

UNDP Bosnia and Herzegovina

EVALUATION

**Of the Outcome 5 of the Country Programme
Document 2015-2019:**

**“By 2019, legal and strategic frameworks are
enhanced and operationalized to ensure sustainable
management of natural, cultural and energy
resources”**

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
CHAPTER 1: EVALUATION PURPOSE AND METHODOLOGY	14
1.1. OBJECTIVE AND SCOPE	14
1.2. METHODOLOGY	15
1.3. EVALUATION PROCESS	16
1.4. LIMITATIONS.....	17
CHAPTER 2: SITUATION ANALYSIS	18
CHAPTER 3: PROGRAMME OVERVIEW	21
3.1. OVERVIEW OF ACTIVITIES	21
3.2. FINANCIAL OVERVIEW.....	22
3.3. ACTIVITY AREAS.....	28
3.4. ORGANIZATION OF THE PORTFOLIO	33
CHAPTER 4: MAIN FINDINGS	37
4.1. RELEVANCE.....	37
4.1.1. Relevance with Country Needs and Priorities	37
4.1.2. Relevance with International Commitments and Agreements	40
4.1.3. Relevance of project activities with UN's and UNDP's Mandate and Strategy	42
4.2. EFFECTIVENESS.....	43
4.2.1. Progress towards the Realization of Country Programme Outcomes	43
4.2.2. Overview of Main Contributions	51
4.3. EFFICIENCY	58
4.3.1. Operational Efficiencies.....	58
4.3.2. Quality of the Human Resource.....	61
4.3.3. Programme Synergies and Linkages	62
4.3.4. Coordination with Development Partners.....	68
4.4. SUSTAINABILITY.....	69
4.4.1. Policy Implementation	69

4.4.2. Pilots, Replication and Institutionalization	71
4.4.3. Co-financing by the Government and the Private Sector.....	73
4.4.4. Information Sharing and Awareness Raising.....	75
CHAPTER 5: STRATEGIC POSITIONING	77
5.1. UNDP’S COMPARATIVE ADVANTAGE	77
5.2. POSITIONING AND RESOURCE MOBILIZATION.....	78
5.3. GENDER	83
CONCLUSIONS.....	85
RECOMMENDATIONS	88
ANNEX I: LIST OF STAKEHOLDERS MET FOR THE EVALUATION.....	92
ANNEX II: TERMS OF REFERENCE OF THE ASSIGNMENT	97

ABBREVIATIONS

CO – Country Office
CPD – Country Programme Document
CTA – Chief Technical Adviser
DRR – Deputy Resident Representative
E&E – Energy and Environment
EBRD – European Bank for Reconstruction and Development
EIB – European Investment Bank
EMIS – Energy Management Information System
EU – European Union
GCF – Green Climate Fund
GEF – Global Environment Facility
GHG – Greenhouse gases
INDC – Intended Nationally-Determined Contribution
M&E – Monitoring and Evaluation
MET FBiH – Ministry of Environment and Tourism of Federation of Bosnia and Herzegovina
MOFTER – Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina
MSPCE RS – Ministry of Spatial Planning, Construction, and Ecology of Republika Srpska
NAMA – National Appropriate Mitigation Action
PD – Project Document
PSC – Project Steering Committee
RBM – Results-Based Management
RES – Renewable Energy Resources
RR – Resident Representative
RRF – Results and Resources Framework
RS – Republika Srpska
SDG – Sustainable Development Goal
SIDA – Swedish International Development Agency
UNCT – United Nations Country Team
UNDAF – United Nations Development Assistance Framework
UNDP – United Nations Development Programme
UNFCCC – United Nations Framework Convention for Climate Change
USAID – United States Agency for International Development
WB – World Bank

EXECUTIVE SUMMARY

This is an independent evaluation of the results and role of the activities of UNDP Bosnia and Herzegovina in the energy and environment area and their contribution to the country's development results in the 2015-2019 period. This is Outcome 5 in the United Nations Development Assistance Framework document, which is framed in the following way – “*By 2019, legal and strategic frameworks are enhanced and operationalized to ensure sustainable management of natural, cultural and energy resources*”. This document provides an objective assessment of the achievements, constraints, performance, results, impact, relevance and sustainability of UNDP's work and the organization's strategic positioning in the country based on its strengths and comparative advantage. It also generates lessons which may be used by the Country Office to improve its programming, partnership arrangements, resource mobilization strategies, working methods and management structures in the new programme cycle.

The focus of this evaluation is on the 13 energy efficiency and environmental projects which UNDP has implemented during the period in question with funding from the Green Climate Fund, Global Environment Facility, Swedish International Development Agency, Italy and the Czech Republic (amounting to about US\$ 43 m) and matching funds from UNDP's own resources (amounting to about US\$ 6.5 m). Although they address issues which on the surface might appear quite distinct from one another, all 13 projects share a number of similar objectives which makes many of their activities synergetic and interdependent. They cover the following thematic areas - climate change, energy efficiency, chemicals, water and waste management, forestry and air pollution.

These projects have involved a large number of government institutions, but key partners have been the four “ministries of environment” - ***Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina*** (MOFTER) at the state level, ***Ministry of Spatial Planning, Construction, and Ecology of Republika Srpska*** (MSPCE RS), ***Ministry of Environment and Tourism of Federation of Bosnia and Herzegovina*** (MET FBiH), and ***Government of Brcko District of Bosnia and Herzegovina***. E&E activities have also had a significant focus on the local (sub-national) level, involving a variety of lower-level governments at the canton level (for the Federation) and the municipal level (for both the Federation and RS).

The E&E portfolio, together with the Disaster Risk Reduction portfolio, is part of a sector which is headed by a Sector Leader and managed by six programme managers. A peculiar feature of this programme is that projects are not run individually by dedicated Project Managers (which is typical for most UNDP COs), but are clustered in five “programmes” - *Climate Change Mitigation, Climate Change Adaptation, GEF and Biomass, Disaster Risk Reduction, and Biodiversity and Natural Resources* - each of which is managed by a Project Manager. Sector staff are responsible not only for the oversight of ongoing projects, but also for the development of new projects. Unlike

some other UNDP COs, the Bosnia and Herzegovina CO does not have a separate policy unit dedicated to programme development. Programme development is done by cluster staff who are also responsible for overseeing project implementation.

The findings of this evaluation are organized along the four standard dimensions of UNDP evaluations: i) relevance (the extent to which the programme was relevant to the country's priorities and needs); ii) effectiveness (whether the programme was effective in achieving the desired and planned outcomes); iii) efficiency (whether the process of achieving the results was efficient); and, iv) sustainability (the extent to which the benefits of the programme are likely to be sustained).

Relevance

Overall, the evaluation has found that the E&E portfolio consists of interventions that have been largely relevant to Bosnia and Herzegovina's needs and priorities, its international commitments and agreements and the UN and UNDP country mandates and strategies.

Effectiveness

One of UNDP's main contributions to Bosnia and Herzegovina has taken place in the area of technical assistance – providing capacity building support to various public organizations in the state and entity governments, 10 cantons and 40 municipalities in their pursuit of solutions to development problems. At the policy level, a new Law on Energy Efficiency in the Federation was adopted with UNDP support. In the area of renewables, UNDP developed databases and maps of the potential of wood and agricultural biomass. The programme also supported the design of the energy efficiency action plan for Una-Sana canton and initiated the establishment of institutional mechanisms for increasing energy efficiency in the public sector within five cantons. UNDP has also supported the development of the Energy Management Information System (EMIS) for energy consumption and monitoring and the formulation of a sound methodology for using it in the selection of public buildings to be refurbished. UNDP was also instrumental in the establishment of the Revolving Fund for Energy Efficiency under the Environmental Fund in the Federation. Another area where UNDP interventions have had a tangible impact is in the energy efficiency renovation of public buildings. About 58,000 peoples are reported to have benefited from energy efficiency measures, of whom 37,800 (60%) have been women.

In the area of Water Management, UNDP has contributed to Bosnia and Herzegovina's efforts to implement the state's Action Plan for Flood Protection and River Management and the EU Water Framework Directive. The programme has also contributed to the revision of the Law on Water of Republika Srpska and has supported the government in the development of a sound water tariff methodology, which was tested in four local communities. At the practical level, UNDP has also financed a number of infrastructure initiatives along the Vrbas river.

UNDP has supported reporting on climate change at the national level. This is something national institutions cannot do effectively themselves, partly due to the challenging governance structure and difficulty in aggregating information from both entities.

Two other important ways in which UNDP has contributed to the country and which are not explicitly recognized in the CPD or other reporting documents have been by facilitating communications between state and entity governments and harmonizing the legislative and policy framework across the entities.

Efficiency

The overall execution rate for the portfolio for the period in question is satisfactory, standing at 98% at the time of the evaluation. Established projects have good execution rates, whereas newly started ones have weaker execution rates. Project activities (including procurement and recruitment) are generally taking place within agreed timelines and partners are overall pleased with the pace of implementation and rated UNDP procedures as more favourable to those of other donor organizations.

The E&E sector is well structured and functions effectively. Also, the way the sector is embedded into the overall CO structure seems quite effective. The team is well-managed and is led by competent managers. There are clear roles and responsibilities and lines of accountability for team members. The current organizational structure is stable, in contrast to some other UNDP COs where it is under continuous restructuring. This stability has enabled the sector to develop clear profiles and roles and maintain competent staff.

Overall, within the limitations imposed by the donor-funded nature of the activities, the sector team has found a good balance in strengthening linkages between the various projects within the E&E portfolio and forging synergies between them. However, the evidence on synergies between projects was less solid outside the cluster than within. This area could benefit from stronger cross-sectoral cooperation, specially between the *E&E* and *Regional and Rural Development* sectors. The CO has already taken certain steps to ensure greater cross-project collaboration at the local level, including from the perspective of interventions contributing to the EE outcome. Yet, there is room for further integration and consolidation of operations at the local level which requires a strengthening of the strategy for how to operate at the sub-national level.

Sustainability

E&E projects have contributed to the development of policy instruments - draft laws, regulations or strategies. However, a serious problem for the country is the lack of implementation. The E&E sector team has taken some good steps in dealing with the problem of implementation, with a focus on human resource and financing aspects which are key (but not the only) prerequisites for implementation. However, there is room for further work on supporting authorities to focus more on the implementation of laws and regulations on the ground. At the level of project design, the

CO could take a more comprehensive and analytical approach on the support it provides to governments, covering the whole policy spectrum, including implementation aspects. Further, in its analysis of implementation bottlenecks, UNDP could consider additional factors that constrain the capability of public organizations to implement and raise crucial questions about the root causes of the problem that go beyond the issue of financing or training.

UNDP's E&E programme has had a significant focus on running pilot initiatives and demonstrating innovative solutions to specific problems, with the expectation that if successful they will be replicated, scaled up and institutionalized by government institutions. This evaluation found that in the area of energy efficiency and water management, the sector team has moved away from one-off investments in infrastructure, and is now contributing to the institutionalization of practices and systems through systematic approaches. The sector has focused in particular on the establishment of methodologies and systems for investments by the public sector. The results of UNDP's work in this area are quite positive. The focus on methodologies and systems integrated into the workings of government institutions is a strong factor of sustainability for UNDP's projects. One area where the sector team could make improvements is in strengthening the system for the monitoring and tracking of the performance of pilots time – the lessons they generate during the piloting stage and the extent to which they get replicated and scaled up.

In the current programme cycle, the E&E portfolio has generated significant commitments of co-financing or cost-sharing by government entities or the private sector. Co-financing is not only an indication of commitment and ownership by national partners, but also an important aspect of sustainability. UNDP has also been instrumental in the establishment of financing mechanisms, especially in the area of energy efficiency. The promotion of co-financing and the move from grants to market-based mechanisms has been a positive feature of the E&E programme. UNDP should continue to build on these achievements by strengthening competitive market mechanisms to ensure the sustainability and scale of initiatives. Instead of providing grants, UNDP should further strengthen incentives and conditions for the initiatives it promotes to secure access to international financial institutions and banks for finance.

Most of the projects in the E&E portfolio have significant components related to information sharing and awareness raising around issues of sustainable development, promotion of energy efficiency and renewable energies, good water management practices, etc. While many of these activities are useful and serve a clear purpose, this is probably a good time for the UNDP to examine more closely its work in this area and take a more strategic approach.

Strategic Positioning

UNDP is well-positioned and has significant comparative advantages in the area of E&E in Bosnia and Herzegovina. During the current programme cycle, the CO has been particularly successful in its resource mobilization efforts across all sectors, but especially in the E&E sector. Looking forward, the CO has a solid set of plans and a number of project documents in the pipeline. One

source of funding the CO would be well advised to explore more systematically is the EU. Given EU's strong commitments to Bosnia and Herzegovina's development process and the large part the environment plays in the EU Acquis, significant funding opportunities will be available from the EU in the coming years. The CO could launch a more organized process of exploration concerning all sectors and involving higher-level UNDP structures in Brussels and New York.

In terms of thematic areas, Climate Change and Energy Efficiency are areas where UNDP is already well-established, by creating significant depth and emerging as a serious player in the country. Given its success and good standing in this area, UNDP should further build on the foundations it has laid and seek to create more depth. However, given the opportunistic nature of UNDP's funding, driven by the lack of its own resources, it will be wise for the CO to diversify its portfolio by expanding at least into another thematic area and creating depth there as well. One new area which the CO has been considering is *Biodiversity*. Another area identified by partners as an area where there might be funding available for technical assistance is waste management. In terms of cross-cutting activities for the E&E sector, there is one area where sector should definitely engage more actively. This is the area of Sustainable Development Goals (SDGs). The SDG process presents a unique opportunity for integrating environmental concerns into policy frameworks – which is a large part of what the sector is trying to do.

Many lessons could be drawn from the experience of E&E sector, but the following two are included in this report:

- UNDP COs are often unable to develop a strong and sustained presence and depth in a particular sector because they don't have sufficient staff who can provide the office with gravitas in that area, generate project concepts and negotiate with government counterparts and donors. The argument goes that because you don't have human capacity, you cannot develop a strong presence in an area, and eventually you get caught up in a vicious circle. Bosnia and Herzegovina's experience has shown how you can develop strength and depth in an area and gradually build around it a stable and effective team of qualified and committed individuals who are technically and politically able to negotiate with government counterparts and donors.
- Another lesson can be drawn around the issue of co-financing. Many UNDP COs argue that it is difficult to obtain co-financing from their partner governments because they are finance-constrained. If they had the funds, the argument goes, they would not need UNDP or donor organizations. The case of Bosnia and Herzegovina shows that when a CO provides the government with a serious value proposition, the government is willing to chip in, and sometimes in significant amounts. What matters for the mobilization of co-financing is demonstrated competence and results, and these are built gradually over time with a lot of patience, endurance and persistence.

This report also provides six key recommendations for the consideration of the CO.

1. Results-Based Management at the Sectoral Level

In preparation for the development of the new CPD, the Sector Team and CO management may consider some of the measures proposed below which are geared towards strengthening the RBM system at the sectoral (programme) level.

- For the upcoming CPD, the sector should develop a stronger results framework based on SMART indicators, baselines and targets. The fact that a number of large projects have just started provides good predictability for the types of activities that the CO will be pursuing in this area in the new programme, which makes the development of a sound RRF easier.
- The sector should also ensure that programme baselines, indicators and targets are harmonized and aligned with those of individual projects. Also, data collection approaches, means of verification and risks and assumptions should be harmonized between the programme and project levels.
- The sector will also benefit from the development of a Theory of Change that connects all the specific pieces (projects) together. This is not just a theoretical exercise, but has practical value in that it will provide the team with insights into how these individual projects could be tied more effectively together.
- Also, the quality of project evaluations is something that could be improved. These are things that the CO could address in the formulation of the next CPD. Also, the CO should develop minimum quality criteria for project evaluations and should establish a tracking system to closely monitor their quality.

2. Positioning and Resource Mobilization

In terms of positioning, the CO should continue to consolidate its position in the areas of climate change, energy efficiency and water management. These are areas where UNDP Bosnia and Herzegovina has already positioned itself really well and is quite competitive. However, depending on the availability of funding for these areas, the CO is well advised to explore options for diversification. One potential area is “biodiversity” where UNDP is generally very strong and which UNDP could pursue in Bosnia and Herzegovina, ideally in a partnership with UNEP, given existing cooperation and their experience in the area. The plans that are already in place for the area of biodiversity are quite good. A second area which UNDP Bosnia and Herzegovina could explore is waste management, including medical waste and chemicals. This area is expected to receive increasing attention in Bosnia and Herzegovina and UNDP could provide contributions in certain areas. Again, some the ideas that have already been developed in this area are a very good starting point.

Furthermore, one cross-cutting issue with which the sector should be engaged more actively is the Sustainable Development Goals. Work around the SDGs should be coordinated closely between the sectors, but the E&E sector can play a much bigger role. Potential work the E&E sector could engage in includes the incorporation of SDGs in strategic documents and policies, establishing

national targets and baselines to measure progress, supporting the distribution of responsibilities among the levels of government, establishing data and monitoring systems that support SDGs, and assisting with reporting nationally and internationally. Aligning SDG implementation and monitoring with the EU accession process could be another type of activity that would raise attention to the SDGs and ensure coherent implementation of priorities. Overall, the E&E sector is well positioned to support through the SDG process the mainstreaming of the environmental concerns into the country's legal and policy framework and assist the government in gradually exploring the concept of Green Economy (e.g. through multi-stakeholder fora, screening of public expenditure from an environmental perspective, green accounting, etc.).

As far as resource mobilization is concerned, the main recommendation for the E&E sector is to explore more systematically the significant opportunities that have opened up with the EU after the adoption of the environmental and energy strategies. The CO could undertake a more systematic assessment and identification of opportunities by researching how the EU is currently detailing their priorities into specific programmes and actions on the basis of the strategic and approximation plans of the state and the entities. In this context, the CO could launch a more organized process of exploration concerning all sectors and involving higher-level UNDP structures in Brussels and New York.

3. Programme Integration at the Sub-national Level

At the sub-national level, the CO should strengthen collaboration between sectors by establishing integrated frameworks for project planning and implementation. **RRD** activities, especially the component on strategic planning at the local level, provide the **E&E** sector with a platform on which to embed environmental and energy efficiency initiatives. The CO could explore the feasibility of integrated work plans elaborated at the regional/local level and matched with the CO's plan at the national level. An example of this would be the use of UNDP's local presence (i.e. ILDP project) as vehicles for the implementation of UNDP projects in the respective areas.¹ Such an area-based approach will enable UNDP to weave more effectively cross-cutting issues (such as energy efficiency, citizen engagement, transparency and accountability, gender equality) into other thematic activities (i.e. community development, service delivery, etc.). Stronger synergies may also be forged with international organizations at the sub-national level, which may also provide increased funding opportunities. UNDP can also support local authorities to facilitate more effectively donor coordination at the sub-national level. A crucial step in achieving a higher level of programme integration and consolidation could be the development of a clearer strategy for how UNDP should structure itself and operate at the sub-national level.

4. Policy implementation

¹ Also, UNDP's local presence may serve as a vehicle for the implementation of the activities of other UN organizations in a particular location.

UNDP should further strengthen its focus on policy implementation, by thinking beyond just the passing of laws and strategies, and considering measures that consolidate organizational structures that will implement those laws and strategies. This includes actions like the creation of organizational structures, staffing organizations and allocating funding for their operations, training management and staff to implement policies, etc. The sector team has already been doing a lot of this, but the point here is to promote a mentality shift in the programme and in the government away from “form” (how a piece of law looks like) to functionality (how a law is implemented and what effects it produces). From this perspective, it is important that the team consider how the capability of government organizations is built and changes. For this, the CO should develop RBM systems that track implementation parameters linked to functionality and outcomes rather than form and inputs/outputs and assess more rigorously the sustainability of achievements. Project documents should contain clear criteria related to performance based on a strategy for achieving and demonstrating results. Achieving this focus on functionality and outcomes is difficult when considering the short timeframes of UNDP projects, but it is not impossible. What is important is the mentality shift which implies that UNDP staff start designing and implementing projects with these *implementation* considerations in mind.

5. *Co-financing*

The sector team has done a good job when it comes to co-financing, but for projects that involve infrastructure investments it is essential to keep pushing for stronger competitive/market mechanisms to ensure the sustainability and scale of initiatives. Overall, the recommendation here is to stay on the same path and not backtrack, because market-based solutions to infrastructure problems are extremely important for their sustainability. Instead of providing grants, UNDP should keep strengthening incentives that promote access to international financial institutions and banks for finance. One opportunity UNDP could explore further is engaging with some of the lending activities of International Financial Institutions (IFIs) at the sub-national level and helping with the monitoring of loan operations through its partnerships with local governments and communities. Ensuring good governance and transparency at the local level are areas of work where UNDP has a comparative advantage, so partnerships with IFIs will be a win-win situation. This is area the CO could look into with the objective of coming up with a clear strategy and plan of action – and not only in the E&E area, but across the programme.

6. *Awareness Raising*

In the area of awareness raising and information sharing, the CO should consider more strategically and systematically its approaches, methodologies and results. This is an area where there have been significant shifts in research and practice recently and it is time for UNDP to upgrade its approach. First, the CP should recognize the information sharing and awareness raising are done for a simple reason – to change people’s behavior. So, when designing information campaigns and events, it is important to ask what behavior and whose behavior the programme or project is seeking to change. This requires a lot of careful thinking about the type of behavior the

programme/project seeks to promote and the agents whose behavior it wants to change. As a next step, it is also important to understand what type of information and what channel of information has the potential to change the identified behavior in the target group. The way the information is packaged matters a lot, but who carries the information and how that person is perceived by the target group matters even more. In this sense, it is important to understand whose opinion matters for the target group and how that opinion can be constructed and used to influence behavior. It is also important to recognize that individuals operate in a social environment and that human behavior is largely influenced by social norms set by the community in which an individual is embedded. So, to change an individual's behavior, it is important to understand the prevailing social norms in his/her community and the factors that shape those social norms. This is something that the CO could examine a bit more closely in the context of the development of the new CPD and new projects.

CHAPTER 1: EVALUATION PURPOSE AND METHODOLOGY

This chapter will provide a brief overview of the evaluation's objectives and scope, the methodology that was used for the assessment and the process that was followed for the preparatory phase, data collection, data analysis and the finalization of the report. It will also outline the major limitations that were encountered during its conduct.

1.1. OBJECTIVE AND SCOPE

This is an independent evaluation of what is described as the “energy and environment” outcome area in UNDP Bosnia and Herzegovina's Country Programme 2015-2019. This is Outcome 5 in the United Nations Development Assistance Framework document, which is framed in the following way – *“By 2019, legal and strategic frameworks are enhanced and operationalized to ensure sustainable management of natural, cultural and energy resources”*. The evaluation's main objective is to review and assess the results and role of UNDP activities in the energy and environment area and their contribution to the country's development results in the 2015-2018 period. It was commissioned by UNDP Bosnia and Herzegovina based on the Terms of Reference included in Annex II of this report and designed to achieve the following purposes:

- Serve as an instrument of quality assurance for UNDP activities and initiatives at the country level;
- Contribute to learning at the country, regional and organizational levels;
- Provide UNDP with inputs for the development of the new Country Programme; and,
- Support the country office's accountability in its reporting to the Bosnia and Herzegovina authorities, civil society partners, donors, the UNDP Executive Board, and other stakeholders and partners.

This document provides an independent assessment of the achievements, constraints, performance, results, impact, relevance and sustainability of UNDP's activities under the “Outcome 5 of the Country Programme Document”. It also generates lessons from experiences in the respective interventions for the duration of the Country Programme and provides recommendations on how UNDP may improve its programming, partnership arrangements, resource mobilization strategies, working methods and management structures. The evaluation also assesses UNDP's strategic positioning in the country based on its strengths and comparative advantage. Being forward-looking in nature and designed to help the formulation of the new country programme, this evaluation also identifies whether past results represent sufficient foundation for future progress in the same areas and provides recommendations on what the energy and environment programme could look like in the new programme cycle.

1.2. METHODOLOGY

The evaluation methodology was developed in line with the evaluation manual and the ethical guidelines compiled by the United Nations Evaluation Group, as well as the guidance provided by UNDP in its “Handbook on Planning, Monitoring and Evaluating for Results”.

The evaluation assessed primarily UNDP’s contribution to development results in the energy and environment spheres through its programme outcomes and strategies. It examined key intended and unintended outcomes of the programme. Strategies pursued by UNDP were evaluated for their consistency with the needs of the country in achieving development goals. The analysis of outcomes and the projects that contributed to them formed the basis for evaluating the UNDP role and positioning in Bosnia and Herzegovina’s development context. The evaluation used a set of evaluation criteria and a number of questions organized in the manner shown in the box below.

Evaluation Criteria:

Relevance: How relevant was the UNDP programme to the national development challenges and priorities as identified by the government in line with best practices of development? Was the UNDP programme aligned with the national priorities, strategies and development goals? Were there any obvious gaps that UNDP’s programme could have addressed but did not address? Did the UNDP programme respond appropriately and flexibly to Bosnia and Herzegovina’s evolving situation and development needs?

Effectiveness: How effective was UNDP in achieving its outcomes? What results, positive or negative, intended or unintended, were generated. What longer term effects (outcomes) were achieved or what progress was made towards their achievement? To what extent these outcomes were a result of UNDP’s involvement? Would these outcomes have happened if UNDP has not been involved? Did the UNDP programme initiate dynamic changes and processes that contributed to long-term outcomes?

Efficiency: Did UNDP make good use of its financial, institutional and human resources? Could it have achieved more with the same resources or made the same contributions with fewer resources? How could resources have been used better (with more impact)? Were there any identified synergies between UNDP initiatives that contributed to reducing costs while supporting results? Were there overlaps in what UNDP did with other organizations? If so, in which areas? How did UNDP coordinate with other UN organizations?

Sustainability: Were the results to which UNDP contributed sustainable? Did UNDP outcomes contribute to long lasting outcomes? What indications are there that the UNDP programme outcomes will be sustained, e.g., through requisite capacities (systems, structures, staff, etc.)?

The evaluation also assessed UNDP’s strategic positioning in the areas of energy and environment in Bosnia and Herzegovina on the basis of its comparative advantages and the specific strategies it used to support the country’s efforts towards development.

1.3. EVALUATION PROCESS

The evaluation consisted of the following steps: planning and preparation, data collection, results-based analysis, report writing and consultations.

- The planning and preparation phase included the development of the terms of reference (by the country office) and the design of the evaluation framework. The evaluator developed a detailed programmatic and geographic scope of the evaluation activities, evaluation visits, as well as sample interview guides for interviews.
- The second phase consisted of data collection. The evaluation used a mixed method approach, using different methods and collecting data from different sources (secondary and primary), including interviews (face-to-face and telephone), desk reviews of available documentation and information, and field visits. The largest part of information was collected during the country mission and field visit which was conducted from the 16th to the 21st of September 2018 to Sarajevo and Banja Luka (Republika Srpska).² During this mission, the evaluator reviewed additional documents and conducted interviews, site visits, and preliminary analyses. The evaluator developed interview guides (list of questions) for use during the evaluation visits. Stakeholders met included UNDP staff, representatives from government agencies, local authorities and communities, development partners, private sector, NGOs, donor organizations, UN agencies, etc. Efforts were made to meet a wide range of stakeholders and programme partners, in particular to address any limitations pertaining to areas where programme documentation and monitoring had not been sufficient. Data and information collected from various sources and methods were triangulated to strengthen the validity of findings. The following secondary data was reviewed:
 - Background documents on the national context, including national strategies and policies prepared by the government and documents prepared by international partners during the period under review;
 - Country programme documents and project documents for completed, ongoing or proposed UNDP projects, including preparatory phase documents, annual reports and financial data;
 - Country office reviews of the country programme and annual reporting; and
 - Independent research reports and academic publications on various subjects about Bosnia and Herzegovina.
- The third phase consisted of data analysis. The analysis phase involved a number of complementary components. First, the evaluation reviewed progress towards the relevant outcomes and the main outputs based on indicators included in the Country Programme Document. The evaluation considered the indicators at the outcome and output level and

² The list of people interviewed for this evaluation can be found in Annex I of this report.

whether they captured fully the achievements and change brought about by the programme. If not, the evaluation delved further into the programme, considering outputs produced and change brought about by individual projects and related outputs. Second, the method of triangulation was used to verify the information gathered from the documentary review (both those produced by UNDP and by third parties) and the interviews. It involved developing a method for checking the reliability of findings through multiple data sources, bringing as much evidence as possible into play from different perspectives in the assessment of hypotheses and assumptions. In the assessment of the outcomes an attempt was made to attribute the results to the projects/programme when feasible: when not feasible, contribution analysis was used.

