

Mainstreaming Karst Peatlands Conservation into Key Economic Sectors

Bosnia and Herzegovina

GEF Agency: United Nations Development Programme
EA: Canton 10 Government



GEF Biodiversity Focal Area (OP2)

GEF Strategic Objective BD-II

Medium-sized Project

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Mid-term Evaluation

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Acronyms

BiH	Bosnia i Herzegovina
CBD	Convention on Biological Diversity
DEX	Direct Execution
EU	European Union
GEF	Global Environment Facility
GIS	Geographic Information Systems
FBiH	Federation of Bosnia and Herzegovina
FMOIT	Ministry for Environment and Tourism
ha	hectares
HS	Highly Satisfactory
HU	Highly Unsatisfactory / Highly Unlikely
IA	Implementing Agency
IUCN	World Conservation Union
km	Kilometers
L	Likely
LEAP	Local Environment Action Plan
M&E	Monitoring and Evaluation
ML	Moderately Likely
MOFTER	Ministry of Foreign Trade and Economic Relations
MoAWF	Ministries of Agriculture, Water Management and Forestry
MS	Moderately Satisfactory
MU	Moderately Unsatisfactory / Moderately Unlikely
MSP	Medium-sized Project (of the Global Environment Facility)
NEAP	National Environmental Action Plan
NEX	National Execution
N/A	Not Applicable
NGO	Non-governmental Organization
N/S	Not Specified
PDF-A	Project Development Funding Block A
PIR	Project Implementation Report
RS	Republika Srpska
S	Satisfactory
U	Unsatisfactory
UA	Unable to assess
UNDP	United Nations Development Programme
UNDP BRC	UNDP Bratislava Regional Centre
USD	United States dollars
WWF	World Wildlife Fund

I. Executive Summary

1. The Karst Peatland Mainstreaming project is a Global Environment Facility (GEF) supported Medium-sized Project (MSP), with \$0.95 million in GEF funding (excluding the Project Development Funding Block A (PDF-A)) and proposed co-financing of \$1.57 million, for a total budget of \$2.52 million. The project is implemented under the United Nations Development Programme's (UNDP) Direct Execution (DEX) modality, with the Canton 10 government as the main executing partner. The project inception workshop was held in July 2009, and project implementation began in September 2009; the project is expected to reach completion in November 2012.

2. As stated in the project document, the project's objective is *"To strengthen the policy and regulatory framework for mainstreaming the requirements for conservation of karst and peatland biodiversity into productive sectors (mining, water use) and spatial planning at Cantonal level."* To achieve the objective, the project focused on two main outcomes:

Outcome 1: Karst and peatland needs integrated in the Bosnia i Hercegovina) (BiH) cantonal spatial planning policies and procedures; and

Outcome 2: Water use and mining policies in BiH reflect karst and peatland biodiversity conservation requirements.

3. The project's primary strategy is to leverage the currently ongoing Canton 10 spatial planning process to incorporate biodiversity considerations in land use and resource management in the targeted region of Livanjsko Polje, one of the largest karst fields in the world. Despite an initial significant delay, the project is well-on track, partly thanks to delays also encountered by the government in the spatial planning process.

4. Project **relevance** is *satisfactory*, as the project objective supports the implementation of local and national environmental priorities and policies. The project is also relevant to GEF strategies in the biodiversity focal area, and supports BiH's implementation of the Convention on Biological Diversity (CBD), and other international conventions.

5. Project **efficiency** is rated *satisfactory*. The project management procedures and financial management are judged to be cost-effective and efficient. Procedures and activities undertaken are in line with international development project standards and norms, and in accordance with UNDP rules and requirements.

6. Project **effectiveness** is considered *satisfactory*. Through results-based adaptive management, and a focused and a time-efficient implementation process, the project is on track to complete its planned activities and meet the project objective. There are some activities foreseen in the project document, such as pilot-scale restoration activities, that will need to be reassessed in the second half of implementation for their potential effectiveness and cost-efficiency.

7. The table below summarizes, in the view of this evaluation, the important priorities and risk factors for the remaining project implementation period. This table is not intended to identify all possible risks, but highlights those considered most relevant in the view of this evaluation. There may be other risks or priorities deemed important by project partners and stakeholders to which attention should also be paid. Ongoing risk monitoring and assessment is critical for adaptive management and successful project implementation.

Table 1 Key Priorities and Risks for Remaining Implementation Period

Priorities / Risks	Issue Summary	Priority Actions / Risk Mitigation
Priority: Education and awareness	Raising awareness is critical in the context of an area where environmental awareness is relatively low – awareness-raising is needed to change people’s behavior and build political support for implementation of positive environmental policies	Recommendation: This evaluation recommends that the project consider shifting resources planned for small-scale site restoration to public awareness activities (see below). However, before additional awareness activities are funded, a clear baseline should be established, and then followed up on at the end of the project.
High risk: Pilot/demo level restoration activities	The project document and workplan foresees the completion of some small-scale pilot restoration activities, related to canal blocking and assisted regeneration of Carex vegetation. However there are a number of logistical and practical issues that would require significant time to overcome. Small-scale activities could provide some lessons, but this benefit would not appear to be worth the time and resources required, especially when there are no immediately evident sources of funding for replication and scaling-up. The project funds available for water table related restoration activities (e.g. canal blocking) are likely not enough to facilitate a significant influence on the water table for the overall site. A larger scale intervention is required to have a worthwhile impact.	The value of small-scale pilot restoration measures appears to be limited, and there are multiple challenges to implementing such measures. To mitigate against the potential for cost-inefficiency and to ensure a results-based approach, this evaluation recommends that the Project Board consider shifting a portion or all of the resources planned for the small scale restoration activities into education and awareness activities – achievements in awareness activities would be more diffuse and longer-term, but are critically needed. Further scientific data is also required to assess how and if natural regeneration of the vegetation occurs in peat-extracted areas, and on what time frames. Project resources could also be redirected into more systematic and comprehensive ecological research on the peat ecosystems in extracted and still-natural areas.
Low-level risk: Progress on a cross-border agreement with Croatia	The project was expected to contribute to the establishment of a transboundary water management agreement between Bosnia and Croatia. Some progress has been made based on technical inputs provided by the project, but overall progress toward the establishment of such an agreement is dependent on factors outside the project’s control, and it is not clear what the extent of the project’s contribution will be.	The amount of time and resources required to catalyze and finalize an effective transboundary water management agreement is far beyond the scope of the project. This issue appears to have been included in the project design because it is a relevant issue to the management of the peatlands, but the expectations of the project’s contribution were too ambitious. Securing such an agreement depends on high-level political negotiations covering a wide range of issues, including cost-sharing between the two sides, etc. The project should limit its effort expended on this issue, and the logframe should be revised to take into account the fact that such an agreement is beyond the scope of the project.
Priority: Linkage of micro-grant outputs to biodiversity conservation of the karst field	Under the project micro-grant funds have been provided to a small number of individuals and organizations to support environmentally friendly, sustainable development and environmental management in the region. Supported activities include	It must be ensured that the micro-grant activities are placed in the appropriate broader context, and leveraged to contribute to the overall objectives of the project, rather than being carried out as small isolated activities. In this sense, the project team should work with the grantees to ensure that information about their activities reaches a wide

	honey production and crayfish restoration.	audience, through presentations, tours, or outreach materials.
Priority: Linking economic benefits and financial potential to the karst field and environmental protection	Local government officials are required to develop and implement policies based on the best information available, including decisions about the path of economic development. However there is often an inadequate accounting of the economic value of conserving environmental resources. Frequently short-term unsustainable economic benefits are favored at the cost of longer-term sustainable options.	It is recommended that the project support research and analysis to identify and disseminate information demonstrating the link between environmental resources and sustainable economic development. This could include an assessment of the financial value of ecosystem services in the region, and/or a feasibility study for a regional eco-label regime. The results of an ecosystem services assessment would then need to be shared and promoted to local policy makers.
Priority: Finalization of the Livno karst field as a category V IUCN protected landscape	The project focus area is already classified as a Ramsar site, but this approval process, including the definition of boundaries, was not carried out with adequate local stakeholder participation and input. At the national level, a process has begun to formally include the area as part of Bosnia and Herzegovina's national protected area system, with a classification as a protected landscape, considered category V under the IUCN system. National protected area status would be a great benefit for the conservation of the area, as it is required to take following management steps such as zoning, etc.	Adoption of protected area status is not and should not be a results target for the project. However, within the framework of the overall project objective for conserving biodiversity in Livno karst peatlands, this is an area where the project may be able to provide valuable support. It is anticipated the area will be included in the Cantonal spatial plan as a potential protected area, and the project stakeholders should examine additional opportunities to provide supplemental inputs or other support to the process of formal declaration of the protected area at the national level. This could be pursued in an opportunistic manner, and should not reach a level of distraction from the primary project activities and outcomes.
Low risk: Lack of environmental monitoring	There has been increasing emphasis within the GEF portfolio to demonstrate that projects are delivering impact level results. In recent years project designs have become more robust in terms of identifying impact level indicators and including associated specific targets. In addition, effective environmental management requires data on the status and trends of environmental resources. The current peatlands mainstreaming project logframe includes impact level indicators and targets, but at present, there is little systematic or comprehensive environmental monitoring conducted in the Livno karst peatlands.	The current project will need a mechanism and data by which to assess the environmental status of the peatlands at the end of the project, and assess progress over time. Ideally environmental monitoring would be carried out over an extended period of time to assess biodiversity and other ecological trends in the target area. While the resources for a comprehensive monitoring program are not currently available, the project should leverage all opportunistic chances to consolidate environmental trend data and develop a strategy or framework to facilitate the long-term tracking of results.
Priority and risk: Consolidation and sustainability of sustainable	The Livno region and Canton 10 are nearing a crossroads for the future, and the question remains which vision of economic development will be the dominant one. On the one hand, the	The project's primary objective is the mainstreaming of environmental considerations in the spatial plan, which should contribute to a more environmentally sustainable future. But once the project closes, the current level of stakeholder

<p>development vision in the region</p>	<p>region has important energy resources (e.g. coal) and industry is a traditional source of economic prosperity. On the other hand, many residents have a desire and vision for an environmentally sustainable future with an economy likely based on agriculture and tourism. However there is currently no mechanism by which such a vision could be consolidated among multiple various stakeholders, and further developed to have a chance of becoming reality.</p>	<p>activity is likely to subside, and there are risks to sustainability. To help address this risk and contribute to sustainability, the project should assess the feasibility of catalyzing a regional mechanism to continue focusing efforts on environmental conservation once the project closes. There are currently a few civil society organizations in the region, but they have extremely limited capacity. The project should consider how to contribute to the development of the capacity of civil society in the region, and the creation of partnerships among stakeholders. What seems to be lacking at the moment is a strong local champion or champions who have a platform to continue building activity.</p>
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8. Below are the key recommendations of this evaluation report. Additional recommendations are included at the end of the report. The stakeholders at whom the recommendation is targeted are included in brackets.

9. **Key Recommendation:** A six-month no-cost extension is recommended, due to the delay in starting project implementation. The project should be allowed as much of the originally planned time as possible to complete the expected activities. *[Project Board, Project Team, UNDP BiH Country Office and UNDP Bratislava Regional Centre (BRC)]*

10. **Key Recommendation:** The project team and project board should examine and assess the potential value of shifting resources from the planned pilot restoration activities to other cost-effective activities with high return on investment, including education and awareness in the region, which is critically needed. Before additional awareness activities are funded, a clear baseline should be established, and then followed up on at the end of the project. *[Project Board, Project Team, and UNDP BiH Country Office]*

11. **Key Recommendation:** Responsibility for environmental management at the national level in BiH is diffuse, but there is no adequate collaboration mechanism to facilitate communication and coordination on environmental issues, which is critical for effective management. A mechanism must be established in BiH if large-scale progress is to be made on long-term sustainable development, particularly as it is related to environmental management. As a high level recommendation, this evaluation strongly encourages all relevant stakeholders to support the creation of a national coordination mechanism on environmental issues. *[UNDP BiH Country Office, national government institutions, civil society]*

12. **Key Recommendation:** It is recommended that the project support research and analysis to identify and disseminate information demonstrating the link between environmental resources and sustainable economic development. This could include an assessment of the financial value of ecosystem services in the region, and/or a feasibility study for a regional eco-label regime. The results of an ecosystem services assessment would then need to be shared and promoted to local policy makers. *[Project Board, Project Team, and UNDP BiH Country Office]*

13. **Key Recommendation:** This evaluation recommends a revision and update of the project logframe to appropriately identify key results indicators that meet SMART criteria, and which are more directly linked to project activities, as noted in Table 7 of this report. [Project Board, Project Team, UNDP BiH Country Office and UNDP BRC]

14. **Rating Summary:** The required evaluation ratings for the project are summarized in the ratings table below. Qualitative summaries for the ratings are provided in the table at the end of this evaluation report, as well as in the respective relevant sections of the report.

Table: Karst Peatlands Mainstreaming Project Mid-term Evaluation Rating Summary

Project Component or Objective	Rating
Project Formulation	
Relevance	S
Conceptualization / design	S
Stakeholder participation	S
Project Implementation	
Implementation Approach (Efficiency)	S
The use of the logical framework	S
Adaptive management	HS
Use / establishment of information technologies	S
Operational relationships between the institutions involved	S
Financial management	HS
Monitoring and Evaluation	
Monitoring and evaluation design	MU
Monitoring and evaluation budget	S
Monitoring and evaluation implementation	S
Stakeholder Participation	S
Production and dissemination of information	N/A
Local resource users and civil society organizations participation	S
Establishment of partnerships	S
Involvement and support of governmental institutions	MS
Project Results	
Progress toward Achievement of Objective and Outcomes (Effectiveness)	S
Objective: To strengthen the policy and regulatory framework for mainstreaming the requirements for conservation of karst and peatland biodiversity into productive sectors (mining, water use) and spatial planning at Cantonal level	S
Expected Outcome 1: Karst and peatland needs integrated in the BiH cantonal spatial planning policies and procedures	S
Expected Outcome 2: Water use and mining policies in BiH reflect karst and peatland biodiversity conservation requirements	S
Sustainability	ML
Financial sustainability	L
Socio-political sustainability	ML
Institutional and governance sustainability	L
Ecological sustainability	ML
Overall Project Progress	S

Ratings explanation: HS – Highly Satisfactory; S – Satisfactory; MS – Moderately Satisfactory; MU – Moderately Unsatisfactory; U – Unsatisfactory; HU – Highly Unsatisfactory; UA – Unable to Assess; N/A – Not Applicable

II. Introduction: Evaluation Scope and Methodology

15. According to GEF and UNDP evaluation policies, mid-term evaluations are a required element of the monitoring and evaluation plan for GEF funded MSPs, and a mid-term evaluation was foreseen in the project document for the Karst Peatlands Mainstreaming project. The mid-term evaluation was initiated by UNDP at the mid-point of the actual implementation period (not the originally planned implementation period). This mid-term evaluation reviews the actual performance and progress toward results of the project against the planned project activities and outputs, based on the relevant evaluation criteria: relevance, efficiency, effectiveness, results and sustainability. The evaluation assesses project results based on the project objective and expected outcomes, as well as any unanticipated results. The evaluation will identify relevant lessons for other similar future projects in the future in BiH and elsewhere, and will provide recommendations for the remaining implementation period as necessary and appropriate.

16. In addition to assessing the main GEF evaluation criteria, the evaluation provides the required ratings on key elements of project design and implementation. Further, the evaluation will, when possible and relevant, assess the project in the context of the key GEF operational principles such as country-drivenness, and stakeholder ownership, as summarized in Annex 3.

