal evaluation/review information		
TE completion date	Not listed	
Author of TE	Stuart Williams	
TER completion date	12/18/2016	
TER prepared by	Spandana Battula	
TER peer review by (if GEF IEO review)	Molly Watts	

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF IEO Review
Project Outcomes	S	S	-	MS
Sustainability of Outcomes		L	-	MU
M&E Design		S	-	MS
M&E Implementation		S	-	S
Quality of Implementation		HS	-	S
Quality of Execution		MU	-	MU
Quality of the Terminal Evaluation Report		-	-	MS

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The project does not state the Global Environment Objective.

3.2 Development Objectives of the project:

The project's Development Objective is "to improve the financial sustainability of Serbia's Protected Area system" (PF pg 15). The project's long-term vision was to overcome financial barriers in order to strengthen Protected Area system. The project planned to achieve its objective through three components (PD pgs 7, 16-18):

Component 1: Enabling legal and policy environment for improved Protected Area system;

Component 2: Increasing revenue-streams for the Protected Area system; and

Component 3: Institutional and individual capacity of Protected Area institutions to raise Protected Area management cost-effectiveness.

3.3 Were there any **changes** in the Global Environmental Objectives, Development Objectives, or other activities during implementation?

There were no changes in objectives or activities during implementation.

4. GEF IEO assessment of Outcomes and Sustainability

Please refer to the GEF Terminal Evaluation Review Guidelines for detail on the criteria for ratings.

Relevance can receive either a Satisfactory or Unsatisfactory rating. For Effectiveness and Cost efficiency, a six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess. Sustainability ratings are assessed on a four-point scale: Likely=no or negligible risk; Moderately Likely=low risk; Moderately Unlikely=substantial risks; Unlikely=high risk. In assessing a Sustainability rating please note if, and to what degree, sustainability of project outcomes is threatened by financial, sociopolitical, institutional/governance, or environmental factors.

Please justify ratings in the space below each box.

4.1 Relevance	Rating: Satisfactory
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The TE rates the project as Relevant and the TER finds the same and gives a satisfactory rating. The project was relevant to GEF's biodiversity focal area and GEF-5 strategic objective of "increased revenue for protected area systems to meet total expenditures required for management" (MTR pg 14). The project also met objectives of UN Convention on Biological Diversity (MTR pg 13).

The project was also consistent with Serbia's 2004 Law on Environmental Protection, 2006 National Environmental Strategy and Law on Nature Conservation. However, the TE comments the project was less relevant to country priorities, "partly as result of the fact that it fell outside of the development priorities for the country and partly because the environment sector is marginalized" (TE pg 33).

4.2 Effectiveness	Rating: Moderately Satisfactory
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The TE gives a Satisfactory rating to the project's effectiveness and finds that the majority of the indicator targets listed in results framework were achieved. The project built capacities and created diversified forms of revenue generation for Protected Areas (PA) which resulted in growth in revenues for the PAs (TE pg 22). On overall effectiveness, the TE states that even though there was political instability in Serbia during the project, many of the indicators were met. The project also effectively integrated gender and marginalized people in the implementation (TE pg 23). As per the MTR, some of the indicators of the outputs were considered over-ambitious and suggested to be revised, which were duly incorporated. Overall, the TER finds that the project delivered on all six of its outputs under three main components but there were minor shortcomings in meeting a few of its targets. Hence, the TER gives a Moderately Satisfactory rating to effectiveness of the project.

The following are achievements under project's planned outcomes:

Component 1: Enabling legal and policy environment for improved PA financial sustainability

This component had two outputs and the targets for both outputs were moderately achieved. The main deliverables for this component were to prepare a Protected Areas Funding Plan (PAFP) and create specific regulations and by-laws to support cost-effectiveness of PA financing. To achieve the outputs, initially, the project included seven finance by-laws to be completed. This was criticized by the MTR as too ambitious and hence, the target was later revised to two by-laws. The TE reports that the project

achieved this output as “two finance regulations were adopted by the government and, in addition, six PAs adopted by-laws allowing for fees to be charged” (TE pgs 24-25). For the project target on integrating PAFP into PA policy and regulations, the project managed to finalise the Protected Areas Financing Guide in 2015. The Guide has been embedded and referenced in national documents such as National Biodiversity Strategy and National Strategy for Sustainable Use of Goods and Resources. The project also planned to incorporate cost-effective reporting into State of Environment reporting, however, while PA financial indicators were developed for measuring management effectiveness they were yet to be adopted by the Environmental Protection Agency (TE pgs 25-26).