- The fourth phase involved further analysis based on the feedback from the country office and the preparation of the final version of the evaluation report.

1.4. LIMITATIONS

UNDP Bosnia and Herzegovina, and in particular the E&E sector team, has been very cooperative throughout the evaluation process and has worked hard to provide all the information that was required. One limitation worth noting in this report is the limited number of days allocated by the CO for this evaluation – a total of 20 working days. This is too little for this type of evaluation. Also, the one week allocated for the field work was not sufficient for having the breadth of meetings that were required. At least two weeks would have been necessary to have had the right amount of time for interviews with the sector team, project staff and project partners. Also, more project sites would have been useful to visit outside of Sarajevo and Banja Luka. In the future, it is highly recommended that the CO take this into consideration when conducting evaluations of this nature.

CHAPTER 2: SITUATION ANALYSIS

The key challenge that Bosnia and Herzegovina faces in the area of environmental protection, energy efficiency and greenhouse gas (GHG) emissions is the lack of institutional capacities to develop and implement relevant strategic and legislative frameworks. Bosnia and Herzegovina does not have a national sustainable development strategy or other comprehensive development strategy. Its reforms are guided by an overarching Reform Agenda and its Action Plans, adopted in June 2015 by all government levels. The Reform Agenda identifies the country's main priority areas for tackling socio-economic challenges and advancing the rule of law and public administration reforms.

Bosnia and Herzegovina's reform agenda is largely driven by the European Union (EU) accession process. The country has signed a Stabilisation and Association Agreement with the EU, which provides formal focus for the approximation of its legislation with the EU Acquis. The approximation process consists of the transposition of environmental legislation of the EU into Bosnia and Herzegovina's legislation and implementation of such legislation. Implementation will require the formulation of strategies and plans that identify required resources and the way they will be mobilized to achieve the implementation of the Acquis. The period since 2011 has been characterized by efforts to transpose the EU environmental acquis into the national legislation; however, the country is still at an early stage in these efforts. Assistance with analyzing the legal and policy framework vis-à-vis the EU environmental acquis and drafting new legal and policy documents in certain key policy segments has been provided through the EU-funded projects.

Recently, Bosnia and Herzegovina has adopted an Environmental Approximation Strategy and a Framework Energy Strategy which will give further impetus to the approximation work and will open the way to IPA II funding³ for the environmental and energy sectors through the Western Balkans Investment Framework.⁴ Both strategies are tailored to the EU accession process and provide the country's high-level strategic framework for the environmental and energy sectors. Under these two high-level frameworks, there is a whole body of sub-sectoral legislation and policies.

As a party to the United Nations Framework Convention on Climate Change (UNFCCC), Bosnia and Herzegovina (B&H) has undertaken important steps towards understanding and addressing climate change issues. It is increasingly recognized not only by the Government and scientific community, but also by its citizens that climate change is an issue of key strategic importance.

³ EU's IPA II is a new 2014-2020 programme for assistance to candidate countries for pre-accession. More information on the programme can be found here: https://www.welcomeurope.com/european-funds/ipa-ii-instrument-pre-accession-assistance-2014-2020-838+738.html#tab=onglet_details

⁴ The Western Balkans Investment Framework (WBIF) supports socio-economic development and EU accession across the Western Balkans through the provision of finance and technical assistance for strategic investments, particularly in infrastructure, energy efficiency, and private sector development. It is a joint initiative of the EU, International Financial institutions, bilateral donors, and the governments of the Western Balkans. More information on the framework can be found here: <https://www.wbif.eu/about-the-wbif>

B&H has put great emphasis on climate change as one of the most significant development challenges facing the country. The importance of adaptation was clearly reflected in its Second National Communications and Climate Change Adaptation and Low Emission Development Strategy (CCA LEDs), adopted in 2013. To date, the country has submitted the Initial, Second and Third National Communications and the Biannual Update Reports on Greenhouse Gas Emissions to the United Nations Framework Convention for Climate Change. Additionally, it has signed the Paris Agreement and thereby developed its Nationally Determined Contribution, which explicitly recognizes the potential of the public sector for GHG emission reduction. Chemicals management, particularly mercury pollution and its hazards have not yet appropriately been addressed.

The energy sector is recognized as one of the most important driving forces of the country's economy. Although there is a substantial potential for energy production based on available wood biomass, traditional, low-energy efficiency patterns still characterize the use of wood, such as using of fuel wood for individual household heating. However, besides the existing technical potential, one of the main challenges which remains within Bosnia and Herzegovina's biomass sector is to assure further policy development which will enable sustainable and continuous biomass utilization and develop an efficient biomass value chain management. currently there are no clear forest governance mechanisms in Bosnia and Herzegovina providing the essentials of a wood biomass market – the security of supply of wood biomass to ensure the reliability of continuous supply for the required demand, i.e. required quantity and quality. Namely, more and more is invested in Heating, Ventilation and Air Conditioning (HVAC) infrastructure and refurbishment of buildings in Bosnia and Herzegovina, which contain fuel-switch projects (from fossil to wood biomass). As a result, the demand for higher energy carrier quantity and quality (in terms of net calorific value) increases. However, due to lack of developed, adopted and enforced forest governance mechanisms, which is one of the key enabling points for assuring a balanced supply/demand environment within Bosnia and Herzegovina's wood biomass market, it is of high importance to introduce best practices and operational methods within the fragmented Bosnia and Herzegovina forest governance and thus create standardization and a systematic approach to forest governance.

In the energy management area, with 20% of its GDP spent on energy, Bosnia and Herzegovina is characterized as a country with high energy inefficiency. At the same time, it has one of the most significant energy conservation potentials in the region and could base its mid-term economic development and generation of new employment on implementation of energy efficiency measures in the residential and public sectors. Bosnia and Herzegovina signed the International Energy Charter (2016) and the Energy Community Treaty (2009), indicating the authorities' recognition of the need to improve energy efficiency and to ensure sustainable low carbon development. In 2017, Bosnia and Herzegovina adopted its first Energy Efficiency Action Plan (2016 – 2018). With membership in the Energy Community, Bosnia and Herzegovina has undertaken the obligation to implement directives, where energy efficiency and renewable energy improvements count for the largest portion of this commitment. The main goal is to enhance legal and strategic frameworks on

state and entity levels to ensure sustainable management of energy resources while contributing to climate change fight and simultaneously generating new employment.

The Action Plan for Flood Protection and River Management for Bosnia and Herzegovina for the period 2014-2017 was adopted after the catastrophic 2014 floods. It provides a set of measures to design new technical solutions for protection from floods and construction of new facilities, as well as building the capacities of institutions responsible for water management and flood protection. Implementation of these measures has received strong support from the international community, with many interventions implemented through UNDP.

In 2016 Bosnia and Herzegovina began engaging with the 2030 Agenda for Sustainable Development, which mainstreams energy and environment aspects across all goals. The agenda is currently being internalized and transposed into country frameworks and policies. Activities related to the Sustainable Development Goals have focused on awareness and have been driven primarily by the United Nations Country Team.

The main challenge related to this large body of policy in the area of environmental protection and energy efficiency is implementation. The country has a complex political system with a multilayered administrative structure, which is a legacy of the peace process and the Washington and Dayton agreements. The country consists of two entities (Republika Srpska and Federation of Bosnia and Herzegovina) and a special administrative district called Brčko District. Decision making involves the Council of Ministers, two entities and Brčko District. The Federation of Bosnia and Herzegovina is sub-divided into 10 cantons and 81 municipalities, while Republika Srpska has a centralized structure with 64 municipalities. The entities have a very high degree of autonomy, with their president, parliament, government, and courts. They have jurisdiction in the areas of environment, water management, agriculture, forestry, energy, civil administration, health, education, police department, physical planning. Authority at the state level covers foreign policy, defense, border monitoring, foreign trade, fiscal and monetary policy. Furthermore, each canton has its own government and adopts its own laws, which should be harmonized with the legislation of the Federation of Bosnia and Herzegovina. Environmental policy and natural resource use are the responsibility of both the Federal Government and the cantons. In Republika Srpska, the cantonal level is missing and these responsibilities are primarily with the entity government.

CHAPTER 3: PROGRAMME OVERVIEW

This section of the report will provide a brief overview of the activities of UNDP Bosnia and Herzegovina that have taken place in the area of “Energy and Environment” (E&E)⁵ during the 2015-2018 period. The objective of the overview is to outline the boundaries of the E&E portfolio, identify the major activities that have taken place within those boundaries, describe the objectives that those activities were designed to meet and provide a programme-level description of key parameters of the E&E portfolio, such as implementation timelines, budgets, sources of funding, organizational structure, etc. The overview provided in this section will help the reader place the analysis presented in the following sections into a clearer context and will thus enable them to appreciate the findings of this report more thoroughly.

3.1. OVERVIEW OF ACTIVITIES

In the course of the 2015-2019 programme cycle, UNDP Bosnia and Herzegovina has implemented or is implementing 13 E&E projects which are listed in Table 1 below. These projects form a bundle which the Country Office (CO) refers to as “Outcome 5”.⁶ It is important to emphasize here that the Outcome 5 projects (13 projects listed in Table 1 below) are managed jointly with a number of projects in the area Disaster Risk Reduction (DRR), which fall under another outcome area and hence do not fall under the scope of this evaluation. The E&E and DRR projects are managed by one team in what the CO refers to as the “E&E sector”. It is important to bear in mind that throughout this report the focus is on the E&E portfolio of projects (Outcome 5), which excludes DRR projects.

Given that the names of these projects will be used extensively throughout this report, they will be referred to by an abbreviated version of their title which is shown in Table 1.

Table 1: List of E&E projects that fall under the scope of this evaluation

No.	Project Title	Abbreviated Project Name
1	Third National Communication	TNC
2	Biomass Energy for Employment and Energy Security	Biomass
3	Catalyzing Environmental Finance for Low-carbon Urban Development	URBAN LED

⁵ For the rest of this paper the acronym E&E will be used to signify Energy & Environment. It should not be confused with the acronym EE will be used to signify Energy Efficiency.

⁶ It is hard to provide a precise definition for what this cluster of projects is and isn't from a substantive point of view because of its broad, and often cross-cutting, nature. For the purpose of this evaluation, the cluster will be defined operationally - it is the totality of all projects that are managed by a team of programme staff who are designated to oversee a portion of the programme labelled the “E&E cluster”. How certain projects that straddle different substantive areas – i.e. energy efficiency and community development – are categorized is a matter which this evaluation is not going to delve into. Suffice to say that it appears that the CO does not have detailed criteria for how projects are categorized into different clusters and this matter is dealt with in a practical manner and based on experience and precedents.

No.	Project Title	Abbreviated Project Name
4	Strengthen Bosnia and Herzegovina Decision-Making Towards Becoming a Party to the Minamata Convention and Build Capacity for Implementation of Future Provisions	MIA
5	GoAL WaSH Regulatory framework for water supply and waste water tariffing	GED WAT/ GoAL WaSH
6	Scaling-up Investment in Low-Carbon public buildings	GCF
7	Green Economic Development Project Phase I	GED Phase I
8	Green Economic Development Project Phase II	GED Phase II
9	District Heating Project	DH
10	Technology transfer for climate resilient flood management in Vrbas River Basin	VRB/CRFM
11	Advance the National Adaptation Plan process for medium-term investment planning in climate sensitive sectors in Bosnia and Herzegovina	NAP
12	Fourth National communication and Third Biennial Update Report under the UNFCCC	FNC/TBUR
13	First Biennial Update Report	FBUR

The timelines of all nine projects are shown in Figure 1 on page 31. As can be seen from the figure, there is no exact overlap between the country programme cycle (2015-2019) and project timelines. The following is a brief summary of the projects' timelines in relation to the programme cycle.

- Four of the 13 projects - the *TNC*, *WaSH*, *GED Phase I* and *FBUR* projects - originated from the previous programme cycle (2010-2014) and continue into the current cycle (2015-2019).
- All the other nine projects have had their starting point somewhere in the current cycle.
- Three projects have their starting and ending points within the current programme cycle (*Biomass*, *MIA* and *DH*).
- Six projects continue into the next programme cycle (*Urban LED*, *GCF*, *GED Phase II*, *VRB/CRFM*, *NAP* and *FNC/TBUR*).
- Only two projects received extensions during the current cycle (*MIA* and *FBUR*).

3.2. FINANCIAL OVERVIEW

Table 2 shows the respective donor for each of the 13 projects. The Global Environment Facility (GEF) has funded six projects, followed by the Swedish International Development Agency (SIDA) with three and Italy and the Czech Republic with one each. Also, it is important to note that the Green Climate Fund (GCF) has financed the "Investment in Low-Carbon Public Buildings" project with an amount of more than US\$ 17 m. It should also be noted that in this

cycle the CO has not had any regional projects, which are typically implemented in a number of countries simultaneously.

Table 2: Project Donors

No.	Projects	Donor
1	TNC	GEF
2	Biomass	Czech Republic Development Cooperation
3	URBAN LED	GEF
4	MIA	GEF
5	GED WAT/ GoAL WaSH	GW – SIDA
6	GCF	Green Climate Fund (GCF)
7	GED Phase I	SIDA
8	GED Phase II	SIDA
9	DH	Italian Ministry of Land and Sea
10	VRB/CRFM	GEF
11	NAP	GCF
12	FNC/TBUR	GEF
13	FBUR	GEF

Table 3 shows the financing sources of the 13 projects. The total amount of funding contributed by donors for all projects is about US\$ 43.5 m.⁷ Based on Project Documents, UNDP has committed about US\$ 6.6 m of its own core resources to the sector, which constitutes about 15% of the total funding provided by donors. At the project level, UNDP's contribution as a share of donor funding has varied from 0% for projects such as *TNC*, *Biomass*, *MIA*, *GED*, *NAP*, *FNC/TBUR*, and *FBUR* to about 190% for the *URBAN LED* project. For the *WaSH* project UNDP's contribution has been about 85% of what was provided by the donor, whereas for the *VRB/CRFM* project about 30%. For *GCF* UNDP's contribution was less than 2%. In absolute terms, the largest UNDP contribution has been for the *URBAN LED* project (US\$ 4.5 m).

Table 3 also shows the amount of contributions expected from the government (national and subnational levels) and other sources (primarily the private sector) as agreed in signed project documents. This is mainly cost-sharing for the various demonstration pilots designed to take place under the projects. For the whole sector, the amount of financing expected from government sources is more than US\$ 125 m (for projects like GED Phase II, the amount of co-financing is still to be determined). Further, more than US\$ 170,000 is expected from other sources, including the private sector. For some projects, government co-financing constitutes a significant part of the resources expected to be spent under the project – for example, in the *VRB/CRFM* project the government is expected to contribute more than US\$ 75 m, whereas in the *URBAN LED* project government counterparts were expected to contribute more than US\$ 37 m. These are significant amounts – combined for the whole portfolio they represent more than 2.5 times the total amount

⁷ It is important to bear in mind that, given that some of the projects originated from or continue into a different programme cycle, not all of the 26 m USD is meant to be spent during the 2015-2019 cycle.

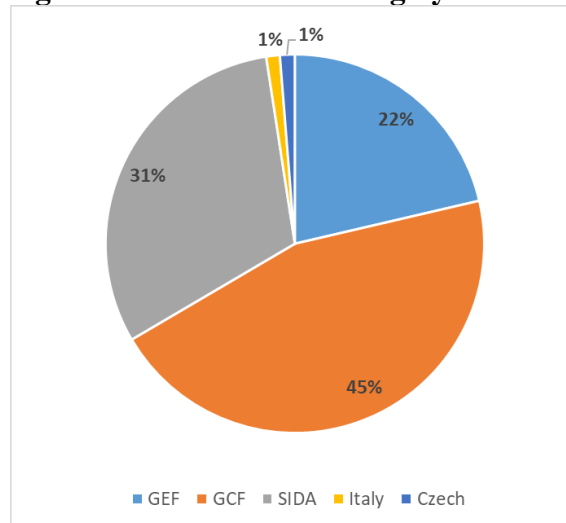
provided by donors and UNDP combined. However, as will be discussed further in this report, not all this amount of financing has materialized yet.

Table 3: Project Budgets

No.	Project	Donor Contribution	UNDP Contribution	Government Contribution	Other/Private Sector
1	TNC	500,000	0	0	45,000 Env. Fund; 86,000 in kind contribution
2	Biomass	552,273	0	0	0
3	URBAN LED	2,370,000	4,500,000	37,550,627	0
4	MIA	200,000	0	0	0
5	GED WAT/ GoAL WaSH	259,016	225,120	0	0
6	GCF	17,346,000	300,000	(100,868,000 USD parallel co-financing)	0
7	GED Phase I	8,267,064	0	11,403,223	0
8	GED Phase II	4,949,239	0	To be acquired	0
9	DH	501,792	0	0	0
10	VRB/CRFM	5,000,000	1,560,000	75,700,000	0
11	NAP	2,278,920	0	0	0
12	FNC/TBUR	852,000	0	180,000	0
13	FBUR	352,000	0	0	30,000 other; 16,000 in kind contribution
Total		43,428,303	6,585,120		

Focusing on donor funding, it is obvious that for the period in question this portfolio has relied on three major donors: GCF, Swedish SIDA and GEF (Figure 2). With a total of about US\$ 20 m, GCF has provided 45% of the total donor financing for the portfolio. Most of this funding has been channeled through the “*Scaling-up Investment in Low-Carbon public buildings*” project (more than US\$ 17 m), and the rest for the “*Advance the National Adaptation Plan process for medium-term investment planning in climate sensitive sectors*” project (the so-called NAP project). Also, SIDA has provided more than US\$ 13 m, which constitutes 31% of total financing for the portfolio. This contribution has been channeled primarily through the two phases of the “*Green Economic Development*” programme which has been going on since 2015. A smaller contribution of about US\$ 259,000 has been provided through the project “*GoAL WaSH Regulatory framework for water supply and waste water tariffing*” (WaSH project). The third pillar of financing for the portfolio is GEF. Financing by GEF for the 13 projects that fall under the scope of this evaluation has been about US\$ 9 m, making up about 22% of total financing. GEF has financed six projects and has been the most consistent and reliable source of financing for this bundle of projects. Two additional sources of funding have been the Czech and Italian governments. Each of them has provided about half a million US\$, which constitutes about 1% of total donor financing for the portfolio.

Figure 2: Portfolio Financing by Donor



Donor and UNDP contributions by project are shown in Figure 3 below. A couple of observations may be derived from this figure. First, for the whole portfolio UNDP contributions are quite small compared to donor contributions, which highlights the donor-driven nature of the portfolio. Second, the projects with the largest budgets are **GCF**, **GED**, and **VRB/CRFM**. Clearly, for UNDP environmental projects, GCF, SIDA and GEF are significant sources of funding which provide scale and stability.

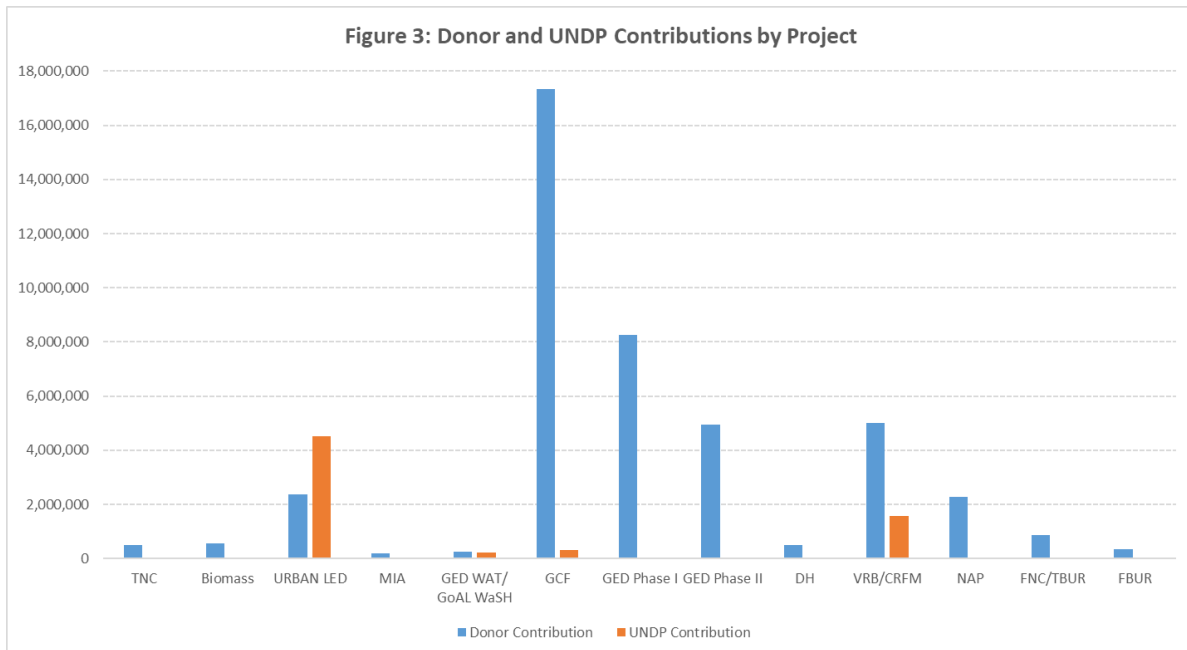


Table 4 on page 19 shows the projects' budgets and expenditures for each year in the four-year period (2015-2018). A number of observations can be drawn from this table. First, the amount of money spent on the portfolio during the 2015-2018 period (as of November 2018) has been about US\$ 24 m, out of about US\$ 24.6 m that was budgeted by the CO for the same period, with an

execution rate of about 98%. In this period, 2018 has seen the highest amount of spending – about US\$ 6.5 m (by November 19, 2018). In the other three years, spending has varied between US\$ 5.5 m and 6 m. The level of spending during this period has been quite stable, despite the usually volatile nature of donor funding which makes up the lion's share of project budgets. Second, budget execution has been effective, with the exception of 2018, for which there is a gap of about US\$ 2.5 m between what was budgeted and what was spent until 19 November 2018. Unspent funds represents about 28% of the 2018 budget, and it will be a challenge for the CO to be able to spend this significant amount until the end of the year (in less than two months).

It is also useful to place the E&E portfolio in the larger programme context by looking at E&E expenditure as a proportion of overall programme spending. As shown in Table 4 and Figure 4 below, for the 2012-2016 period, total programme spending of UNDP Bosnia and Herzegovina was about US\$ 160 m, of which about 19 % (or US\$ 31 M) was spending by the E&E cluster (please note that this includes spending on DRR activities which are part of the sector).

Table 4: Budgets and Expenditures for all Programme Sectors

Programme Sectors	Budget under CPD (5-year period)	Expenditure as of Nov. 2018 (since 2015)	Expenditure as percentage of Budget
Justice and Security	29,700,000	17,298,668	58%
Rural and Regional Development	79,812,354	51,253,702	64%
Energy and Environment	17,000,000	31,037,478	183%
Social Inclusion and Democratic Governance	21,419,302	17,140,483	80%
Floods and Recovery Programme (2014-2016)	44,016,718	43,848,465	100%
All programme	191,948,374	160,578,798	84%

If floods and recovery activities, which were initiated following the 2014 floods, are not considered, E&E is the second largest sector in the country programme after Rural and Regional Development. It is also worth noting here that compared to what was planned at the time of the development of the CPD, the E&E has exceeded the budget by more than 180% already in 2018, while the other sectors are still at a level between 60 and 80%.

Figure 4: Sector Shares in Total Expenditure

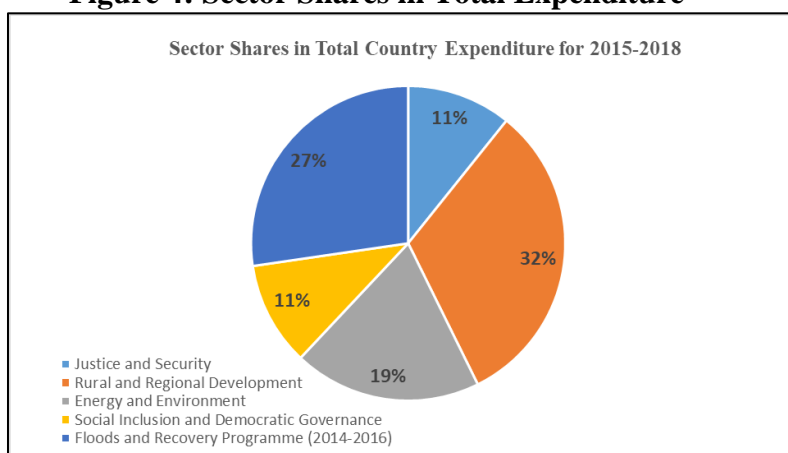
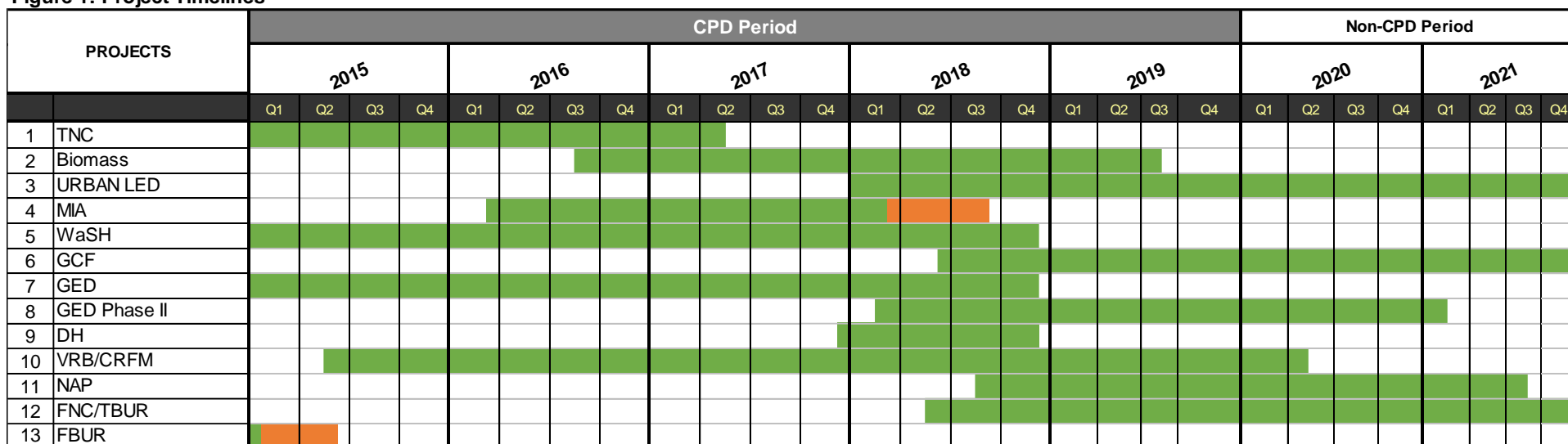


Figure 1: Project Timelines



Regular Implementation
Extension

Table 4: Projects' Budgets and Expenditures By Year

No.	Project	2015 Budget	2015 Expenditure	2016 Budget	2016 Expenditure	2017 Budget	2017 Expenditure	2018 Budget	2018 Expenditure (as of Nov 19)	Total 4-Year Budget	Total 4-Year Expenditure	Execution Rates
1	TNC	283,784	273,484	182,430	198,631	26,396	26,553	0	0	492,610	498,667	101%
2	Biomass	108,567	153,410	0	16,529	210,000	196,365	193,105	164,972	511,672	531,276	104%
3	URBAN LED	0	0	0	0	0	0	165,750	156,407	165,750	156,407	94%
4	MIA	0	0	40,000	48,828	129,000	135,586	15,586	14,432	184,586	198,846	108%
5	GED WAT/ GoAL WaSH	54,061	50,215	42,832	36,528	85,322	81,007	45,754	30,124	227,969	197,874	87%
6	GCF	0	0	0	0	0	0	25,000	2,222	25,000	2,222	9%
7	GED	3,586,109	4,377,523	4,294,480	4,826,984	4,100,000	4,369,928	4,180,513	3,331,565	16,161,102	16,905,999	105%
8	GED Phase II	0	0	0	0	0	0	1,967,313	890,490	1,967,313	890,490	45%
9	DH	0	0	0	0	0	0	351,254	95,256	351,254	95,256	27%
10	VRB/CRFM	357,450	486,659	990,411	938,827	1,068,970	1,240,469	1,904,247	1,750,521	4,321,078	4,416,476	102%
11	NAP	0	0	0	0	0	0	60,000	12,626	60,000	12,626	21%
12	FNC/TBUR	0	0	0	0	0	0	74,500	61,093	74,500	61,093	82%
13	FBUR	71,668	71,668	0	0	0	0	0	0	71,668	71,668	100%

3.3. ACTIVITY AREAS

Another aspect of the E&E portfolio that is important to outline and clarify in this section is the positioning and interconnectedness of the 13 projects that comprise it. Although they address issues which on the surface might appear quite distinct from one another, all 13 projects share a number of similar objectives which makes many of their activities synergetic and interdependent. To understand actual and potential interconnections and dependencies, the projects have been categorized and mapped on the basis of the following thematic areas⁸ - climate change, energy efficiency, chemicals, water and waste management, forestry and air pollution.