17. The evaluation methodology was based on a participatory mixed-methods approach, which included three primary elements: a) a desk review of relevant project documentation and other documents; b) in-person and over the phone interviews with key project participants and stakeholders; and c) a field visit to the Livanjsko Polje project site in Canton 10 of BiH, near the western border with Croatia. The evaluation is based on evaluative evidence from the start of project implementation (mid-2009) to March 2011, and includes an assessment of project design. The desk review was begun in February 2011, with the evaluation mission carried out from March 2 – 9, 2011.

18. All evaluations face challenges in terms of the time and resources available to adequately collect and document evaluative evidence. With additional time, more stakeholder viewpoints and relevant data could have been gathered for this mid-term evaluation. Also, as is understandable, some documents were available only in Bosnian language, although all key documents were available in English. The composition of the evaluation team, with one national consultant, ensured that language was not a critical issue in analysis of the evaluative evidence. Altogether the challenges were not significant for this evaluation, and the evaluation is believed to represent a fair and accurate assessment of the project.

19. The evaluation was conducted in accordance with UNDP and GEF monitoring and evaluation policies and procedures, and in-line with United Nations Evaluation Group norms and standards.

20. The intended users of this mid-term evaluation are the project team and UNDP country and regional offices. As relevant, the mid-term evaluation report may be disseminated more widely with additional stakeholders to substantiate adaptive management decisions or share lessons and recommendations.

III. Project Overview and Development Context

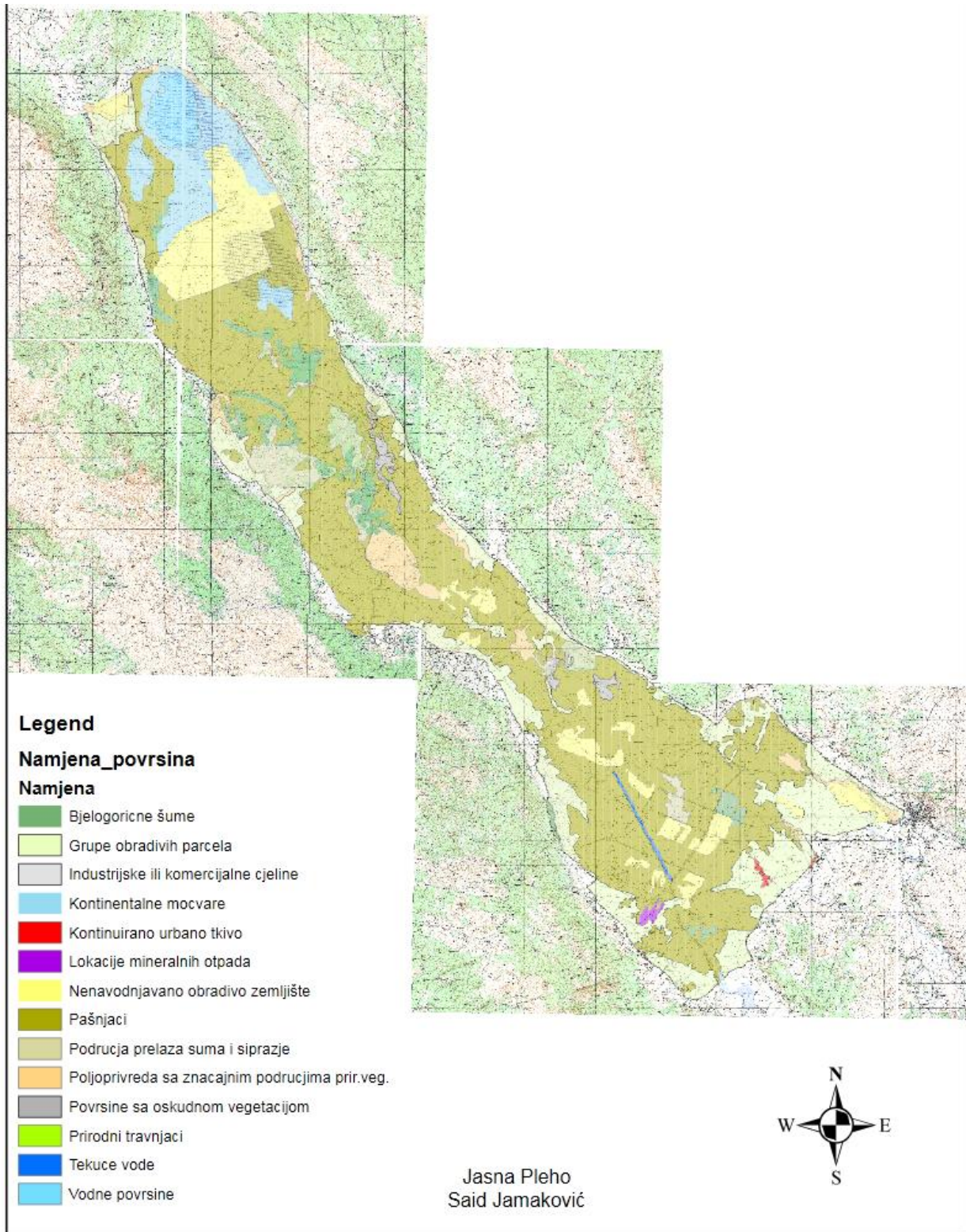
A. Development Context

21. Bosnia and Herzegovina (BiH) is a small country (51,129 km²) in the mid-western Balkans. In 1995, the internationally brokered Dayton Peace Agreement ended the war and established Bosnia and Herzegovina as a state comprising two entities, Republika Srpska (RS) and the Federation of Bosnia and Herzegovina (FBiH), each with a high degree of autonomy. The FBiH is further split into Cantons, which in turn are divided into municipalities. Land can be owned by municipalities only; Cantons can on their behalf negotiate and issue concessions for land use, and develop, coordinate and approve spatial plans. RS does not have cantons, and is divided straight into municipalities. Municipalities of the present day BiH are extremely understaffed and have weak capacity, but it is clear that they will remain the key grass-root administrative unit and much effort of the international community is focused on strengthening the capacities of the municipalities.

22. Most of the country is mountainous with at least 30% of the area in the karst regions of the Dinaric mountain range. BiH karst fields are situated in the FBiH in Canton 10 (the Canton almost entirely corresponds with BiH-part of the Cetina river catchment). This Canton has six municipalities and Livanjsko Polje (the Livno Karst Peatland) (Figure 1) is shared among three of them (Livno, Tomislavgrad and B. Grahovo).

The largest settlement of Livanjsko Polje is the town of Livno. The town has 40,000 inhabitants. Livno is situated in the north-eastern part of the field, under Bašajkovac hill. Even before the war Livno had a status of an underdeveloped municipality. Its economic activity was based on textile and chemical industry, mining, wood production and agriculture, while the most profitable companies were those in transport and trade. A substantial number of people were engaged in subsistence agriculture and cattle farming. Livno is famous for Livno cheese that is made in its villages and in Livno Dairy (nowadays mostly owned by Lura company from Croatia). Other key economic developments still present in the area with various degrees of effectiveness, are mining, water management (reservoir), and tourism. Livanjsko Polje is the key karst field of BiH, measuring some 65 kilometers (km) by approximately 6 km (in average). It is situated at an altitude of about 700 meters above sea level and has no surface water outflow. Therefore, all the water that collects in the basin drains through numerous sinkholes and a network of underground karst cavities towards the Cetina River in Croatia. The karst field is located completely in BiH, but represents a significant part of the Cetina River catchment area, influencing water availability in the neighbouring Croatia. This makes all of its waters regarded as international. Livanjsko Polje, at approximately 41,000 hectares (ha), is one of the largest karst fields not just in BiH and the Dinaric Alps, but also in the world. It contains an impressive network of surface and subsurface water bodies, including rivers, springs, lakes, and oxbows. A unique phenomenon is estavelas, which are holes under the field that connect underground relief with the field's surface in hydrological and hydro-biological respects. Depending on underground water level they act as springs in wet season or sinkholes during the dry season. Livanjsko Polje is one of the rare fields in the Dinaric Alps where natural process of karstification is still ongoing. This is a unique natural phenomenon that is driven by carbonate particles, hard water, and in some cases microorganisms.

Figure 1 Livanjsko Polje Area Land Use Map¹



¹ Source: Bosna S Consulting

23. The karst fields of BiH have extremely rich biodiversity at all levels: genes, species, ecosystems. It is especially rich in wetland species of vascular flora, including dozens of endemic and relict species. Livanjsko Polje is an excellent example of a well preserved “temperate grassland”, a biome which is underrepresented in the protected area systems worldwide, according to the United Nations List of Protected Areas. According to the European Union (EU) Bird Directive, Livanjsko Polje is an Important Bird Area, and it is of unique international value for the Corncrake (*Crex crex*), an important bird indicator species. For the Balkan Peninsula, the site is of great conservation interest as it has maintained unique peat-bearing bog, marsh, lowland oak forest and grassland habitats important for several breeding birds, such as Montague’s Harrier, Corncrake, Lesser-spotted Eagle, Redshank, Snipe and Great Bittern. Since karst fields have largely declined in the area, some of the species now only live exclusively in Livanjsko Polje, as they became extinct in the other areas. Especially valuable are about 100 bird species, of which many are bound to the habitats of the karst fields. It is also important to note the richness of ichthyofauna, as well as the invertebrates and mammals.

24. At karst fields, coal and lignite mining has been a major industry before the war and is still playing an important role in employment and revenue generation, although on a much lower scale than before the war. There is a common belief that the existing coal and lignite mines are not significantly damaging biodiversity (although more precise data is unavailable), so the only notable potential threat would be from new plans for Tuscica to mine coal for synthetic oil production. This has not materialized yet, and is unlikely to materialize before the Canton adopts its spatial plan. Nonetheless, the mining company assures the public at large that it is “in all cases going to adhere to all EU directives and standards that are related to environmental protection.”

25. Peat extraction, driven by Finvest company in the Zdravovac area, is another notable economic activity at Livanjsko Polje. Peat was first tapped as a commercial resource in the region in 1969, and a public company began extraction operations in the area in 1975. The current private form of the company began after the war in 1996. The current exact size of the peatland varies depending on the source consulted – the Finvest Company has a concession for 770 ha, which covers the majority of the currently existing peatland. Peat extraction takes place only in the mid- to late summer, when the flooding in the area subsides adequately. Finvest does not resort to water pumping to extend the excavation season. Finvest extracts approximately 30 million litres of peat per year. It is estimated there is a total of 17.5 million cubic meters of peat available, and at current rates it would take longer than the 30 year concession period to extract the full resource. The peat layer can be up to one meter deep, according to the company sources. The extraction process leaves a bottom layer of 0.4 meters, which is not suitable for commercial use because it is mixed with the calcium carbonate substrate. The company employs 10-20 people at various times during the year. The project document estimates gross revenue of \$700,000 per year, but data collected during this evaluation indicates that the figure is likely to be in the range of \$1.5 million, based on current prices Finvest receives for its product, which is typically packaged in 50 or 80 litre bags. A portion of the revenue is shared between the Canton and B. Grahovo municipal government.

Finvest has been a willing, if sceptical, partner for the project, and noted that the project process has taken a long time.

26. To the southwest of the Livanjsko Polje region is a hydroelectric dam and reservoir, constructed in the mid-to late 20th century. Water from the region partially drains to the current reservoir, and the original plans included the construction of an additional reservoir at a depression approximately in the middle of the Livanjsko Polje. The region includes an old network of drainage ditches built throughout the 20th century, during which period the hydrological regime of the area was significantly modified. No new large drainage networks are planned (temporary ditches may be constructed without digging up to the underlying clay layer). In the absence of botanic and hydrologic studies to accompany the peat excavation works it is difficult to prevent the spread of aggressive non-wetland vegetation. This is exacerbated by the regularly occurring peat fires, which used to be kept under control by the level of the water table.

27. The project studies identified clear capacity gaps among municipalities (such as B. Grahovo and Livno) and Cantonal authorities (namely Canton 10) to carry out a serious economic and environmental research of options for the short-term, mid-term, and long-term vision of areas such as karst fields, under different assumptions and scenarios.

28. It has been shown that one of the root-causes of the threats to biodiversity is linked to poor local monitoring and enforcement capacity. The country, as well as international donors, is focused on higher government levels, which creates a problem for addressing critical capacity gaps at the local level, especially in the under-represented area of environmental conservation.

29. Mainstreaming for sectors, such as mining and water use, has to rely on good science. During the project preparation it was established that, due to limited spread of peatlands in BiH, there are practically no national experts with knowledge of peat and temperate grassland ecology in BiH. This makes it difficult to scientifically justify options/scenarios for example for peat re-cultivation or further support to extensive pastoralism on drier areas, and there is no driving force to promote rehabilitation of degraded peatland and grasslands of the karst field.

B. Concept Development and Project Description

i. Concept Background

30. According to stakeholders involved in the project design, the project concept appears to have originated with local non-governmental organizations (NGOs) interested in bird conservation, in the early 2000s; the exact origin of the concept is not known. The project in its current form evolved from the initial concept of more limited scope. Livanjsko Polje was originally viewed as a potential protected area based on the biodiversity and the unique ecosystem. Before the project started, efforts were underway to establish the area as a Ramsar site, and the area received this designation November 4, 2008. Following the initial attention in the area by NGOs, UNDP then approached the local government bodies to assess the potential for developing a full GEF project proposal, linked to the development of the Cantonal spatial plan, which presented an opportunity for biodiversity mainstreaming through the provision of technical inputs. Project development was then catalyzed through the PDF-A, with a team of international and national consultants, and numerous local consultations, as further outlined in Section III.B.iii below.

31. One source involved with project design and development indicated that in their view the project could have had a two or three times larger budget to deal with the water issues in the region in a more comprehensive way – particularly the transboundary issues with Croatia and hydropower, given the linkages of the hydrologic systems between the two countries. On the Croatia side, the countries are dependent on the water for drinking. At the same time, it was noted that accomplishing anything in the region requires time and process. Thus designing a project with significantly more funding would not necessarily have allowed addressing the transboundary issues.

ii. Mainstreaming Karst Peatlands Project Description

32. The project was designed to take advantage of the opportunity related to the Canton 10 spatial planning process, by incorporating biodiversity conservation values into the spatial plan. The project document identifies the key threats to the Livanjsko Polje biodiversity and ecosystem as peat and coal mining, and water management practices that do not include biodiversity considerations. Also mentioned are unsustainable oak logging, and natural and human-caused fires.

33. The primary barrier to effective environmental management is the limited capacity of Canton and municipal authorities to carry out planning and land management, and a lack of capacity to enforce land management laws, policies and regulations. The project sought to address these barriers by assisting in the preparation of the spatial plan such that it includes biodiversity considerations, introducing municipal level regulations for karst field biodiversity use, strengthening enforcement capacity of Canton and municipal inspectorates, developing by-laws and methodology on biodiversity-friendly peat extraction, and promoting an international agreement on water management between Croatia and BiH. As stated in the project document, the project's objective is *"To strengthen the policy and regulatory framework for mainstreaming the requirements for conservation of karst and peatland biodiversity into productive sectors (mining, water use) and spatial planning at Cantonal level."* To achieve the objective, the project focused on two main outcomes, each with sub-outputs:

- **Outcome 1:** Karst and peatland needs integrated in the BiH cantonal spatial planning policies and procedures;
 - **Output 1.1:** Canton 10 spatial plan for Livno Polje integrates biodiversity concerns;
 - **Output 1.2:** Policies in place, enforcement capacity of cantonal and where appropriate federal environmental ministries and inspectors strengthened;
- **Outcome 2:** Water use and mining policies in BiH reflect karst and peatland biodiversity conservation requirements;
 - **Output 2.1:** By-laws and methodological guidance on ecologically safe peat and coal mining developed and validated;
 - **Output 2.2:** Internationally accepted (Croatia-BiH) plan for cross-border water management plan;
 - **Output 2.3:** Lessons learned are shared.