Component 2: Increasing revenue streams for the PA system

Under this component, there were two planned outputs which were moderately achieved. The first output aimed to innovate revenue generation mechanisms at the site level and, to achieve this, the project planned to increase revenues at 4 PAs from nature based tourism and non-timber forestry products (NTFP). The TE reports that there was increase in tourism generated revenue in not just four but in ten PAs. The share of revenues rose from 16.3% at baseline to 30.1% in 2012 and 31.4% in 2014. However, there was no revenue increase in the NTFP sector but the TE attributes this to severe flooding of 2014 which affected the PAs. The project also planned to acquire ten grants per year by PAs and it was successful in raising ten grants along with increase in amount of grants from different donors. Lastly, the project had a target of providing US \$1 million to PAs from the Environmental Protection Fund but this was deleted as the Fund was closed down (TE pgs 26-28).

Component 3: Institutional and individual capacity of PA institutions to raise PA management cost-effectiveness

As per the project document, this component had two outputs to develop business planning process at 21 sites and raise capacity to increase cost-effectiveness of PA management. To achieve the outputs, the project defined five indicators, however, one was revised and two of the indicators were deleted. According to MTR, the indicators were too ambitious and did not have a results-oriented focus (MTR pg 34). For instance, one of the targets aimed to develop business plans for 21 PAs but this was revised to training staff on business process planning at 21 PAs. The project met the target by training managers of 28 PAs and also developing 11 business plans. For one of the targets, the project planned to increase effective financial management by training the staff at 30 PA sites, however, it was only able to train the staff at 20 sites. Finally, for its target of increasing METT scores, the project delivered in increasing the METT scores for 21 PAs.

4.3 Efficiency	Rating: Moderately Satisfactory
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The TE gives a Highly Satisfactory rating to efficiency as “the project, with a relatively small (MSP) grant from the GEF, was efficiently and effectively implemented by a small but outstanding team” (TE pg 34). However, the TER finds that there was deferment in implementation because of lack of capacity of managers in developing business plans for new regulation on PA management. The project also faced numerous delays due to political circumstances like the general elections, restructuring of the political

institutions, and relocation of project office without prior notice within the Ministry. The political problems caused some of the activities to be delayed as there was uncertainty in management of the PAs, as most senior managers were political appointees (MTR pg 17). The institutional upheavals led to a reshuffle of the ministries and that resulted in the project being supervised by five different ministers (TE pg 40).

4.4 Sustainability	Rating: Moderately Unlikely
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The TE gives a Likely rating to the project's sustainability. It states that there were concerns in institutional and environmental aspects, but the overall sustainability was "anchored in the accession to the EU...preparing the country for the rights and obligations – including environmental – that comes with EU membership" (TE pg 36). However, the TER finds that, currently, there is institutional and political upheaval in Serbia which have affected the project progress and are likely to continue to affect it. The institutional instability is detrimental to environmental stability as well and, therefore, the TER gives a Moderately Unlikely rating.

Financial Resources: The main objective of the project was to build financial sustainability of the PAs which it succeeded in accomplishing. It achieved increased revenues through nature based tourism in ten PAs and raised ten grants for various donors. The project showed the path to diversify financial options and to move away from forestry dependency (TE pg 40). The TE observes that "the capital costs of purchasing equipment was paid off within one year following procurement". Therefore, the TER finds that the risks to financial sustainability are low and gives a Likely rating to this section.

Sociopolitical: The TE gives a Likely rating to socio-economic sustainability, and states that if the PAs are managed well, the people dependent on Protected Area sites, such as the Tara National Park, would benefit a lot from the Park management and productivity (TE pg 36).