Table 6: Projects by Area of Activity

No.	Project	Brief Description	Area of Activity
1	TNC	Project aimed at enabling Bosnia and Herzegovina to produce and disseminate its Third National Communication (TNC) to the Conference of the Parties (CoP) of the UN Framework Convention on Climate Change (UNFCCC) according to Decision 17/CP.8 and other guidance provided.	Climate Change
2	Biomass	Project aimed to reduce CO ₂ emissions and improve the standard of living by supporting the sustainable use of wood biomass through strategic action, establishment of value chain and rising awareness of public on benefits from utilizing this source of energy.	Climate Change/Energy Efficiency/Forestry Management
3	URBAN LED	Project aimed to leverage investment for transformational shift towards low-carbon urban development in Bosnia and Herzegovina, thereby promoting safer, cleaner, and healthier cities and reducing urban GHG emissions. The project will facilitate implementation of technically and economically feasible low-carbon solutions in key urban sectors, and promote their wider uptake by municipalities and private sector via a dedicated financial mechanism established within the national environmental finance framework.	Climate Change/Energy Efficiency/Waste Management
4	MIA	Project aimed to undertake a Mercury Initial Assessment to enable Bosnia and Herzegovina to determine the requirements and needs for becoming a Party of the Minamata Convention and establish a foundation for its implementation.	Chemicals
5	GED WAT/GoAL WaSH	Development of Methodology for water supply and waste water tariffing, testing in several pilot municipalities and preparation of Bylaws for obligatory adoption and application of the Methodology.	Water and Waste
6	GCF	Project aimed at supporting the efforts of Bosnia and Herzegovina to respond to the challenge of climate change, reduce the greenhouse gas emissions and adapt to climate change.	Climate Change/Energy Efficiency

⁸ The nine thematic areas used here are rather simple and pragmatic categories. No formal research model underlies these groups.

No.	Project	Brief Description	Area of Activity
7	GED Phase I	GED project contributes to the establishment of sustainable energy management system at all levels of government with the aim to reduce greenhouse gas emissions, improve energy efficiency in public buildings and reinvest savings.	Climate Change/Energy Efficiency
8	GED Phase II	GED project contributes to the establishment of sustainable energy management system at all levels of government with the aim to reduce greenhouse gas emissions, improve energy efficiency in public buildings and reinvest savings. Project will also provide renewable energy solution for households living in rural areas off the power grid.	Climate Change/Energy Efficiency
9	DH	The project supports Bosnia and Herzegovina and the Canton of Sarajevo to take action on mitigating air pollution through promotion and utilization of renewable energy sources and improvements in access to district heating.	Air Pollution
10	VRB/CRFM	The project enables the government of Bosnia and Herzegovina and communities of the Vrbas river basin to adapt to flood risk through the transfer of adaptation technologies for climate resilient flood management and embark on climate resilient economic activities.	Climate Change Adaptation/ Water
11	NAP	The project supports the Bosnia and Herzegovina government to advance the National Adaptation Plan (NAP) process and reach goals outlined in the Paris Agreement and 2030 Agenda for Sustainable Development. The Project will enable the government to integrate climate change-related risks, coping strategies and opportunities into ongoing development planning and budgeting processes.	Climate Change/Water
12	FNC/TBUR	This project aimed at assisting Bosnia and Herzegovina in the preparation and submission of its Fourth National Communication (FNC) to the Conference of the Parties to the UNFCCC and its Third Biennial Update Report, so as to fulfil its obligations to the Convention under Decision 17 / CP. 8, decision 2/CP17 and other related guidance.	Climate Change
13	FBUR	With an assistance of more than 20 local experts and active involvement of relevant institutions, FBUR has resulted in an updated GHG inventory for 2010-2011, verified in line with international standards. The document also recognizes areas with the highest potential for GHG mitigation and establishes a framework for monitoring, reporting and verification of mitigation activities.	Climate Change

As can be seen from the table, there are three main areas of work around which UNDP's E&E activities have clustered⁹:

- **Climate Change:** Three projects may be categorized here. The *TNC*, *FNC/TBUR* and *FBUR* projects are focused on supporting the country's reporting on climate change.

⁹ The analysis here excludes the area of "Disaster Risk Reduction" which falls outside the scope of this evaluation.

- **Climate Change and Energy Efficiency:** Four projects straddle the Climate Change and Energy Efficiency areas - *Urban Lead*, *GCF*, *Biomass* and the two *GED* projects.
- **Water Management:** Three projects provide important contributions in the area of water management - *Vrbas*, *NAP* and *GED WAT/GoAL WaSH*.

Other areas covered by the programme, but only marginally, are:

- **Waste Management:** the *Urban Lead* and *GED WAT/GoAL WaSH* projects also cover the issue of waste management.
- **Forest Management:** the *Biomass* project covers important aspects of forestry management.
- **Chemicals:** the *Minamata* project operates mainly in the Chemicals area. It aims to enable Bosnia and Herzegovina to determine the requirements and needs for becoming a Party of the Minamata Convention and establish a foundation for its implementation.
- **Air Pollution:** the *District Heating* project is assisting Bosnia and Herzegovina and the Canton of Sarajevo to take action on mitigating air pollution through the promotion and utilization of renewable energy sources and improvements in access to district heating.

The area of Biodiversity and Natural Resource Management are not addressed by any projects in the current cycle, but, as will be discussed further in this report, the CO is planning to enter this area through a proposal for GEF's Round 7.

Furthermore, Table 7 (below) shows key government partners for each project. The table illustrates the complexity of the governance system in Bosnia and Herzegovina. There are four key "ministries of environment" which are usually involved in most UNDP projects - *Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina* (MOFTER) at the state level, *Ministry of Spatial Planning, Construction, and Ecology of Republika Srpska* (MSPCE RS), *Ministry of Environment and Tourism of Federation of Bosnia and Herzegovina* (MET FBiH), and *Government of Brcko District of Bosnia and Herzegovina*. In addition to these four governments, UNDP projects involve a variety of lower-level governments at the canton level (for the Federation) and the municipal level (for both the Federation and RS). Of the 13 projects, only the *District Heating* project has a sufficiently narrow focus to involve primarily only one government – that of the Canton of Sarajevo. For all other projects, all three entity governments and the state government have to be consulted and engaged, often in a difficult process that the sector team calls "shuttle diplomacy". It should also be noted that the two "environmental funds"¹⁰ (one for each of the entities of the Federation and RS) play an important role in UNDP's E&E portfolio – especially the energy efficiency policy improvements and infrastructure initiatives (renovations) pursued by the projects *URBAN LED*, *GCF* and *GED*.

¹⁰ These two funds are called "*Environmental Fund of the FBosnia and Herzegovina*" and "*Environmental Protection and Energy Efficiency Fund of the Republic of Srpska*", but for ease of use in this report they will be labelled as "environmental funds".

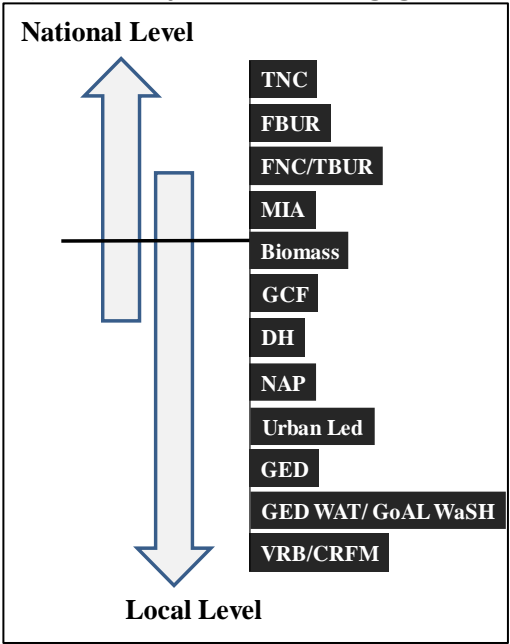
Table 7: Key Partners by Project

No.	Project	Key Government Counterpart	Implementing Partners
1	TNC	RS Ministry of Spatial Planning, Construction and Ecology	Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina (MOFTER); Ministry of Spatial Planning, Construction, and Ecology of Republika Srpska (MSPCE RS); Ministry of Environment and Tourism of Federation of Bosnia and Herzegovina (MET FBosnia and Herzegovina); Government of Brcko District of Bosnia and Herzegovina
2	Biomass	Ministry of Foreign Trade and Economic Relations of B&H (MOFTER)	Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina (MOFTER); Ministry of Agriculture, Forestry and Waters RS; Ministry of Agriculture, Water Management and Forestry of the Federation of Bosnia and Herzegovina; Government of Brcko Distrikt
3	URBAN LED	Ministry of Foreign Trade and Economic Relations of B&H (MOFTER)	Ministry of Foreign Trade and Economic Relations of B&H (MOFTER); Ministry of Spatial Planning, Construction, and Ecology of Republika Srpska (MSPCE RS); Ministry of Environment and Tourism of Federation of Bosnia and Herzegovina (MET FBosnia and Herzegovina); Fund for environmental protection of FBosnia and Herzegovina (EF FBosnia and Herzegovina); The Environmental Protection and Energy Efficiency Fund of RS (EF RS)
4	MIA	Ministry of Foreign Trade and Economic Relations of B&H (MOFTER)	Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina (MOFTER), Ministry of Environment and Tourism of Federation of Bosnia and Herzegovina (MET FBosnia and Herzegovina), Ministry of Spatial Planning, Construction, and Ecology of Republika Srpska (MSPCE RS), and Government of Brcko District of Bosnia and Herzegovina.
5	GED WAT/ GoAL WaSH	Ministry of Foreign Trade and Economic Relations of B&H (MOFTER)	Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina (MOFTER); Entity level Ministries of Water Management, Agriculture and Forestry, Associations of Municipalities and Cities of the Federation Bosnia and Herzegovina and Republika Srpska, Association of the Employers of Utility Companies in FBosnia and Herzegovina and Association Water Utilities of RS

No.	Project	Key Government Counterpart	Implementing Partners
6	GCF	Federal Ministry of Physical Planning, Ministry of Spatial Planning, Civil Engineering and Ecology RS, Environmental Protection Fund of FBosnia and Herzegovina, Environmental Protection and Energy Efficiency Fund of RS	Environmental Fund of the FBosnia and Herzegovina, Environmental Protection and Energy Efficiency Fund of the Republika Srpska, State, Entity and Cantonal ministries and Local Governments
7	GED	Environmental Fund of the FBosnia and Herzegovina, Environmental Protection and Energy Efficiency Fund of the Republika Srpska, Ministry of Foreign Trade and Economic Relations	Environmental Fund of the FBosnia and Herzegovina, Environmental Protection and Energy Efficiency Fund of the Republika Srpska, State, Entity and Cantonal ministries and Local Governments;
8	GED Phase II	Environmental Fund of the FBosnia and Herzegovina, Environmental Protection and Energy Efficiency Fund of the Republika Srpska, Ministry of Foreign Trade and Economic Relations	Environmental Fund of the FBosnia and Herzegovina, Environmental Protection and Energy Efficiency Fund of the Republika Srpska, State, Entity and Cantonal ministries and Local Governments
9	DH	Ministry of Physical Planning, Construction and Environmental Protection KS	Ministry of Physical Planning, Construction and Environmental Protection KS
10	VRB/CRFM	MoFTER	MoFTER, Ministry for Spatial Planning, Civil Engineering and Ecology of Republika Srpska, Ministry of Agriculture, Water-Management, and Forestry of Federation of B&H, Ministry of Agriculture, Forestry, and Water Resources of Republika Srpska
11	NAP	MoFTER, RS Ministry of Spatial Planning, Construction and Ecology	MoFTER, Ministry for Spatial Planning, Civil Engineering and Ecology of Republika Srpska, Ministry of Agriculture, Water-Management, and Forestry of Federation of B&H, Ministry of Agriculture, Forestry, and Water Resources of Republika Srpska, Ministry of Environment and Tourism of Federation of B&H
12	FNC/TBUR	RS Ministry of Spatial Planning, Construction and Ecology	MoFTER, RS Ministry of Spatial Planning, Construction and Ecology, Federal Ministry of Environment and Tourism, Brcko District
13	FBUR	RS Ministry of Spatial Planning, Construction and Ecology	MoFTER, RS Ministry of Spatial Planning, Construction and Ecology, Federal Ministry of Environment and Tourism, Brcko District

It should also be pointed out that while involving all levels of government, E&E activities have had a significant focus on the local (sub-national) level. Figure 7 ranks all projects on the basis of their level of engagement, starting from the grassroots level which involves work with the communities and all the way up to the top where the interaction has a national character.¹¹ As can be seen from the chart, there is a diversity of levels of engagement.

Figure 7: Projects’ level of engagement



The *TNC*, *FBUR* and *FNC/TBUR* projects are primarily focused on the national level, given that their interventions are mainly targeted at Bosnia and Herzegovina’s international reporting capabilities and commitments. The *MIA* project is also largely focused at the national level, helping state and entity governments to assess the “mercury” situation and accede to the Minamata Convention.

The *Biomass* project is primarily supporting the development of the policy and administrative framework in support of biomass utilization at the national level but has also practical activities on the ground which support the implementation of specific biomass initiatives. Similarly, the *GCF* project plays an important role at the national level but has also important implications for the sub-national level. The *District Heating* project works primarily with the

Canton of Sarajevo on a very specific problem of air pollution related to the canton.

The *NAP* project is more balanced between the national and sub-national level – it does important policy work at the national level, but also supports the development of a financing framework at the municipal level, including the identification of possible innovative financing solutions for climate change adaptation. The *GED*, *Vrbas*, *GEDWAT/GoALWaSH* and *Urban Led* projects play an important role at the sub-national level through pilot and infrastructure initiatives implemented jointly with canton and municipal governments.

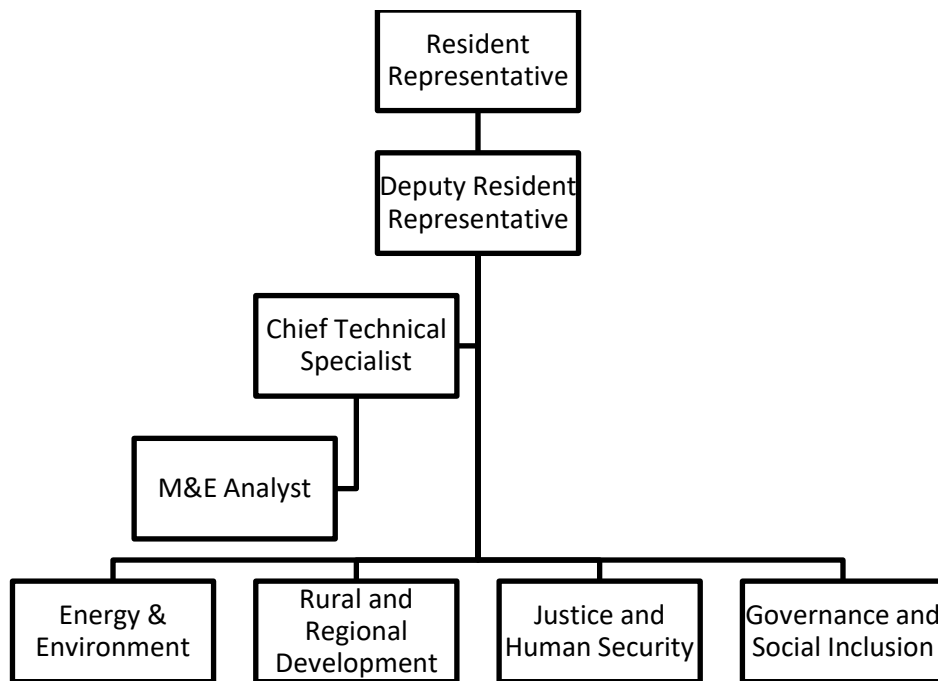
3.4. ORGANIZATION OF THE PORTFOLIO

It is also important to describe how the E&E portfolio (and the broader sector to which it belongs) is organized and how it fits into the larger organizational structure of the CO. Overall, the whole CO structure, including the programme and operations components, is headed by the Resident

¹¹ The ranking here is not done on the basis of a rigorous analysis using a specific methodology and criteria, but is more of an illustrative nature.

Representative (RR) and Deputy Resident Representative (DRR). A partial version of the CO organigram is shown in Figure 8 below. The CO programme is divided in four clusters (called sectors): *energy and environment*, *rural and regional development*, *justice and human security*, and *governance and social inclusion*. Each cluster is led by a Sector Leader who reports to the DRR. A Chief Technical Specialist and an Monitoring and Evaluation (M&E) Analyst work across clusters and coordinate their work. The programme is supported by the operations unit, which is not shown in the figure.

Figure 8: CO Organizational Structure

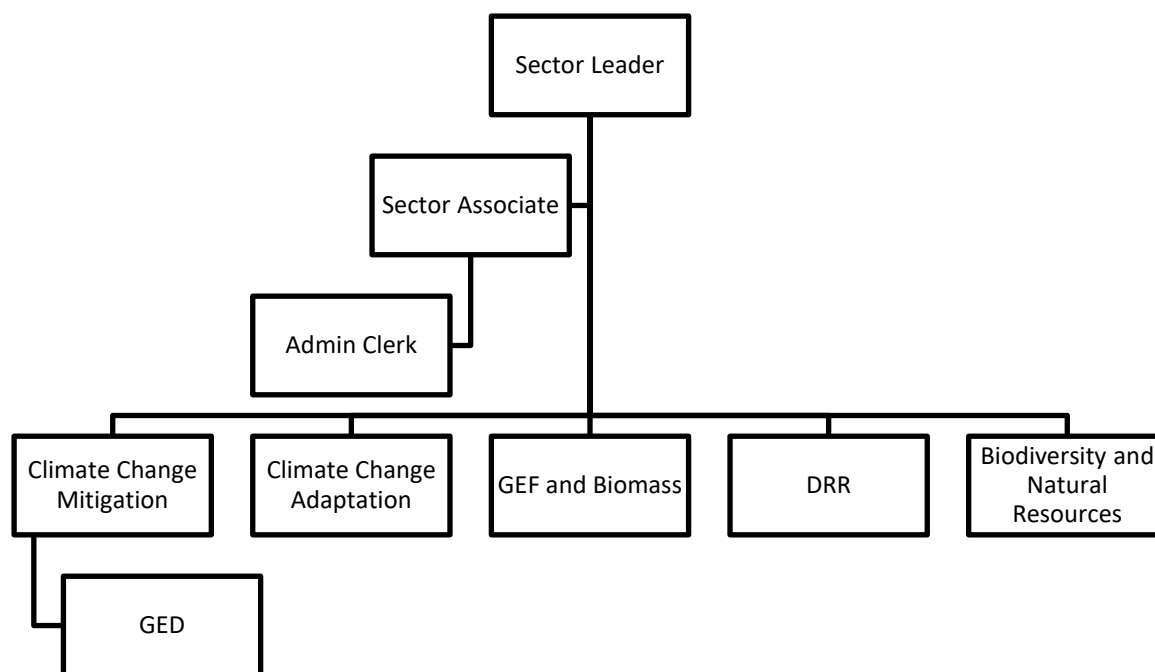


The organizational structure of the E&E sector is shown in Figure 9. The sector is headed by a Sector Leader and managed by six programme managers. A peculiar feature of this programme is that projects are not run individually by dedicated Project Managers (which is typical for most UNDP COs). E&E projects in the Bosnia and Herzegovina CO are clustered in five “programmes” (the following labels are used for the five programmes - *Climate Change Mitigation*, *Climate Change Adaptation*, *GEF and Biomass*, *Disaster Risk Reduction*, and *Biodiversity and Natural Resources*). Each of these five programmes is managed by a Project Manager. A sixth Project Manager is dedicated to the **GED** project, given its significant weight in the CO portfolio and its complexity, and operates under the area of Climate Change Mitigation (which also includes the other large project of **GCF**). The Biodiversity programme does not exist yet, but the CO is preparing to enter this area through an application for GEF 7 funding and other project ideas. In

preparation for this, a Project Manager is being recruited¹² to oversee the process and prepare the ground.

The Sector Leader is assisted by a Sector Associate and an Administrative Clerk. Unlike the other three clusters, this sector has also a dedicated Communications Specialist who takes care of the public relations and visibility activities of all projects. Owing to its significant size and economies of scale, this cluster is able to afford a dedicated Communications Officer (all projects involve awareness activities which require input and support from a communications expert). The larger projects also have Chief Technical Advisors (CTAs) who are usually experienced and highly regarded engineers. The total number of staff working in the sector at the time of the evaluation (September 2018) was about 32-33.

Figure 9: Organizational Structure of the E&E Cluster



It should also be repeated here that this sector is responsible for Disaster Risk Reduction (DRR) activities which do not fall under the scope of this evaluation. DRR is part of another outcome area in the country programme and UNDAF, as traditionally disaster-related activities were bundled with justice and security activities. Since 2015, however, DRR activities have been managed by the E&E sector. So, to be precise, the sector consists of about 17 ongoing projects, of which only 13 fall under the scope of this evaluation (as shown in Table 1 at the beginning of this section).

All these projects have a standard structure, which makes them organizationally similar to each other. They are led by a Project Manager (in this case in a bundle with other project, except for GED which is run separately by a dedicated manager) who reports to a Project Board (or Project

¹² Recruitment was ongoing as of the time of this evaluation's field research which took place in September 2018.

Steering Committee) composed of a variety of stakeholders and chaired by government and UNDP representatives. While project boards are responsible for important policy decisions such as the approval of budgets and work plans, day-to-day activities and staff performance are monitored by sector staff, and ultimately by the Sector Leader. Sector staff are responsible not only for the oversight of ongoing projects, but also for the development of new projects. Unlike some other UNDP COs, the Bosnia and Herzegovina CO does not have a separate policy unit dedicated to programme development. Programme development is done by cluster staff who are also responsible for overseeing project implementation.

Most sector staff are based in the UNDP central office in Sarajevo, but larger projects such as GED and GCF have staff members also located in UNDP regional office in Banja Luka¹³. The total number of sector staff located in Banja Luka was 8 at the time of this evaluation (including one United Nations Volunteer located within the Ministry of Spatial Planning, Construction, and Ecology). The regional presence gives UNDP good access to entity and sub-entity governments (as will be discussed further in this report).¹⁴

¹³ Banja Luka is the capital of Republica Srpska and it's where the RS government is located.

¹⁴ UNDP has currently two regional offices in Banja Luka and Mostar, and one project office in Bihac.

CHAPTER 4: MAIN FINDINGS

The findings of this evaluation are organized along the four standard dimensions of UNDP evaluations: i) relevance (the extent to which the programme was relevant to the country's priorities and needs); ii) effectiveness (whether the programme was effective in achieving the desired and planned outcomes); iii) efficiency (whether the process of achieving the results was efficient); and, iv) sustainability (the extent to which the benefits of the programme are likely to be sustained).

4.1. RELEVANCE

This section will provide an assessment of the relevance of the UNDP E&E programme. While there may be many criteria for assessing relevance, in this report it will be assessed along the following key dimensions:

1. Country Needs and Priorities defined in National Strategies, Policies and Programmes
2. International Commitments and Agreements
3. UN Country Priorities and UNDP's Country Mandate and Strategy

4.1.1. Relevance with Country Needs and Priorities

Assessing the relevance of the E&E programme against national priorities and strategies requires an understanding of how these priorities and strategies are defined and pursued by the authorities. In the case of Bosnia and Herzegovina, this is not straightforward because of its unique constitutional set up established by the 1995 Dayton Peace Accords, which includes the presence of many jurisdictions and governments.

Table 8 below summarizes Bosnia and Herzegovina's strategic and legal framework in the area of environmental protection and energy efficiency. As can be seen from the table, for each of the thematic areas in which UNDP's E&E programme operates, there are four sets of institutions, laws and strategies – one set relates to the state level and the other three to the entities (the table only shows laws and strategies of the Federation and RS – the Brcko District is the third entity that has its own jurisdiction). It should also be noted that in specific areas, cantonal governments as well have their own laws, policies and strategies (cantons exist only in the Federation of Bosnia and Herzegovina; whereas RS has a unitary form of government).

Bosnia and Herzegovina's reforms are guided by an overarching Reform Agenda¹⁵ and its Action Plans, adopted in June 2015 by all government levels. The Reform Agenda identifies the country's main priority areas for tackling socio-economic challenges and advancing the rule of law and public administration reforms.

¹⁵ The Reform Agenda can be found here: <https://europa.ba/wp-content/uploads/2015/09/Reform-Agenda-Bosnia-and-Herzegovina.pdf>

As can be seen from the table, Bosnia and Herzegovina has no overarching state-level policy and strategy for the environment. In its place, it has an Environmental Approximation Strategy¹⁶, adopted by the State Council of Ministers in 2018 after a long period of gridlock resulting from disagreements between state and entity governments over jurisdictional matters.¹⁷ Similarly, Bosnia and Herzegovina adopted in September 2018 a state-level Framework Energy Strategy until 2035. Both strategies are tailored to the European Union (EU) accession process and provide the country's high-level strategic framework for the environmental and energy sectors. Under these two high-level frameworks, there is a whole body of sub-sectoral legislation and policies which are shown in some level of detail in Table 8 below.

Table 8: E&E Strategic Framework in Bosnia and Herzegovina¹⁸

State Level	
Reform Agenda and its Action Plans	
Overall Environmental Strategy	<ul style="list-style-type: none"> • Environmental Approximation Strategy (supplemented by environmental approximation programs for the Federation, RS and Brčko District) developed with support of the EU. The strategy addresses eight sub-sectors of the EU environmental acquis (horizontal issues (EIA, SEA, liability, access to information, etc.); water management; waste management; air quality and climate change; industrial pollution; chemicals; nature protection; and environmental noise).
Energy Efficiency	<ul style="list-style-type: none"> • Framework Energy Strategy of Bosnia and Herzegovina by 2035 adopted in September 2018. • National Action Plan for Energy Efficiency adopted in 2017.
Renewable Energy	<ul style="list-style-type: none"> • National Renewable Energy Action Plan adopted by the Council of Ministers of Bosnia and Herzegovina in March 2016.
Climate Change	<ul style="list-style-type: none"> • Climate Change Adaptation and Low-Emission Development Strategy for Bosnia and Herzegovina adopted by the Council of Ministers of Bosnia and Herzegovina in 2013. <ul style="list-style-type: none"> ○ The strategy was adopted by the B&H Council of Ministers on October 8, 2013 and utilized the then available observed and projected climate change impacts on key sectors in the country including agriculture, water, hydropower, human health, forestry, biodiversity/sensitive ecosystems and tourism. ○ The strategy is based on four specific outcomes covering climate change risks, vulnerabilities and opportunities

¹⁶ The Environmental Approximation Strategy can be found here: [http://www.unep.ba/tl_files/unep_ba/PDFs/EAS-%20Bosnia and Herzegovina-eng.pdf](http://www.unep.ba/tl_files/unep_ba/PDFs/EAS-%20Bosnia%20and%20Herzegovina-eng.pdf)

¹⁷ The Environmental Approximation Strategy is supplemented by environmental approximation programs for the Federation, RS and Brčko District.