34. The project is a GEF MSP, with \$0.95 million in GEF funding (excluding the PDF-A) and proposed co-financing of \$1.57 million, for a total budget of \$2.52 million. Table 5 following

Section IV.F breaks down the anticipated project budget by outcome, and Table 6 shows a complete breakdown of expected and actual project co-financing to date. The project is implemented under UNDP's DEX modality, with the Canton 10 government as the main executing partner. The overall expected project results are identified as the indicator targets in the project results framework, as shown in Table 7 in Section V.A.

35. Table 2 below shows a summary of the key project milestone dates. The PDF-A was approved in March 2005, and the project development and approval process was quite extended, with implementation start reached in February 2009. However, the project manager was not in place until September 2009, and thus only the inception workshop, in July 2009, was held during the initial six months. The project is planned for a 48-month implementation period, with completion currently planned for November 15, 2012. On the whole, the project development and approval period was 47 months, which is 17 months longer than the GEF average for MSPs.²

36. Stakeholders interviewed for this evaluation noted that the project implementation start was delayed following UNDP internal approval in June 2008 due to negotiations with the government regarding implementation arrangements. With the time required to hire the project manager, significant work did not begin until approximately 15 months after UNDP approval. Once the project was up and running, the project team put in a significant and focused effort to catch the project activities up to the planned level of progress as quickly as possible.

37. Had the Canton 10 spatial planning process gone ahead as anticipated, the delay in project implementation start likely would have had a negative effect on the project's ability to actively engage the planning process and follow through with the mainstreaming approach. However, the Canton 10 spatial planning process has also been delayed due to issues with the company contracted to complete the plan. Thus the project's timing has actually been beneficial in that the implementation period has coincided with the planning process, as originally envisioned. As of this mid-term evaluation, the planning process was on hold, and the project was producing the expected inputs to the process (as further discussed in Section V.A).

38. While the project is making excellent progress from its initial late start, this evaluation recommends that the project be allowed as much of the original planned 48-month implementation period as possible, which would require a no-cost six-month extension from the currently planned closing of November 2012. This additional time would allow adequate consolidation of project results and documentation and dissemination of lessons. With the current delays in the spatial planning process, an extension would also allow the project to ensure the maximum input to and influence on the spatial plan.

² GEF Evaluation Office. 2007. "Joint Evaluation of the GEF Activity Cycle and Modalities," Evaluation Report No. 33. Washington, D.C.: GEF Evaluation Office.

Table 2 Key Project Milestone Dates

Milestone	Expected date	Actual date ³
PDF-A Approval	Not Applicable	March 08, 2005
Project Information Form Approval Date	Not Applicable	September 17, 2007
Chief Executive Officer Endorsement / Approval	Not Applicable	April 16, 2008
Agency Approval	Not specified	June 27, 2008
Implementation Start (first disbursement)	July 2008	February 18, 2009
Mid-term Evaluation	February 15, 2011	March 2, 2011
Project Operational Completion	June 30, 2012 => November 15, 2012	Not Applicable
Terminal Evaluation	December 31, 2012	Not Applicable
Project Financial Closing	November 15, 2013	Not Applicable

iii. Key Stakeholder Participation

39. According to multiple sources involved in the project design phase, a wide range of stakeholders were consulted during the design. Meetings were held with the cantonal government and relevant ministries, municipal representatives in Livno and other towns, local NGOs, farmers associations, the private sector, and international NGOs. Table 3 below lists the main stakeholders, and details their role in project preparation and implementation.

Table 3 Key Stakeholders' Involvement in Project Preparation and Implementation

Stakeholder	Involvement in project preparation	Role and responsibility in project implementation
<i>Key government project partners</i>		
Ministry of Foreign Trade and Economic Relations (MOFTER)	Consultations in capacity as GEF Operational Focal Point	Exchange of information and political support. Participant of the Project Board.
Canton 10 Ministry of Construction, Spatial Planning, and Environment	Extensive consultations during the project preparation process	Co-financing, collaboration in environmental studies under the Spatial Plan preparation, a beneficiary for capacity building. Participant of Project Board.
Cantonal Inspection Office (Canton 10)	Consultations on the role and placement of the communal environmental police/biodiversity officer	Employer of the biodiversity officer to be initially supported under the project.
Municipalities of Tomislavgrad, Grahovo and Livno	Consultations during the project preparation process through bilateral meetings and participation in workshops	Collaboration and approval for environmental rules of conduct.
FBiH Ministry of Environment and Physical Planning	Extensive consultations and wide support to project elaboration. Focal Point for CBD ⁴	Political support in approval of bylaws on mining, and resolution of water management issues. Support

³ Sources: a: GEF online database; b: GEF online database; c: GEF Secretariat review sheet; e: date of GEF Secretariat letter notifying council members of project posting; e: 2010 PIR; f: 2010 PIR; g: 2010 PIR; h: commencement of mid-term evaluation field mission.

		for cross-border agreements with Croatia. Participant of Project Board.
FBiH Ministry of Energy, Mining and Industry	Consultations during the preparation process, exchange of information with Ministry's mining inspectors	Political support for approval of mining rulebooks.
Canton 10 Ministry of Agriculture, Water Management and Forestry	Regular consultations	Political support for cross-border agreement on the Cetina river catchment use with Croatia. Participant of the Project Board.
Water Agency of Adriatic Sea basin	Consultations	Exchange of information and support for cross-border cooperation with Croatia.
<i>Key civil partners and associations</i>		
World Wildlife Fund (WWF) and EuroNatur	Meetings, coordination of project development	Public awareness and NGO support activities at Livanjsko Polje, project co financing.
Local NGOs (i.e. Youth Centre Livno)	Meetings, coordination of project development	Professional contribution on the ground to some of the project activities.
<i>Academia</i>		
Sarajevo University biodiversity specialists	Close involvement in preparing the project proposal	Involvement in modification of mining instructions, environmental impact assessment process, rehabilitation design and M&E process.
<i>Private Sector</i>		
Finvest	Meetings, consultations, provision of data	Collaboration in rehabilitation works, in-kind co-financing.

iv. Additional Relevant Stakeholders

40. The state-level MOFTER has primarily a coordinating role with regard to environmental and energy issues, including serving as GEF Operational Focal Point. The ministry has limited implementing capacities, but coordinates its activities through Entities. Also, the Ministry represents the country on international level with regard to environment. However, no new competencies with regard to environmental protection are to be transferred from entities to the state level in the next few years. In the long-term, however, this administrative reorganisation should have more efficient and capable state level ministry capable of taking competencies from entities, and not only having a coordination role as it is the case now.

41. The previous State level focal point for implementation of the CBD was the FBiH Ministry of Environment and Physical Planning, but this responsibility has been transferred to the newly created Federal Ministry for Environment and Tourism (FMOIT). As CBD focal point, the Ministry is responsible for communication with international bodies, the initiation of activities required by the Convention and coordination with other relevant authorities and concerned stakeholders. The FMOIT is the competent authority for environment issues. The

⁴ At the time of writing the project document FBiH Ministry of Environment and Physical Planning was Focal Point for CBD. After the Ministry for Environment and Tourism was created, they became the Focal Point.

Federal Ministry for Energy, Mining and Industry has competency in coordination and implementation of projects related to energy and mining that are of interest for the Federation, i.e. cross-cantonal projects. The Ministry is competent for creating policy related to energy and geological explorations, including development and approval of by-laws, inspection of electro-energy objects and machinery as well as inspection of exploration and exploitation of mineral resources. The Geology Institute under the authority of the Federal Ministry conducts explorations of basic and regional geological sites that are in the interest of Federation; they also collect, analyse and provide information related to energy, mining, water supply, etc.

42. In both FBiH and RS, the agency with primary responsibility for the water sector is within their respective entity Ministries of Agriculture, Water Management and Forestry (MoAWF). Within MoAWF, each entity has a Department of Water Management responsible for the water strategy and policy, the issuing of agreements and permits, setting of standards and regulations; ensuring compliance with laws and regulations through licensing and inspections; and overall control of Public Companies for Watershed Areas.

43. Under the Law on Water (1998), the FBiH delegates the main responsibility of preparation of strategic decisions and planning regarding water issues to water authorities managing watershed areas. With the recent amendment of the law, Livanjsko Polje falls under the Agency for Adriatic Sea basin water authority. The work of water authority is guided by a mandate typical for water basin directorates mandated by the EU Water Framework Directive, and the newly established authority will gain capacity in the coming years.

44. As can be seen from the various roles and responsibilities of the relevant stakeholders, responsibility for environmental management within the national level government is diffuse. Yet there is no adequate collaboration mechanism to facilitate communication and coordination on environmental issues, which is critical for effective management. Inter-ministerial coordination on environmental issues is historically a problem in many countries, and steps to improve the situation are being considered in some locations. A similar effort must be undertaken in BiH if large-scale progress is to be made with respect to long-term sustainable development, particularly as it is related to environmental management. As a high level recommendation, this evaluation strongly encourages all relevant stakeholders to support the creation of a national coordination mechanism on environmental issues. A partial option at the country level could be, for example, through the Republic Institute for Protection of Cultural, Historical and Natural heritage of Republika Srpska. This would be beyond the scope of the present project, considering that it is based in the Federation. Such a mechanism would prepare the Natura2000 network process for BiH, contributing to the EU accession process. Support for this could be drawn from currently active initiatives, such as WWFMed's inventory of species and habitats, linked to the Habitats Directive. Once a mechanism is established, effective coordination will take time as the national institutions build their capacity to integrate and synthesize activities supporting national processes and international obligations, such as implementation of the CBD.

IV. Project Design and Implementation

A. Project Implementation Approach

45. The project is directly executed by UNDP, known as “DEX”. This is a UNDP standard approach in post-conflict countries, and all UNDP projects in countries under DEX arrangements are implemented through DEX. Thus the project manager and project associate⁵ are contracted UNDP staff members (not open term staff), and the UNDP BiH country office takes full responsibility for the administration and financial management of the project. Financial management is carried out according to standard UNDP financial rules and regulations. The project manager is also overseeing execution of another GEF project in the country (the “Biomass Energy for Employment and Energy Security Project”, GEF ID 3257). Having one project manager overseeing two projects is not ideal, but according to sources interviewed for this evaluation this was accepted in this case because of the challenges of finding and retaining qualified project managers in the country. As it was, hiring of the current project manager required five months, re-advertisement of the position, and multiple rounds of interviews. As both projects are MSPs and therefore smaller scale, this arrangement has thus far proven effective. This arrangement likely has positive implications with respect to management costs as well. The project manager is based in Sarajevo; a part-time local liaison officer in Livno is employed by the project to facilitate communication between the project manager and stakeholders in the region. All project stakeholders and beneficiaries interviewed expressed satisfaction with the implementation arrangements, and noted that the project manager regularly visits Livno and the project region, which is confirmed by the project team’s numerous back to office reports and meeting minutes.

46. The project execution is overseen by the Project Board, which is made up of representatives from the key government agencies, UNDP, and other stakeholders (as highlighted in Table 3, above). The Project Board has a mandate to provide strategic guidance to the project, support project implementation, and monitor implementation progress. As of the evaluation mission, the Project Board had formally met three times. The project team prepares annual workplans and budgets for approval by the Project Board, and submits quarterly operational reports. The Project Board has also proven to be a strong mechanism for disseminating project results to other relevant institutions within the country, such as the Federal Ministry for Spatial Planning. Unfortunately, a key stakeholder, the FMOIT (the CBD focal point), has not been engaged in the Project Board meetings, despite multiple outreach attempts by the project team. According to the project team, the ministry cites their capacity limitations as the main reason for their lack of participation. The project has had some positive collaboration with the FMOIT in the organization of a conference for the 2010 International Year of Biodiversity, as further discussed in Section VI.E on stakeholder participation in project implementation.

⁵ The project is also in the process of adding a project assistant position.

B. Project Relevance

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

i. Relevance to Local and National Environmental Priorities

48. The project is in accordance with Livno Local Environment Action Plan (LEAP). Livno LEAP, amongst others, recognizes issues related to water management and biodiversity protection and describes their state in chapter 2 of the document. The activity plan at the end of the document specifies the activities that should be undertaken to enhance the protection of the area, including environmental education and awareness-raising activities.

49. The project is consistent with the Third National Report on Biodiversity of BiH, which promotes reconciliation of economic, environmental and social priorities. The National Environmental Action Plan (NEAP) identifies conservation of biodiversity as a priority in the Chapter "Biodiversity, Geological Diversity and protection of Cultural and Natural Heritage". The "Integrated Spatial Management" Chapter of the NEAP identifies Spatial Planning as one of the main goals, for Entity and Cantonal level. The World Bank's Poverty Reduction Strategy Paper for BiH further seeks integration of biodiversity into sectors and sustainable livelihood opportunities through the "Sector Priorities Related to Environment and Water Management." Within those policies, karst and peatland fields are the main priorities in BiH, as these cover one third of the country. The FBiH has adopted a Law on Nature Protection, which sets up the norms and standards for biodiversity conservation, including for integration of nature conservation principles in spatial and sectoral planning.

ii. Relevance to International Conventions and GEF Strategies

50. As a "biodiversity mainstreaming" effort, the project supports the second strategic priority of the GEF in the biodiversity focal area: "Mainstream biodiversity conservation and sustainable use into production landscapes, seascapes and sectors." This is the most recent iteration of the GEF biodiversity strategic priorities (developed for GEF-5), but this is not significantly different than the GEF-4 strategic priorities at the time the project was developed and approved. This priority is supported through the project's direct technical contributions on biodiversity and water management to the Cantonal spatial planning process. The Cantonal spatial plan will guide the management and development of economic activity in the Livanjsko Polje ecosystem and surrounding area for 10 years, once completed. According to the project document, within 10 years of implementation start the project will ensure biodiversity-friendly economic activities across 125,000 hectares of production landscapes, including the area covered by the karst peatlands. However, according to the project-completed GEF Tracking Tool for strategic priority 2, the project is indirectly covering 41,000 hectares, while directly focusing on 750 hectares. Based on the project activities and objectives, the project is assessed to be relevant to GEF strategies and priorities.

51. The project also supports BiH's national commitments for implementation of the CBD, to which the country acceded on August 25, 2002. The project is broadly supportive of the CBD objectives, but is specifically relevant to Article 6 (General Measures for Conservation and

Sustainable Use), Article 7 (Identification and Monitoring), Article 8 (In-situ Conservation), Article 10 (Sustainable Use of Components of Biological Diversity), Article 12 (Research and Training), and Article 13 (Public Education and Awareness). The project also supports the Ramsar Convention on Wetlands, as the project site is classified as a Ramsar site.

52. Although a target date for EU accession has not been set, BiH is already working to harmonize policies and laws with relevant EU policies. In this regard the project supports within BiH the EU Birds Directive, EU Habitats Directive, and EU Water Framework Directive.