In regard to political risks, there are number of instabilities due to institutional restructuring. At the MTR stage, some of the policies faced potential reversal, which eventually proved correct as the Environment Fund was closed down (TE pg 36). Moreover, the ownership of the project at the central level is not strong and due to the political upheaval, the Ministry overseeing the project was changed five times (TE pgs 11 and 34). Thus, as there seem to be a number of sociopolitical risks involved, the TER gives a Moderately Unlikely rating.

Institutional framework and governance: The TE gives a Moderately Likely rating to institutional sustainability as there were too many upheavals during the project's lifetime. The electoral processes and restructuring seemed to be barriers for progress. Also the country was focused on development priorities and hence, the environmental sector was marginalized (TE pg 36 and 40). However, the project managed to build capacities in the Protected Areas and also opened options for diversifying financial revenues. The TE notes that there is an "overriding cause for optimism for institutional sustainability: the process of accession to the EU – with the obligations that are part of this process" (TE pg 37). Given the current institutional instability in the country however, the TER gives a Moderately Unlikely rating.

Environmental: The TE gives a Likely rating but notes that “the environmental sector remains marginalized” (TE pg 38). It also points to the fact that the environmental sustainability is dependent on institutional and financial sustainability. For example, in Kopaonik National Park, the infrastructure is growing rapidly and there could be negative environmental effects from commercial development. At the Uvac Special Nature Reserve, financial sustainability is key for the Vultures being fed (TE pg 38). As there seem to be risks to environmental sustainability, the TER gives a Moderately Unlikely rating.

5. Processes and factors affecting attainment of project outcomes

5.1 Co-financing. To what extent was the reported co-financing essential to the achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project’s outcomes and/or sustainability? If so, in what ways and through what causal linkages?

The expected co-financing was US \$5,631,420, while the actual co-financing was US \$7,210,000. The TE does not give any information on how the financing was used.

5.2 Project extensions and/or delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project’s outcomes and/or sustainability? If so, in what ways and through what causal linkages?

The project had number of delays and postponements especially in implementation of activities. The country underwent presidential elections in May 2012 and as the senior management were political appointees, some of the activities were postponed to the following year because of the uncertainties in the Protected Areas management. There was also an amendment to the Law on Nature Conservation due to which the Protected Area managers didn’t have capacity to create business plans (MTR pg 18). During the implementation there was a severe flooding in 2014, and that caused some of the activities to be deferred (TE pg 11). In addition, the project faced delays at the inception phase and during recruitment of a project manager (MTR pg 18).

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links:

The country ownership at national level and field level were very different. At the national level, the TE states that the project was owned by the Project Manager as the decision makers were not interested and this was “exacerbated by the fact that the project had multiple PBs (Project Boards) over its lifetime” (TE pg 34). However, at the field sites there was high ownership of the project among the stakeholders and while developing small projects “the ownership was transferred completely to the stakeholders” (TE pg 34).

6. Assessment of project's Monitoring and Evaluation system

Ratings are assessed on a six point scale: Highly Satisfactory=no shortcomings in this M&E component; Satisfactory=minor shortcomings in this M&E component; Moderately Satisfactory=moderate shortcomings in this M&E component; Moderately Unsatisfactory=significant shortcomings in this M&E component; Unsatisfactory=major shortcomings in this M&E component; Highly Unsatisfactory=there were no project M&E systems.

Please justify ratings in the space below each box.

6.1 M&E Design at entry	Rating: Moderately Satisfactory
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The TE gives a Satisfactory rating to M&E design at entry and mentions it met UNDP-GEF biodiversity project standards (TE pg 15). The project had a baseline analysis, and the M&E plan included inception report, project implementation reviews, mid-term evaluation, terminal evaluation and lessons learned. According to the MTR, the log-frame contained species-based impact indicators “which is an important element for assessing long-term results”. However, the indicators and targets did not meet the SMART criteria for component 3, and the results focus for indicators needed strengthening. Suggestions were made to revise the indicators, which were later incorporated to the M&E plan. (MTR pg 44). As there were moderate shortcomings to the indicators, which are essential for monitoring, this TER gives a Moderately Satisfactory rating.