¹⁸ Information extracted from the Environmental Performance Review, Bosnia and Herzegovina, 2017, United Nations Economic Commission for Europe.

	supporting evidence-based policy development, effective institutional and regulatory framework, mainstreaming CCA approaches into decision making, and effective resourcing with timely and effective implementation.
River Basin Management	<ul style="list-style-type: none"> Action Plan for Flood Protection and River Management for the period 2014-2017 (adopted at the state level after the 2014 floods). Includes 22 priority measures for the area of flood protection and river basin management.
Land Degradation	<ul style="list-style-type: none"> National Action Plan to Combat Land Degradation and Mitigate the Effects of Drought in Bosnia and Herzegovina (adopted in May 2017)
Biodiversity	<ul style="list-style-type: none"> Action Plan for Biodiversity and Landscapes' Protection (2008-2015).
Federation of Bosnia and Herzegovina	
Overall Environmental Strategy	<ul style="list-style-type: none"> Environmental Protection Strategy of the Federation of Bosnia and Herzegovina for the period 2008-2018. Environmental Approximation Program of the Federation of Bosnia and Herzegovina - more specific than the Environmental Approximation Strategy of Bosnia and Herzegovina.
Energy Efficiency	<ul style="list-style-type: none"> Energy Efficiency Action Plan Law on Energy Efficiency adopted in early 2017.
Renewable Energy	<ul style="list-style-type: none"> Renewable Energy Action Plan of the Federation of Bosnia and Herzegovina.
Waste Management	<ul style="list-style-type: none"> Federal Waste Management Strategy for the period 2008-2018 and the Federal Waste Management Plan for the period 2012-2017.
Water Management	<ul style="list-style-type: none"> Water Management Strategy for the period 2010-2022.
River Basin Management	<ul style="list-style-type: none"> Draft river basin management plans for the Adriatic sea watershed area and Sava river.
Republika Srpska	
Biodiversity	<ul style="list-style-type: none"> Strategy of Nature Protection Environmental Approximation Program of Republika Srpska
Energy Efficiency	<ul style="list-style-type: none"> Energy Efficiency Action Plan adopted in 2013 in line with the requirements of the 2013 Law on Energy Efficiency of Republika Srpska.
Renewable Energy	<ul style="list-style-type: none"> Renewable Energy Action Plan of Republika Srpska
Chemicals	<ul style="list-style-type: none"> Chemical Safety Strategy for the period 2012-2016
Air Pollution	<ul style="list-style-type: none"> Strategy for Air Protection
Water Management	<ul style="list-style-type: none"> Strategy for Integrated Water Management for the period 2015-2024
Waste Management	<ul style="list-style-type: none"> Draft waste management strategy of Republika Srpska for the period 2017-2026

This extensive body of strategies and programmes – partly harmonized and complementary, and partly disconnected and contradictory – constitutes a complex institutional and policy framework within which UNDP’s operations are situated and which UNDP has to carefully navigate and abide by while delivering its programme.

Based on the strategic framework summarized in the table above, it is clear that UNDP’s E&E programme is quite relevant. Not only is the UNDP programme focused on key priority areas of energy efficiency and climate change, but its multi-dimensional (cross-sectoral) nature makes UNDP’s contribution relevant to other areas (waster and water management, air pollution, etc.).

4.1.2. Relevance with International Commitments and Agreements

Being a signatory to major international and regional energy and environmental agreements, Bosnia and Herzegovina is committed to fulfilling a range of international obligations. The most substantive and important agreement Bosnia and Herzegovina has committed to is the Stabilisation and Association Agreement¹⁹ with the EU which provides formal focus for the approximation of its legislation with the EU Acquis.²⁰ The approximation process consists of the transposition of environmental legislation of the EU into Bosnia and Herzegovina’s legislation and implementation of such legislation. Implementation will require the formulation of strategies and plans that identify required resources and the way they will be mobilized to achieve the implementation of the Acquis.

To achieve this, Bosnia and Herzegovina is in the process of revising its policy framework in a number of areas, including renewable energy sources and energy efficiency as key priorities of the energy policy, policy measures on climate change mitigation and adaption, water resources management, air quality, waste management, biodiversity and natural resources, land resources, etc. Furthermore, as a member of the Energy Community, Bosnia and Herzegovina is reforming the energy sector in compliance with the Energy Community Treaty (especially with focus on renewables and EE).

In the period 2014-2017, Bosnia and Herzegovina could not benefit from IPA II assistance for the environmental sector due to the lack of a country-wide strategy.²¹ Similarly, IPA II assistance for the energy sector was conditioned on the adoption of a comprehensive state-level energy strategy.

¹⁹ The Stabilisation and Association Agreement was signed in June 2008 and entered into force in June 2015. In February 2016, Bosnia and Herzegovina submitted its application for EU membership. In September 2016, the EU Council recognized Bosnia and Herzegovina’s progress towards the implementation of the Reform Agenda and invited the European Commission to prepare an Opinion on Bosnia and Herzegovina’s EU membership application. The Commission handed over to Bosnia and Herzegovina’s Council of Ministers a Questionnaire to support the preparation of its Opinion in December 2016. Bosnia and Herzegovina authorities delivered their consolidated answers to the Commission’s questionnaire in February 2018.

²⁰ The EU environmental acquis, which these strategic documents comprise, consists of eight group of legislative instruments – horizontal, water, waste, air quality and climate change, industrial pollution, chemicals, nature protection, and environmental noise.

²¹ An exception was made on flood recovery after the 2014 floods.

The recent adoption of the Environmental Approximation Strategy and the Framework Energy Strategy will give further impetus to the approximation work and will open the way to IPA funding for the environmental and energy sectors through the Western Balkans Investment Framework.

Bosnia and Herzegovina has also ratified the United Nations Framework Convention on Climate Change in 2000 as a non-Annex I party and, as party to the the Kyoto Protocol and the Paris Agreement on Climate Change, has committed to taking action to address its Greenhouse Gas (GHG) emissions. To date, Bosnia and Herzegovina has submitted three National Communications²², as well as two Biennial Update Report. Additionally, Bosnia and Herzegovina has signed the Paris Agreement and has thereby developed its Intended Nationally Determined Contribution (INDC).

Most of UNDP's E&E projects have been designed and have been implemented to address in one way or another specific issues related to Bosnia and Herzegovina's commitments to the EU accession agenda and other international obligations. In particular, the following six projects were expressly intended to support Bosnia and Herzegovina in meeting its international obligations:

- ***Minamata project***: supports the conduct of a Mercury Initial Assessment to enable Bosnia and Herzegovina to determine the requirements and needs for becoming a Party of the Minamata Convention and establish the foundations for its implementation.
- ***Third National Communication*** project: Assists Bosnia and Herzegovina in producing and disseminating its Third National Communication (TNC) to the Conference of the Parties (CoP) of the UN Framework Convention on Climate Change (UNFCCC), according to Decision 17/CP.8 and other guidance provided.
- ***First Biennial Update Report*** project: Assisted Bosnia and Herzegovina in preparing its first biennial report on the basis of an updated GHG inventory for 2010-2011, verified in line with international standards.
- ***Fourth National Communication and Third Biennial Update Report*** project: assists Bosnia and Herzegovina in the preparation and submission of its Fourth National Communication (FNC) to the Conference of the Parties to the UNFCCC and its Third Biennial Update Report, so as to fulfil its obligations to the Convention under Decision 17 / CP. 8, decision 2/CP.17 and other related guidance.
- ***Advance the National Adaptation Plan process for medium-term investment planning in climate sensitive sectors in Bosnia and Herzegovina*** project: supports the government of Bosnia and Herzegovina to advance the National Adaptation Plan (NAP) process and reach goals outlined in the Paris Agreement and 2030 Agenda for Sustainable Development.

²² National communications provide information regarding national circumstances, vulnerabilities to climate change, steps taken to adapt to climate change and information on public awareness, education, training, systematic research and observation and technology transfer

- **Vrba River** project: supports amendments to the Law on Waters to transpose the EU Flood directive, the Decree on Content and Elements for Flood Risk Management, and the Law on Spatial Planning to include flood zones.

UNDP Bosnia and Herzegovina is also a member of the Energy Efficiency Coordinating Group of the Energy Community Secretariat in Vienna. UNDP reports twice a year to the Energy Community Secretariat. This is confirmation of the alignment of UNDP's activities with Bosnia and Herzegovina's EU agenda.

4.1.3. Relevance of project activities with UN's and UNDP's Mandate and Strategy

Overall, the E&E programme is in line with the UNDAF (One United Nations Programme and Common Budgetary Framework Bosnia and Herzegovina 2015-2019) and UNDP's Country Programme Document (CPD) 2015-2019. The programme supports UNDAF's Outcome 5²³, which commits UN agencies to ensuring that "by 2019, legal and strategic frameworks are enhanced and operationalized to ensure sustainable management of natural, cultural and energy resources". The programme also supports the following key energy and environmental objectives identified in UNDP's CPD:

- Output 1. Harmonized policies and legal frameworks enforced in accordance with international obligations.
- Output 2. Subnational actors implement climate change adaptation (CCA) and mitigation measures, sustainable energy access solutions, and manage natural resources sustainably.
- Output 3. Energy management at subnational level enforced.
- Output 4. 'Green' jobs generated.

Overall, the E&E portfolio consists of interventions that have been largely relevant to Bosnia and Herzegovina's needs and priorities, its international commitments and agreements and the UN and UNDP country mandates and strategies.

²³ Participating agencies in Outcome 5 are: UNEP, UNDP, UNESCO, IAEA, and UNIDO.

4.2. EFFECTIVENESS

This section provides an assessment of the extent to which UNDP Bosnia and Herzegovina has achieved what it committed to achieve through its E&E programme. The first part of the section examines the E&E section of the Results and Resources Framework (RRF) of UNDP's Country Programme Document (CPD) and compares commitments made at the beginning of the programme with what has actually been achieved by the time of the evaluation. The second part of the section provides a brief overview of UNDP's contributions in this area, beyond what was pledged in the CPD.

4.2.1. Progress towards the Realization of Country Programme Outcome

Table 9 below shows the country programme outcome and output indicators and targets for the E&E area (Outcome 5), as they were specified in the RRF section of the 2015-2019 CPD at the beginning of the programme cycle. These indicators and targets represent the commitments made by the CO for the entirety of the sector. Table 8 also presents an analysis of the results achieved by the programme in the area of E&E against the commitments made in the CPD. It should be noted that the information provided in the table – data on achievements such as “number of green jobs created” or “energy consumption reduced” – was provided by the CO on the basis of their monitoring and reporting tools and was not independently collected or verified by the evaluator in the course of this assignment (an independent collection or verification of detailed quantitative information did not fall under the scope of this evaluation).

The CO has reported that the two outcome targets are on track to being met by the end of the programme cycle. Also, a comparison of the output indicators at the beginning of the programme and by the time of the evaluation shows that most output targets set in the CPD have already been exceeded. In fact, eight out of the nine output targets were already exceeded by 2018 (or even by 2017) and the remaining one appears to be on track.

It should be noted, however, that the results framework presented in the CPD is somewhat vague and does not meet the SMART criteria for good indicators (Specific, Measurable, Attributable, Realistic and Time-bound). The outcome indicators are not clear and not directly related to the programme. For example, the indicator on the percentage of budget resources dedicated to environmental protection and energy efficiency is quite vague. What counts as environmental expenditure in a government budget? How can we aggregate this type of expenditure? Can we measure it rigorously? Even the most well-organized governments would have a hard time figuring out exactly how much of their budget is dedicated to environmental protection and energy efficiency. And, we could further ask, which governments are we talking about? Those UNDP has worked with? Directly or indirectly? There is a range of questions that arise here and which require specific answers. A similar logic applies to the second outcome indicator. Can we associate any changes in the country level of CO₂ emissions to contributions of the UNDP programme? How can we justify that link?

Table 9: Country Programme Results Framework

Country Programme Outputs, Indicators and Targets	Results Reported by the CO (at the time of the evaluation)
<p><i>Outcome: By 2019, legal and strategic frameworks are enhanced and operationalized to ensure sustainable management of natural, cultural and energy resources.</i></p> <p>Indicator 1: increase in percentage of budgetary allocations directed to environmental protection, energy efficiency and renewable energy sources (climate change).</p> <ul style="list-style-type: none"> • Baseline: 0 • Target: 10% (year-over-year/ gradual increase by 2019). <p>Indicator 2: Total annual emissions of carbon dioxide (in millions of metric tons).</p> <ul style="list-style-type: none"> • Baseline: 28.6 • Target: 31.46 	<p>Indicator 1: CO expects target to be achieved.</p> <p>Indicator 2: CO expects target to be achieved.</p>
<p><i>Output 1: Harmonized policies and legal frameworks enforced in accordance with international obligations.</i></p> <p>Indicator 1a: Number of strategies, policies and budgets implemented to achieve low-emission and climate-resilient development objectives.</p> <ul style="list-style-type: none"> • Baseline: 0 (2014). • Target: 5 (2019). • Progress: 11 (2018) 	<p>Indicator 1.a: Target exceeded</p> <p>Since 2015, UNDP supported adoption and implementation of 11 different strategic documents, plans, methodologies that influence achievement of low-emission and climate-resilient development objectives:</p> <ol style="list-style-type: none"> 1. Intended National Determined Contributions (INDC); 2. FBUR; 3. TNC; 4. The Law on Energy Efficiency in the FBosnia and Herzegovina,; 5. Decision on implementation of energy efficiency measures in public sector at different instances; 6. Methodology for mapping of Flood Risks in Bosnia and Herzegovina; 7. Changes and amendments to the Law on Waters in RS are supported to reflect climate change aspects in line with the EU Floods Directive; 8. Final draft of the Mercury Initial Assessment Report of Bosnia and Herzegovina is prepared;

	<p>9. Study on identification of policy gaps within the energy and forestry sectors;</p> <p>10. Mapping of wood biomass potentials in Bosnia and Herzegovina conducted;</p> <p>11. Roadmap document to support wood biomass projects.</p>
<p><i>Output 2. Subnational actors implement climate change adaptation (CCA) and mitigation measures, sustainable energy access solutions, and manage natural resources sustainably.</i></p> <p>Indicator 2a: Number of activities implemented based on climate change planning and/or CCA to floods and low-emission development strategy.</p> <ul style="list-style-type: none"> • Baseline: 0. • Target: 10. • Progress: 23 (2018) <p>Indicator 2b: Number of new development partnerships with funding for sustainable energy solutions.</p> <ul style="list-style-type: none"> • Baseline: 3 (2014). • Target: 6 (2019). • Progress: 15 (2018) <p>Indicator 2c: Number of integrated water and natural resource management activities at local level.</p> <ul style="list-style-type: none"> • Baseline: 0 (2014). • Target: 10 (2019). • Progress: 13 (2018) <p>Indicator 2d: Number of women benefiting from climate change or mitigation activities.</p> <ul style="list-style-type: none"> • Baseline: 0 (2014) • Target: 200 (by 2019) • Progress: 37,887 (2018) 	<p>Indicator 2.a: Target exceeded</p> <ol style="list-style-type: none"> 1. Established network of hydro-meteorological stations; 2. Interactive climate atlas completed; 3. Hydrology model incorporating climate scenarios developed; 4. Hospital Gorazde, energy efficiency/low emission measures; 5. Unified Information Management System within the entity Water Sectors established to improve flood risk management, floods forecast and early warning systems; 6. NAMA projects aimed at submission to UNFCCC for funding of the climate change mitigation actions in Bosnia and Herzegovina; 7. Ten locations within 7 municipalities in the Vrbas River Basin have been chosen for non-structural flood risk management measures; 8. Flood hazard and risk maps for Vrbas River Basin developed and handed over to municipalities for further utilization in flood risk management strategic planning and development; 9. Hydraulic models necessary for establishment of Flood Forecasting and Early Warning System (FF EWS) in Vrbas River Basin developed; 10. Early warning system equipment has been purchased and distributed to civil protection units in municipalities in Vrbas River Basin. Handover of equipment was followed by training for its usage; 11. EE infrastructure works were implemented on total 84 buildings, which led to over 6.000 t CO2 emissions reduction annually; 12. Water Information system for Bosnia and Herzegovina upgraded; 13. Local governments in 7 municipalities in the Vrbas River Basin adopt to risks from floods through application of technologies which enable conduct of economic and development actions resilient to climate change; 14. Together with local counterparts (hydro-meteorological institutes and water agencies) selection of FF EWS platform is completed; 15. Civil protection units in municipalities in Vrbas River Basin were equipped and capacitated to apply floods early warning system technology; 16. Flood zoning policy developed – pending adoption; 17. Flood vulnerability assessment - gender based is done for Vrbas River Basin. Based on that, effect of flood risk management measures will be measured; 18. Agro-forestation study completed, which will enable afforestation measures to be taken within Vrbas river basin basin and protect citizens from flooding;

	<p>19. Draft flood insurance model for Vrbas river basin presented as a system to take over the responsibility of state for covering the damage costs and ensure citizens and buildings to be secured against floods and other disaster;</p> <p>20. Torrents susceptibility model with erosion map completed and distributed to municipalities and water agencies;</p> <p>21. Methodology for Flood Risk Management plans developed;</p> <p>22. Biomass/Bioenergy Potential Study conducted to identify and collect relevant data and establish databases and maps related to the assessment of the potentials of wood and agricultural biomass in Bosnia and Herzegovina;</p> <p>23. New/renewed agreements on institutionalization of energy efficiency measures in public sector signed with both Entity funds and MoU with RS Ministry of Physical Planning, Civil Engineering and Ecology and RS Fund for Environmental Protection and Energy Efficiency and Federal Ministry of Physical Planning.</p> <p>Indicator 2.b: Target exceeded</p> <ul style="list-style-type: none"> 15 partnerships for funding with relevant ministries at cantonal, entity and state level and entity revolving funds for institutionalization of energy efficiency measures in public buildings. <p>Indicator 2.c: Target exceeded</p> <ul style="list-style-type: none"> 2 activities to support Water Utility Companies in natural resources-water management; 11 non- structural measures for water management in Vrbas river basin, in terms of floods risk mitigation. <p>Indicator 2.d: Target exceeded</p> <ul style="list-style-type: none"> 37,887 women benefitted from implementation of non-structural floods mitigation measures in Vrbas river basin, through which Vrbas river banks were rehabilitated and economy facilities protected.
<p><i>Output 3. Energy management at subnational level enforced.</i></p> <p>Indicator 3a: Number of subnational authorities implementing energy management monitoring and evaluation.</p> <ul style="list-style-type: none"> Baseline: 0 (2014). Target: 4 (2019). 	<p>Indicator 3.a: Target exceeded</p> <ul style="list-style-type: none"> Energy Management Information System (EMIS) introduced in 8 cantons in the FBosnia and Herzegovina. <p>Indicator 3.b: On track</p> <ul style="list-style-type: none"> Change in energy consumption - 215 kWh/m2 annually.

<ul style="list-style-type: none"> • Progress: 8 (2018) <p>Indicator 3b: Extent of change in energy consumption in public sector buildings.</p> <ul style="list-style-type: none"> • Baseline: 220 kWh/m2 annually (2014). • Target: 180 kWh/m2 annually (2019). • Progress: 215 kWh/m2 annually (2017) 	
<p><i>Output 4. ‘Green’ jobs generated.</i></p> <p>Indicator 4a: Level of investments in energy efficiency and renewable energy sources by authorities.</p> <ul style="list-style-type: none"> • Baseline: \$1,600,000 annually (2014). • Target: 200% increase (2019). • Progress: \$7,133,281 (2017) <p>Indicator 4b: Number of full-time equivalent jobs created for women.</p> <ul style="list-style-type: none"> • Baseline: 0 (2014). • Target: 40 (by 2019). • Progress: 8 (2018) 	<p>Indicator 4.a: Target exceeded</p> <ul style="list-style-type: none"> • An amount of US\$ 7,133,281 is reported to have been invested by 2017 (cumulative). <p>Indicator 4.b: Target exceeded</p> <ul style="list-style-type: none"> • Total number of green jobs created 730, out of which 8 women.²⁴

²⁴ These are construction jobs that have not involved many women.

Similar questions of validity arise when we examine the output indicators and targets. They too lack to some extent specificity and clarity. For example, *indicator 2a* which is framed as “*number of activities implemented based on climate change planning and/or CCA to floods and low-emission development strategy*” is not specific and many actions and activities could be qualified to fall under it. It is important to clearly delineate the boundaries of this indicator. Or if we take *indicator 1a* which states “*number of strategies, policies and budgets implemented to achieve low-emission and climate-resilient development objectives*”, we should be careful to not just count the number of strategies or policies developed, but focus on how they are implemented and what results they are yielding.

It may also be argued that, given that almost all CPD commitments have already been exceeded by a large factor, and some of them even by 2017, the CPD targets might not have been selected very carefully or ambitiously. For example, the target for *indicator 2d* was 200 by 2019, and its achievement in 2018 was already 37,887. The difference between the two figures is staggering and leaves one wondering whether the selected target was meaningful in the first place. Further, the “programme level” RRF does not aggregate very effectively the results across all projects. These two instruments are not compatible and do not speak to each other, which makes it difficult to understand how programme outputs contribute to broader results. Sector staff should ensure that programme baselines, indicators and targets are harmonized and aligned with those of individual projects (see Figure 10 on page 53 for an outline of the approach that could be taken and the set of questions that could be asked at every step).

This discussion leads us to the issue of the Theory of Change (ToC) for the sector. As of now, the sector does not have a ToC that places all the specific pieces (projects) in the boarder context and connects them all together. In practice, there are many interlinkages between the projects, both in terms of design and implementation, but these interconnections are not explicitly identified and articulated by the team. Their identification will help the team develop a better results framework for the CPD and might even contribute to strengthening the design of the projects and the quality of the monitoring system.

The elaboration of a ToC and the strengthening of the RRF are something that the CO could address in the formulation of the next CPD.²⁵ Of course, it is hard for a donor-dependent organization like UNDP to come up with a clear RRF at the beginning of the programming cycle, but still an effort could be made to have a more meaningful RRF.

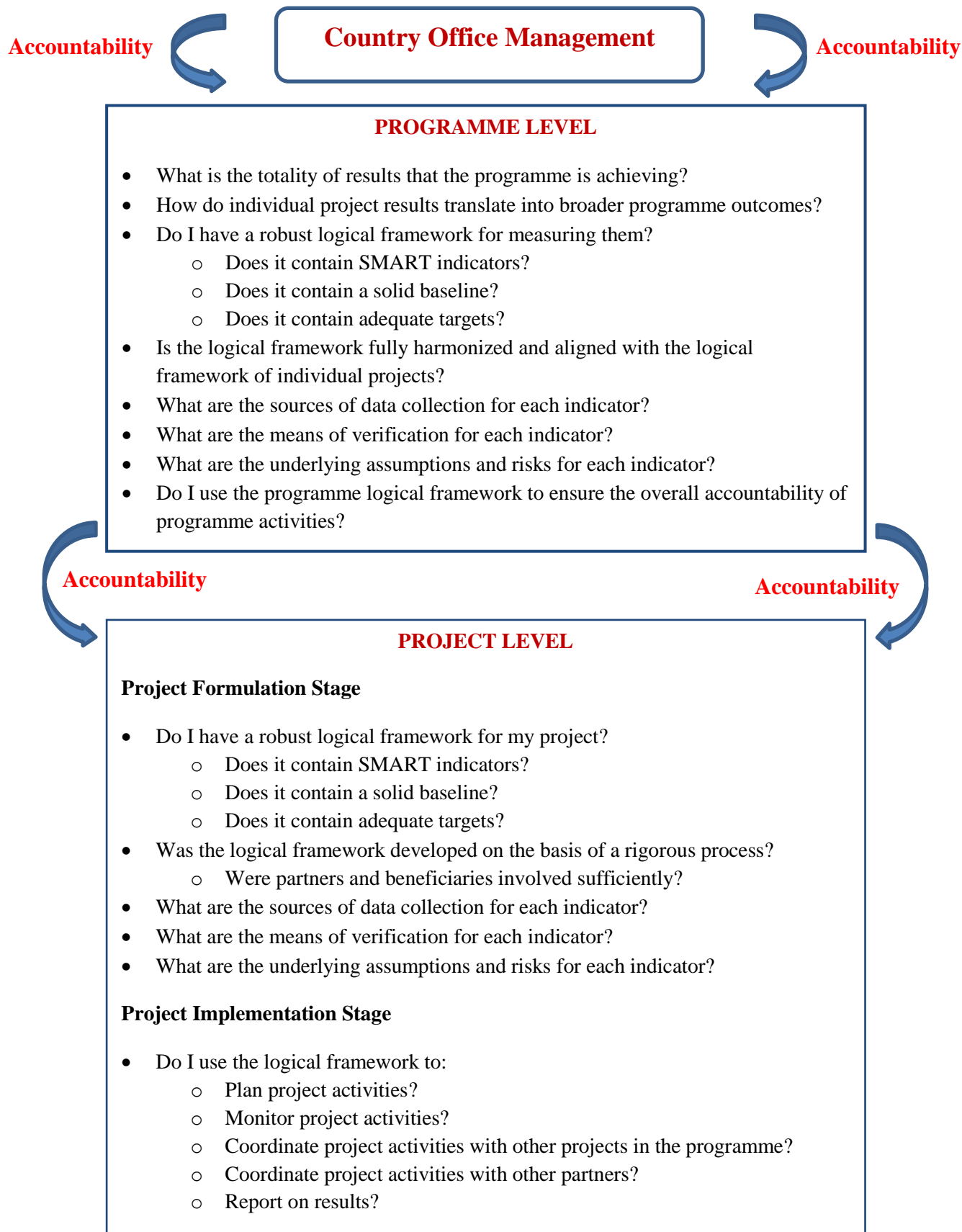
By contrast, at the project level, the CO demonstrates good use of evidence-based RBM practices. Most of the project documents reviewed for this evaluation are well-designed and contain robust

²⁵ The CO reported a number of enhancements to its M&E system, starting from 2015. Key improvements include: (i) introduction of a full-time CO M&E post, supporting advancement of the overall M&E frameworks; (ii) introduction and use of a single CO monitoring tool comprising all IRRF/UNDAF/CPF indicators, which serves as a comprehensive CO monitoring platform; (iii) awareness raising for programme staff on the aspects related to new M&E corporate requirements stemming from the implementation of the Country Program Document and the corporate M&E requirements, including these linked to the Strategic Plan.

RRFs with meaningful targets and indicators which provide good value to activity planning, implementation and monitoring. Most project RRFs are based on SMART indicators, and baselines and targets are developed through a good process that involves partners and beneficiaries. For most indicators the data collection sources and methods, means of verification and the risks and assumptions are clarified.

Another important point worth raising here is related to project evaluations (mid-term or terminal) which are conducted on the basis of CO's evaluation plan. First, this sector has had only two mid-term evaluations during this programming cycle (one for the *GED Phase I* project and the other for the *Vrbas* project). Given the large size of the cluster, this number seems too small, although most projects have started in the second part of the cycle. The sector team should consider having a more systematic approach to reviewing the projects, especially the large ones that have started recently (*GCF*, *GED II*, *Urban LED*, etc.). Given the well-organized nature of these projects in bundles, the sector could consider "bundle evaluations" which would save time and resources, but also provide important insights into project activities. Second, the project evaluations that were reviewed for this outcome evaluation were found to be lacking in quality in certain aspects – i.e. not meeting some of the basic UNDP criteria for evaluations.²⁶ In this area, the CO could strengthen minimum criteria for the conduct of project evaluations and could establish a tracking system to closely monitor their quality.

²⁶ UNDP evaluations should follow the guidelines compiled by the United Nations Evaluation Group, as well as the guidance provided by UNDP in its "Handbook on Planning, Monitoring and Evaluating for Results".



4.2.2. Overview of Main Contributions

First of all, it should be noted that when talking about UNDP contributions only seven of the 13 projects that fall under the scope of this evaluation have been going on for long enough to be able to produce any tangible results. Six projects have started within six to nine months of the conduct of this evaluation, so it is too early to talk about their results yet. The six projects that have started recently are the following and are marked in green in Table 10 below.

1. NAP
2. GED Phase II
3. GCF
4. Urban Led
5. District Heating
6. FNC/TBUR

It should also be noted that the largest projects in the portfolio are the ones that have started recently – for example, **URBAN LED** with US\$ 44 m, **GCF** with US\$ 17 m, or **GED Phase II** with US\$ 5 m. From the ongoing projects (marked in orange in the table below), the most significant ones in terms of budget (with a budget of more than half a million US\$) are **GED I** and **Vrbas**. So, the focus of this section will be on the contributions of the ongoing projects, and in particular the **GED I** and **Vrbas** projects.