C. Project Management and Cost Effectiveness (Efficiency)

53. As described in Section IV.A above, the project is implemented under DEX arrangements. Information and data available for this evaluation indicate that UNDP and the project team have taken all possible efforts to ensure project cost-effectiveness. The project financial management is carried out according to UNDP rules and procedures, including contracting and procurement. All indications are that the project is implemented along financial norms and standards for international development projects. The monitoring and evaluation plan in the project document indicates that the project will be included in an annual audit of the UNDP country office by UNDP certified independent auditors, but the project has not yet been selected among the projects from UNDP's portfolio for auditing. The project undergoes an annual budget revision (in June), and quarterly financial reports are submitted by the project team to trigger disbursements for the subsequent period. As can be seen in Table 5, the project management budget is set at 10% of the GEF allocation - \$95,000 – which is in-line with GEF policies and requirements.

54. At the point a mid-term evaluation is conducted it is not possible to make a full assessment of the cost-effectiveness of project results, and the terminal evaluation is expected to further review and assess this aspect. Reviewing the project management and financial management procedures, and results produced thus far, the project **efficiency** is rated *satisfactory*. There are no significant risks for cost-effectiveness noted at this time, but the project team and Project Board will need to continue ensuring that the project remains results-focused rather than just completing activities because they are planned in the project document. The project activities related to a transboundary water management agreement, and those related to peatland restoration, will need to be assessed for their cost-effectiveness and considered for revision in the second half of project implementation, as discussed later in this report.

D. Financial Planning by Component and Co-financing

55. The total planned budget for the project is divided between the two main outcomes and project management activities. As shown in Table 5, Outcome 1 is budgeted for 32.7% of GEF resources, and Outcome 2 is budgeted for 57.8% of GEF resources. Project management is budgeted for 10% of GEF resources. Considering planned co-financing at project approval, the two outcomes are more evenly budgeted at approximately 41% and 49%, respectively. A significant portion of the co-financing was to come from UNDP with total co-financing of \$900,000, split between grant and in-kind allocations. Another large portion was to come from the Canton and municipal governments in the project region, also in both cash and in-kind. Remaining co-financing partners consist of the private sector (the Finvest company) and various

NGOs. As of February 22, 2011, just prior to the mid-term evaluation mission, the project had received 58.9% of expected co-financing. The fact that co-financing is ahead of pace at the mid-point is a strong indicator that the remaining co-financing committed will be received. In addition, some new co-financing partners, particularly local NGOs and local government institutions, have provided co-financing that was not anticipated at project approval; this is another positive sign highlighting the relevance of the project, and increasing stakeholder ownership in the process and eventual results.

56. One challenge for the project has been the decline in the value of the United States dollar (USD) since the time when the project budget was initially designed, which has reduced the project’s local purchasing power. As a result, some project activities have had to be reduced in scope, and some revisions made to the budget.

E. Flexibility and Adaptive Management

57. The project is being implemented in a flexible manner, through regular contact with the main stakeholders to overcome obstacles and develop approaches that reflect the changes that occurred in the period between project planning and implementation.

58. Since a period of time between the project planning and the project implementation was unusually long, the inception report revised the project document in line with the changes that occurred in the meantime. The inception report contains revised project risk log, as well as the logframe indicators. The following issues were identified as high and medium level risks: the possibility of reaching cross-border agreement with Croatia during the project life, and the time discrepancy between the Karst project start-up and the start-up of the Canton 10 spatial plan.

59. The project indicators and logframe were reviewed during the inception phase. Due to the assumptions and risks identified in the inception phase, and due to the current state of activities, two indicators were suggested for slight revision. A list of the two adjusted indicators and their targets is provided in Table 4 below.

Table 4 Original Logframe Indicators Revised Following Inception

Revision A	Original indicator (<i>under the project objective</i>): Share of indicator plant wetland communities (<i>Carex</i>) in renaturalized 750 ha of peatland habitat.	Target: 30%
	Suggested new indicator: Share of indicator plant wetland communities (<i>Carex</i>) in renaturalized 750 ha of peatland habitat.	Suggested new target: Distribution and size of the <i>Carex</i> sledges share increases by 10% or shows the potential to further increase after project closure.
	Justification: Concerning that the rehabilitation and naturalization measures will be conducted near the end of the project and after all relevant field audits and analysis, there might be a chance that there will not be sufficient time frame for the plant communities to develop and increase their coverage of the surface to 30%, before the evaluation period. Also, there has been no baseline data on the actual <i>Carex</i> distribution. A company has been contracted to do the mapping, so the baseline data will be provided.	
Revisi	Original indicator (<i>under Outcome 1</i>): Officially approved maps delineating the geographic and physical boundaries of	Target: A set of maps approved by Cantonal and Federal Government as part of Spatial plan.

<p>potentially damaging activities at Livno Polje (mining, water management, logging).</p>	
<p>Suggested new indicator: Expert maps compiled delineating the geographic and physical boundaries of potentially damaging activities at Livno Polje (mining, water management, logging).</p>	<p>Suggested new target: A set of maps prepared by the project and submitted to the Canton 10 Government as an addendum to the spatial plan or as a basis set of documentation for future spatial planning activities.</p>
<p>Justification: As described in the risk and mitigation strategies review the preparation of the Canton 10 Spatial Plan is well advanced and in discrepancy with the Karst project activities and project start-up. The project inputs (in this case specific mapping documentation) of integrating karst biodiversity concerns may be taken in account as an addendum to the plan in a scenario where the spatial plan is already approved by the Cantonal authorities. The aim in that case would be to distribute the findings as an additional publication and envisage them as future basis documentation within spatial planning of other BiH Cantons.</p>	

60. Ongoing risk monitoring of project implementation has been carried out. As one example of additional adaptive management measures taken during implementation, at the third meeting of the Project Board, the number of communal environmental officers was revised. Four communal officers were supposed to be hired. Due to changes in budget caused by USD fluctuation, and the fact that Canton 10 Administration for Inspection was formed, it was decided that one inspector should be hired on cantonal level, rather than four on municipal level. The decision was reached after a consultation with the appropriate UNDP technical staff. As another example, the Project Board and independent experts contracted by the project have also identified the planned project rehabilitation activities as high risk. From changes in the logframe, risks and decision to change the number and placing of inspectors taken during the project implementation, it is obvious the project team is focused on achieving results and not just implementing the project activities as they were originally written.

F. UNDP Project Oversight

61. Because the project is implemented under DEX arrangements UNDP does not play the same supervision role as seen in projects implemented under NEX arrangements, where the executing organization is a separate entity. For this project a UNDP staff member is the project manager, and is supported by UNDP senior technical staff. As discussed in Section IV.A above, the project has thus far been implemented in a fully satisfactory manner as envisioned in the project document. All stakeholders interviewed for this evaluation indicated that the level of communication, collaboration, and coordination with UNDP has been very good. This extends to the project development period as well, where stakeholders indicated that although the development process took much longer than expected, UNDP was always a good partner. There were some aspects of the project design that could have been strengthened, such as the logframe, but overall the project design was well-developed, with all aspects of the project clearly outlined and key GEF criteria addressed.

Table 5 Project Planned and Actual Expenditure Through February 28, 2011 (all amounts in millions USD)

	GEF Amount Planned	% of GEF Amount Planned	Total Planned	% of Total Planned	GEF Amount Actual	Actual % of GEF Amount Planned
Outcome 1: Karst and peatland needs integrated in the BiH cantonal spatial planning policies and procedures	\$0.31	32.7%	\$1.03	40.9%	\$0.17	54.8%
Outcome 2: Water use and mining policies in BiH reflect karst and peatland biodiversity conservation requirements	\$0.55	57.8%	\$1.24	49.2%	\$0.29	52.7%
Monitoring and Evaluation	\$0.07	N/S*	\$0.07	N/S*	N/S**	N/S**
Project Management	\$0.01	9.5%	\$0.25	9.9%	\$0.05**	500.0%
Total	0.95		2.52			

*A total budget for monitoring and evaluation was provided in the project document, but it was not specified from which component of the project this budget would be drawn. M&E was not broken out separately in the project framework table.

** Actual amounts are based on UNDP ATLAS budget categories, and thus may not correspond directly to the planned budget categories as broken out in the project document. For example, "Project Management" is tracked as "Activity 3" in ATLAS, but may include more than the project management activities as defined by the GEF. Monitoring and evaluation budget expenditure was not specifically broken out in ATLAS records.

Source: "GEF Amount Planned" and "Total Planned": CEO Endorsement Section A "Project Framework"; "GEF Amount Actual": Project budget ATLAS records provided by the project team.

Table 6 Project Planned and Actual Co-financing Through February 22, 2011 (all amounts in millions USD)

Co-financing (Type/Source)	IA own Financing		Multi-lateral Agencies (Non-GEF)		Bi-lateral Donors		National Government		Local Government*		Private Sector		NGOs**		Other Sources		Total Co-financing		Percent of Expected Co-financing
	P	A	P	A	P	A	P	A	P	A	P	A	P	A	P	A	P	A	
Grant	0.45	0.45							0.37	0.12							0.82	0.57	69.5%
Credits																			
Loans																			
Equity																			
In-kind	0.45	0.15							0.08	0.05	0.10	0.00	0.12	0.23			0.75	0.42	56.0%
Non-grant Instruments																			
Other Types																			
TOTAL																	1.57	0.99	58.9%

P=Planned; A=Actual

*Includes co-financing from: Livno Municipality and Canton 10

** Includes co-financing from: EuroNatur, NGO Vrisak, NGO Ug Grahovo, NGO CML

Source: Project document, and data provided by project team.

V. Project Performance and Results (Effectiveness)

62. Keeping in mind that this is the mid-term evaluation and the project has at least one and a half more years of implementation, considering the progress thus far toward the achievement of the overall project objective and expected outcomes, **effectiveness** is rated *satisfactory*. The mid-term evaluation ratings on effectiveness and all other aspects are based on the evaluative evidence at this point in the project's implementation, and evaluation ratings at the end of the project should also consider the full range of evaluative evidence available at that point.

A. Progress Toward Achievement of Anticipated Outcomes

63. The project objective is *"To strengthen the policy and regulatory framework for mainstreaming the requirements for conservation of karst and peatland biodiversity into productive sectors (mining, water use) and spatial planning at Cantonal level."* As of the mid-term evaluation, the project appears to be on track to achieve the project objective. Implementation progress by logframe indicators is outlined in further detail in Table 7 later in this section. However, as highlighted in Section VI.C on monitoring and evaluation, the project would benefit from revised indicators and targets that more directly reflect the activities and potential achievements of the project. For example, there is no indicator in the logframe related to the project's work on the transboundary water management agreement between BiH and Croatia. Thus it is challenging for an independent evaluation to assess project progress and results when relevant indicators are not in place.

64. One key factor related to the overall project objective is the process by which the Canton 10 spatial plan will be completed. The company originally contracted to complete the plan made extensive initial progress, but then faced financial difficulties that caused the completion of the plan to be put on hold. The situation is currently being resolved through the courts, and it is expected that a solution will eventually be found to allow the completion of the Cantonal spatial plan. In the meantime, the project has provided its technical inputs to the relevant government authorities, which have indicated they will share them with whichever company or group of individuals picks up the work on the spatial plan. Project partners have stated that the project inputs are of high quality and are greatly appreciated, so the inputs will likely be used for planning in the region one way or another. However, the project's overall objective is for the completed spatial plan to incorporate biodiversity considerations based on the technical inputs – thus the risk that the spatial plan is not completed by the end of the project (a process out of the hands of the project team) could ultimately affect the achievement of the project objective.

65. Beyond the spatial plan, the other project activities under each of the outcomes below will also contribute to the achievement of the project objective, as they have thus far been successfully implanted, as discussed below.

i. Outcome 1: Karst and peatland needs integrated in the BiH cantonal spatial planning policies and procedures

66. Outcome 1 of the project includes the primary mainstreaming activities in terms of the inputs and processes for integrating biodiversity considerations in the spatial planning process. This outcome also includes the development and adoption of incentives at the municipal level

for pro-biodiversity businesses, the micro-grant program, the development of municipal by-laws and policies for sustainable use, and strengthening enforcement capacity among municipal and Cantonal officers and inspectors.

67. The project has financed several integrated technical studies by well-qualified technical institutes and individuals supporting the mainstreaming of biodiversity in spatial planning for the region. The technical studies produced by the project have been submitted to as inputs to the spatial plan development process, and have been well-received by all stakeholders. The Cantonal spatial plan now contains a biodiversity component, after including comments from the project consultant (the expert in spatial planning and biodiversity). The project consultant reviewed the current spatial plan and contributed further inputs. Segments of the materials have already been incorporated into the spatial planning document of the Canton, therefore contributing to biodiversity integration for the major strategic document of the Cantonal government. The capacity of municipal and Cantonal officers and inspectors was strengthened through a study tour, distribution of information materials, and on the ground training on similar ecologically valued areas in Slovakia. The raised awareness was documented through a survey of participants before and after the trainings.

68. A cluster of experts for spatial planning and mainstreaming biodiversity within the project have developed a SWOT analysis for land use within Livanjsko Polje, for different development scenarios – the segments of the study are expected to have a contribution within the next steps of spatial plan preparation.

69. According to the representative of the Federal Ministry for Spatial Planning, the project assisted in creation of the most adequate solutions for the spatial development of Livanjsko Polje through analysis of key aspects and specificities of the Ramsar site and peatland area.

70. The project's sub-contractor team has developed maps for water protection zones. The maps will make an essential contribution to the spatial plan and the cross-border water management agreement proposal.

71. The delay on the spatial plan work enabled the expert in spatial planning and biodiversity to provide detailed inputs for the plan. Creation of the position of the Environment / Biodiversity Officer in the Cantonal Administration for Inspection will contribute to the environmental monitoring. The Cantonal Administration is willing to keep the position after the end of the project, if it shows tangible results. The project has also provided government partners with technical support, such as computers, Geographic Information Systems (GIS) software licenses, and training on GIS.

72. Under the micro-grants program, in the first round of grant selection, three proposals were approved:

- Livno Youth Center (NGO): Towards Breeding and Reintroduction of Freshwater Crayfish;
- Women Citizens' Association of Grahavo: Creativity and Tradition Leading to the Economic Stability of Returnees;
- Vrisak Beekeepers Association: Improvement of Beekeeping production.

73. These small-scale projects were selected among eight proposals as meeting the necessary project criteria. The micro-grant projects are currently being implemented.

74. The study tour to Slovakia with regional representatives was completed in the 4th quarter of 2009, with 15 participants. The study tour represents an excellent example of collaboration between GEF projects – the study tour was hosted by the organization DAPHNE in Slovakia, which was the executing organization for the GEF-funded project “Conservation, Restoration and Wise Use of Calcareous Fens,” (GEF ID 1681).

ii. Outcome 2: Water use and mining policies in BiH reflect karst and peatland biodiversity conservation requirements

75. Outcome 2 focused on the development and validation of by-laws and methodological guidance on ecologically friendly peat mining in the 750-hectare area where peat extraction is taking place. Also under outcome 2 is the work being completed on the transboundary water management agreement between Croatia and BiH. The sharing of lessons on sectoral mainstreaming for peatlands and karst biodiversity is also included under this outcome, as well as public outreach and awareness raising activities. The indicators for outcome 2 are the stabilization of the water table, and the incorporation in municipal spatial planning of approaches promoted by the project.

76. One of the sub-contracted expert groups is currently working to develop guidelines on environmentally friendly peat extraction. Such guidelines will be extremely useful, and will provide insight on the least environmentally damaging approaches for the peat extraction, which is certain to continue. As it is, Finvest leaves the bottommost 0.4 meter layer of peat when extraction activities are carried out, because this layer is mixed with the calcium carbonate substrate and is not suitable for commercial use.

77. One of the notable project achievements to date is the development and dissemination of a model biodiversity policy for adoption by the municipalities in the region. Few, if any, municipalities in the country or even the region are likely to have a specific biodiversity-focused policy. The municipal government partners have indicated that their government are working to adopt the policies, with some modifications to suit their individual circumstances.