6.2 M&E Implementation	Rating: Satisfactory
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The TE gives a Satisfactory rating to M&E implementation and overall quality of M&E and this TER gives the same. The reporting and MTR were completed on time and organized in a well-structured way. One recommendation from the MTR which was not implemented was to also provide quarterly work plans and progress updates. However, the Project Board had met only once because of the political circumstances in the country (MTR pgs 43-44). The TE comments that M&E was used for adaptive management to refocus the project during institutional changes that occurred at the central level when elections happened (TE pg 15).

7. Assessment of project implementation and execution

Quality of Implementation includes the quality of project design, as well as the quality of supervision and assistance provided by implementing agency(s) to execution agencies throughout project implementation. Quality of Execution covers the effectiveness of the executing agency(s) in performing its roles and responsibilities. In both instances, the focus is upon factors that are largely within the control of the respective implementing and executing agency(s). A six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess.

Please justify ratings in the space below each box.

7.1 Quality of Project Implementation	Rating: Satisfactory
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UNDP was responsible for project implementation and the TE gives a Highly Satisfactory rating for quality of implementation. It says the “team was exceptionally efficient in all aspects” (TE pg 15). The MTR comments that the UNDP played a supportive role but as few elements of the project design were uncertain, and some of the activities were delayed because of UNDP procedures (MTR pg 52-53). Considering the numerous political challenges in the country, the project managed to achieve many of its outcomes. Thus, the TER gives a Satisfactory rating to quality of project implementation.

7.2 Quality of Project Execution	Rating: Moderately Unsatisfactory
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The executing agency for the project was Ministry of Agriculture and Environmental Protection. The TE gives a Moderately Unsatisfactory rating to project execution because “the government proved more of an obstacle to project implementation...and the Minister overseeing the project changed five times” (TE pg 11). In addition, the MTR observes that the implementation rate was slower than expected and “the delivery was less than 20% at mid-point” (MTR pg 53). Also, the project ownership by the Ministry was not uniform due to restructuring of the government after the elections. Given the poor execution of the project the TER also gives a Moderately Unsatisfactory rating.

8. Assessment of Project Impacts

Note - In instances where information on any impact related topic is not provided in the terminal evaluations, the reviewer should indicate in the relevant sections below that this is indeed the case and identify the information gaps. When providing information on topics related to impact, please cite the page number of the terminal evaluation from where the information is sourced.

8.1 Environmental Change. Describe the changes in environmental stress and environmental status that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

The TE gives a Negligible rating to environmental change as “it is only in the long-term that environmental impacts will be seen” (TE pg 39). It also states “the biodiversity indicator in the PRF was inappropriate and, moreover, two of four of the species that were included in the indicator were not being monitored” (TE pg 39).

8.2 Socioeconomic change. Describe any changes in human well-being (income, education, health, community relationships, etc.) that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

The TE does not indicate any socioeconomic changes.

8.3 Capacity and governance changes. Describe notable changes in capacities and governance that can lead to large-scale action (both mass and legislative) bringing about positive environmental change.

“Capacities” include awareness, knowledge, skills, infrastructure, and environmental monitoring systems, among others. “Governance” refers to decision-making processes, structures and systems, including access to and use of information, and thus would include laws, administrative bodies, trust-building and conflict resolution processes, information-sharing systems, etc. Indicate how project activities contributed to/ hindered these changes, as well as how contextual factors have influenced these changes.

- a) Capacities: There was knowledge creation through training to managers of PAs on EU funds, project management cycle, fundraising and workshops for journalists on biodiversity issues (TE Annexes 11-12).
- b) Governance: the project achieved development of PA finance by-laws and regulations which were adopted by the government (TE pg 25).

8.4 Unintended impacts. Describe any impacts not targeted by the project, whether positive or negative, affecting either ecological or social aspects. Indicate the factors that contributed to these unintended impacts occurring.