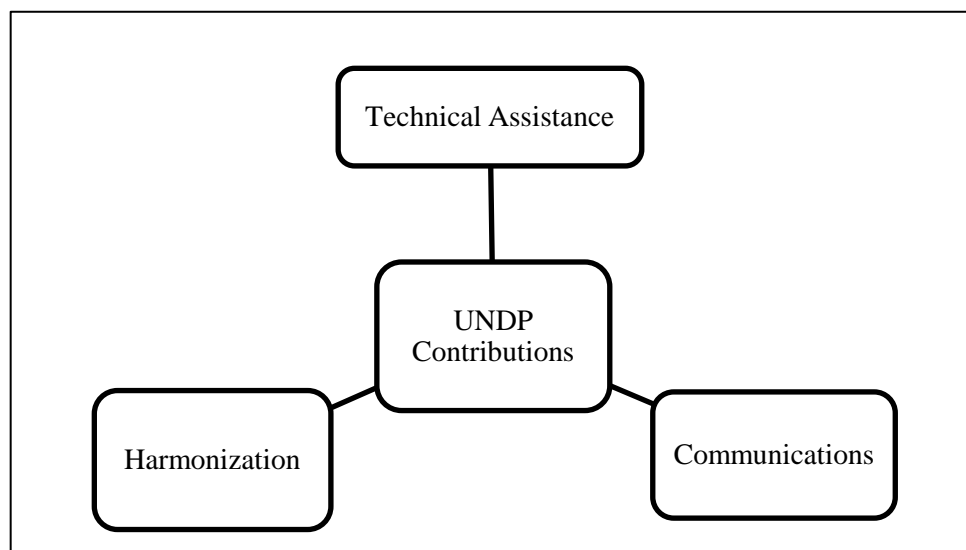
Table 10: Project Timelines and Budgets

PROJECTS		CPD Period																Project Budget
		2015				2016				2017				2018				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1	TNC																	631,000
2	Biomass																	552,273
3	URBAN LED																	44,420,627
4	MIA																	200,000
5	GoAL WaSH																	484,136
6	GCF																	\$17,646,000
7	GED																	19,670,287
8	GED Phase II																	4,949,239
9	DH																	501,792
10	VRB/CRFM																	5,000,000
11	NAP																	2,278,920
12	FNC/TBUR																	1,032,000
13	FBUR																	352,000

Secondly, it is also important to emphasize that UNDP's main contributions to Bosnia and Herzegovina have not taken place only in the area of technical assistance – providing capacity building support to various public organizations in their pursuit of solutions to development

problems.²⁷ Two other important ways in which UNDP has contributed to the country and which are not explicitly recognized in the CPD or other reporting documents have been by facilitating communications between state and entity governments and harmonizing the legislative and policy framework across the entities (as shown in Figure 11 below). The latter contributions are very important in Bosnia and Herzegovina's context and are discussed in a bit more detail further in this section.

Figure 11: Dimensions of UNDP's Contribution to Bosnia and Herzegovina



Technical Assistance

The previous section and Table 8 have provided some details about UNDP's achievements against the results framework laid out in its CPD for the period 2015-2019. The following is a broader summary of these contributions.

One area where UNDP interventions have had a tangible impact is in the energy efficiency renovation of public buildings. During this programme cycle, more than 80 public buildings (healthcare, educational and administrative institutions) across the country have been retrofitted²⁸, leading to decreased energy consumption from 220 kWh/m² to 215 kWh/m² and reduced heating costs by 30%. CO₂ emissions are reported to have been reduced by 6,000 tons per year. The total number of green jobs created by UNDP projects is reported to have been 730.

At the policy level, a new Law on Energy Efficiency in the Federation was adopted with UNDP support. In the area of renewables, UNDP developed databases and maps of the potential of wood

²⁷ Financial assistance is sometimes coupled with technical assistance, but not as an end goal in itself. It is often used to demonstrate how resources can be used in a more effective way, so that national organizations can use their own resources in that way by replicating tested approaches.

²⁸ Primarily, energy efficiency and fuel switch (fossil to biomass) measures.

and agricultural biomass in Bosnia and Herzegovina. The programme also supported the design of the energy efficiency action plan for Una-Sana canton and initiated the establishment of institutional mechanisms for increasing energy efficiency in the public sector within five cantons.

UNDP has also supported the development of the Energy Management Information System (EMIS) for energy consumption and monitoring and the formulation of a sound methodology for using it in the selection of public buildings to be refurbished. EMIS is owned by the two entity “environmental funds” and has also been introduced in eight cantons in the Federation. The total number of public sector buildings monitored through EMIS is now more than 5,000, and soon all public buildings in Federation are expected to be included in the system. Staff members of the two environmental funds and end users have been trained on the operation of EMIS.

UNDP was also instrumental in the establishment of the Revolving Fund for Energy Efficiency under the Environmental Fund in the Federation, which has been operational since 2016. Before the establishment of the revolving fund, the Federation’s Environmental Fund was providing exclusively grants – now it is providing loans, a sign of maturity and graduation towards market-based mechanisms. The Revolving Fund in the Federation has so far financed only two projects²⁹, so it remains to be seen how effectively this instrument will function in the coming months and years. Another Revolving Fund for Water Protection and Waste Recycling was established under the Federation’s Environmental Fund with assistance from UNDP. In RS, the Revolving Fund has not been established yet and work is in progress towards its establishment.

About 58,000 peoples are reported to have benefited from energy efficiency measures, of whom 37,800 (60%) have been women. UNDP has built essential technical skills and knowledge among female buildings end-users – i.e. an estimated 1,800 females were trained in EMIS data management (out of a total of 3,000 people). UNDP has increased participation of women - energy sector professionals - in technical training: 50% of all trainees were women. This is a significant achievement, because the sector employs three times more men than women.

In the area of Water Management, UNDP (through its three water-related projects - *NAP*, *Vrbas* and *GED WAT/ GoAL WaSH*) has contributed to Bosnia and Herzegovina’s efforts to implement the state’s Action Plan for Flood Protection and River Management and the EU Water Framework Directive. Through the *Vrbas* project, significant progress has been made in introducing the concept of river basin management and the development of the management plans. The project has enabled Bosnia and Herzegovina authorities and communities of the Vrbas river basin to adapt to flood risks through the transfer of adaptation technologies for climate resilient flood management and promote climate resilient economic activities. Moreover, a hydro-meteorological network consisting of 28 gauges has been established in Vrbas River Basin. This network lays foundations for further development of the flood-forecasting and early-warning system in Bosnia and Herzegovina and is expected to be used as the basis for scaling up to other river basins. Last

²⁹ One project was in the public sector (health care institution) for the installation of heat pumps, and the other was in the private sector – LED lighting replacement in a printing shop.

year, UNDP financed 11 infrastructure initiatives and 12 are ongoing this year. A third round of initiatives is expected next year, bringing the total amount of financing for infrastructure projects to US\$ 4 m (of which US\$ 1 m is co-financing by municipalities). The programme has also contributed to the revision of the Law on Water of Republika Srpska and has supported the government in the development of a sound water tariff methodology, which was tested in four local communities.

Through the *TNC*, *FNC/TBUR* and *FBUR* projects, UNDP has supported reporting on climate change at the national level. This is something national institutions cannot do effectively themselves, partly due to the challenging governance structure and difficulty in aggregating information from both entities. With UNDP's support, Bosnia and Herzegovina submitted its Third National Communication Report and its Biennial Update Report to the United Nations Framework Convention for Climate Change (UNFCCC). The report identifies priority mitigation actions and suggests a system for monitoring, reporting and verification of mitigation activities. In addition, UNDP has supported the authorities in the submission to the UNFCCC of Bosnia and Herzegovina's Intended Nationally Determined Contributions (INDC), which lays out the country's green-house gas emission reduction targets. Importantly, Bosnia and Herzegovina's designated national authority for the implementation of National Appropriate Mitigation Action (NAMA) has adopted Rules and Procedures for NAMA approval, thus enabling entities to apply for funds earmarked for NAMA projects.

UNDP has also supported Bosnia and Herzegovina's efforts to join the Minamata convention. A Mercury Initial Assessment, which included an Implementation Plan & Priorities for Action, was conducted in the framework of UNDP's *Minamata* project. The assessment is a prerequisite for accession to the convention. However, the document has not been adopted because of disagreements between governments over the nomination of the national focal point for the Minamata Convention.

Overall, under this outcome area, UNDP has supported a wide range of governmental institutions in the state and entity governments, 10 cantons and 40 municipalities (see Table 7 for the list of all project partners). All counterparts met in the State, Federation, RS and canton governments in the course of this evaluation expressed their satisfaction with the work of UNDP and the assistance it has provided.

A large part of the impact of this work is at the institutional level. UNDP helped fill a few gaps in the policy and legal framework, as was the case with the Energy Efficiency Law in the Federation, the water tariff methodology or the river basin management concept. By helping introduce changes at this level, UNDP has helped shaped the incentive structure of the respective organizations and agents, which ultimately has an effect on their behavior (assuming these frameworks are implemented – more on this in the sustainability section).

Further, UNDP has supported the development of the capacities of existing public organizations to carry out their functions. EMIS is an example of this – the environmental funds have not an important tool that will enable them to identify and manage more effectively investment opportunities. EMIS is an innovative solution with demonstration effects, which is expected to be used at the cantonal level and be further customized by both entities and cantons. The revolving funds are another type of innovative instrument that are expected to strengthen the capabilities and impact of the environmental funds in a sustainable way.

With regards to the activities around reporting on climate change, UNDP's contribution has been in strengthening the ability of national institutions to carry out these tasks on their own. The positive aspect in this work is that the ownership of these instruments has been fully with the government. For example, the assessment for the Minamata convention was fully led by the state ministry, and UNDP's contribution was more on the quality assurance aspects by providing external expertise to review the draft report. This learning by doing approach with the government in the driver's seat is a lot more sustainable than when similar exercises are carried out exclusively by UNDP projects.

The infrastructure projects in the energy efficiency and water sectors have had two dimensions in terms of their contributions. First, they have demonstrated the value and feasibility of certain technologies, especially in relation to the use of biomass, retrofits, insulation, etc. Second, they have demonstrated approaches for how these infrastructure projects could be identified and carried out. On both counts, UNDP has introduced innovative concepts which have the potential to shift existing practices into more efficient levels.

Facilitating Communications

Navigating Bosnia and Herzegovina's complex political and governance environment is not an easy deed. The country has 14 governments and over 150 ministries. These institutions have their own jurisdictions and are able to exercise veto powers over UNDP projects and activities, if they feel their interests are not well served. Focal points for international conventions are distributed among four different levels of government (State, Federation, RS, cantons). UNDP projects require endorsement of all state and entity governments, and often from canton and municipal governments too. To make things more complex, the General Framework Agreement for Peace (Dayton Peace Accords) has given entity governments powers over environmental and energy matters and the state level a coordinating and reporting role, but that is not always clear in practice and disagreements over jurisdiction between the various governments are too frequent (as in the case of the Minamata convention described earlier in this section).³⁰

³⁰ For example, at the state level, the responsibilities of the Ministry of Foreign Trade and Economic Relations include coordination and facilitating harmonization of environmental policy and legislation between the two entities and the Brčko District, but implementing these tasks has proven difficult in the absence of formal mechanisms to address diverging positions. It is not clear what can be done by the Ministry when the positions of entities are mutually excluding.

To illustrate the complexity that UNDP has had to navigate, Table 11 shows the various institutions of the 10 governments involved in the activities of the GED project.³¹ Similarly to the GED, the Vrbas project has involved multiple municipalities from both the Federation and the RS and has been able to successfully get them to agree on the allocation of project resources, common water management approaches, and a range of other issues. Key to this achievement has been the close and meaningful involvement of national counterparts from all levels of government in the design, preparation and implementation of activities.

Table 11: Government Partners of the GED Project

State Level <i>(responsible primarily for coordination and harmonization)</i>	
Ministry of Foreign Trade and Economic Relations	
Entity Level <i>(responsible for substantive areas in water, energy, environment, etc.)</i>	
<ul style="list-style-type: none"> • Ministry of Spatial Planning of FBosnia and Herzegovina • Environmental Fund of FBosnia and Herzegovina 	<ul style="list-style-type: none"> • Ministry of physical planning, civil engineering and ecology of RS • Environmental Protection and Energy Efficiency Fund of the Republic of Srpska • Ministry of Education and Culture • Ministry of Health and Social Welfare
Cantonal Level <i>(shared responsibilities with the entity level for some of the substantive areas)</i>	
<ul style="list-style-type: none"> • Government of Tuzla Canton • Government of Una-Sana Canton • Government of Central Bosnia Canton • Government of Canton 10 • Government of West Herzegovina Canton • Government of Canton Sarajevo • Government of Bosnian-Podrinje Canton 	

Despite this complexity, UNDP has not only been able to adroitly navigate Bosnia and Herzegovina's governance system and build excellent relationships with relevant authorities at state, entity, cantonal and local levels of government, but has also been able to facilitate communications and cooperation between governments, especially in areas where there are disagreements and where governments refuse to cooperate (primarily between the entity

³¹ GED has been a flagship project of the CO, funded primarily by Swedish SIDA, which started in 2013 and is still ongoing. GED has been a particularly successful project, recognized by both local partners and donors, which is the main reason why SIDA decided to fund a second phase of it, which will start in 2019. GED has a wide reach in the country, involving all three ministries responsible for energy efficiency and environment in the state and two entities, as well as a number of cantonal and municipal governments throughout the country. The two entity environmental funds are also key partners of the project.

governments and the state government). The inability of Bosnia and Herzegovina to adopt state-level environmental and energy strategies for a long time, even under strong pressure from the EU as part of the accession process, is a prime example of the difficulty of forging cooperation between Bosnia and Herzegovina's various levels of government.

UNDP's contribution in promoting cooperation has usually taken place around specific issues related to project activities and has been driven by pragmatic objectives (for example, issues related to river-basin management under the Vrbas project). Interviewees met for this evaluation in the State, Federation and RS governments acknowledged and praised UNDP's convening power and ability to facilitate communications. By organizing inclusive thematic events (conferences, seminars, workshops, steering committee meetings, etc.), UNDP has been able to bring various stakeholders together to discuss issues of mutual interest and promote cooperation and agreement on contentious issues. For Bosnia and Herzegovina's highly fragmented and politicized governance system, this has been a significant contribution.

Facilitating Harmonization of Legal and Policy Frameworks

There is a widely-shared recognition that in the last few years legislation and regulations in Bosnia and Herzegovina's two entities (Federation and RS) have been gradually drifting apart.³² This applies to the environmental and energy sectors as well. The two different sets of institutions, laws and policies in the two entities define two different markets that are diverging from each other. One important external force that has been pulling these two markets together is the EU approximation process.

But the UNDP too is playing a role in this process through its work at the policy level. A number of UNDP projects have promoted the harmonization of laws and secondary legislation, information collection and exchange, etc., across the two entities. For example, the GED WAT/ GoAL WaSH project with rather modest means managed to bring together a range of actors, including the state, entity and cantonal governments, the Association of Utilities, and the Union of Cities and Municipalities from both entities, etc., and helped them to agree on a common water tariff methodology. Another example is UNDP's role in facilitating the aggregation of information by both entities into national reporting for international mechanisms in which Bosnia and Herzegovina participates (i.e. international treaties and programmes concerning environmental and energy matters, cooperation with international organizations and foreign governments, etc.). All Bosnia and Herzegovina's reporting to UNFCCC on climate change (highlighted earlier in this report) would not have been possible without the assistance of UNDP.

The fact that the E&E sector is less political than other sectors might have made it easier for UNDP to get the various actors to cooperate – it is hard to argue against flood risk management or the refurbishment of public buildings. But nevertheless, the political and governance environment in

³² This assessment is found in many policy documents. One example is Bosnia and Herzegovina's Environmental Performance Review, Bosnia and Herzegovina (2017) of the United Nations Economic Commission for Europe

which UNDP has been operating has been quite challenging and achieving this degree of cooperation among the various governments is a significant contribution.

Overall, the interviews conducted in the course of this evaluation showed clearly that the governments have significant ownership over the activities of UNDP's E&E programme. For UNDP now the challenge is more in not letting this very good relationship with the various governments be perceived by donor agencies as being too close the government. Furthermore, when facilitating cooperation between governments, UNDP should also be cautious to not to step too much into the territory of the State government which is ultimately constitutionally responsible for the coordination of entities and sub-national governments.

4.3. EFFICIENCY

This section provides an assessment of the efficiency of the E&E programme by focusing on a number of parameters which are closely associated with efficient programme management. These parameters are categorized into the following groups:

- Operational efficiencies such as budget execution rates, timeliness of project activities and the sector's organizational structure;
- Quality of the human resource;
- Linkages and synergies: the extent to which E&E activities are coordinated with other activities in the sector and the broader UNDP programme - close linkages produce synergetic results and lead to cost savings, which improves overall efficiency;
- Coordination with development partners: the extent of coordination and cooperation with other development organizations operating in the country.

4.3.1. Operational Efficiencies

Budget Execution Rates

Budget execution rates show the proportion of a project's resources that has been spent at a certain point in the project's lifetime. They may be an adequate indicator of a project's efficiency because inefficient projects are typically inadequately planned or have delays in expenditure which result in higher amounts of spending occurring at accelerated rates closer to project end dates. This typically leads to hurried decisions and hastened implementation which is rarely efficient. Also, project extensions lead to higher administrative costs which reduce the overall efficiency of the intervention.

Table 12 below shows for the E&E portfolio the size of the budget execution rates for each project in the period 2015-2018 (up to November 19, 2018).³³ As can be seen from the table, the established projects have good execution rates. Newly started projects have weaker execution rates – i.e. *GCF*, *GED Phase II*, *DH*, and *NAP*. The overall execution rate for the portfolio for the period in question is 98%.

Table 12: Annual Variance of the E&E Portfolio

Project	Execution Rates
TNC	101%
Biomass	104%
URBAN LED	94%
MIA	108%
GED WAT/ GoAL WaSH	87%
GCF	9%
GED	105%
GED Phase II	45%
DH	27%
VRB/CRFM	102%
NAP	21%
FNC/TBUR	82%
FBUR	100%
All Projects	98%

Table 13 shows in more detail budgeted and spent amounts for all 13 E&E projects for each year of the 2015-2018 period. Again, the picture that emerges here is that execution is weak only for projects that started spending in 2018. For certain projects, like *GCF*, *DH*, *GED Phase II* and *NAP*, rates are low, and it will be challenging for the sector to spend all or most of the budgeted funds by the end of this year.

³³ The analysis is based on data provided by the CO, not independently verified by the evaluator.

Table 13: Budget Execution Rates by Project and Year

No.	Project	2015 Budget	2015 Expenditure	2016 Budget	2016 Expenditure	2017 Budget	2017 Expenditure	2018 Budget	2018 Expenditure (as of Nov 19)	Total 4-Year Budget	Total 4-Year Expenditure	Execution Rates
1	TNC	283,784	273,484	182,430	198,631	26,396	26,553	0	0	492,610	498,667	101%
2	Biomass	108,567	153,410	0	16,529	210,000	196,365	193,105	164,972	511,672	531,276	104%
3	URBAN LED	0	0	0	0	0	0	165,750	156,407	165,750	156,407	94%
4	MIA	0	0	40,000	48,828	129,000	135,586	15,586	14,432	184,586	198,846	108%
5	GED WAT/ GoAL WaSH	54,061	50,215	42,832	36,528	85,322	81,007	45,754	30,124	227,969	197,874	87%
6	GCF	0	0	0	0	0	0	25,000	2,222	25,000	2,222	9%
7	GED	3,586,109	4,377,523	4,294,480	4,826,984	4,100,000	4,369,928	4,180,513	3,331,565	16,161,102	16,905,999	105%
8	GED Phase II	0	0	0	0	0	0	1,967,313	890,490	1,967,313	890,490	45%
9	DH	0	0	0	0	0	0	351,254	95,256	351,254	95,256	27%
10	VRB/CRFM	357,450	486,659	990,411	938,827	1,068,970	1,240,469	1,904,247	1,750,521	4,321,078	4,416,476	102%
11	NAP	0	0	0	0	0	0	60,000	12,626	60,000	12,626	21%
12	FNC/TBUR	0	0	0	0	0	0	74,500	61,093	74,500	61,093	82%
13	FBUR	71,668	71,668	0	0	0	0	0	0	71,668	71,668	100%

Timeliness of Project Activities

Another indicator of project efficiencies is the extent to which implementation falls behind established timelines. One quick way of assessing this is to look at projects that require extensions to complete planned activities. As can be seen from Figure 1 on page 31 (Chapter 3), only two projects in the portfolio have required extensions (it remains to be seen whether the newly started projects will be able to complete their activities on time).

Based on the review of the documentary evidence and interviews with counterparts, this evaluation found that project activities (including procurement and recruitment) are generally taking place within agreed timelines. Partners were overall pleased with the pace of implementation and rated UNDP procedures as more favourable to those of other donor organizations. Some also pointed to the flexibility that UNDP had shown in quickly adjusting project activities to the changing needs of the partners and the country.³⁴

Organizational Structure

The E&E sector is well structured and functions effectively. Also, the way the sector is embedded into the overall CO structure seems quite effective. The team is well-managed and is led by competent managers. There are clear roles and responsibilities and lines of accountability for team members. The current organizational structure is stable, in contrast to some other UNDP COs where it is under continuous restructuring. This stability has enabled the sector to develop clear profiles and roles and maintain competent staff.

The presence of regional offices in Mostar and Banja Luka (and project presence in Bihac) has enabled UNDP develop strong relations with governments, especially with the government of RS. In Banja Luka, UNDP has been provided free of charge with an office within the government premises, which allows it to maintain strong relations with government counterparts. This local presence gives UNDP, as well as the E&E sector, a significant advantage over other development partners.

4.3.2. Quality of the Human Resource

UNDP's single most important assets are its people. The quality of the individuals who deliver its activities is crucial for the quality of its work, as well as its reputation, competitiveness, partnerships, fundraising ability and ultimately its value proposition. There are multiple links between the quality of UNDP's human resource and the efficiency of its work.

³⁴ A number of interviewees outlined the important role of UNDP and its flexibility in response to the 2014 floods. Although outside the scope of this evaluation, DRR activities that relate to the floods response are managed by the same sector team.

The assessment of the quality of the human resources employed by the E&E projects revealed that overall it is adequate and in line with country needs and programme requirements. Project staff are highly-qualified individuals who work in challenging circumstances. They are continuously subject to pressures for quick actions and results and often have to reconcile multiple, and sometimes incompatible, interests and objectives. Many of them have previous experience with implementing UNDP projects and are proficient with UNDP operational rules and procedures.

The sector has found an excellent solution to the perennial challenge of short project timeframes faced by most UNDP COs. Short timeframes do not allow for job stability for the people employed in the projects, which typically leads to high turnover rates. Also, significant investments in the capacity of project staff are not possible in such short timeframes. In this case, the sector has created cluster positions (especially when it comes to project managers) that apply to bundles of projects, rather than individual projects. This creates stability because when one project ends, another one starts. The fact that the CO has created depth in the areas of climate change and energy efficiency has facilitated the creation of these bundles.

The sector has also addressed well another major challenge the CO faces in this area - the technical nature of the E&E cluster. Project staff, and in particular project managers, are not only required to have good management or administrative skills, but also deep technical knowledge and experience in the areas they cover (i.e. climate change, energy efficiency, water management, etc.). The sector relies on a set of CTAs with solid skills, who were praised by a number of partners during interviews for this evaluation.

4.3.3. Programme Synergies and Linkages

Another angle from which to assess the efficiency of the E&E programme is by examining the extent to which project activities have been coordinated and synergetic with other activities in the cluster and the broader country programme. From an efficiency perspective, it is important to understand how various project activities have reinforced each other and the degree to which the programme has functioned as one.

Synergies within the E&E Sector

Overall, the evaluation found that the similar nature of many of this cluster's projects, with a focus on climate change, energy efficiency and water management, has allowed the sector team to forge good cooperation between the projects. Also, the fact that the projects are organized in bundles managed by one project manager has helped the coordination process enormously.

The following are some examples of cooperation between the projects within the E&E cluster. The **GED** and **Biomass** projects have cooperated closely by supporting of a number energy efficiency and renewables/biomass (fuel switch) measures in public buildings and demonstrating practical

benefits of “low-energy” buildings, as well as the environmental, social and economic feasibility of integrated energy efficiency and renewable energy solutions. The recently started project **Urban LEAD** further builds on the foundations laid by these two projects.

One interesting example of an instrument that is established by one project and used by others is the EMIS database of public buildings installed at the two environmental funds (in the Federation and RS). EMIS and the associated procedures and methodologies were developed by the **GED** project, but three subsequent projects have used or are planning to use it – **Urban LED** and **GCF**. Another interesting example of inter-project cooperation is in the area of water management. Also, the **Vrbas** project, which has some disaster-related components, has cooperated closely with the DRR projects managed by the sector.

Overall, within the limitations imposed by the donor-funded nature of the activities, the sector team has found a good balance in strengthening linkages between the various projects and forging synergies between them.

Synergies with Other Sectors

As for cooperation between projects in the E&E sector and other UNDP clusters, the sector team pointed to regular joint meetings, coordination of complementary activities, joint communications with partner governments, joint project design (tourism, biodiversity, smart city, etc.). The field mission for this evaluation identified some good examples of cooperation across clusters. For example, one of the interviewees noted that the sector’s energy efficiency activities had supported the refurbishment of a number of buildings used by one of the projects of the Justice and Human Security sector dealing with the disposition of ammunition. Also, some cooperation with the Justice and Human Security sector has taken place in the area of water management. The E&E sector team also reported cooperation with the “**Regional and Rural Development**” sector in the areas of employment (green jobs), urban development, water management, including setting universal water tariff and rural water supply system management, mainstreaming DRR into local strategic frameworks, as well as synergies in relation to energy efficiency in public buildings.

However, the evidence on synergies between projects was less solid outside the cluster than within. Most stakeholders of E&E projects were not well aware of UNDP projects in other areas and could not speak to joint initiatives. Also, a quick review of the sector’s new Pro Docs (i.e. **GCF**, **Urban LED**, or **GED II**) revealed no strong links foreseen at the design stage with projects from the other sectors.

There are understandable reasons for why greater synergies across sectors are difficult to forge. UNDP’s funding is often of an opportunistic nature, so projects are developed with specific donors in mind and are driven by specific donor requirements and priorities, resulting in programmatic fragmentation and multiple projects with sometimes overlapping outputs and activities, potentially

limiting results and impact. Also, when the funding source is committed to a specific issue or project, sector “silos” emerge within the programme and get further reinforced by separate project teams and steering committees. UNDP’s funding model is not going to change any time soon, so the challenges of creating synergies between the different sectors will remain. What the CO can do, however, is to strengthen project linkages as much as possible within the existing constraints.

The rest of this section will focus on the sub-national (local/regional) level and will make the case that this area could benefit from stronger cross-sectoral cooperation, specially between the **E&E** and **Regional and Rural Development** sectors (which are also the two largest sectors in the country programme, if flood-related activities are set aside).

Local/Regional Development

UNDP Bosnia and Herzegovina has significant potential at the sub-national level for many reasons, but there are two factors that give it particular advantages.

- First, given the highly fragmented, inefficient and politicized public sector in Bosnia and Herzegovina, which is partially a result of the cumbersome constitutional setup agreed in Washington and later in Dayton, working with local governments and communities might be more effective for organizations like UNDP because results flow directly to the people. There is also merit in the argument that Bosnia and Herzegovina’s unique governance challenges could be better tackled more effectively from the bottom up. Leveraging grass-roots reform pressures by local governments and communities may trigger higher-level reforms and drive change that is not guided by purely political considerations, but by citizens’ needs. One way to achieve this is by facilitating in parallel processes in both entities the reciprocal exchange of ideas, thus enabling stakeholders to merge their ideas into a country-wide approach based on equal participation, rather than outside imposition.
- Second, UNDP’s long-running programmes on regional/local development have enabled it to accumulate knowledge of local development issues and forge strong partnerships with local governments and communities. Decades of work at the local level have given UNDP greater visibility and acceptance among ordinary people and local decision makers. Given this large amount of experience, presence and capabilities, UNDP can create further depth at the local level and be a quite competitive player, especially if it will be able to further integrate and consolidate its local-level activities across sectors.

UNDP Bosnia and Herzegovina has an entire cluster dedicated to sub-national development issues – the “**Regional and Rural Development**” (RRD) sector. Box 1 below summarizes this cluster’s main projects. **RRD** projects work closely with local authorities by strengthening participatory governance and fostering community-based initiatives. In particular, UNDP’s work at this level includes support for strategic planning, which creates openings and opportunities for linkages for

all kinds of other initiatives and activities through the planning and budgeting process. Strategic planning has become one of the UNDP's signature results, with a new Law on Development Planning and Management in the Federation of Bosnia and Herzegovina (and 76% of local governments and 100% of cantons having strategies as part of a coherent framework). With UNDP's support, implementation of sub-national government level strategies has been reinforced with top-down financial incentive schemes delivered by seven ministries. A management system featuring performance-based financing, measurable performance and oversight by municipal councils has also been introduced in 18 local governments, as a scalable model.