78. The project activities focusing on the transboundary negotiations have been reduced in focus to a more realistic approach than what was targeted in the project document. According to the project document, concluding a cross-border water use and management agreement for the Cetina catchment is the ultimate aim of the project under this activity, but the project document also notes in the risks section that such an agreement may not happen in the lifetime of the project. The project document focused on producing a cross-border Strategic Environmental Assessment that would serve as the technical basis for a political agreement. It was envisioned that the project would support lawyers and other professional specialists to develop and finalize the agreement. As it presently stands, according to the project team, there is little political will to move the process of negotiating a transboundary agreement forward. According to the project team, it has been determined that the project will seek to provide technical inputs to the dialogue, but will not tie itself to the political process of negotiation that is far outside of the project’s control.

79. Awareness and education activities included support for the celebration of World Environment Day in 2010, focusing on the involvement of youth. The project supported a school art works competition related to environmental issues. The main awareness raising

campaign is to be carried out in 2011, including development of materials for use in schools, and dissemination of information through schools, through posters, brochures, etc. A one-day training for local media is also foreseen.

80. With the general low level of awareness and understanding on environmental issues in the Canton 10 region (as described by all project partners and stakeholders interviewed for this evaluation), public education and awareness raising is a critically important activity. It will only be through public motivation and pressure that the region can forge a vision of a future based on sustainable development, and then support local government to execute such a vision. As previously mentioned in this report, this evaluation recommends an increased and sustained focus on education and awareness activities in the project focus area. Additional inspiration for effective education and awareness activities can be found in good practices and examples from other GEF projects in the region – in particular, the previously mentioned project in Slovakia that addressed peatland ecosystems. The executing organization for this project, DAPHNE, developed a number of innovative approaches to education and awareness activities, including a teachers' kit, with relevant teaching materials combined in a single easily transportable box. Curriculum materials were also produced.

Table 7 Project Logframe: Progress toward outcomes and suggested revisions

Objective / Outcome	Indicator	Baseline	Target	Self reported progress at June 30, 2010	Evaluation Assessment	Suggested revisions
Objective: To strengthen the policy and regulatory framework for mainstreaming the requirements for conservation of karst and peatland biodiversity into productive sectors (mining, water use) and spatial planning at Cantonal level	Population size of the indicator species: 1. Great Bittern at Zdralovac Blato 2. Corncrake at 12x6 km in the northern part of Polje (peatland area monitored by ornithologists)	1. Great Bittern: 5 calling males singing male across the Blato 2. Corncrake: 200 callers	Stabilization at baseline level.	1. Great Bittern: 3 calling males (According to the report of EuroNatur (cofinancier) - a brief counting was conducted and might not be accurate) (2009: 6 booming males) 2. Corncrake: 313 callers according to 2009 count of EuroNatur	As noted, additional environmental monitoring over an extended period of time would be required to validate the current status of the identified indicator species.	Impact level indicators, such as indicator species, are important to assess eventual impact level results. However, there needs to be a clearly rationale for the species chosen, and justification in terms of the linkage between project activities and species status. It is unclear how or why the species indicated are relevant for the project activities. The target values should have timeframes associated – given that the main project activity relates to the Canton spatial plan, results are not likely to be seen until the spatial plan is approved and implemented, which will be many years after project completion. Thus it should be made clear that the target value is not expected to be achieved by the end of the project.
	Share of indicator plant wetland communities (Carex) in renaturalized 750 ha of peatland habitat	10%	Distribution and size of the Carex sedges share increases by 10% or shows the potential to further increase after project closure	The vegetation share will be assessed after rehabilitation of the area, closer to the project closure	The small-scale restoration activities planned could have some positive impact, but it is unknown if natural regeneration would be as or more effective.	This indicator should be revised once it is determined whether or not the assisted regeneration restoration activities will be carried out. This evaluation suggests that these activities may not be cost-effective in terms of delivering results of meaningful scale. Further scientific research is required to determine whether natural regeneration is adequate, and/or to identify cost-effective and logistically feasible restoration measures. As noted in the review of a biodiversity expert contracted by the project, there are a very limited number of people in the country with the technical capacity to oversee such restoration measures.
Outcome 1: Karst and peatland needs integrated in the BiH cantonal spatial planning policies and procedures	Expert maps compiled delineating the geographic and physical boundaries of potentially damaging activities at Livno Polje (mining, water management, logging)	0 Zero	A set of maps prepared by the project and submitted to the C10 Government as an addendum to the Spatial plan or as a basis set of documentation for future spatial planning	8 maps as follows: 1. Map of Vegetation in Livanjsko Polje, 2. Map of natural habitats in Livanjsko Polje, 3. Map of assessed biodiversity values, 4. Map of peatlands in Livanjsko Polje, 5. Map of Wetland vegetation and area significant for birds population,	Maps have been prepared as indicated. The integration of these inputs in the spatial plan remains to be completed, but is expected to occur. Much depends on the process for completing the cantonal spatial plan, which is currently on hold. The materials may also be included in	It is likely that the Cantonal spatial plan will be completed by the end of the project, and the target should be achieved. The project would benefit from a much more results-focused indicator. As it is, the compilation and submission of maps is only an output-level indicator that can be easily completed, but may not lead to the desired results. A more specific and relevant indicator would be related to the degree to which the spatial plan incorporates this material.

			activities	6. Comparative map of landuse and high biodiversity values, 7. Landuse maps, related to industries and forest use, 8. Map of water protection zones boundaries	the federal spatial planning process.	
	Number of environmental government officials and inspectors at cantonal, federal, and municipal level with increased understanding of the ecological values of karst systems and ways for their proper management	0	10	9 local officials including - Minister of agriculture and his advisor, 2 Senior officers from the Ministry of the environment and 3 municipal advisors (Municipalities Livno and Tomislavgrad), Senior Officer from Federal ministry of tourism and environment, Representative of Ministry of Agriculture of RS, representative of Ministry of Environment and spatial planning of Canton 10.	Concur with reported results. According to the project team, approximately 20 people have already been trained, and testing was carried out before and after the training sessions and indicated a 30% increase in knowledge related to peatlands and their management. The first "training" conducted was the seven day study tour to a related project in Slovakia.	The indicator could be improved on two measures – 1. A specified focus on "senior" level decision-makers, defined as those individuals that have influence on policy-making processes. 2. A clear rationale for the number of people targeted. The project easily surpassed the target value, and there needs to be a justification for the value selected in terms of the project's objectives. Assumptions would need to be made about how many people are involved in decision-making processes in each institution, but this is acceptable as long as it is explicit. The project is working with three municipalities and two cantonal ministries, but the project would also like to have influence among academia and civil society. On this basis a relevant target value could be specified. In the context of the Canton 10 region, training MORE persons may not always be the most effective approach – there may not be that many relevant decision-makers in the region, and therefore additional trainings could focus on further increasing the knowledge of some of the people that participated in previous trainings.
Outcome 2: Water use and mining policies in BiH reflect karst and peatland biodiversity conservation requirements	Ground water table at renaturalized peatland in the North-Western part of the karst field	During October – March the groundwater table at 700 ha in the southern part of the peatland stays below 30 cm.	Stabilization in year 3 and 4 of the project, according to the following pattern: during months October – March the table is not lower than 15 cm below soil at the renaturalized	This target will be closely assessed at 3rd and 4th year of the project	Results not yet assessed.	The targeted area under the indicator needs to be specified and defined. This indicator appears to again be focused on the results from the small-scale pilot restoration activities, rather than the outcome focused on water use and mining policies. The pilot restoration measures have yet to be implemented, and may never be. The whole peatland area will be managed under the spatial plan, but in this case results would not be seen by the end of the project. Depending on what happens with the restoration activities, this indicator may not be relevant as a project results indicator. The water levels in the peatlands can be considered

			700 ha in the southern part of the peatland area			<p>a relevant indicator in the context of the overall status of the ecosystem, but ongoing monitoring is required. The original logframe indicates that the baseline data is from Finvest.</p> <p>This indicator could be revised to focus on outcome level results related to water use and mining policies, and the extent to which biodiversity considerations are incorporated. Alternatively, it could be specified that the desired impact level results related to the water table are not expected to be achieved by the end of the project.</p>
	Number of municipalities preparing to integrate project approaches and lessons into their municipal spatial planning closer to the end of the project	0	3	<p>The spatial planning process on the cantonal level already involves three project municipalities, therefore it includes their participation in the process. The municipal spatial plans are to be developed after finalization of the Cantonal and Federal spatial plan. However, through project activities, the project municipalities will certainly integrate project approaches and lessons learned into their daily activities, policies and finally individual spatial planning activities in the future. The results on this issue would be visible after development of the cantonal spatial plan and closer to the end of the project.</p>	<p>The municipal spatial plans will be completed following the Cantonal spatial plan, but this may not occur before the end of the project. Based on the participation of municipal authorities in the project process, and the influence of the cantonal spatial plan on the municipal spatial plans, the target is likely to eventually be achieved. The project is preparing some municipal specific materials, including a draft biodiversity policy produced by one of the project consultant teams.</p>	<p>No specific revisions suggested.</p> <p>On the whole, there could be an improved set of indicators developed for outcome 2 in the logframe to more appropriately and accurately reflect project activities, and set relevant results targets.</p>

B. Priorities and Risks for the Remainder of Implementation

81. Table 8 below summarizes, in the view of this evaluation, the important priorities and risk factors for the remaining project implementation period. This table is not intended to identify all possible risks, but highlights those considered most relevant in the view of this evaluation. There may be other risks or priorities deemed important by project partners and stakeholders to which attention should also be paid. Ongoing risk monitoring and assessment is critical for adaptive management and successful project implementation.

Table 8 Key Priorities and Risks for the Remaining Implementation Period

Priorities / Risks	Issue Summary	Priority Actions / Risk Mitigation
Priority: Education and awareness	Raising awareness is critical in the context of an area where environmental awareness is relatively low – awareness-raising is needed to change people’s behavior and build political support for implementation of positive environmental policies	Recommendation: This evaluation recommends that the project consider shifting resources planned for small-scale site restoration to public awareness activities (see below). However, before additional awareness activities are funded, a clear baseline should be established, and then followed up on at the end of the project.
High risk: Pilot/demo level restoration activities	The project document and workplan foresees the completion of some small-scale pilot restoration activities, related to canal blocking and assisted regeneration of Carex vegetation. However there are a number of logistical and practical issues that would require significant time to overcome. Small-scale activities could provide some lessons, but this benefit would not appear to be worth the time and resources required, especially when there are no immediately evident sources of funding for replication and scaling-up. The project funds available for water table related restoration activities (e.g. canal blocking) are likely not enough to facilitate a significant influence on the water table for the overall site. A larger scale intervention is required to have a worthwhile impact.	The value of small-scale pilot restoration measures appears to be limited, and there are multiple challenges to implementing such measures. To mitigate against the potential for cost-inefficiency and to ensure a results-based approach, this evaluation recommends that the Project Board consider shifting a portion or all of the resources planned for the small scale restoration activities into education and awareness activities – achievements in awareness activities would be more diffuse and longer-term, but are critically needed. Further scientific data is also required to assess how and if natural regeneration of the vegetation occurs in peat-extracted areas, and on what time frames. Project resources could also be redirected into more systematic and comprehensive ecological research on the peat ecosystems in extracted and still-natural areas.
Low-level risk: Progress on a cross-border agreement with Croatia	The project was expected to contribute to the establishment of a transboundary water management agreement between Bosnia and Croatia. Some progress has been made based on technical inputs provided by the project, but overall progress toward the establishment of such an agreement is dependent on factors outside the project’s control, and it is not clear what the extent of	The amount of time and resources required to catalyze and finalize an effective transboundary water management agreement is far beyond the scope of the project. This issue appears to have been included in the project design because it is a relevant issue to the management of the peatlands, but the expectations of the project’s contribution were too ambitious. Securing such an agreement depends on high-level political negotiations covering a wide range of issues, including cost-sharing between the two sides, etc. The project should limit

	the project's contribution will be.	its effort expended on this issue, and the logframe should be revised to take into account the fact that such an agreement is beyond the scope of the project.
Priority: Linkage of micro-grant outputs to biodiversity conservation of the karst field	Under the project micro-grant funds have been provided to a small number of individuals and organizations to support environmentally friendly, sustainable development and environmental management in the region. Supported activities include honey production and crayfish restoration.	It must be ensured that the micro-grant activities are placed in the appropriate broader context, and leveraged to contribute to the overall objectives of the project, rather than being carried out as small isolated activities. In this sense, the project team should work with the grantees to ensure that information about their activities reaches a wide audience, through presentations, tours, or outreach materials.
Priority: Linking economic benefits and financial potential to the karst field and environmental protection	Local government officials are required to develop and implement policies based on the best information available, including decisions about the path of economic development. However there is often an inadequate accounting of the economic value of conserving environmental resources. Frequently short-term unsustainable economic benefits are favored at the cost of longer-term sustainable options.	It is recommended that the project support research and analysis to identify and disseminate information demonstrating the link between environmental resources and sustainable economic development. This could include an assessment of the financial value of ecosystem services in the region, and/or a feasibility study for a regional eco-label regime. The results of an ecosystem services assessment would then need to be shared and promoted to local policy makers.
Priority: Finalization of the Livno karst field as a category V IUCN protected landscape	The project focus area is already classified as a Ramsar site, but this approval process, including the definition of boundaries, was not carried out with adequate local stakeholder participation and input. At the national level, a process has begun to formally include the area as part of Bosnia and Herzegovina's national protected area system, with a classification as a protected landscape, considered category V under the IUCN system. National protected area status would be a great benefit for the conservation of the area, as it is required to take following management steps such as zoning, etc.	Adoption of protected area status is not and should not be a results target for the project. However, within the framework of the overall project objective for conserving biodiversity in Livno karst peatlands, this is an area where the project may be able to provide valuable support. It is anticipated the area will be included in the Cantonal spatial plan as a potential protected area, and the project stakeholders should examine additional opportunities to provide supplemental inputs or other support to the process of formal declaration of the protected area at the national level. This could be pursued in an opportunistic manner, and should not reach a level of distraction from the primary project activities and outcomes.
Low risk: Lack of environmental monitoring	There has been increasing emphasis within the GEF portfolio to demonstrate that projects are delivering impact level results. In recent years project designs have become more robust in terms of identifying impact level indicators and including associated specific targets. In addition, effective environmental management requires data on the	The current project will need a mechanism and data by which to assess the environmental status of the peatlands at the end of the project, and assess progress over time. Ideally environmental monitoring would be carried out over an extended period of time to assess biodiversity and other ecological trends in the target area. While the resources for a comprehensive monitoring program are not currently available, the project should leverage all opportunistic chances to consolidate

	status and trends of environmental resources. The current peatlands mainstreaming project logframe includes impact level indicators and targets, but at present, there is little systematic or comprehensive environmental monitoring conducted in the Livno karst peatlands.	environmental trend data and develop a strategy or framework to facilitate the long-term tracking of results.
Priority and risk: Consolidation and sustainability of sustainable development vision in the region	The Livno region and Canton 10 are nearing a crossroads for the future, and the question remains which vision of economic development will be the dominant one. On the one hand, the region has important energy resources (e.g. coal) and industry is a traditional source of economic prosperity. On the other hand, many residents have a desire and vision for an environmentally sustainable future with an economy likely based on agriculture and tourism. However there is currently no mechanism by which such a vision could be consolidated among multiple various stakeholders, and further developed to have a chance of becoming reality.	The project's primary objective is the mainstreaming of environmental considerations in the spatial plan, which should contribute to a more environmentally sustainable future. But once the project closes, the current level of stakeholder activity is likely to subside, and there are risks to sustainability. To help address this risk and contribute to sustainability, the project should assess the feasibility of catalyzing a regional mechanism to continue focusing efforts on environmental conservation once the project closes. There are currently a few civil society organizations in the region, but they have extremely limited capacity. The project should consider how to contribute to the development of the capacity of civil society in the region, and the creation of partnerships among stakeholders. What seems to be lacking at the moment is a strong local champion or champions who have a platform to continue building activity.