The TE listed three impacts that were seen due to the project. One of the results of the project was that tourism increased in Kopaonik National Park leading to increase in revenues. Also, the budget of PAs increased because of capacity gains for project activities. Lastly, as the trails installed in Tara National Park were catered to the needs of physically and visually handicapped, the media attention would contribute in changing attitudes (TE pg 39).

8.5 Adoption of GEF initiatives at scale. Identify any initiatives (e.g. technologies, approaches, financing instruments, implementing bodies, legal frameworks, information systems) that have been mainstreamed, replicated and/or scaled up by government and other stakeholders by project end. Include the extent to which this broader adoption has taken place, e.g. if plans and resources have been established but no actual adoption has taken place, or if market change and large-scale environmental benefits have begun to occur. Indicate how project activities and other contextual factors contributed to these taking place. If broader adoption has not taken place as expected, indicate which factors (both project-related and contextual) have hindered this from happening.

Mainstreaming of some of the aspects of the project was observed. The TE states that similar to Bear watching in Tara National Park, there was Vulture watching in Uvac Special Nature Reserve. The project was able to leverage the funding from donors in the PAs. Although there was no replication, there seems to be potential for scaling-up. For example, “establishment of the National Association for

Protected Areas has prompted calls for a Regional Association across ex-Yugoslavia, in partnership with WWF” (TE pg 35).

9. Lessons and recommendations

9.1 Briefly describe the key lessons, good practices, or approaches mentioned in the terminal evaluation report that could have application for other GEF projects.

Lessons learned are:

- a) Adaptive management in the face of adversity: the project utilized an adaptive management approach when faced with problems and at times re-focused away from central level to field site level. It worked with partners in PAs to attain its objectives (TE pg 44).
- b) Political processes such as elections can cause significant turbulence: project designers should take into account electoral processes that can occur during the lifetime of the project. They should also “reflect the actual situation and risk log should be updated as the project proceeds” (TE pg 44)

9.2 Briefly describe the recommendations given in the terminal evaluation.

Recommendations given in the TE are (TE pgs 42-44):

- a) Conduct a feasibility study and risk analysis when a key partner organization is closed down;
- b) Monitor in-kind co-financing and “that projects systematically collect these data” (TE pg 42);
- c) Encourage the existing forestry work within the PAs and “persuade the foresters that making efforts to promote better environmental (and socioeconomic) standards is worthwhile” (TE pg 42);
- d) Adopt and implement conservation agriculture beyond the concept of organic agriculture;
- e) Support the Association for Protected Areas at the national and regional levels;
- f) Explore financial mechanisms to increase the revenues including Payment for Ecosystem Services;
- g) Include gender and disabled people in projects, especially in countries where gender issues are marginalized;
- h) Mitigate hierarchies for zones in Protected Areas and use strategies designed to protect biodiversity; and
- i) Mainstream biodiversity in land use and spatial planning.

10. Quality of the Terminal Evaluation Report

A six point rating scale is used for each sub-criteria and overall rating of the terminal evaluation report (Highly Satisfactory to Highly Unsatisfactory)

Criteria	GEF IEO comments	Rating
To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	The TE gives a good assessment of outcomes and outputs however, it does not assess impacts derived from the project.	MS
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	In some cases, the ratings seemed appropriate to the evidence given, but other times the ratings seemed inflated and not well substantiated.	MU
To what extent does the report properly assess project sustainability and/or project exit strategy?	The report gives a detailed assessment of whether there are any financial, sociopolitical, institutional and environmental risks and gives individual ratings for all the components.	S
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	The lessons learned are not comprehensive enough and need more details.	MS
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The report does not include project costs per activity but includes the actual co-financing given.	MS
Assess the quality of the report's evaluation of project M&E systems:	The TE assesses the M&E systems well but needs more detail.	MS
Overall TE Rating		MS

11. Note any additional sources of information used in the preparation of the terminal evaluation report (excluding PIRs, TEs, and PADs).

Other than TE and PD, the report used MTR for information.