Box 1: Projects in the Rural and Regional Development Sector³⁵

Integrated Local Development Project (ILDP)

Integrated Local Development Project (ILDP), is a joint project of the Government of Switzerland and UNDP in Bosnia and Herzegovina launched in 2008, with the aim to harmonize integrated and inclusive strategic planning at the local level. Through its previous two phases, ILDP made significant contributions in the standardisation of planning and development management approaches at the local level and supported 40 local governments country-wide in designing and implementing their development strategies. The planning approach was replicated at the cantonal level and all of 10 cantons where were assisted in designing their integrated development strategies. Furthermore, the Project helped the creation of foundations for the establishment of strategic planning systems at the entity level, including financing mechanisms which provide targeted support to the implementation of local development priorities country-wide. Within the scope of its consolidation phase, ILDP seeks to scale up and consolidate creation of knowledge and systems which were initiated back in 2008.

Municipal Environmental and Economic Governance (MEG)

The MEG project aims to improve municipal development management systems and services in the environmental and economic sectors. These improvements will result in better local services for the citizens, enhanced accountability and trust between local authorities, citizens and businesses. Special attention will be paid to improving living conditions of vulnerable groups. Together with its 18 core partner local governments, competitively selected from a wider group of 31, private sector actors, relevant cantonal, entity and state level institutions, the MEG project will enhance municipal performance, helping apply sound public policy and management processes, spurring interaction among local decision-makers and citizens, and supporting capital investment to unlock sustainable economic growth and job creation.

"Local Integrated Development" (LID)

LID directly contributes to improvements in the standard of living for more than 100,000 people in Bosnia and Herzegovina, working with domestic authorities to put into place mechanisms and resources needed to drive social and economic development. The project works through three interconnected pillars implemented over a three-year period (January 2016 - December 2018):

³⁵ Project descriptions taken from the UNDP Bosnia and Herzegovina website.

1. Better governments for better governance
2. Improving services through better infrastructure
3. Creating more income opportunities

The Project is implemented in 21 partner cities and municipalities selected through a public and transparent process, prioritizing localities that are home to large returnee population and were affected by the May 2014 floods. In order to maximize regional synergies and improve competitiveness, partner local governments were grouped into four geographical clusters. This project is part of the EU Programme for Local Development and Employment, funded by the EU in the amount of EUR 19 million. In addition to UNDP-implemented LID, the Programme is also home to complementary interventions implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the International Labour Organization (ILO).

Via Dinarica: A Platform for Sustainable Tourism Development and Local Economic Growth

The project is an initiative of USAID and UNDP focusing on the portion of the mountain range in Bosnia and Herzegovina, and it is implemented in cooperation with national partners. It intends to reduce economic, social, and regional disparities in Bosnia and Herzegovina through the promotion of the Via Dinarica as a regional tourism attraction and increase Bosnia and Herzegovina's standing in the competitive nature-based tourism sphere. The Via Dinarica is a platform that serves to develop local communities and small businesses in the field of hospitality, service and tourism active on a local, national, and international level, as well as promote agriculture and cultural heritage.

The **E&E** portfolio too has a significant focus on the local level. Due to the complexity of state-entity interactions and the country's administrative divisions, there is a recognition in the sector that further promotion of energy efficiency and renewable energy should focus on a bottom-up approach. Table 14 below shows the level of engagement of the E&E projects. Seven of the 13 projects have specific activities targeted at the municipal or cantonal level. Projects such as **GED**, **Vrbas**, **GCF**, **NAP**, **DH** and **GoAL WaSH** have a significant footprint at the municipal and cantonal level.

Although they have a thematic focus (on issues such as energy efficiency or water management), **E&E** projects share common objectives with the **RRD** sector such as strengthening the effectiveness of institutions and enhancing the capabilities of sub-national government entities to carry out their functions. This includes work related to key aspects of good governance such as strategic planning at the sectoral level or the level of an organization, accountability systems grounded in reliable information systems, etc.

Table 14: Level of Engagement of E&E Projects

No.	Project	State Level	Federation	RS	Brcko	Cantons	Municipalities
1	TNC	x	x	x	x		
2	Biomass	x	x	x	x		
3	URBAN LED	x	x	x			x
4	MIA	x	x	x	x		
5	GED WAT/ GoAL WaSH		x	x		x	x
6	GCF	x	x	x		x	x
7	GED	x	x	x		x	x
8	GED Phase II	x	x	x		x	x
9	DH	x				x	x
10	VRB/CRFM	x	x	x		x	x
11	NAP	x	x	x	x		x
12	FNC/TBUR	x	x	x	x		
13	FBUR	x	x	x	x		

The activities of the **RRD** cluster at the local level provide the **E&E** sector with a platform on which to embed further initiatives. For example, the strategic planning component of the **Integrated Local Development Project (ILDP)** presents strong complementarities to some of the activities of the **NAP**, **GED**, **Vrbas** and **GCF** projects. UNDP could use the platform created by the **ILDP** project to serve all planning and policy-related activities of its **E&E** projects (and other clusters) at the municipal and cantonal level. For example, the newly-started **NAP** project is essentially about municipal adaptation planning and financing, and many of its activities related to strengthening the planning capabilities of municipal governments could potentially be tied to the tools and methodologies developed under the **ILDP** project. This is something that is not explored in the **NAP** project document. Also, RRD's **Municipal Environmental and Economic Governance** project (**MEG**) seems to have many commonalities with some of the projects in the **E&E** cluster, especially related to infrastructure investments and working with municipal governments.

Furthermore, UNDP's access to local communities and authorities through its **RRD** activities and expertise is an invaluable asset which some of the E&E projects that work at the sub-national level could tap into to save costs and accelerate activities. There is also significant potential for both **E&E** and **RRD** projects for efficiency gains from sharing assets or integrating activities – i.e. reduced overhead and administrative costs. The potential for synergies is higher for those E&E projects that have a heavier sub-national presence.

The CO has already taken certain steps to ensure greater cross-project collaboration at the local level, including from the perspective of interventions contributing to the EE outcome. In 2015 and 2016, the CO started examining the potential for synergies among local level interventions and developed ideas about more integrated programming at the local level. This process resulted in the mapping of UNDP projects against municipalities in a simple, but useful, Excel matrix and the

development of a concept document³⁶ which contains important insights, including options for reorganizing UNDP's operations at the local level. Although many of the measures proposed in the document seem reasonable and useful, most of them have not been implemented yet.

Using the 2016 concept note as a foundation, the CO could revisit the issue of further integration and consolidation of its operations at the local level and could strengthen its strategy for how to operate at the sub-national level. This strategy could include integrated frameworks for project planning and implementation at the regional/local level and matched with the CO's plans at the national level. Such an approach will enable UNDP to weave more effectively cross-cutting issues (such as energy efficiency, citizen engagement, social inclusion, transparency and accountability, gender equality) into thematic activities (i.e. community development, improved service delivery, disaster resilience, etc.).

4.3.4. Coordination with Development Partners

The main donors in the area of E&E in Bosnia and Herzegovina (in addition to UNDP) are Swedish SIDA, USAID, GIZ, European Bank for Reconstruction and Development (EBRD), World Bank (WB) and the Czech Republic. The EU is the biggest player and the driving force for the reforms in the area of environmental protection and energy, but its financing for the environmental and energy sectors has been blocked since 2014 because of the lack of an environmental and energy strategy at the state level, due to disagreements between state and entity governments. Now that strategies for both sectors have been adopted at the state level, pre-accession (IPA II) financing is expected to resume.

Overall, donor coordination in both the area of environmental protection and energy efficiency was perceived as weak by most of the stakeholders interviewed for this evaluation. The responsibility for donor coordination is shared between the Directorate for European Integration for EU donors (including EU Member States and the Commission), and the Ministry of Finance and Treasury (MoFT) for other donors and IFIs. However, due to structural problems, the government lacks the capacity and commitment to coordinate the donor community and harmonize incoming aid flows. MoFT organizes the Donor Coordination Forum every year and maintains a database of donor projects, from which it produces annual donor-mapping reports. However, the information in the database is not complete and regularly updated. Overall, the leadership role of the government is lacking and information about donor activities in the two sectors is fragmented.

UNDP has played a constructive role in this environment and has led coordination around specific issues on the basis of ongoing projects. For example, through its **Biomass** project, UNDP has led the coordination of the so-called "biomass group" which has included GIZ, USAID, Ministry of

³⁶ Programming for the future: connecting the dots indicative scope, territorial allocation, internal and external synergies, human resources and key considerations for effective programming of the UNDP local governance/local development programme, November, 2016, UNDP Bosnia and Herzegovina.

Agriculture and Forestry for both entities, chambers of commerce, etc. UNDP has also played an active role in donor coordination through its **GED** project – good cooperation was established with the WB energy efficiency projects, especially in RS, USAID’s Energy Investment Activity project, and GIZ activities. Given that UNDP and GIZ activities in the area of energy efficiency share a lot of commonalities, the two organizations have agreed on a clear division of work in order to avoid overlaps.

Despite the positive role that UNDP has played in donor coordination, there is potential for better cooperation in the area of E&E. From the interviews, it appears that cooperation is perceived mainly as coordination at the informational level. Sector staff reported that they participate in donor in coordination meetings where participants share information about the activities they are running. UNDP could look into more effective ways of strengthening cooperation with development partners, by going beyond information sharing and forging stronger collaboration at the level of project activities. Where possible, UNDP should capitalize on the financial resources of donors to achieve more impact by playing a catalyzing role through a clear division of labour in win-win arrangements. A good example of this is the collaboration mechanism that has been discussed with European Investment Bank (EIB) in the framework of the new project proposal submitted to the GCF.

Furthermore, the lack of strong donor coordination also presents an opportunity for UNDP to become more involved in the coordination of development assistance. In the E&E area, UNDP is well-positioned and capable of playing a more important role, and, through that role, to be able to mobilize more resources for its operations in the country. Especially at the sub-national level, UNDP is uniquely positioned to help governments and donors coordinate their efforts more effectively, which may also provide additional funding opportunities.

4.4. SUSTAINABILITY

While the sustainability of UNDP’s work in the E&E area is shaped by a number of factors, the focus of this report will be on those aspects that require more attention from the sector team and CO management. The areas that will be reviewed in this section are: i) policy implementation; ii) pilots, replication, and institutionalization; iii) co-financing by the government and private sector; and, iv) information sharing and awareness raising.

4.4.1. Policy Implementation

Another feature of UNDP’s E&E programme with important implications for sustainability is its focus on policy formulation. As can be seen from Table 15 below, six E&E projects have contributed to the development of policy instruments - draft laws, regulations or strategies. Overall, during the programme period, the cluster has supported the development of 13 draft laws and regulations and seven strategies and plans. The proportion of policy documents that have been

adopted or approved by governments and Parliament is about 50% for laws and regulations and 70% for strategies and plans. Considering that the three policies developed by **GED II** project are expected to be approved soon, this is not a bad rate compared to some of the other UNDP COs.

Table 15: Number of laws, regulations and strategies produced by the E&E projects

Project	Number of Draft Laws/Regulations Developed by Project	Number of Laws/Regulations Adopted by Parliament/Government	Number of Strategies/Plans Developed by Project	Number of Strategies/Plans adopted by Government (national/sub-national)
MIA	0	0	1	0
GED WAT/ GoAL WaSH	1	0	0	0
GED Phase I	6	5	5	5
GED Phase II	3	0	0	0
VRB/CRFM	3	2	0	0
FBUR	0	0	1	0
TOTAL	13	7	7	5

Beyond the approval/adoption of policy and legislation, a serious issue for all levels of government in Bosnia and Herzegovina is implementation. Bosnia and Herzegovina has many strategies and extensive policy framework (see Table 8 for the list of major strategies in the area of environment and energy efficiency). However, a serious problem is lack of implementation. This was identified as a major issue by many stakeholders interviewed for this evaluation.

Insufficient follow through on policy development is a systemic challenge for all levels of government. Many approved programmes in the energy and environmental sectors exist only on paper and are not implemented. Although the system of environmental legislation is based on the principles of international law and is being harmonized with the EU Acquis, it does not provide for direct legal consequences. Years of reforms and amendments in legislation and policies have led to only small improvements in the capability to implement. This lack of implementation has an impact on the sustainability of UNDP projects supporting policy reforms because in such a situation projects have a hard time turning project outputs (such as policies, regulations, studies, etc.) into sustained action leading to improved outcomes related energy efficiency or environmental protection.

The E&E sector team has taken some good steps in dealing with the problem of implementation. UNDP interventions in this area have not only supported the development of policy but also the capability of government entities to implement policies. The focus has been on human resource and financing aspects which are key (but not the only) prerequisites for implementation. Some of the key projects in the portfolio (i.e. **GED**, **GCF**, **NAP**, etc.) are focused in particular on helping the various governments establish sound and sustainable financing mechanisms in the areas of energy efficiency, renewables, water management, etc. The **Vrbas** project has focused on the financing strategy for the maintenance of water infrastructure by local governments because at the end of the day financing is crucial for implementation. Further, in the water sector, UNDP has supported the government to assess the financial implications of the transposition of the EU Water

Framework Directive because without a financial tag there will not be much to implement from the directive.

The persistent focus of UNDP on financing mechanisms in the environmental and energy efficiency sectors has been an important feature of the E&E programme and is commendable. However, there is room for further work on supporting authorities to focus more on the implementation of laws and regulations on the ground. One area of work is to challenge the mentality of “passing laws is all that matters” that was noted in some of the interviews with government stakeholders during this evaluation. According to this mentality, the passing of a law or the adoption of a strategy is considered a success. At the level of project design, the CO could take a more comprehensive and analytical approach on the support it provides to governments, covering the whole policy spectrum, including implementation aspects.³⁷ Further, in its analysis of implementation bottlenecks, UNDP could consider additional factors that constrain the capability of public organizations to implement policies. The implementation challenge is a big question that falls outside the scope of this evaluation, but one which the sector team and CO management could explore further.

4.4.2. Pilots, Replication and Institutionalization

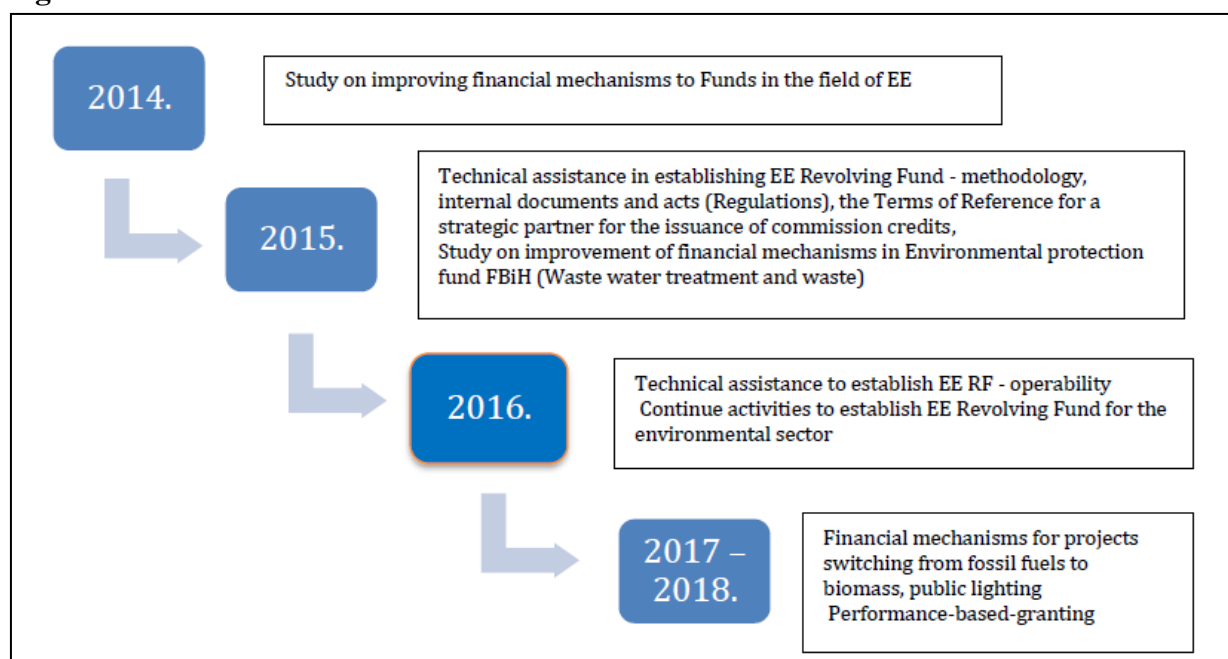
UNDP’s E&E programme has had a significant focus on running pilot initiatives and demonstrating innovative solutions to specific problems, with the expectation that if successful they will be replicated, scaled up and institutionalized by government institutions. The general idea is that UNDP is not in the business of solving specific problems, but helping national stakeholders identify systemic solutions to these problems.

This evaluation found that in the area of energy efficiency and water management, the sector team has moved away from one-off investments in infrastructure, and is now contributing to the institutionalization of practices and systems through systematic approaches. The sector has focused in particular on the establishment of methodologies and systems for investments by the public sector. The **GED** project, for example, has introduced a methodology for investment in energy efficiency in public buildings on the basis of economic, financial, and environmental criteria. The environmental funds in the two entities are now using this methodology to allocate loans, soft loans and grants for renovations based on well-established and transparent rules. Furthermore, UNDP has also supported the establishment of the energy efficiency revolving fund in the Federation and is supporting the establishment of a similar fund in RS. The creation of these funds is an important step in further strengthening the sustainability of energy efficiency

³⁷ In this approach, UNDP’s focus could be not only on passing laws and strategies, but also on creating and strengthening the organizational structures that will implement those laws and strategies. A series of steps need to be considered for building successful organizations, including drafting and adopting laws that create institutions and organizations, staffing organizations and allocating funding for their operations, training management and staff to implement policies, etc.

investments because they use the market as the basis for the distribution of financing. As Figure 12 below shows, over time there has been a clear evolution in the financial mechanisms adopted by the environmental fund in the Federation in the direction of market- and performance-based solutions. All of this has been achieved with the sustained support of UNDP.

Figure 12: Evolution of financial mechanisms in the EE Fund in the Federation



The sector team has also been working with the GIZ on developing bylaws for tracking energy consumption at the buildings' level, which will institutionalize at this level the methodological approach to investing in energy efficiency promoted by the **GED** project. The mid-term review of the **GED** project reported that some cantons were already preparing plans to expand their infrastructure investment activities beyond the scope of the **GED** project, using the methodology developed by the project.³⁸ Also, in the area of water management, the **Vrbas** project has supported the authorities in developing a methodology for investing in water infrastructure projects. The methodology relies on rigorous criteria such as compliance with flood risk mapping, cost-benefit analysis and feasibility of maintenance, and availability of co-financing. Further, in the area of water management, UNDP has helped entity governments develop forecasting systems, IT system for water agencies, and early warning systems within the two hydrological institutes.

Another example of good institutionalization is the development of the EMIS data system in the two environmental funds. The two funds have by now entered in the system information about more than 5,000 buildings and are using EMIS to make their financing and co-financing decisions and report on their achievements. Cantonal governments have committed to using EMIS for

³⁸ The extent to which this has actually happened could not be verified during this evaluation.

regular monitoring and reporting on energy consumption. UNDP projects have used the same system to retrofit more than 110 buildings in the Federation and 40-50 buildings in RS.

The results of UNDP's work in this area are quite positive. The focus on methodologies and systems integrated into the workings of government institutions is a strong factor of sustainability for UNDP's projects. This conclusion was also confirmed by a recent study by the UNDP Istanbul Hub on scaling up of UNDP initiatives in Bosnia and Herzegovina.³⁹ The study concluded that the UNDP's Bosnia and Herzegovina country team's overall approach has a strong focus on scaling up and singled out the *GED* project as an example of a project that was exceptionally well oriented towards scaling up. The study emphasized that *"from a scaling up perspective the strengths of the UNDP's approach in Bosnia and Herzegovina lie (a) in its long-term engagement in particular areas of development support with a view to learn lessons and gradually scale up the impact of its activities; (b) in its focus on building strong local institutions; (c) its close attention to the political realities of the country; (d) its engagement in policy dialogue and institution building at higher levels of government; and (e) its readiness to build strong partnerships with domestic stakeholders and external donors."* These are indeed all factors that have been identified and outlined in this report.

One area where the sector team could make improvements is in strengthening the system for the monitoring and tracking of the performance of pilots time – the lessons they generate during the piloting stage and the extent to which they get replicated and scaled up. Information about pilots and replication was not easily available or sufficient in the UNDP reporting documents reviewed for this evaluation. More data on this will be useful not only for the CO, but also for partners and donors. As part of the monitoring and evaluation system, the programme could track pilot initiatives over time and way beyond the end of a project's lifetime – which is typically too short to allow for a definitive assessment of the success of pilots. Ultimately, the CO could strengthen its planning and monitoring of pilot initiatives and their demonstration effects, so that their replicability and scaling up are monitored and supported more effectively. The CO could focus more on documenting results, lessons, experiences, and good practices so that they are shared more widely, replicated, and scaled up.

4.4.3. Co-financing by the Government and the Private Sector

In the current programme cycle, the E&E portfolio has generated significant commitments of co-financing or cost-sharing by government entities or the private sector. Co-financing is not only an indication of commitment and ownership by national partners, but also an important aspect of sustainability. It is important that the projects promoted by UNDP be placed on a sound footing with sustainable financing provided by the state or the market.

³⁹ UNDP Istanbul Hub, Scaling Up Review of the UNDP Bosnia and Herzegovina Country Program, May 2016.

Table 16 below shows the amount of contributions committed the government (national and subnational levels) and other sources (primarily the private sector) as agreed in signed project documents. This is mainly cost-sharing for the various demonstration pilots or infrastructure initiatives designed to take place under the projects. For the whole sector, the amount of co-financing expected from government sources is more than US\$ 125 m (for projects like **GED Phase II**, the amount of co-financing is still to be determined). Another US\$ 100 m parallel co-financing is expected by the government in the framework of the **GCF** project. Furthermore, more than US\$ 170,000 is expected from other sources, including the private sector.

For some projects, government co-financing constitutes a significant part of the resources expected to be spent under the project – for example, in the **VRB/CRFM** project the government is expected to contribute more than US\$ 75 m, whereas in the **URBAN LED** project government counterparts were expected to contribute more than US\$ 37 m. These are significant amounts – combined for the whole portfolio they represent more than 2.5 times the total amount provided by donors and UNDP combined.

Table 16: Project Financing

No.	Project	Donor Contribution	UNDP Contribution	Government Contribution	Other/Private Sector
1	TNC	500,000	0	0	45,000 Env. Fund; 86,000 in kind contribution
2	Biomass	552,273	0	0	0
3	URBAN LED	2,370,000	4,500,000	37,550,627	0
4	MIA	200,000	0	0	0
5	GED WAT/ GoAL WaSH	259,016	225,120	0	0
6	GCF	17,346,000	300,000	(100,868,000 USD parallel co-financing)	0
7	GED Phase I	8,267,064	0	11,403,223	0
8	GED Phase II	4,949,239	0	To be acquired	0
9	DH	501,792	0	0	0
10	VRB/CRFM	5,000,000	1,560,000	75,700,000	0
11	NAP	2,278,920	0	0	0
12	FNC/TBUR	852,000	0	180,000	0
13	FBUR	352,000	0	0	30,000 other; 16,000 in kind contribution
Total		43,428,303	6,585,120		

At the execution stage, the evaluation noted a number of positive examples in which local counterparts provided significant co-financing. In the **Vrbas** project, municipalities have committed to provide 30% of financing which amounts to a total of US\$ 1 m (against US\$ 3 m provided by UNDP). The **GED Phase I** project started with a co-financing ratio of 50%, which has now reached 70%. Co-financing has also been embedded into the criteria for the selection of the infrastructure initiatives supported by the UNDP projects. For example, infrastructure works in municipalities along the **Vrbas** river were selected through competitive bidding based on three criteria: 1) flood risk mapping; 2) cost-benefit analysis; 3) co-financing. Based on these criteria,

municipalities bid for projects on a competitive basis, providing co-financing from municipal budgets.⁴⁰ Also, maintenance costs have been an important factor taken into consideration because these assets are in the books of the municipalities and will require long-term servicing. As noted in the previous section, the methodology for the selection of infrastructure projects has been institutionalized, which ensures financing in the long run.

UNDP has also been instrumental in the establishment of financing mechanisms, especially in the area of energy efficiency. As has already been described, UNDP has supported the environmental funds in the two entities to move from grant financing to loan based financing with the help of methodologies and information systems such as EMIS. UNDP has also supported the establishment of the revolving funds for energy efficiency (already in operation in the Federation and under construction in the RS). Before the establishment of the revolving fund, the Fund in the Federation was providing exclusively grants, and by now it has been able to disburse two loans.

The promotion of co-financing and the move from grants to market-based mechanisms has been a positive feature of the E&E programme. UNDP should continue to build on these achievements by strengthening competitive market mechanisms to ensure the sustainability and scale of initiatives. Instead of providing grants, UNDP should further strengthen incentives and conditions for the initiatives it promotes to secure access to international financial institutions and banks for finance. By playing the role of the catalyzer, UNDP will be able to achieve much more impact than if it had just provided grants. Also, not all financing commitments shown in Table 16 have materialized yet. The commitments for the *Vrbas* and *Urban LED* projects are enormous and it will be important for the CO to follow through on them. Also, government's committed parallel co-financing for the *GCF* project is enormous (more than a US\$ 110 m). It is often difficult to establish what amount of co-financing and parallel financing was generated by a project, so it is important that UNDP establish clear methods and systems for defining these financing streams and tracking them over time.

4.4.4. Information Sharing and Awareness Raising

Most of the projects in the E&E portfolio have significant components related to information sharing and awareness raising around issues of sustainable development, promotion of energy efficiency and renewable energies, good water management practices, etc. This evaluation was not able to provide an estimate of the amount of money spent on awareness raising activities, but the number must be quite significant relative to the total budget spent by the sector.

While many of these activities are useful and serve a clear purpose, this is probably a good time for the UNDP to examine more closely its work in this area and take a more strategic approach.

⁴⁰ With the exception of two municipalities hard-hit by the floods, the rest have been quite responsive in providing co-financing.

The E&E is a good sector for doing this because it is well organized and has managed to pick most of the low hanging fruits in terms of effectiveness, efficiencies and sustainability. Taking the work on information sharing and awareness one notch up will help the CO strengthen its impact and image in the country.

The first thing that the CO could do in this area is to recognize the information sharing and awareness raising are done for a simple reason – to change people’s behavior. So, when designing information campaigns and events, it is important to ask what behavior and whose behavior are we trying to change? This requires a lot of careful thinking about the type of behavior we want to promote and the agents whose behavior we want to change. As a next step, it is also important to understand what type of information and what channel of information has the potential to change the identified behavior in the target group. The way the information is packaged matters a lot, but who carries the information and how that person is perceived by the target group matters even more. In this sense, it is important to understand whose opinion matters for the target group and how that opinion can be constructed and used to influence behavior.

It is also important to recognize that individuals operate in a social environment and that human behavior is largely influenced by social norms set by the community in which an individual is embedded. So, if we want to change an individual’s behavior, we also have to understand the prevailing social norms in his/her community and the factors that shape those social norms.

As can be seen from this very short discussion, the area of information sharing and awareness raising is quite complex and requires a lot of thinking and strategizing. The latest research on social psychology has produced many interesting insights about this type of work which many development organizations have begun to internalize in their work. The approach that was noted during this evaluation in the CO’s programme and projects was more simplistic, focusing on carrying a certain message to the target group without reflecting too deeply about the process of behavior change and strategizing about the various instruments that can be used to change behavior. This is something that the CO could consider more strategically and systematically in the context of the development of the new CPD and new projects.

CHAPTER 5: STRATEGIC POSITIONING

This section analyzes UNDP's comparative advantage and its positioning in the country's development context relative to its comparative advantage. It also examines the partnerships' strategy that UNDP could pursue and identify sources of funding which the CO could tap into for its next programme cycle.

5.1. UNDP'S COMPARATIVE ADVANTAGE

UNDP is well-positioned and has significant comparative advantages in the area of E&E in Bosnia and Herzegovina.

- First, UNDP has accumulated an extensive experience in addressing energy and environmental issues in the country and has created significant depth in the areas of climate change, energy efficiency and water management.
- Second, meetings conducted for this evaluation with a wide range of actors confirmed that UNDP has developed excellent relations with governments and civil society at all levels and across all entities. Stakeholders value UNDP for its neutrality and impartiality and trust and respect it. The access to governments and civil society across entities that UNDP enjoys place it in a good position to play a strong advocacy role and undertake pioneering initiatives.
- Third, UNDP enjoys high visibility and a good image in the country. Partners from all sides noted UNDP's good financial system control, effective procurement systems, and transparent decision making.
- Fourth, UNDP manages a broad global and regional portfolio of environment and energy projects, ranging from climate change to energy efficiency, to international waters, which it can leverage for its activities in Bosnia and Herzegovina. When needed, UNDP is able to mobilize support from a range of UNDP and UN structures. Its access to a vast global network of experts allows it to tap into comparative experiences and technical support from other regions. Regional technical advisors assist with project formulation and input into the development of the logical frameworks, recruitment of international experts, identification of key stakeholders, etc.
- Fifth, UNDP's has built a strong record of working with GEF on energy efficiency and environmental projects in the world, but also Bosnia and Herzegovina in particular. UNDP Bosnia and Herzegovina has also developed a good record in managing GCF projects – perhaps one of the leading UNDP COs in the world in this area. This experience and capacity give UNDP a significant comparative advantage in developing and implementing these types of projects in Bosnia and Herzegovina.