VI. Key GEF Performance Parameters

A. Sustainability

82. While a sustainability rating is provided here as required, sustainability is a temporal and dynamic state that is influenced by a broad range of shifting factors. It should be kept in mind that the important aspect of sustainability of GEF projects is the sustainability of results, not necessarily the sustainability of activities that produced results. In the context of GEF projects there is no clearly defined timeframe for which results should be sustained, although there is the implication that they should be sustained indefinitely. The greater the time horizon, the lower the degree of certainty possible when evaluating sustainability.

83. In addition, by definition, it is difficult for mid-term evaluations to provide ratings on sustainability considering that many more activities will be undertaken that may positively or negatively affect the likelihood of sustainability. Based on GEF evaluation policies and procedures, the overall rating for sustainability cannot be higher than the lowest rating for any of the individual components. Therefore the overall **sustainability** rating for the Karst Peatlands Mainstreaming project for this mid-term evaluation is *moderately likely*. A much more valuable assessment of sustainability is likely to be made by the terminal evaluation.

i. Financial Risks to Sustainability

84. There are limited financial risks to sustainability at present, and sustainability in this regard is considered *likely*. The key project results will be the project's inputs to the spatial planning process, which will be incorporated in the spatial plan. The long-term question will be the degree of implementation of the plan over time, but this is beyond the scope of the immediate project, and will require the inputs and support of many different stakeholders. In addition, the regional legal inspectorate (responsible for regulatory enforcement) has committed to employing the Cantonal biodiversity officer once the project is finished. The other outstanding question is the long-term availability of resources in the Livanjsko Polje region to sustain stakeholders' active engagement on environmental issues, once the project has closed. The project is currently supporting public awareness and other community-level activities, and other sources of funding will have to be found to continue these activities, which are critical to the development of a long-term vision of sustainable development in the region. In the immediately preceding section of this report, the evaluators recommends that project partners assess the possibility of catalyzing a sustained mechanism for active stakeholder engagement on environmental issues in the region.

ii. Sociopolitical Risks to Sustainability

85. The main question related to sociopolitical sustainability has to do with the long-term effectiveness of political institutions in supporting and enforcing land use policies and regulations in the region. During the evaluation mission multiple stakeholders noted that there is not always clear rationale or good transparency with respect to some political decision-making processes, such as the allocation of concessions for economic development activities. Once biodiversity considerations have been included, for the Cantonal spatial plan to be effective in the long-run and to generate and sustain global environmental benefits, it must be consistently and adequately implemented over time. This means that regional decision-making must consistently align with the tenets of sustainable economic development and land-use laid out in the spatial plan. There are strong indications from project partners and stakeholders that this will be the case, but this will need to be monitored over time by all stakeholder groups – government, civil society, the media, the private sector, and the general public. Sociopolitical sustainability is considered *moderately likely*.

iii. Institutional Framework and Governance Risks to Sustainability

86. In relation to institutional and governance risks, the sustainability of the Mainstreaming Karst Peatlands project results is considered *likely*. The biodiversity is integrated in the Spatial planning process, but the water management issue is questionable, with respect to the necessary negotiations between BiH and Croatia. The project has the support of main local stakeholders – Cantonal Ministries, Administration for Inspection, even the cooperation from the Finvest peat extraction company in relation to rehabilitation works on the land where they own the concession. The area still needs to be declared protected in accordance with BiH Laws. Actual implementation of biodiversity protection after the Spatial Plan has been finalized needs more awareness raising and trained inspectors to ensure sustainability.

iv. Environmental Risks to Sustainability

87. There are multiple environmental risks to the region, but some of these threats were present prior to project implementation (e.g. peat extraction). A key risk for the sustainability of the peatland protection is fires in the peat extraction areas. In the areas where the water table lowers and the peat burns, the natural regeneration cannot occur and succession occurs, with shrubs and trees replacing the natural vegetation. The tradition of locals to burn patches of land every spring also contributes to unwanted fires. These areas, once burned and undergone succession, cannot be restored back to peatland. Illegal logging of the forest is another risk for the sustainability of the biodiversity protection, followed by illegal hunting. However, the pilot project for restoration might improve conditions related to peatland regeneration and fire prevention, and the additional trained inspector in the Cantonal Administration might improve conditions related to illegal activities. Lack of sewage treatment also poses threat to watercourses and their diversity. On the whole, environmental sustainability of project results is considered *moderately likely*.

B. Catalytic Role: Replication and Scaling-up

88. The project did not have a specific replication component beyond the activities focused on information documentation and sharing. However, the involvement of multiple members of the relevant federal ministries in the project board has provided a pathway for a greater catalytic influence by the project. According to stakeholders interviewed for this evaluation, it is anticipated that information and methodologies developed under the project will be integrated into federal spatial planning processes as well. The degree to which this occurs will need to be assessed, but in this since there is the potential for the project to have an influence on environmental mainstreaming at the national level, even though the project is focused on a single Canton.

C. Monitoring and Evaluation

i. Project Monitoring, Reporting, and Evaluation

89. A project monitoring and evaluation plan was fully detailed in the project document, outlining specific M&E activities, responsible parties, associated budget, and the specified timeframe for activities to be carried out. The activities outlined in the M&E plan meet GEF minimum standards for M&E, and conform to UNDP standard M&E practices and procedures. The budgeted M&E amount, a total of \$66,000 USD, is adequate for a project of this size. The primary area where the M&E design could have been improved was in the project logframe, where greater focus was required on the relevance of the indicators. Other aspects of the SMART criteria for indicators could have been improved as well. The logframe indicators are discussed in greater detail in Table 4 in Section V. The logframe indicators are over-balanced in the direction of impact level indicators and targets – impact level indicators are critical to assess long-term changes in environmental status, but indicators must also correspond to activities that the project is implementing. A project cannot be expected to deliver on indicators beyond its immediate scope, especially not by the end of the project. The main focus of this project is on the enabling environment – mainstreaming environmental considerations in policies and plans (i.e. the cantonal spatial plan). It is therefore only after many years of implementation of

the spatial plan that impact level results could be assessed. There were some on-the-ground level activities envisioned in terms of small-scale pilot restoration activities that could have had direct and immediate impacts – but this should not have been the focus of the logframe indicators.

90. Project monitoring and evaluation has been carried out in a timely and comprehensive manner. The project inception workshop and inception report were produced, the 2010 Project Implementation Report was fully completed, and progress and financial reports have been completed as planned. The mid-term evaluation was carried out according to schedule.

ii. Environmental Monitoring

91. Consistent, long-term monitoring in the area does not exist. At the moment, the only monitoring data comes from the NGO EuroNatur. EuroNatur conducted bird monitoring in the area, producing distribution maps of different bird species. Most of these species have a high value, both as indicators for the landscape, and for Natura2000. EuroNatur also prepared a vegetation map of the area. Data on birds can be used for various purposes, and Croatia used the data on the Hen Harrier (*Circus cyaneus*) in the guidelines for physical planning to demonstrate how Natura2000 habitats have to be preserved according to the rules of the EU. EuroNatur has four years' worth of monitoring data for Livanjsko Polje. This data was collected for the nomination of the field as a Ramsar site. The data derived from the intensive mapping from 2007 – 2009, and provides a good basis for any future activities in Livanjsko Polje. In the last year two new species of breeding birds were seen, the White-tailed Eagle *Haliaeetus albicilla* and Black Grouse *Lyrurus tetrix*. Both are highlights as the eagle is extinct in Dalmatia since the beginning of last century and the grouse has not been observed for nearly 30 years in Bosnia-Herzegovina. In 2010, other than the Mid-Winter Waterfowl Census (as part of the International Waterfowl Census conducted by Wetlands International and Ramsar) conducted by the NGO Nase Ptice with help of EuroNatur, no systematic counts were conducted. For the next years a new project to monitor the birds of Livanjsko Polje should be initiated. EuroNatur is looking for funds to support the local partner NGOs and assist the counts.

92. The project life is not long, and processes are needed that can lead to longer-term on the ground actions that have environmental benefits. One of the outstanding issues appears to be the lack of scientific data over time. In this regard, ongoing environmental monitoring is required, with control plots and other methodologies to determine how the natural vegetation regenerates in the extracted areas, what the impacts of fires are, and other key issues where additional scientific data is necessary to determine how to best maintain the ecological integrity of the site. Expertise is needed on the three key issues of hydrology, biodiversity and the dynamics of peat ecosystems. This integrated view is critical in the context of Livanjsko Polje.

D. Project Impacts and Global Environmental Benefits

93. For the GEF biodiversity focal area, impacts are defined as documented sustained changes in environmental status of species or ecosystems. GEF projects seek to generate positive impacts, leading to improved status of species and ecosystems. In addition to delivering on-the-ground biodiversity impacts, GEF projects are also expected to deliver results at a scale considered to constitute Global Environmental Benefits. The scale of impact necessary to be considered globally significant within the biodiversity focal area is not clearly

defined by the GEF, as the required scale can vary depending on the context, status, and qualities of the biodiversity resources targeted.

94. The Karst Peatland Mainstreaming project has a three-pronged approach to generating impacts: 1. Undertake small-scale pilot activities to restore degraded peatland areas; 2. Provide micro-grants to support local stakeholders to undertake environmentally friendly demonstration activities; and 3. Influence long-term planning processes to enhance and secure the status of biodiversity in the future. Neither approach could have generated impact-level results at the point of the mid-term evaluation – the pilot restoration activities have not yet been undertaken (and this evaluation recommends a re-consideration of the value and cost-effectiveness of these activities). The micro-grantees have only recently begun their activities, but they may lead to some small-scale impact level results. For example, one of the grantees is attempting to re-introduce an indigenous crayfish to a local waterway that died off seven or eight years ago, likely from disease. The Canton 10 spatial plan is still in development and so is not yet being implemented. Results from implementation of the spatial plan will only be seen years in the future – it is likely that even the terminal evaluation of this project would not be able to identify significant impact level results from the implementation of the spatial plan.

95. The project logframe includes multiple impact level indicators, focused on specific plant and animal species:

- Great Bittern (*Botaurus stellaris*) – Baseline population of five calling males at Zdrlovac Blato; Target: stabilization at the baseline level
- Corncrake (*Crex crex*) – Baseline population of 200 callers at 12x6 kilometers in the northern part of the peatland area monitored by ornithologists; Target: stabilization at the baseline level
- Share of indicator plant wetland communities (*Carex*) in renaturalized 750 ha of peatland habitat – Baseline: 10%; Target: Distribution and size of the *Carex* sedges share increases by 10% or shows the potential to further increase after project closure

96. The inclusion of impact level indicators, in terms of indicator species or targeted vegetation types, is a positive approach to facilitate the long-term assessment of impact level results. However, it should be clarified in the project logframe whether the target values are expected to be achieved at the end of the project, or at some later date. In the case of the Karst Peatlands Mainstreaming project, the project strategy, focused on improving planning processes, is only likely to yield results long after project completion. In this sense, the project cannot and should not be expected to contribute to achievement of the target values of the impact level indicators by the end of the project. Furthermore, assessing changes in environmental status in a meaningful way requires analysis of long-term monitoring data to identify trends over time, rather than looking at a single point-in-time snapshot (e.g. the end of the project period). Particularly with regard to highly mobile or migratory species (e.g. birds), populations can vary significantly by season and from year to year. Furthermore, short-term population trends are much more likely to be influenced by short-term variable exogenous factors such as annual climatic conditions, than by the underlying quality and quantity of the ecosystem, which often experiences changes in a more gradual manner. Therefore, one of the recommendations of this evaluation is that for GEF projects populations of indicator species

should be evaluated regularly over an extended period of time, and/or should be accompanied by other related indicators such as habitat quality. Of course, this requires the existence of a sustained environmental monitoring program in the target area, something that is currently lacking in the Livanjsko Polje region at present, as noted in the preceding section.

E. Stakeholder Participation in Implementation

97. Stakeholder participation in the context of this evaluation is rated satisfactory at the overall level, with the key stakeholders including local municipalities and ministries on Cantonal and federal level involved in the implementation. The FMOIT remains not fully engaged, despite the efforts of the project team. The FMOIT has been requested several times to nominate a representative for the Project Board, but has not done so, and thus has never participated in the Project Board meetings. The project team has received cooperation from FMOIT on other fronts, such as the organization of the conference in Livno under the name International Colloquium “2010 YEAR OF BIODIVERSITY”, from 13th to 15th December 2010. The aim was to promote implementation of CBD and Livno as a Ramsar site. Many of the experts involved in the project participated, and a significant number of presentations at the conference related to the project results. Since the FMOIT is the focal point for CBD, their involvement in the implementation of this project is important; while capacity constraints may be recognized, other key stakeholders are actively participating. The Cantonal Tourist board, which is not currently involved in the project, was also identified as a potentially helpful stakeholder. The Cantonal tourist board could help in promotion of biodiversity as a tourism asset.

VII. Main Lessons Learned and Recommendations

A. Lessons from the Experience of the Peatlands Mainstreaming Project

98. Identifying and documenting project lessons is an important and valuable contribution of any project. However, the mid-point of a project it is not the most useful time to try to identify lessons from the project experience, as activities and approaches continue to evolve during the implementation process. There are some interesting questions relevant to the Karst Peatlands Mainstreaming project for which lessons may be found at the end of the project – for example, can a project implemented under DEX arrangements be successful in catalyzing stakeholder ownership of results to positively influence sustainability?

99. Some lessons for this project can be identified at this stage. Perhaps most notable, the implementation of this project has underscored the absolutely critical value of flexible, adaptive, results-based management. From the long approval process, through the delay in implementation start, the project has faced shifting conditions and assumptions, yet the project is on track to complete its expected outputs and outcomes, and achieve its objective.

B. Recommendations for the Remaining Implementation Period

100. Recommendations of the evaluation are provided here at two levels: “Key Recommendations” that are considered directly relevant to the project implementation process, and lower level recommendations that relate to multiple aspects of project design and implementation. The parties for which the recommendation is targeted are included in brackets following each recommendation.

101. **Key Recommendation:** A six-month no-cost extension is recommended, due to the delay in starting project implementation. The project should be allowed as much of the originally planned time as possible to complete the expected activities. *[Project Board, Project Team, UNDP BiH Country Office and UNDP BRC]*
102. **Key Recommendation:** The project team and project board should examine and assess the potential value of shifting resources from the planned pilot restoration activities to other cost-effective activities with high return on investment, including education and awareness in the region, which is critically needed. Before additional awareness activities are funded, a clear baseline should be established, and then followed up on at the end of the project. *[Project Board, Project Team, and UNDP BiH Country Office]*
103. **Key Recommendation:** Responsibility for environmental management at the national level in BiH is diffuse, but there is no adequate collaboration mechanism to facilitate communication and coordination on environmental issues, which is critical for effective management. A mechanism must be established in BiH if large-scale progress is to be made on long-term sustainable development, particularly as it is related to environmental management. As a high level recommendation, this evaluation strongly encourages all relevant stakeholders to support the creation of a national coordination mechanism on environmental issues. *[UNDP BiH Country Office, national government institutions, civil society]*
104. **Key Recommendation:** It is recommended that the project support research and analysis to identify and disseminate information demonstrating the link between environmental resources and sustainable economic development. This could include an assessment of the financial value of ecosystem services in the region, and / or a feasibility study for a regional eco-label regime. The results of an ecosystem services assessment would then need to be shared and promoted to local policy makers. *[Project Board, Project Team, and UNDP BiH Country Office]*
105. **Key Recommendation:** This evaluation recommends a revision and update of the project logframe to appropriately identify key results indicators that meet SMART criteria, and which are more directly linked to project activities, as noted in Table 7 of this report. *[Project Board, Project Team, UNDP BiH Country Office and UNDP BRC]*
106. **Recommendation:** If site level restoration activities are carried out, the project team should examine the experience of the GEF peatland restoration project in Belarus to identify lessons and good practices that could be relevant in the context of the Livno peatland restoration situation. *[Project Team, Project Board, and technical project partners]*
107. **Recommendation:** The project team and Project Board should continue to assess the potential for effective input to the transboundary water management agreement negotiation process, and ensure that the project's contribution is as tightly focused and cost-effective as possible. The conclusion of a transboundary agreement is beyond the reasonable scope of the project. *[Project Board, Project Team, and UNDP BiH Country Office]*
108. **Recommendation:** It must be ensured that the micro-grant activities are placed in the appropriate broader context, and leveraged to contribute to the overall objectives of the project, rather than being carried out as small isolated activities. In this sense, the project team should work with the grantees to ensure that information about their activities reaches a wide

audience, through presentations, tours, or outreach materials. *[Project Team, Local project partners]*

109. **Recommendation:** To help address sustainability risks, the project should assess the feasibility of catalyzing a regional mechanism to continue focusing efforts on environmental conservation once the project closes. There are currently a few civil society organizations in the region, but they have extremely limited capacity. The project should consider how to contribute to the development of the capacity of civil society in the region, and the creation of partnerships among stakeholders. *[Project Team, Project Board, and technical project partners]*

110. **Recommendation:** It is anticipated the Livno peatland area will be included in the Cantonal spatial plan as a potential protected area, but the project should provide as much support as possible to the process of formal declaration at the national level. Ensuring the adoption of the area as a national protected area is not one of the project’s primary results targets, but it is an area where the project could provide valuable support. *[Project Team, Project Board, Local project partners]*

111. **Recommendation:** For GEF projects, populations of indicator species should be monitored regularly over an extended period of time, and/or should be accompanied by other related indicators such as habitat quality. To assess the status of biological resources requires the documentation of trends over extended periods of time, typically at least five years. *[UNDP-GEF, GEF Secretariat]*

C. Project Mid-term Evaluation Ratings

Project Component or Objective	Rating	Qualitative Summary
Project Formulation		
Relevance	S	The project is relevant to the local and national environmental priorities and policies. The project also supports implementation of the CBD, and is relevant to GEF strategic priorities in the biodiversity focal area.
Conceptualization / design	S	The overall project design is relevant, with the main shortcoming that the project was overambitious on some issues such as the cross-border water management component.
Stakeholder participation	S	Stakeholder participation in design was well executed, with multiple opportunities for inputs, and proactive engagement of relevant partners.
Project Implementation		
Implementation Approach (Efficiency)	S	The implementation approach and other aspects of efficiency, including cost-effectiveness of management, are in-line with international norms and standards, and UNDP rules and guidelines.
The use of the logical framework	S	The project team has used the logframe as an important tool to help guide a results-based approach. However, the project would significantly benefit from a logframe revision to improve its relevance.
Adaptive management	HS	The most significant adaptive management element has been the pace of project activities, following the initial slow start-up

Project Component or Objective	Rating	Qualitative Summary
		period. The project is on-track, and has taken multiple slight modifications in workplanning to address challenges such as the loss of local purchasing power due to exchange rate fluctuations.
Use / establishment of information technologies	S	The technical aspects of the project have been at a very high technical level, leveraging key information technologies such as GIS. The project could have a stronger online presence with a dedicated website.
Operational relationships between the institutions involved	S	Good collaboration between UNDP and government institutions, project board members, etc.
Financial management	HS	Financial management has been excellent, with appropriate budgeting and financial controls.
Monitoring and Evaluation		
M&E design	MU	Overall the project M&E plan was well developed, and met GEF minimum requirements. There are some significant shortcomings in the logframe indicators however.
M&E budget	S	The budgeted amount is appropriate for a project of this size.
M&E implementation	S	Project M&E has been well-executed, and as envisioned in the project M&E plan.
Stakeholder Participation		
	S	In general stakeholder participation has been a strong suit of the project, with strong involvement from local, regional, and federal level government institutions. Civil society organizations are also playing an important role. Overall, the project has successfully engaged key stakeholders.
Production and dissemination of information	N/A	It is early in the project implementation period to provide a rating on this item. The main education and awareness outreach activities will be carried out in 2011.
Local resource users and civil society organizations' participation	S	There is not significant scope within the project for the involvement of local resource users, though they could be increasingly targeted under the education and awareness campaign activities. NGOs have been important partners.
Establishment of partnerships	S	The collaboration and partnership with a wide range of stakeholder types has been an admirable aspect of the project.
Involvement and support of governmental institutions	MS	The project is directly engaged with Cantonal and Federal government institutions in project execution. There could be stronger participation from a few key stakeholders. At the national level, the FMOIT, which is the CBD focal point, is not participating in the Project Board. At the local level, there could be more involvement from stakeholders such as the Canton 10 tourism promotion agency and department of education.
Project Results		
Progress toward Achievement of Objective and Outcomes (Effectiveness)	S	The project is on track to achieve its planned objective and expected outcomes.
Objective: To strengthen the	S	The delay in start-up contributed to some initial challenges,

Project Component or Objective	Rating	Qualitative Summary
policy and regulatory framework for mainstreaming the requirements for conservation of karst and peatland biodiversity into productive sectors (mining, water use) and spatial planning at Cantonal level		but the Cantonal spatial plan development process has also been delayed, allowing the project adequate time to make effective contributions.
Expected Outcome 1: Karst and peatland needs integrated in the BiH cantonal spatial planning policies and procedures	S	The planned activities are on track, and are expected to contribute to the anticipated results.
Expected Outcome 2: Water use and mining policies in BiH reflect karst and peatland biodiversity conservation requirements	S	While many of the planned activities under this outcome are on track, some originally planned activities may need to be reassessed for their potential effectiveness and efficiency – notably the pilot restoration activities and work on the transboundary water management agreement.
Sustainability	ML	According to GEF evaluation guidelines, the overall sustainability rating can be no higher than the lowest rating among the four sub-criteria.
Financial sustainability	L	There are few risks to financial sustainability.
Socio-political sustainability	ML	There are some limited risks to socio-political sustainability.
Institutional and governance sustainability	L	There are not significant risks to institutional and governance sustainability.
Ecological sustainability	ML	Some environmental risks remain relevant to the sustainability of project results.
Overall Project Progress	S	

VIII. Annexes

- 112. Annex 1: Evaluation Terms of Reference
- 113. Annex 2: Evaluation Matrix
- 114. Annex 3: GEF Operational Principles
- 115. Annex 4: List of Persons Interviewed
- 116. Annex 5: Field Visit Schedule
- 117. Annex 6: Evaluation Documentation
- 118. Annex 7: Evaluator CVs
- 119. Annex 8: Management Response

Annex 1: Mid-term Evaluation Terms of Reference

Note: For space considerations the annexes of the TORs have not been included.

Purpose

The scope of work shall identify potential project design problems, assess progress towards the achievement of objective, identify and document lessons learned (including lessons that might improve design and implementation of other UNDP-GEF projects), and to make recommendations regarding specific actions that might be taken to improve the project. It is expected to serve as a tool of validating or filling the gaps in the initial assessment of relevance, effectiveness and efficiency obtained from monitoring. The MTE provides the opportunity to assess early signs of project success or failure and prompt necessary adjustments.

Objective

The objective of the project includes conservation of biodiversity in Livanjsko Polje through securing a variety of activities compatible with the preservation of the habitat value of the field. In the long run this specific activity, among others will assess progress in establishing the information baseline, reducing threats, and identifying any difficulties in project implementation and their causes, and recommend corrective course of action. Effective action to rectify any identified issues hindering implementation will be a requirement prior to determining whether implementation should proceed.

Background Information

The UNDP Bosnia and Herzegovina (within the Energy and Environment Cluster) has, in cooperation with the Government of Hercegovosanski Canton (C10), started implementing activities of the Global Environment Facility (GEF) medium-sized project on biodiversity conservation in Livanjsko polje: "Mainstreaming karst peatlands conservation into key economic sectors".

The barriers which hamper mainstreaming karst biodiversity conservation requirements into the spatial planning segment are lack of capacities for an economic and environmental research of a long-term vision of karst fields, including poor local enforcement capacity. The project aims to remove the above barriers by developing a model for imbedding karst biodiversity conservation concerns into policies and regulations governing spatial planning at the cantonal level, as well as into the said sectors.

Duties and Responsibilities

Scope of work

The Mid Term Monitoring and Evaluation is initiated by UNDP Country Office in BiH in line with the UNDP-GEF M&E guidelines in order to assess the overall project progress, make sure the project is on track to deliver the agreed outcomes, and produce recommendations on any adjustments needed. This evaluation is to be undertaken taking into consideration the GEF Monitoring and Evaluation policy that can be downloaded from:

<http://thegef.org/MonitoringandEvaluation/MEPoliciesProcedures/mepoliciesprocedures.html>

as well as the UNDP-GEF Monitoring and Evaluation policy that can be downloaded from:

<http://www.undp.org/gef/05/monitoring/policies.html>

The evaluation will be undertaken by a team composed of an International Consultant (Evaluation Team Leader) and a Local Consultant. They will receive the support of UNDP Country Office and Project Management Team, and will be assisted by a translator/interpreter (when needed). The international consultant is the team leader and will be responsible to deliver the expected output of the mission with the help of local consultant. Specifically, he/she will perform the following tasks:

- Lead and manage the evaluation mission;
- Design the detailed evaluation methodology and plan;
- Conduct desk-reviews, interviews and site-visits in order to obtain objective and verifiable data to substantive evaluation ratings and assessments, including:
 - Verification and commenting of the Management Effectiveness Tracking Tool data, as collected and reported by the project;
 - Detailed assessment of risks that are listed in project document and updated in inception reports.
 - Draft the evaluation report and share with the key stakeholders for comments;
 - Finalize the evaluation report based on the inputs from key stakeholders.

Deliverables and timelines

The consultant is responsible for the following deliverables:

Deliverables (outputs) / Deadline

- Inception Report: Desk review, development of methodology, updating time table, preparing mission programme February 12th, 2011
- In-country field visits, interviews February 25th, 2011
- Drafting report March 2nd, 2011
- Draft report circulation February 8th, 2011
- Finalization of report March 12th, 2011

Each document will be presented as a draft version, to be finalized after interactive participatory discussions and clearance.

Note: ANNEXES are attached in separate document containing:

- Annex 1: GEF Terminology and Project Review Criteria
- Annex 2: Scope and Methodology of Evaluation
- Annex 3: Mid Term Evaluation Report Structure
- Annex 4: List of Documents to be Reviewed by the Evaluators
- Annex 5: Revised Project Logical Framework
- Annex 6: Rate Tables
- Annex 7: Co-financing Tables

Additional Annexes to these ToRs will be distributed to the incumbent (general information, specific reference documents, etc.).

Award Criteria: The award will be based on the Lowest evaluated offer of technically qualified consultants

Applicants are required to submit an application including:

- Letter of interest/ Proposal;
- Explaining why do you consider yourself the most suitable for the work
- Provide a brief methodology, if applicable, on how you will approach and conduct the work
- Personal CV including past experience in similar projects and contact details (e-mail addresses) of referees
- Financial proposal indicating your consultancy fee, lump sum fee or unit price depending on the nature and complexity of the assignment.

Competencies / Core values

- Demonstrates integrity and fairness by modeling UN values and ethical standards.
- Demonstrates professional competence and its conscientious and efficient in meeting commitments, observing deadlines and achieving results.
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.

Core competencies

- Results-Oriented: Plans and produces quality results to meet established goals, generates innovative, practical solutions to challenging situations.
- Quality of Work: Consistently ensures timeliness and quality of work.
- Communication: Excellent communication skills, including the ability to convey complex concepts and recommendations, both orally and in writing, in a clear and persuasive style tailored to match different audiences.
- Client orientation: Ability to establish and maintain productive partnerships with national partners and stakeholder.
- Ability to identify beneficiaries' needs, and to match them with appropriate solutions.
- Teamwork: Ability to interact, establish and maintain effective working relations with a culturally diverse team, both as a team member and as a team leader, to build trust, and to manage in a deliberate, transparent and predictable way.
- Building trust: Deals openly, honestly and transparently with issues, resources and people.

Required Skills and Experience

- Advanced university degree in environmental field or related area
- Minimum 10 years experience and proven track record with policy advice and/or project development/implementation in biodiversity in transition economies
- Proven track record of application of results-based approaches to evaluation of projects focusing on protected area management/biodiversity (relevant experience in the CIS region and within UN system would be an asset);
- Minimum 2 years of experience in monitoring and evaluation in environment field.
- Familiarity with priorities and basic principles of protected area management, biodiversity and sustainable development and relevant international best-practices;
- Knowledge of and recent experience in applying UNDP and GEF M&E policies and procedures;
- Proven ability and practical experience in monitoring and evaluation of international projects
- Excellent knowledge of English and BiH languages

Annex 2: Evaluation Matrix

Evaluation Questions	Indicators	Sources	Data Collection Method
<i>Evaluation Criteria: Relevance</i>			
<ul style="list-style-type: none"> Did the project's objective fit within the priorities of the local government and local communities? 	<ul style="list-style-type: none"> Level of coherence between project objective and stated priorities of local stakeholders 	<ul style="list-style-type: none"> Local stakeholders 	<ul style="list-style-type: none"> Local level field visit interviews
<ul style="list-style-type: none"> Did the project's objective fit within national priorities? 	<ul style="list-style-type: none"> Level of coherence between project objective and national policy priorities and strategies, as stated in official documents 	<ul style="list-style-type: none"> National policy documents, such as National Biodiversity Strategy and Action Plan, National Capacity Self-Assessment, etc. 	<ul style="list-style-type: none"> Desk review National level interviews
<ul style="list-style-type: none"> Did the project concept originate from local or national stakeholders, and/or were relevant stakeholders sufficiently involved in project development? 	<ul style="list-style-type: none"> Level of involvement of local and national stakeholders in project origination and development 	<ul style="list-style-type: none"> Project staff Local and national stakeholders Project documents 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> Did the project's objective fit GEF strategic priorities? 	<ul style="list-style-type: none"> Level of coherence between project objective and GEF strategic priorities 	<ul style="list-style-type: none"> GEF strategic priority documents for period when project was approved Current GEF strategic priority documents 	<ul style="list-style-type: none"> Desk review
<ul style="list-style-type: none"> Did the project's objective support implementation of the Convention on Biological Diversity? 	<ul style="list-style-type: none"> Linkages between project objective and elements of the CBD, such as key articles and programs of work 	<ul style="list-style-type: none"> CBD website National Biodiversity Strategy and Action Plan 	<ul style="list-style-type: none"> Desk review
<i>Evaluation Criteria: Efficiency</i>			
<ul style="list-style-type: none"> Was the project cost-effective? 	<ul style="list-style-type: none"> Quality and adequacy of financial management procedures 	<ul style="list-style-type: none"> Project documents Project staff 	<ul style="list-style-type: none"> Desk review Interviews with project staff