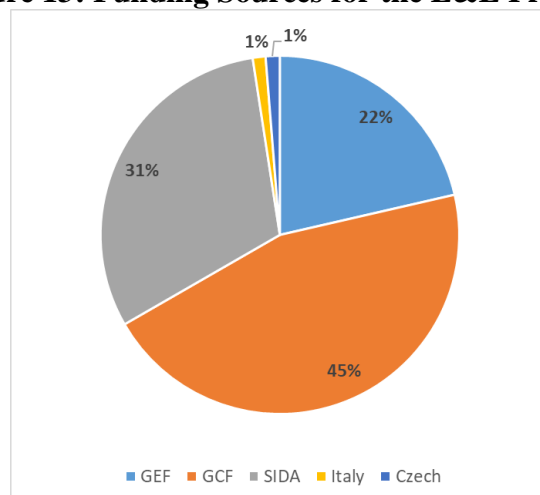
These factors provide UNDP Bosnia and Herzegovina with a really strong comparative advantage in the area of E&E and portend well for its future. The CO, however, should not become complacent, but should continue to build on the good foundations it has laid to further strengthen these success factors.

5.2. POSITIONING AND RESOURCE MOBILIZATION

As has already been discussed in Chapter 3 of this report (and shown in Table 6), UNDP's E&E portfolio consists of three main thematic pillars – *Climate Change*, *Energy Efficiency* and *Water Management*. Waste management, forestry, chemicals and air pollution are smaller thematic areas covered by the programme. The E&E cluster constitutes the second largest sector in the country programme (if flood-related activities started in 2014 are not considered) and has grown significantly during the last two programme cycles.

In terms of funding sources, the E&E portfolio rests on three solid pillars – GFC, GEF and Swedish SIDA (as shown in Figure 13 below). It includes two GCF projects, six GEF projects and three SIDA projects. Each of these three donors has contributed between US\$ 10 to 20 m to the E&E programme. The portfolio has also benefited from smaller amounts of funding from Italy and the Czech Republic.

Figure 13: Funding Sources for the E&E Programme



During the current programme cycle, the CO has been particularly successful in its resource mobilization efforts across all sectors, but especially in the E&E sector.⁴¹ This can be clearly seen in Table 17 below. At the beginning of the programme cycle, the CO budgeted in its CPD US\$ 17 m for the E&E sector. As of the time of the evaluation (November 2018), the sector had spent about US\$ 31 m, about US\$ 15 m more than what the CO planned. This is a significant

⁴¹ By 2017, the CO had nearly doubled its resource mobilisation target set at US\$ 125 million in the CPD. The CO highlights the following elements as crucial to its resource mobilization strategy: i) intensified interaction with traditional donors and higher level of their engagement; ii) niche-positioning UNDP as a partner offering high quality development services, particularly in local development; iii) partnerships with all government levels, which increased the government's co-funding share; iv) success of UNDP as bidder in competitive tendering (including 2 large programs in 2017 financed by the EU); v) partnerships with IFIs to expand development financing (e.g. the European Investment Bank, the Council of Europe Development Bank, etc.); vi) tapping into development resources of non-traditional donors (Italian Cooperation, Czech Cooperation, etc.).

achievement, especially when set against the other sectors which at the point of this evaluation had spent between 60 and 80% of what they had planned in the CPD.

Table 17: Budgets and Expenditures for all Programme Sectors in the Period 2015-2018

Programme Sectors	Budget under CPD (5-year period)	Expenditure as of Nov. 2018 (since 2015)	Expenditure as percentage of Budget
Justice and Security	29,700,000	17,298,668	58%
Rural and Regional Development	79,812,354	51,253,702	64%
Energy and Environment	17,000,000	31,037,478	183%
Social Inclusion and Democratic Governance	21,419,302	17,140,483	80%
Floods and Recovery Programme (2014-2016)	44,016,718	43,848,465	100%
All programme	191,948,374	160,578,798	84%

The sector has been particularly successful in accessing GCF funding, being the only UNDP CO in the world that has received GCF finance for two projects, despite the fact that Bosnia and Herzegovina is classified as a upper-middle-income country (see Box II for a description of the **GCF** project). Also, the fact that SIDA has funded three projects in this portfolio and has provided more than US\$ 17 m in two phases for the **GED** project is an indication of satisfaction with the results of **GED Phase I** and trust in the capabilities of UNDP to deliver in this area.

Box II: Overview of the GCF project

The eight-year US\$122 million project “**Scaling-up Investment in Low-Carbon Public Buildings**” will be implemented by the Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska, Federal Ministry of Physical Planning, Environmental Fund of Federation of Bosnia and Herzegovina and Environmental Protection and Energy Efficiency Fund of Republika Srpska.

The project benefits from a US\$17.3 million grant from the Green Climate Fund, and US\$105.2 million in co-financing from a range of sources, such as the entity Environmental Funds, entity and municipal budgets, and international organizations. Due to a long period of neglect and under-investment, public buildings in Bosnia and Herzegovina are in urgent need of modernized upgrades.

The project seeks to leverage private-sector finance to support low-carbon public buildings, including schools, hospitals, cultural centers and government offices, in Bosnia and Herzegovina by creating a favourable market for private energy service companies to carry out projects in the public sector. The proposed retrofits to public buildings will include improved insulation and windows, as well as a switch in heating and cooling systems to renewable resources. Currently, an estimated 70 percent of Bosnia and Herzegovina’s public buildings rely heavily on fossil fuels and district heating systems, which are also predominantly coal-based. According to the UNDP, average energy use in public buildings can be reduced cost-efficiently by about 60 percent.

The Project supports the Government's 2015 Reform Agenda by sustaining the climate-resilient economic development and catalyzing private-sector engagement. The project will support municipalities across the country to implement Sustainable Energy and Climate Action Plans.

Looking forward, the key question the sector faces is – What sources of funding will be available to sustain UNDP activities in the E&E portfolio and which thematic areas the CO should engage with?

In terms of sources of funding, the CO has a solid set of plans and a number of project documents in the pipeline.

- The CO is preparing a proposal on biodiversity for the GEF 7 allocation for Bosnia and Herzegovina. Given that the biodiversity allocation is only US\$ 1 m, one idea is to create more depth by submitting a proposal of US\$ 3 m that combines climate change and biodiversity. UNDP has not decided on partnerships for this bid yet, but given UNEP's engagement in the biodiversity area in Bosnia and Herzegovina, it would be advantageous if the CO would submit a joint proposal with UNEP.
- UNDP is also discussing with Swedish SIDA a US\$ 4.6 m proposal related to the Stockholm Convention (chemicals and medical waste management) which had previously been submitted to GEF 6.
- UNDP has also been developing in the area of adaptation a new submission of US\$ 14 m for the GCF. The CO has secured significant co-financing for this proposal from the European Investment Bank (US\$ 19 m) and the Government of the Federation of Bosnia and Herzegovina (UD\$ 14 m).
- The CO is also discussing with the Italian government a small contribution to top up the current budget of the Urban LED project which consists of US\$ 2.3 m and which is too small to make significant impact.

In addition to these plans, one source of funding the CO would be well advised to explore more systematically is the EU. In the 2014-2017 period, Bosnia and Herzegovina could not benefit from IPA II assistance for the environmental sector due to the lack of a state-level strategy. Similarly, IPA II assistance for the energy sector was conditioned on the adoption of a comprehensive state-level energy strategy. The recent adoption of the Environmental Approximation Strategy and the Framework Energy Strategy will give further impetus to approximation activities in these areas and will open the way to substantial IPA II funding for the environmental and energy sectors through the Western Balkans Investment Framework. Given EU's strong commitments to Bosnia and Herzegovina's development process and the large part the environment plays in the EU Acquis, significant funding opportunities will be available from the EU in the coming years.

Recently, the European Commission has revised its Indicative Strategy Paper for Bosnia and Herzegovina⁴² which outlines the main IPA II support areas for the 2014-2020 period. The strategy's environmental section has prioritized progress in EU acquis transposition and compliance, as well as infrastructure investments to support the policy objectives, primarily in the fields of waste and water management. IPA II may also support specific activities in climate change capacity building, diplomacy, awareness raising, and actions related to climate change and energy efficiency at the level of local communities. In the energy sector, the strategy has prioritized energy efficiency and renewable energy, as well as to support the implementation of relevant EU policies and energy targets such as the SEE 2020 Strategy as well as the EU Road Map 2050. The indicative allocation for environment, climate action and energy for 2019 is 63.2 m Euro.

These significant opportunities with the EU are obvious to UNDP staff, but the ideas on how UNDP could be engaged in this process and what role it could play in the context of these expected funding streams are not clear yet. What could be useful in this situation is a more systematic assessment and identification of opportunities by researching how the EU is currently detailing their priorities into specific programmes and actions on the basis of the strategic and approximation plans of the state and the entities.⁴³ In this context, the CO could launch a more organized process of exploration concerning all sectors and involving higher-level UNDP structures in Brussels and New York.

In terms of thematic areas, Climate Change and Energy Efficiency are areas where UNDP is already well-established, by creating significant depth and emerging as a serious player in the country. In these areas, UNDP has overshadowed to some extent organizations with much deeper pockets such as the World Bank and EBRD. Factors contributing to this success include early niche-positioning in the domain of energy efficiency in the public-sector buildings (since 2013), based on a clear strategy outlined in an earlier policy paper. UNDP has positioned itself as a knowledge partner in the domain of energy management, offering support "at scale". As has already been mentioned, this role has been recognized by SIDA, which has channeled significant financial resources through the *GED* project. Another success factor is UNDP's excellent cooperation with authorities at state, entity, cantonal and municipal, all of which have a say in the area of energy efficiency policy.

Given its success and good standing in this area, UNDP should further build on the foundations it has laid and seek to create more depth. Climate change and energy efficiency are likely to remain important areas of work for which funding will be available. Also, the area of water management

⁴² The strategy can be found here: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180817-revised-indicative-strategy-paper-2014-2020-for-bosnia-and-herzegovina.pdf>

⁴³ It should be emphasized that any proposals to the EU should be grounded in the Association Agreement. The EU is now focused on the implementation of this agreement and all its agenda and assistance is guided by the provisions of this agreement.

and flood risk protection is an area where UNDP can further build on its good experience and strong partnerships with national stakeholders.

However, given the opportunistic nature of UNDP's funding, driven by the lack of its own resources, it will be wise for the CO to diversify its portfolio by expanding at least into another thematic area and creating depth there as well. One new area which the CO has been considering is *Biodiversity*. This is an area with significant potential, not only because Bosnia and Herzegovina has significant areas covered in forests (more than 50% of the country), but also because UNDP is globally quite strong on biodiversity. As has already been discussed in this report, the CO has been discussing with state and entity governments a submission for GEF 7 focused on biodiversity (the biodiversity allocation for Bosnia and Herzegovina under GEF 7 is US\$ 2 m⁴⁴, out of a total of US\$ 4 m which includes US\$ 1 m for climate change and US\$ 1 m for land degradation). A draft PIF has already been developed, focused on co-management of protected areas in Bosnia and Herzegovina, linked to eco-tourism, economic development and natural resource management. UNDP could engage into a joint partnership with UNEP on this, given UNEP's current engagement in the area of biodiversity and the good partnership forged between the two organizations.⁴⁵

Besides biodiversity, another area identified by partners as an area where there might be funding available for technical assistance is waste management.⁴⁶ In this area, potential ideas include the development of a database system for waste with the two environmental funds and management of medical waste and chemicals (along the lines of the Stockholm convention). On the latter, the CO has already developed a project proposal worth US\$ 4.6 m which it is currently discussing with SIDA.⁴⁷ This would be a new area for UNDP to enter, depending on the specifics of the available funding, what happens to the negotiations with SIDA, but also its ability to manage additional activities in this sector. If opportunities currently being pursued in the areas of climate change, energy efficiency and water management materialize, the sector might not have the capacity to manage an additional area, so whether the area of waste management is worth entering or not will depend largely on what happens in the other areas.

In terms of cross-cutting activities for the E&E sector, there is one area where sector should definitely engage more actively. This is the area of Sustainable Development Goals (SDGs). The SDG process presents a unique opportunity for integrating environmental concerns into policy

⁴⁴ One idea is to merge the biodiversity and climate change allocation into one larger allocation of US\$ 3 m, which could constitute a well-funded US\$ 3 m – project.

⁴⁵ UNEP does not have capacity in the country, so UNDP is already acting as an implementing agent for UNEP. UNDP has already signed an agreement with UNEP on three projects.

⁴⁶ On forestry there is a widely shared recognition that it is a very political, complex and corrupt area with too many interests involved that might not be suitable for UNDP interventions. Things could be done around the idea of forestry management along the lines of the current Biomass project that has a forestry component.

⁴⁷ This project has been technically approved by GEF 6 and includes medical waste management and green industries. Because of the lack of financing of GEF 6, Bosnia and Herzegovina did not get this project. Given that this proposal has received clearance from the state and entity governments, UNDP has shared it with SIDA.

frameworks – which is a large part of what the sector is trying to do. As of now, SDG-related activities have focused on awareness and have been driven primarily by the United Nations Country Team (UNCT).⁴⁸ The role of the E&E sector in SDG activities has been rather limited. SDGs are not included in any of the strategic and planning documents at the state or entity level.⁴⁹ Potential work the E&E sector could engage in includes the incorporation of SDGs in strategic documents and policies, establishing national targets and baselines to measure progress, defining the distribution of responsibilities among the levels of government, establishing data and monitoring systems that support SDGs, and assisting with environmental reporting nationally and internationally.⁵⁰ Aligning SDG implementation and monitoring with the EU accession process could be another type of activity that would raise attention to the SDGs and ensure coherent implementation of priorities. Overall, UNDP is well positioned to support through the SDG process the mainstreaming of the environmental concerns into the country's legal and policy framework and assist the government in gradually exploring the concept of Green Economy (e.g. through multi-stakeholder fora, screening of public expenditure from an environmental perspective, green accounting, etc.).⁵¹

5.3. CROSS-CUTTING ISSUES

Environmental concerns

As this is an evaluation of the environmental programme of the UNDP, it is superfluous to discuss the mainstreaming of environmental concerns into its activities.

Gender

Evidence collected in the course of this evaluation indicated the E&E programme has had adequate focus on gender, taking into consideration the specific needs of women.

Most projects were designed with specific measures to address gender inequalities and empower women and to promote the participation of women in their activities. Gender equality was systemically applied by projects under this cluster by ensuring that legal and policy frameworks

⁴⁸ In late March 2017, the Council of Ministers of Bosnia and Herzegovina, upon the proposal of the UNCT to nominate a national partner, appointed the Directorate for Economic Planning under the Council of Ministers to coordinate the process of implementation and monitoring of SDGs. It is expected that this directorate will be the technical body responsible for coordinating SDGs implementation and monitoring.

⁴⁹ UNCT has done the mapping of various strategies and plans at state, entity and cantonal level against the goals and targets using the Rapid Integrated Assessment methodology.

⁵⁰ Government's environmental data monitoring and reporting are quite weak and this was one of the concerns that was highlighted by government representatives in meetings for this evaluation.

⁵¹ As another example, GEF-funded projects have an emphasis on energy and environment related indicators. But UNDP, given its human development mandate, can and should include social ones (e.g. related to access to and affordability of the services for the poor, as well job creation) to capture social and human development aspects through project level indicators. This practice should be applied across all the projects in the portfolio.

were gender-sensitive and the development strategies took consideration of gender equality in terms of analysis, priorities and gender-sensitive indicators.

In terms of outcomes, about 58,000 peoples were reported to have benefited from energy efficiency measures, of whom 37,800 (60%) were women. UNDP has built key technical skills and knowledge among female buildings end-users – i.e. an estimated 1,800 females were trained in EMIS data management (out of a total of 3,000 people). Furthermore, UNDP has increased participation of women - energy sector professionals - in technical trainings: 50% of all trainees were women. This is a significant achievement, because the sector employs three times more men than women.

Poor communities or households, particularly in rural areas are targeted through direct interventions e.g. biomass interventions, installation of solar panels to diversify access to energy - based on criteria which prioritize vulnerable communities and female-headed households. About 38,000 women benefitted from the implementation of non-structural floods mitigation measures in Vrbas river basin, through which river banks were rehabilitated and facilities protected. Furthermore, the Vrbas project conducted a social vulnerability assessment in its area of work.

One of the CPD targets not reached yet is in the total number of green jobs created by the sector. So far, a total of 730 green jobs were reported to have been created, out of which only 8 women. This is considerably less than the target, which is 40 by 2019. The reason for the difficulty in reaching this target is that these green jobs are related to construction which is a sector that does not attract many women.

Human Rights Approach

Overall, the current E&E programme contributed in many important ways to human rights. The following is a brief summary of the main dimensions.

- Through the ensemble of its activities, the programme has contributed overall to the basic right to a safe, healthy and ecologically-balanced environment (i.e. clean air, clean water, safety and protection from floods, resilient livelihoods through adaptation, etc.).
- It has promoted participatory transparent processes not only in project activities, but also within the government. The programme has made the various governments more open, transparent and accountable to the public.
- Through the reporting, especially at the international level, the programme has contributed to information sharing, transparency and accountability.
- Through the infrastructure projects, the programme has contributed to job creation, poverty reduction and reduced vulnerabilities, which are crucial aspects of human rights.

CONCLUSIONS

Although operating in a complex and challenging environment, UNDP has been able to navigate Bosnia and Herzegovina's intricate political system and multilayered administrative structure quite successfully. In the E&E area, UNDP has established itself as one of the leading development partners and has developed good relations with a range of national players, including all levels of government. The sector team has achieved this by being committed, persistent, well-organized and professional and by engaging government, non-government and development partners effectively in all stages of the project cycle.

UNDP has created significant depth in the area of climate change and energy efficiency and had built a good track record in the area of water management. Less significant involvement has taken place in the area of waste management, air pollution, forestry, etc. Overall, the E&E programme has been largely relevant to Bosnia and Herzegovina's needs and priorities, its international commitments and agreements and the UN and UNDP country mandates and strategies.

UNDP interventions have had a tangible impact in the energy efficiency renovation of public buildings. More than 80 public buildings (healthcare, educational and administrative institutions) across the country have been retrofitted and about 58,000 people are reported to have benefited from energy efficiency measures, of whom 37,800 (60%) have been women. At the policy level, UNDP has supported the development of policy and legal frameworks across a range of areas. UNDP has also supported the development of the Energy Management Information System (EMIS) for energy consumption and monitoring and the formulation of a sound methodology for using it in the selection of public buildings to be refurbished. UNDP was also instrumental in the establishment of the Revolving Fund for Energy Efficiency under the Environmental Fund in the Federation. In the area of Water Management, UNDP has contributed to Bosnia and Herzegovina's efforts to implement the state's Action Plan for Flood Protection and River Management and the EU Water Framework Directive. UNDP has supported reporting on climate change at the national level and Bosnia and Herzegovina's efforts to join the Minamata convention.

UNDP's main contributions to Bosnia and Herzegovina have not taken place only in the area of technical assistance – providing capacity building support to various public organizations in their pursuit of solutions to development problems. UNDP has also been able to facilitate communications and cooperation between governments, especially in areas where there are disagreements and where governments refuse to cooperate. For Bosnia and Herzegovina's highly fragmented and politicized governance system, this has been a significant contribution. UNDP has also promoted the harmonization of laws and secondary legislation, information collection and exchange, etc., across the two entities.

In terms of efficiencies, project budgets have been executed effectively, with the exception of 2018 where there are gaps in execution, especially for the newly started projects. Project staff are highly-qualified, professional and proficient with UNDP operational rules and procedures. The sector

team has established good linkages and synergies within the cluster, but cooperation with other sectors, especially the Regional and Rural Development, could be further strengthened. Coordination with development partners has been adequate at the project level, but could be strengthened at the sectoral level, and UNDP could play a bigger role in the process.

With regards to sustainability, many interventions have provided important contributions to the institutionalization of initiatives and financing, which are crucial for the long-run operation of the systems that UNDP projects typically develop. More focus, though, could be paid to the challenge of policy implementation which remains a serious weakness in Bosnia and Herzegovina's public administration. The amount of co-financing committed by the government and other partners has been impressive, which is a strong indication of commitment and ownership by national partners, but the sector team needs to follow through and ensure that those commitments materialize. Awareness raising activities could become more sustainable if conducted with the objective of behavioral change in mind and if underpinned by a more explicit strategy reflecting the importance of social norms.

In terms of positioning, UNDP has created good foundations in the areas of climate change, energy efficiency and water management, has been very successful in its fundraising work and has developed a healthy pipeline of projects related to climate change adaptation, biodiversity and waste management. As far as funding is concerned, the sector rests on three pillars – GEF, GCF and SIDA. Looking forward, the CO might consider to strengthen its presence in the areas of biodiversity and waste management, especially if it sees that financing in the areas where it is currently established becomes limited. UNDP could intensify its engagement at the sub-national level and make it more efficient by trying further integrate and consolidate its activities at that level, especially between the E&E and Regional and Rural Development sectors. The CO is also well advised to explore more systematically funding opportunities from the EU in the framework of IPA II funding which has now become available for Bosnia and Herzegovina. The sector team should also take a closer look at the role it is playing in the area of SDGs and see how the SDGs could become a more prominent part of the sector's work.

There are many lessons that can be drawn from the experience of E&E sector reviewed in this report, but the following are worth highlighting:

- UNDP COs are often unable to develop a strong and sustained presence and depth in a particular sector because they don't have sufficient staff who can provide the office with gravitas in that area, generate project concepts and negotiate with government counterparts and donors. The argument goes that because you don't have human capacity, you cannot develop a strong presence in an area, and eventually you get caught up in a vicious circle. Bosnia and Herzegovina's experience has shown how you can develop strength and depth in an area and gradually build around it a stable and effective team of qualified and committed individuals who are technically and politically able to negotiate with government counterparts and donors.

- Another lesson can be drawn around the issue of co-financing. Many UNDP COs argue that it is difficult to obtain co-financing from their partner governments because they are finance-constrained. If they had the funds, the argument goes, they would not need UNDP or donor organizations. The case of Bosnia and Herzegovina shows that when a CO provides the government with a serious value proposition, the government is willing to chip in, and sometimes in significant amounts. What matters for the mobilization of co-financing is demonstrated competence and results, and these are built gradually over time with a lot of patience, endurance and persistence.

RECOMMENDATIONS

This chapter provides six key recommendations which are derived from the analysis presented throughout this report.

7. Results-Based Management at the Sectoral Level

In preparation for the development of the new CPD, the Sector Team and CO management may consider some of the measures proposed below which are geared towards strengthening the RBM system at the sectoral (programme) level.

- For the upcoming CPD, the sector should develop a stronger results framework based on SMART indicators, baselines and targets. The fact that a number of large projects have just started provides good predictability for the types of activities that the CO will be pursuing in this area in the new programme, which makes the development of a sound RRF easier.
- The sector should also ensure that programme baselines, indicators and targets are harmonized and aligned with those of individual projects. Also, data collection approaches, means of verification and risks and assumptions should be harmonized between the programme and project levels.
- The sector will also benefit from the development of a Theory of Change that connects all the specific pieces (projects) together. This is not just a theoretical exercise, but has practical value in that it will provide the team with insights into how these individual projects could be tied more effectively together.
- Also, the quality of project evaluations is something that could be improved. These are things that the CO could address in the formulation of the next CPD. Also, the CO should develop minimum quality criteria for project evaluations and should establish a tracking system to closely monitor their quality.

8. Positioning and Resource Mobilization

In terms of positioning, the CO should continue to consolidate its position in the areas of climate change, energy efficiency and water management. These are areas where UNDP Bosnia and Herzegovina has already positioned itself really well and is quite competitive. However, depending on the availability of funding for these areas, the CO is well advised to explore options for diversification. One potential area is “biodiversity” where UNDP is generally very strong and which UNDP could pursue in Bosnia and Herzegovina, ideally in a partnership with UNEP, given existing cooperation and their experience in the area. The plans that are already in place for the area of biodiversity are quite good. A second area which UNDP Bosnia and Herzegovina could explore is waste management, including medical waste and chemicals. This area is expected to receive increasing attention in Bosnia and Herzegovina and UNDP could provide contributions in certain areas. Again, some the ideas that have already been developed in this area are a very good starting point.

Furthermore, one cross-cutting issue with which the sector should be engaged more actively is the Sustainable Development Goals. Work around the SDGs should be coordinated closely between the sectors, but the E&E sector can play a much bigger role. Potential work the E&E sector could engage in includes the incorporation of SDGs in strategic documents and policies, establishing national targets and baselines to measure progress, supporting the distribution of responsibilities among the levels of government, establishing data and monitoring systems that support SDGs, and assisting with reporting nationally and internationally. Aligning SDG implementation and monitoring with the EU accession process could be another type of activity that would raise attention to the SDGs and ensure coherent implementation of priorities. Overall, the E&E sector is well positioned to support through the SDG process the mainstreaming of the environmental concerns into the country's legal and policy framework and assist the government in gradually exploring the concept of Green Economy (e.g. through multi-stakeholder fora, screening of public expenditure from an environmental perspective, green accounting, etc.).

As far as resource mobilization is concerned, the main recommendation for the E&E sector is to explore more systematically the significant opportunities that have opened up with the EU after the adoption of the environmental and energy strategies. The CO could undertake a more systematic assessment and identification of opportunities by researching how the EU is currently detailing their priorities into specific programmes and actions on the basis of the strategic and approximation plans of the state and the entities. In this context, the CO could launch a more organized process of exploration concerning all sectors and involving higher-level UNDP structures in Brussels and New York.

9. Programme Integration at the Sub-national Level

At the sub-national level, the CO should strengthen collaboration between sectors by establishing integrated frameworks for project planning and implementation. **RRD** activities, especially the component on strategic planning at the local level, provide the **E&E** sector with a platform on which to embed environmental and energy efficiency initiatives. The CO could explore the feasibility of integrated work plans elaborated at the regional/local level and matched with the CO's plan at the national level. An example of this would be the use of UNDP's local presence (i.e. ILDP project) as vehicles for the implementation of UNDP projects in the respective areas.⁵² Such an area-based approach will enable UNDP to weave more effectively cross-cutting issues (such as energy efficiency, citizen engagement, transparency and accountability, gender equality) into other thematic activities (i.e. community development, service delivery, etc.). Stronger synergies may also be forged with international organizations at the sub-national level, which may also provide increased funding opportunities. UNDP can also support local authorities to facilitate more effectively donor coordination at the sub-national level. A crucial step in achieving a higher

⁵² Also, UNDP's local presence may serve as a vehicle for the implementation of the activities of other UN organizations in a particular location.

level of programme integration and consolidation could be the development of a clearer strategy for how UNDP should structure itself and operate at the sub-national level.

10. Policy implementation

UNDP should further strengthen its focus on policy implementation, by thinking beyond just the passing of laws and strategies, and considering measures that consolidate organizational structures that will implement those laws and strategies. This includes actions like the creation of organizational structures, staffing organizations and allocating funding for their operations, training management and staff to implement policies, etc. The sector team has already been doing a lot of this, but the point here is to promote a mentality shift in the programme and in the government away from “form” (how a piece of law looks like) to functionality (how a law is implemented and what effects it produces). From this perspective, it is important that the team consider how the capability of government organizations is built and changes. For this, the CO should develop RBM systems that track implementation parameters linked to functionality and outcomes rather than form and inputs/outputs and assess more rigorously the sustainability of achievements. Project documents should contain clear criteria related to performance based on a strategy for achieving and demonstrating results. Achieving this focus on functionality and outcomes is difficult when considering the short timeframes of UNDP projects, but it is not impossible. What is important is the mentality shift which implies that UNDP staff start designing and implementing projects with these *implementation* considerations in mind.

11. Co-financing

The sector team has done a good job when it comes to co-financing, but for projects that involve infrastructure investments it is essential to keep pushing for stronger competitive/market mechanisms to ensure the sustainability and scale of initiatives. Overall, the recommendation here is to stay on the same path and not backtrack, because market-based solutions to infrastructure problems are extremely important for their sustainability. Instead of providing grants, UNDP should keep strengthening incentives that promote access to international financial institutions and banks for finance. One opportunity UNDP could explore further is engaging with some of the lending activities of International Financial Institutions (IFIs) at the sub-national level and helping with the monitoring of loan operations through its partnerships with local governments and communities. Ensuring good governance and transparency at the local level are areas of work where UNDP has a comparative advantage, so partnerships with IFIs will be a win-win situation. This is area the CO could look into with the objective of coming up with a clear strategy and plan of action – and not only in the E&E area, but across the programme.

12. Awareness Raising

In the area of awareness raising and information sharing, the CO should consider more strategically and systematically its approaches, methodologies and results. This is an area where there have been significant shifts in research and practice recently and it is time for UNDP to upgrade its approach. First, the CP should recognize the information sharing and awareness raising are done for a simple reason – to change people’s behavior. So, when designing information campaigns and events, it is important to ask what behavior and whose behavior the programme or project is seeking to change. This requires a lot of careful thinking about the type of behavior the programme/project seeks to promote and the agents whose behavior it wants to change. As a next step, it is also important to understand what type of information and what channel of information has the potential to change the identified behavior in the target group. The way the information is packaged matters a lot, but who carries the information and how that person is perceived by the target group matters even more. In this sense, it is important to understand whose opinion matters for the target group and how that opinion can be constructed and used to influence behavior. It is also important to recognize that individuals operate in a social environment and that human behavior is largely influenced by social norms set by the community in which an individual is embedded. So, to change an individual’s behavior, it is important to understand the prevailing social norms in his/her community and the factors that shape those social norms. This is something that the CO could examine a bit more closely in the context of the development of the new CPD and new projects.

ANNEX I: LIST OF STAKEHOLDERS MET FOR THE EVALUATION

Country Office Bosnia and Herzegovina

Country Programme Document 2015-2019

Outcome 5 Evaluation

Schedule of meetings 17-21 September 2018

Date/Timing	Meeting with	Location
08.30 – 09.00	<ul style="list-style-type: none">• Introduction meeting with Sukhrob Khoshmukhamedov, Deputy Resident Representative	UNDP, Room 304
10.00 – 11.00	<ul style="list-style-type: none">• Sanjin Avdic, Energy and Environment Sector Lead• Alisa Grabus, Energy and Environment Sector Programme Associate,• Marina Dimova, Chief Technical Specialist• Amra Zorlak, Monitoring and Evaluation Analyst• Ajla Mostarac, Energy and Environment Sector Communications Officer• Ena Kosanovic, Energy and Environment Administrative Support Assistant• Marina Mujezinovic, GEF assistant• Senka Mutabdzija Becirovic, GEF technical assistant	UNDP, Room 322

12.30 – 13.30	<ul style="list-style-type: none"> • Sanjin Avdic, Energy and Environment Sector Lead • Alisa Grabus, Energy and Environment Sector Project Associate, • Sinisa Rodic, Climate Change Mitigation Programme Manager • Elvis Hadzikadic, EE Sector Technical Expert • Aida Hadzic Hurem, Disaster Risk Reduction Project Manager • Raduska Cupac, Climate Change Adaptation Project Manager • Goran Bosankic, Chief Technical Officer • Ajla Mostarac, Energy and Environment Sector Communications Officer • Ena Kosanovic, Energy and Environment Administrative Support Assistant 	UNDP Conference room 3 rd floor
14.00 – 15.00	<ul style="list-style-type: none"> • Senad Oprasic, GEF Focal Point 	Ministry of Foreign Trade and Economic Relations Bosnia and Herzegovina
15.00 – 16.00	<ul style="list-style-type: none"> • Admir Softic, Assistant Minister for Energy 	Ministry of Foreign Trade and Economic Relations Bosnia and Herzegovina

Tuesday, September 18, 2018

Date/Timing	Meeting with	Location
08.00 – 09.00	Ines Terza Czech Development Agency	Embassy of Czech Republic
9.00 departure for Nova Bila		
10.30 – 11.30	Goran Pejakovic, Assistant Director for Non – medical issues	Croat Hospital “Dr fra Mato Nikolic” Nova Bila
11.30 departure for Banja Luka		
15.00 – 16.00	Svetlana Radusin, Assistant Minister for Environment Mirjana Kos Ozren Laganin	RS Ministry of Spatial Planning, Construction and Ecology

Wednesday, September 19, 2018

Date/Timing	Meeting with	Location
9.00 – 10.00	TBC Milos Jokic, Assistant Minister for Project Coordination and Development	RS Ministry of Spatial Planning, Construction and Ecology
10.30 – 11.30	Srdjan Todorovic Director	Environmental Protection and Energy Efficiency Fund of RS
12.00 – 13.00	Sanja Toljenovic, Project implementation Coordinator	City of Banja Luka

13.00 departure for Sarajevo		
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Thursday, September 20, 2018

Date/Timing	Meeting with	Location
9.00 – 10.00	Bosko Kenjic, Assistant Minister	UNDP, Office 324
10.00 – 11.00	Jasmina Kafedzic, Head of the energy efficiency department	Environmental Protection Fund of FBosnia and Herzegovina
11.30 – 12.30	Nermina Skejović-Huric, Senior Advisor	Ministry of Foreign Trade and Economic Relations Bosnia and Herzegovina, Room 217
14.00 – 15.00 (tentative)	Zijada Krvavac, Assistant Minister for Environment	Canton Sarajevo
15.30 – 16.00	Tarik Ucanbarlic, Project Manager, EUSTAR Project (ammunition disposal), Rule of Law and Human Security	Office 327
16.00 – 17.00	Aisa Bijedic, SIDA	UNDP 324
17.00 – 18.00	Matea Grabovac, UNEP Ehlimana Alibegovic, UNEP	UNDP 324

Friday, September 21, 2018

Date/Timing	Meeting with	Location
9.00 – 10.00	<ul style="list-style-type: none"> Sanjin Avdic, Energy and Environment Sector Lead 	UNDP, Room 322

	<ul style="list-style-type: none"> • Alisa Grabus, Energy and Environment Sector Project Associate, • Marina Dimova, Chief Technical Specialist • Amra Zorlak, Monitoring and Evaluation Analyst • Ajla Mostarac, Energy and Environment Sector Communications Officer • Ena Kosanovic, Energy and Environment Administrative Support Assistant 	
11.00 – 12.00	Sukhrob Khoshmukhamedov, Deputy Resident Representative	UNDP, Room 304
12.00 – 12.45	Representatives of RRD Sector: Nedim Catovic, RRD; Edis Arifagic, Local Development Programme Manager; Goran Stefatic, Municipal Economic and Environmental Governance, Project Manager Aldin Medjedovic, Project Local Integrated Development, Governance Component	UNDP, Room 327
13:00 – 14.00	Josip Polic, EBRD	EBRD, UNITIC

ANNEX II: TERMS OF REFERENCE OF THE ASSIGNMENT

Individual Contract

Terms of References

I. Identification of the Position

Job Title:	International Consultant for Evaluation of Outcome 5 of the Country Programme Document for Bosnia and Herzegovina 2015-2019
Project:	UNDP Country Office Bosnia and Herzegovina
Supervisor:	UNDP Deputy Resident Representative
Location:	Home Based with travel to BiH
Travel requirement:	Up to 7 days in Bosnia and Herzegovina (including 3-4 field visits within the country)
Practice Area:	Resilience and Climate Change
Application deadline:	6/3/2018
Type of Contract:	International
Duration:	June-July 2018 (20 working days)
Presence in the UNDP premises	Partial presence

II. Background and Purpose of the Consultancy:

a) Introduction

UNDP Country Office in Bosnia and Herzegovina commissions an Outcome Evaluation to assess its contribution to sustainable management of environmental and energy resources in the country, for the period January 2015 - April 2018. The subject of the proposed evaluation is Outcome 5 of

the UNDP Country Programme Document for Bosnia and Herzegovina (CPD, 2015-2019)⁵³: “By 2019, legal and strategic frameworks are enhanced and operationalized to ensure sustainable management of natural, cultural and energy resources”.

b) Country context

Governance system

The complex constitutional structure stemming from the Dayton Peace Agreement is highly cumbersome. The country of 3.8 million people has 13 constitutions (state, two entities, one autonomous district and 10 cantons), 14 legal systems and more than 160 ministries. This governance structure has led to political deadlock, low investment and socio-economic inequalities, and high levels of corruption. Slow legislative processes resulting from political stalemate further hamper progress. Corruption continues to plague the country. The rule of law and the judicial system remain problematic, while the public administration is still in dire need for reforms.

Economy

Bosnia and Herzegovina is an upper middle-income country. The economy is weighed down by a huge public sector that consumes nearly 50% of the GDP to sustain itself and has elbowed out productive public infrastructure spending. At the same time, 2017 had a 3% positive economic growth, expected to reach 3.2% in 2018. Despite decrease compared to 2016, the unemployment rate stands high at 20.5%, particularly high among youth. The business environment is still weak, impeding faster economic growth. FDI, although record-high in 2017 (US\$950 million), may be elbowed out by the unstable political situation.

Accession to the European Union

At the 2003 Thessaloniki summit, the European Council declared that the future of the Western Balkans is within the EU. However, apart from Croatia that joined the EU in 2013, fifteen years after the Thessaloniki summit, Bosnia and Herzegovina remains on the accession road, with a potential candidate country status. In a strive to encourage Bosnia and Herzegovina to resolve its ethnic divisions and qualify for membership to the EU, in late 2005 the EU foreign ministers gave the go-ahead for talks on a Stabilization and Association Agreement (SAA) with the country. The SAA was signed in 2008, but its implementation was delayed by the country's failure to make constitutional amendments called for by the European Court of Human Rights and related to the

⁵³ At the time these Terms of References are published, 1-year extension of the United Nations Development Programme has been initiated, which, upon approval, may affect the timeframe of the Country Programme Document.

restrictions for Roma and other minorities to run for political office. The SAA entered into force in June 2015, following the important British-German initiative of late 2014, which shifted attention from the politically-sensitive *Sejdić-Finci* conditionality and obtained unprecedented political support by all government levels on the Reform Agenda, focusing on socio-economic reforms. In 2016 Bosnia and Herzegovina submitted a formal application to join the Union and almost 2 years later in 2018 – submitted the answers to the EU Questionnaire. The implementation of the Reform Agenda is slow.

Environment protection, climate change adaptation and mitigation

The key challenge in Bosnia and Herzegovina related to environment protection and greenhouse gas (GHG) emission reduction is lack of institutional capacities to develop and implement relevant strategic and legislative frameworks which, inter alia, regulate implementation of innovative concepts of environmental protection and climate change mitigation.

In the energy management area, with 20% of its GDP spent on energy, Bosnia and Herzegovina is characterized as a country with high energy inefficiency. At the same time, it has one of the most significant energy conservation potentials in the region and could base its mid-term economic development and generation of new employment on implementation of energy efficiency measures in the residential and public sectors. Over the last several years, the country has placed efforts to improve legal and policy framework on environmental protection and energy management. These efforts were to a large extent driven by the EU accession conditionalities, including EU funding in these areas. Bosnia and Herzegovina signed the International Energy Charter (2016) and the Energy Community Treaty (2009), indicating the authorities' recognition of the need to improve energy efficiency and to ensure sustainable low carbon development. In 2017, Bosnia and Herzegovina adopted its first Energy Efficiency Action Plan (2016 – 2018).

In the process of setting the strategic framework for environment protection and climate change mitigation, in 2013 Bosnia and Herzegovina adopted the Strategy for Climate Change Adaptation and Low Emission Development Strategy. To date, the country has submitted Initial, Second and the Third National Communications and Biannual Update Reports on Greenhouse Gas Emissions to the United Nations Framework Convention for Climate Change. Additionally, it signed the Paris Agreement and thereby developed its Nationally Determined Contribution, which explicitly recognizes the potential of the public sector for GHG emission reduction. Chemicals management, particularly mercury pollution and its hazards have not yet appropriately been addressed.

The Action Plan for Flood Protection and River Management for Bosnia and Herzegovina for the period 2014-2017 was adopted after the catastrophic 2014 floods. It provided a set of measures to design new technical solutions for protection from floods and construction of new facilities, as well as building the capacities of institutions responsible for water management and flood protection. Implementation of these measures has received strong support from the international community, with many interventions implemented through UNDP. In 2017, the country adopted

the Environmental Approximation Strategy, which addresses several sub-sectors of the EU environmental acquis (water management; waste management; air quality and climate change; industrial pollution; chemicals; nature protection; and environmental noise). Other sub-sector strategies are also in place, such as the Climate Change Adaptation and Low Emission Development Strategy and the Revised Strategy and Action Plan for Biological and Landscape Diversity in Bosnia and Herzegovina 2015-2020.

The 2030 Agenda for Sustainable Development, which mainstreams energy and environment aspects across all goals, was landed in Bosnia and Herzegovina in 2016 and is currently being internalized and transposed into country frameworks and policies.⁵⁴

c) UNDP's response to development challenges in the area of sustainable management of natural and energy resources, climate change adaptation and mitigation and building resilience

UNDP in Bosnia and Herzegovina is part of the wider UN family and its work is guided by the [United Nations Development Assistance Framework 2015-2019](#), as well as the Country Programme Document for Bosnia and Herzegovina for the same period. In line with the UNDP Strategic Plan and responding to country priorities, UNDP work in the areas of governance, sustainable and inclusive development, and resilience. These are operationalised through 4 outcomes (chosen directly from the UNDAF), focusing on (i) effective management of war remnants and strengthened prevention and responsiveness for man-made and natural disasters; (ii) reduction of economic, social and territorial disparities; (iii) enhance legal and strategic frameworks for sustainable management of natural, cultural and energy resources; and (iv) social inclusion and social protection.

Scope of UNDP's work in the environment and energy domain

Under the energy and environment outcome, UNDP's assistance to the country aims to contribute to sustainable growth through investments in clean and efficient technologies and services, expanded access to energy and water, and green jobs. It also helps Bosnia and Herzegovina to meet its international and EU accession obligations in the field of energy and the environment. Through a portfolio of projects and broad-base partnerships, UNDP delivers assistance to authorities across all government levels in the areas of: design and implementation of policy and regulatory frameworks; energy management (e.g. biomass utilisation and fuel switch initiatives; energy efficiency in the public sector buildings; public energy revolving funds; renewable energy infrastructure; affirmation of modern energy consumption monitoring and reporting system); environmental protection (biodiversity; sustainable use of wood; GHG emission reduction; low-carbon urban development; air quality; public environmental funds; capacitate public water

⁵⁴ Environmental Performance Review for Bosnia and Herzegovina, United Nations Third Review, 2017.

management utilities), disaster risk management (mainstreaming disaster risks into policies and strategies; disaster-smart infrastructure); climate change adaptation and mitigation (climate resilient flood management and economic activities; prepare the Fourth National Communication and Third Biennial Update Report under the United Nations Framework Convention on Climate Change; support for the implementation of the Minamata Convention).

Partnerships

The main UNDP partners in the domain include:

- governments and numerous public institutions (ministries, agencies) at local, cantonal, entity and state levels;
- donors and the international community, including the Green Environmental Fund, the Green Climate Fund; governments of Sweden, Czech Republic, Italy; USAID, GIZ, the EU; other UN agencies, such as UNEP and UNESCO;
- international financing institutions and banks, which have a growing role in UNDP's work in this domain;
- private sector, especially small and mid-size enterprises;
- non-governmental organisations and thematic associations;
- academia and media.

Financial volume of the programme in the energy and environment domain

Since 2015, the volume of financial resources delivered through interventions in the energy and environment domain by UNDP amount to USD 17,530,000 (against the planned USD 17 million for this outcome by 2019 within the Country Programme). As of March 2018, the total resource mobilisation spearheaded by UNDP in this domain amounts to nearly USD 34, 8 million.

d) Purpose

The purpose of this Outcome Evaluation is to capture and demonstrate evaluative evidence of UNDP contributions towards energy and environmental sustainability in Bosnia and Herzegovina, as stated under the Outcome 5 of the UNDP Country Programme Document (2015-20219).

In that light, the Evaluation is expected to provide an independent and substantiated review of the achievements; capture underperformance; review coherence and inter-connectivity among initiatives within the portfolio; assess partnership strategy; capture feedback from beneficiaries of assistance provided by UNDP, in light of development results; last but not least – recommend

improvements that may be undertaken to ensure quality outcome, as well as a strategic pathway for the domain for the period beyond this programme cycle.

At this particular time, UNDP is keen to look at its outcome-level achievements and receive an independent review on how effective and efficient it is in delivering result-based development assistance in the energy and environment domain. The findings of the evaluation will not only inform the follow-up design of the Country Programme Document but will also serve as input to the wider UNDAF final evaluation in 2019. Another purpose of this evaluation is to provide inputs to the Country Programme Document Final Evaluation to be carried out by the UNDP Evaluation Office in September 2018.

e) Objective

The overall objective of the evaluation is to measure UNDP's contribution to achieving Outcome 5 of the UNDP Country Programme Document for Bosnia and Herzegovina, namely "By 2019, legal and strategic frameworks are enhanced and operationalized to ensure sustainable management of natural, cultural and energy resources" for the period 2015-2017 and provide recommendations for programmatic course corrections.

In addition, this evaluation aims to provide a forward-looking vision: the findings and recommendations must be based on concrete evidence that will support UNDP's strategic thinking for the new programme cycle, specifically in determining its strategic priorities in supporting Bosnia and Herzegovina in the area of sustainable development, environment and energy.

III. Duties and Responsibilities:

➤ Scope of work

The Outcome Evaluation will focus on (but may not be limited to):

- **Outcome status:** the extent to which the planned outcome and the related outputs have been, are being achieved, and likely to be achieved by end 2019 (based on the Country Programme Document Outcome 5 and its results framework).
- **Strategy:** if and which programme processes, strategic partnerships and linkages proved critical in producing the intended outcome;
- **Factors that facilitate and/or hinder the progress in achieving the outcome**, both in terms of the external environment and risks, as well as internal, including: weaknesses in programme/project design, management, human resource skills, and resources; **Added value and comparative advantage of UNDP in contributing to the outcome**, including

a better understanding of similar work implemented by other partners and stakeholders and how UNDP adds its values.

- **Strategic complementarities and programmatic coherence:** assess to what extent the outcome and its interventions are inter-connected, as well as complementary to other work areas (including with other UN agencies) thus maximising development results.
- **Innovation:** assess the extent to which UNDP applies innovation in its work related to the outcome and substantiate this aspect with concrete examples/case studies.
- **Lessons learnt:** Identify lessons learnt and recommendations as the critical aspect of the Outcome Evaluation, that will be used for eventual course corrections in the current implementation or to inform design of a better implementation strategy for the next UNDP programmatic cycle.

Main evaluation criteria and evaluation questions

The Outcome Evaluation will answer the following questions, so as to determine the relevance, effectiveness, efficiency, impact and sustainability of UNDP interventions conducted towards achieving the Country Programme Document Outcome 5, including lessons learned and forward-looking recommendations. These are summarised below.

Relevance

- To what extent the Outcome 5 and its outputs address country development priorities?
- Have UNDP interventions within this Outcome been relevant to the socially excluded populations and gender-sensitive?
- What are potential area of engagement for UNDP's next Country Programme in relation to the energy and environment domain?

Effectiveness

- To what extent has the Outcome been achieved or has progress been made towards its achievement?
- What has been UNDP contribution to the Outcome? How have corresponding outputs and projects delivered by UNDP influenced the outcome? Are there any inefficiencies in achieving the outputs and the outcome?
- What is the added value and comparative advantage of UNDP in contributing to the outcome?

- If and which programme processes, strategic partnerships and linkages proved critical in producing the intended outcome?
- Has UNDP's partnership strategy been appropriate and effective in contributing to the outcome?
- What were the positive or negative, intended or unintended, changes brought about by UNDP's work?
- What are the challenges to achieving the outcome?
- Is innovation featuring within the work related to the outcome?
- To what extent have the poor, women and other disadvantaged and marginalized groups benefited from UNDP interventions?

Efficiency

- To what extent have the programme outputs resulted from the cost-efficient use of resources?
- Has there been any duplication of efforts among UNDP's own interventions (especially those contributing to this outcomes) and interventions delivered by other organizations or entities in contributing to the outcome?
- Are there any weaknesses in programme/project design, management, human resource skills, and resources?

Sustainability

- How strong is the level of ownership of the outcome results by the relevant government entities and other stakeholders?
- Is sustainability an overarching consideration across interventions within the outcome?
- Are there concrete sustainability approaches that may be considered as exemplary in their design and implementation?
- What could be done to strengthen sustainability?

The evaluation need to assess the degree to which UNDP initiatives have supported or promoted gender equality, a rights-based approach, and human development. In this regard, United Nations Evaluation Group's [guidance on Integrating Human Rights and Gender Equality in Evaluation](#) should be consulted.

1. EVALUATION METHODOLOGY

Based on the [*UNDP Handbook on Planning, Monitoring and Evaluating for Development Results*](#), the [*Outcome-Level Evaluation: A companion guide to the handbook on planning monitoring and evaluating for development results for programme units and evaluators*](#), and in consultations with UNDP Country Office, the outcome evaluation will be participatory, involving relevant stakeholders.

Data collection tools may include (not limited to):

- desk review: the Consultant will conduct a detailed review of all documents relevant to the Outcome 5 subject to evaluation under these ToR (an indicative list of documents is provided in *Annex 2*);
- key informant interviews: government representatives, non-governmental organisations, private sector representatives, other UN agencies, donors, etc. UNDP will share with the selected Consultant the list of partners that may be considered for meeting in the process.
- focus group discussions: 3 – 4 field missions to meet partners and beneficiaries and see results;
- other methodologies, as appropriate, such as case studies, statistical analysis, social network analysis, etc.

The expected duration of the assignment is **20 working days** (up to 7 days in Bosnia and Herzegovina, including field trips) in June 2018.

2. EVALUATION DELIVERABLES

Following the fine-tuning and final approval of the outcome evaluation methodology, the Consultant will be responsible for delivering the following products:

- **Inception Report** showing how each evaluation question will be answered by proposing methods, sources of data and data collection procedures. The Inception report should elaborate an evaluation matrix for the CPD Outcome 5 and propose schedule of tasks, activities and evaluation deliverables. The Inception report should follow the structure proposed in the UNDP Outcome-Level Evaluation: A Companion Guide, p. 31.
- **Draft Evaluation Report:** Upon the approval of the Inception report and Evaluation work plan by the UNDP, the consultant is expected to carry out the evaluation. UNDP will provide support to the Consultant in organization of meetings and interviews, as necessary, as well as will make all logistical, translation and transportation arrangements. The Draft

Evaluation Report (based on the structure outlined below) will be submitted to the UNDP team for initial review.

- **Evaluation debriefing meeting** with UNDP and key stakeholders where main findings will be presented.
- **Final Evaluation Report:** the minimum structure of the Outcome Evaluation Report (to be written in English language) is the following: (i) Executive summary; (ii) Introduction; (iii) Methodological approach; (iv) Development challenge and UNDP response; (v) Contribution to results: Evaluation findings against the main evaluation criteria; (vi) Lessons learned; (vii) Main conclusions and forward-looking recommendations; (viii) Annexes.

3. IMPLEMENTATION ARRANGEMENTS AND REPORTING RELATIONSHIPS

The Consultant will report to the Deputy Resident Representative (DRR) and the Energy and Environment Sector Leader in UNDP Bosnia and Herzegovina. A UNDP Evaluation Focal Point will be assigned to oversee and support the overall evaluation process. In addition, an evaluation reference group will be formed to provide critical and objective inputs throughout the evaluation process to strengthen the quality of the evaluation. The CO Senior Management will take responsibility for the approval of the final evaluation report.

4. time-table for the evaluation process

➤ Deliverables/outputs

#	Deliverables / outputs	# of days per task	Due date	Percentage
1	Inception report	4	Mid-June, 2018	20.00
2	Draft Evaluation Report	10	End of June, 2018	50.00
3	Evaluation Debriefing meeting	1	End of June, 2018	5.00
4	Final Evaluation report	5	Early July, 2018	25.00

IV. Competencies

Core values

- Demonstrates integrity and fairness by modelling UN values and ethical standards;

- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.

Core competencies

- Demonstrates professional competence to meet responsibilities and post requirements and is conscientious and efficient in meeting commitments, observing deadlines and achieving results;
- Results-Orientation: Plans and produces quality results to meet established goals, generates innovative, practical solutions to challenging situations;
- 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;
- Team work: Ability to interact, establish and maintain effective working relations with a culturally diverse team;
- Client orientation: Ability to establish and maintain productive partnerships with national partners and stakeholders and pro-activeness in identifying of beneficiaries and partners' needs, and matching them to appropriate solutions.

V. Required Qualifications

➤ Academic Qualifications/Education

Advanced university degree in environmental sciences, economics, public administration, regional development/planning, or other sciences related to environment and sustainable development;

➤ Experience

- At least 10 years of experience in conducting complex evaluations, especially in the Environment and Sustainable Development practice area, with proven accomplishments in undertaking evaluation for international organizations, preferably with UNDP.
- Sound knowledge of results-based management systems, and gender-sensitive monitoring and evaluation methodologies;
- Extensive knowledge of qualitative and quantitative evaluation methods;

- General understanding and knowledge of the political and administrative context in Bosnia and Herzegovina is considered an asset;
- Proven analytical skills and ability to conceptualize and write concisely and clearly;
- Proven communication skills, and ability to interact with multiple actors including government representatives, donors and other stakeholders.

➤ Languages Requirements

- Fluency in English Language

➤ Other

- Excellent computer skills (MS Office applications) and ability to use information technologies as a tool and resource.

ANNEX III: EVALUATION QUESTIONS

Cluster's Position in the Country Programme
<ul style="list-style-type: none"> What are Bosnia and Herzegovina's priorities in the area of E&E? Is there a strategic document where these priorities are identified?
<ul style="list-style-type: none"> Which are the key ministries for these areas? What functions do those ministries cover?
<ul style="list-style-type: none"> Does the E&E (incl. Disaster Management) area in the CO programme function as a cluster? If so, how would you describe it?
<ul style="list-style-type: none"> How is the E&E (incl. Disaster Management) cluster organized in the UNDP Country Programme? How many staff in the programme are dedicated to the cluster?
<ul style="list-style-type: none"> What part of the programme does this cluster constitute? How many components (clusters) are there in the country programme? How large is this cluster relative to the other clusters in the CPD? In financial terms? Are other clusters structured in the same way?
<ul style="list-style-type: none"> Is the cluster linked to the other UNDP programme areas? If so, which ones and how?
Composition and Functioning of the Cluster
<ul style="list-style-type: none"> In the information provided, it was stated that all projects have a dedicated Project Manager. Do all projects have a project team (besides a Project Manager)? Where are project teams based – how many in the UNDP office and how many in the premises of partner institutions?
<ul style="list-style-type: none"> To whom do Project Managers report in the CO?
<ul style="list-style-type: none"> Are the projects within the cluster coordinated? If so, how?
<ul style="list-style-type: none"> Are there regular Cluster meetings attended by all project managers?
<ul style="list-style-type: none"> Are there any projects that share more than information with each other? Let's say – they share staff, or premises, or they have joint activities, etc.
<ul style="list-style-type: none"> How the projects monitored by the programme staff? Are the indicators in the CPD RRF used? Is there a system for tracking progress along identified CPD outcomes?
Coordination with Government Partners
<ul style="list-style-type: none"> How are activities coordinated with government partners?
<ul style="list-style-type: none"> Is the government well-coordinated in this area? Are there any challenges? What specifically?

• Do all projects have functioning boards chaired by government counterparts?
• Is there a focal point for the cluster in the government? If so, how are contacts maintained?
• Is there a GEF focal point? If so, how are contacts maintained?
• Are activities at the sub-national level coordinated with the national level?
Coordination with Donors
• Who are the main donors in this area? How are they positioned?
• How do donors coordinate among themselves? Are there any sectoral/thematic groups? Who are the leaders in the donor community?
• How do donors coordinate with the government? Is the government active in coordination?
• How does the cluster coordinate with donors? How do individual project coordinate with donors?
• How does UNDP coordinate with donors in the area in question?
• Is there any document that outlines donor contributions in this area?
Challenges
• What are the main challenges the programme faces?
• What have been the main actions taken to address major problems?
• Are there any project that faces significant challenges?
• Which of the following are challenging for the programme and/or specific projects: <ul style="list-style-type: none"> ○ Government engagement/commitment ○ Procurement ○ Staff recruitment ○ Financing/co-financing ○ Policy implementation ○ Scaling up
• Are there any challenges with securing the sustainability of interventions?