Evaluation Questions	Indicators	Sources	Data Collection Method
<ul style="list-style-type: none"> Were expenditures in line with international standards and norms? 	<ul style="list-style-type: none"> Cost of project inputs and outputs relative to norms and standards for donor projects in the country or region 	<ul style="list-style-type: none"> Project documents Project staff 	<ul style="list-style-type: none"> Desk review Interviews with project staff
<ul style="list-style-type: none"> Was the project implementation delayed? If so, did that affect cost-effectiveness? 	<ul style="list-style-type: none"> Project milestones in time Required project adaptive management measures related to delays 	<ul style="list-style-type: none"> Project documents Project staff 	<ul style="list-style-type: none"> Desk review Interviews with project staff
<ul style="list-style-type: none"> What was the contribution of cash and in-kind co-financing to project implementation? 	<ul style="list-style-type: none"> Level of cash and in-kind co-financing relative to expected level 	<ul style="list-style-type: none"> Project documents Project staff 	<ul style="list-style-type: none"> Desk review Interviews with project staff
<ul style="list-style-type: none"> To what extent did the project leverage additional resources? 	<ul style="list-style-type: none"> Amount of resources leveraged relative to project budget 	<ul style="list-style-type: none"> Project documents Project staff 	<ul style="list-style-type: none"> Desk review Interviews with project staff
<i>Evaluation Criteria: Effectiveness</i>			
<ul style="list-style-type: none"> Are the project objectives likely to be met? To what extent are they likely to be met? 	<ul style="list-style-type: none"> Level of progress toward project indicator targets relative to expected level at current point of implementation 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> What were the key factors contributing to project success or underachievement? 	<ul style="list-style-type: none"> Level of documentation of and preparation for project risks, assumptions and impact drivers 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> What are the key risks and priorities for the remainder of the implementation period? 	<ul style="list-style-type: none"> Presence, assessment of, and preparation for expected risks, assumptions and impact drivers 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<i>Evaluation Criteria: Results</i>			
<ul style="list-style-type: none"> Have the planned outputs been produced? Have 	<ul style="list-style-type: none"> Level of project 	<ul style="list-style-type: none"> Project documents 	<ul style="list-style-type: none"> Field visit interviews

Evaluation Questions	Indicators	Sources	Data Collection Method
they contributed to the project outcomes and objectives?	<ul style="list-style-type: none"> implementation progress relative to expected level at current stage of implementation Existence of logical linkages between project outputs and outcomes/impacts 	<ul style="list-style-type: none"> Project staff Project stakeholders 	<ul style="list-style-type: none"> Desk review
<ul style="list-style-type: none"> Are the anticipated outcomes likely to be achieved? Are the outcomes likely to contribute to the achievement of the project objective? 	<ul style="list-style-type: none"> Existence of logical linkages between project outcomes and impacts 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> Are the key assumptions and impact drivers relevant to the achievement of Global Environmental Benefits likely to be met? 	<ul style="list-style-type: none"> Actions undertaken to address key assumptions and target impact drivers 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> Are impact level results likely to be achieved? Are the likely to be at the scale sufficient to be considered Global Environmental Benefits? 	<ul style="list-style-type: none"> Environmental indicators 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
Evaluation Criteria: Sustainability			
<ul style="list-style-type: none"> To what extent are project results likely to be dependent on continued financial support? What is the likelihood that any required financial resources will be available to sustain the project results once the GEF assistance ends? 	<ul style="list-style-type: none"> Financial requirements for maintenance of project benefits Level of expected financial resources available to support maintenance of project benefits Potential for additional financial resources to support maintenance of project benefits 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> Do relevant stakeholders have or are likely to achieve an adequate level of “ownership” of results, to have the interest in ensuring that project benefits are maintained? 	<ul style="list-style-type: none"> Level of initiative and engagement of relevant stakeholders in project activities and results 	<ul style="list-style-type: none"> Project documents Project staff Project stakeholders 	<ul style="list-style-type: none"> Field visit interviews Desk review
<ul style="list-style-type: none"> Do relevant stakeholders have the necessary 	<ul style="list-style-type: none"> Level of technical 	<ul style="list-style-type: none"> Project documents 	<ul style="list-style-type: none"> Field visit interviews

Evaluation Questions	Indicators	Sources	Data Collection Method
technical capacity to ensure that project benefits are maintained?	capacity of relevant stakeholders relative to level required to sustain project benefits	<ul style="list-style-type: none"> • Project staff • Project stakeholders 	<ul style="list-style-type: none"> • Desk review
<ul style="list-style-type: none"> • To what extent are the project results dependent on socio-political factors? 	<ul style="list-style-type: none"> • Existence of socio-political risks to project benefits 	<ul style="list-style-type: none"> • Project documents • Project staff • Project stakeholders 	<ul style="list-style-type: none"> • Field visit interviews • Desk review
<ul style="list-style-type: none"> • To what extent are the project results dependent on issues relating to institutional frameworks and governance? 	<ul style="list-style-type: none"> • Existence of institutional and governance risks to project benefits 	<ul style="list-style-type: none"> • Project documents • Project staff • Project stakeholders 	<ul style="list-style-type: none"> • Field visit interviews • Desk review
<ul style="list-style-type: none"> • Are there any environmental risks that can undermine the future flow of project impacts and Global Environmental Benefits? 	<ul style="list-style-type: none"> • Existence of environmental risks to project benefits 	<ul style="list-style-type: none"> • Project documents • Project staff • Project stakeholders 	<ul style="list-style-type: none"> • Field visit interviews • Desk review

Annex 3. GEF Operational Principles

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

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

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

Annex 4. List of Persons Interviewed

Sarajevo, Bosnia and Herzegovina

Mrs. Vanda Medic, *Senior Official, Ministry for Foreign Trade*
Mrs. Jasmina Katica, *Advisor for Development and Monitoring of Normative for Spatial Planning, Federal Ministry for Physical Planning*
Ms. Amila Selmanagic-Bajrovic, *UNDP Project Coordinator*
Ms. Fadila Sarajlic, *UNDP Project Associate*
Mr. Samir Djug, *Biodiversity Expert*
Mr. Fethi Silajdzic, *Head Team Specialist/Cluster D*
Ms. Elmedina Krilasevic, *Head Team Specialist/Cluster B*
Mrs. Lejla Tabakovic, *Legal Expert*
Ms. Sanda Midzic Kurtagic, *Civil Engineer, Cluster C*
Mr. Nijaz Lukovac, *Civil Engineer, Head Team Specialist, Cluster C*
Mr. Nijaz Zerem, *Water Resource Management Specialist, Cluster C*
Mr. Igor Palandzic, *Energy and Environment Cluster Analyst, UNDP*

Livno, Bosnia and Herzegovina

Mr. Zoran Seremet, *Local Liaison Officer, UNDP*
Mrs. Ankica Cecura, *Assistant to Minister, Ministry for Agriculture, Water Management and Forestry*
Mrs. Ana Vrdoljak, *Senior Official, Ministry for Civil Engineering*
Mr. Marinko Mostarac, *Assistant to Minister, Ministry for Civil Engineering*
Mr. Andrija Vrdoljak, *Managing Director, NGO Centar Mladih Livno*
Mr. Dubravko Kovacevic, *Cantonal Administration for Inspection, Managing Director*
Ms. Valentina Puhalo, *Cantonal Administration for Inspection, Civil Servant*
Mr. Vlado Jolic, *Managing Director, FINVEST*

Phone or Email Input

Mr. Maxim Vergeichik, *Biodiversity and Ecosystem Management Specialist for Europe and CIS, UNDP Bratislava Regional Center*
Mr. Branko Vucijak, *Freshwater Projects Coordinator, WWF Mediterranean Program Office*
Ms. Milena Kozomara, *Former consultant on project design, UNDP Montenegro*

Annex 5. Evaluation Field Visit Schedule

Date	Activity
Friday, March 4	Meetings with UNDP, subcontractors, project board members in Sarajevo
Sunday, March 6	Evaluation team internal meeting
Monday, March 7	Travel to Livno, meetings with local Liaison Officer, project board members regional stakeholders in Livno
Tuesday, March 8	Visit to the site of the peat extraction, meeting with the director of the peat extraction company
Wednesday, March 9	Debriefing with UNDP

Annex 6. Evaluation Documentation

Photo 1 Evaluation Team with Project Manager and Cantonal Inspection Administration



Annex 7. Evaluator CVs

Please see the PDF version of this report.

Annex 8. Management Response

General Comments: TO BE COMPLETED BY PROJECT TEAM, AS NECESSARY

Recommendations: Response and Planned Follow-up

Mid-term Evaluation Recommendation	Management Response
<p>Key Recommendation: A six-month no-cost extension is recommended, due to the delay in starting project implementation. The project should be allowed as much of the originally planned time as possible to complete the expected activities. [Project Board, Project Team, UNDP BiH Country Office and UNDP BRC]</p>	<p>The recommendation is highly supported, especially concerning that several important activities are still ahead of the project and should be allocated sufficient time (i.e. raising awareness, promotion, lessons learned, monitoring etc.).</p>
<p>Key Recommendation: The project team and project board should examine and assess the potential value of shifting resources from the planned pilot restoration activities to other cost-effective activities with high return on investment, including education and awareness in the region, which is critically needed. Before additional awareness activities are funded, a clear baseline should be established, and then followed up on at the end of the project. [Project Board, Project Team, and UNDP BiH Country Office]</p>	<p>The recommendation is supported, especially as the peatland rehabilitation carries a significant risk. Concerning that the area to be rehabilitated is under concession for the next 20 years, it is also not clear how the rehabilitation will influence further private company activities and if the executed works will be left undamaged. The cost-effectiveness is under a big question mark; while on the other hand raising awareness activities could provide significant shift in people's behaviors and practices in the area which could in due time ensure sustainability of efforts.</p>
<p>Key Recommendation: Responsibility for environmental management at the national level in BiH is diffuse, but there is no adequate collaboration mechanism to facilitate communication and coordination on environmental issues, which is critical for effective management. A mechanism must be established in BiH if large-scale progress is to be made on long-term sustainable development, particularly as it is related to environmental management. As a high level recommendation, this evaluation strongly encourages all relevant stakeholders to support the creation of a national coordination mechanism on environmental issues. [UNDP BiH Country Office, national government institutions, civil society]</p>	<p>At the State level, environmental matters are responsibility of the Sector on Natural Resources, Energy and Environment of the MoFTER. The role of MoFTER is limited and constrained by the fact that it does not have the necessary legal authority to formulate policy and legislation.</p> <p>So, in accordance with article III.3 (a) of the constitution, which states that, "All governmental functions and powers not expressly assigned by the Constitution to the institutions of BiH shall be those of the Entities" environmental management is primary responsibility of the two entities.</p> <p>In order to coordinate and harmonize activities on entity levels (environmental law and policy between the two entities) Inter-Entity Steering Committee for the Environment has been established and according results, Committee has functioned reasonably well, and provides a good example of inter-entity cooperation, both in formal meetings and informal knowledge exchange.</p> <p>Based on above mentioned, the conclusion that there is no adequate collaboration mechanism to facilitate communication and coordination on environmental issues is not completely correct.</p> <p>However, Project understands the necessity to strength existing mechanisms and will further continue to make efforts in terms of improving environmental management on all levels.</p>
<p>Key Recommendation: It is recommended that the project support research and analysis to identify and disseminate information demonstrating the link between environmental resources and sustainable economic development. This could include an assessment of the financial value of ecosystem services in the region, and/or a feasibility study for a regional eco-label regime. The results of an ecosystem services assessment would then need to be shared and promoted to local policy makers. [Project Board, Project</p>	<p>The project has already taken some steps in this direction through research of increasing local livelihoods potential and linking economic and environmental aspects through supporting pro-biodiversity projects through MC grants. The project will definitely follow-up on the recommendation, include the touristic stakeholders and implement further activities in order to fulfill the suggested measures.</p>

<p>Team, and UNDP BiH Country Office]</p>	
<p>Key Recommendation: This evaluation recommends a revision and update of the project logframe to appropriately identify key results indicators that meet SMART criteria, and which are more directly linked to project activities, as noted in Table 7 of this report. [Project Board, Project Team, UNDP BiH Country Office and UNDP BRC]</p>	<p>The recommendation is fully accepted. The LogFrame will be revised to reflect project activities more directly.</p>
<p>Recommendation: If site level restoration activities are carried out, the project team should examine the experience of the GEF peatland restoration project in Belarus to identify lessons and good practices that could be relevant in the context of the Livno peatland restoration situation. [Project Team, Project Board, and technical project partners]</p>	<p>Contacts with the Belarus team have already been established prior to the MTE. However it is difficult to compare the results concerning that the area under restoration in Belarus is significantly larger and is not under concession of a private company, therefore the lessons learned might not be applicable.</p>
<p>Recommendation: The project team and Project Board should continue to assess the potential for effective input to the transboundary water management agreement negotiation process, and ensure that the project's contribution is as tightly focused and cost-effective as possible. The conclusion of a transboundary agreement is beyond the reasonable scope of the project. [Project Board, Project Team, and UNDP BiH Country Office]</p>	<p>The project will continue cooperation with the Adriatic Sea Water Agency in terms of the cross-border water management agreement. However the project is limited to technical support (providing experts for different analysis and reviews), as the agreement is subject to two high level committees (BiH and Croatia) who are negotiating and legally solving the entire process.</p>
<p>Recommendation: It must be ensured that the micro-grant activities are placed in the appropriate broader context, and leveraged to contribute to the overall objectives of the project, rather than being carried out as small isolated activities. In this sense, the project team should work with the grantees to ensure that information about their activities reaches a wide audience, through presentations, tours, or outreach materials. [Project Team, Local project partners]</p>	<p>More efforts will be placed into promotion of grant recipient activities. A planned raising awareness campaign will create visibility for these projects/activities and include outreach activities.</p>
<p>Recommendation: To help address sustainability risks, the project should assess the feasibility of catalyzing a regional mechanism to continue focusing efforts on environmental conservation once the project closes. There are currently a few civil society organizations in the region, but they have extremely limited capacity. The project should consider how to contribute to the development of the capacity of civil society in the region, and the creation of partnerships among stakeholders. [Project Team, Project Board, and technical project partners]</p>	<p>The sustainability will be addressed through support and capacity building of local organizations and stakeholders. Additionally, the spatial plan contribution is likely to influence the further environmental activities in the future in the framework of the development strategies of the Canton.</p>
<p>Recommendation: It is anticipated the Livno peatland area will be included in the Cantonal spatial plan as a potential protected area, but the project should provide as much support as possible to the process of formal declaration at the national level. Ensuring the adoption of the area as a national protected area is not one of the project's primary results targets, but it is an area where the project could provide valuable support. [Project Team, Project Board, Local project partners]</p>	<p>The project will through extensive research, promotion and raising awareness activities promote the issue of protection and strengthen and promote the linkage of PA and economic development.</p>
<p>Recommendation: For GEF projects, populations of indicator species should be monitored regularly over an extended period of time, and/or should be accompanied by other related indicators such as habitat quality. To assess the status of biological resources requires the documentation of trends over extended periods of time, typically at least five years. [UNDP-GEF, GEF Secretariat]</p>	<p>The project will have initial monitoring, as well as co-financing monitoring data. However, the length of the project and the budgeting does not allow monitoring for such a long period. The project will aim to build capacities of the local biodiversity officers and NGOs to continue this work in the future. Additionally it will develop, publish and distribute guide-books on step-by-step methods for execution of this work.</p>

